



**S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES**
A Graduate School of Nanyang Technological University

RSIS COMMENTARIES

RSIS Commentaries are intended to provide timely and, where appropriate, policy relevant background and analysis of contemporary developments. The views of the authors are their own and do not represent the official position of the S.Rajaratnam School of International Studies, NTU. These commentaries may be reproduced electronically or in print with prior permission from RSIS. Due recognition must be given to the author or authors and RSIS. Please email: RSISPublication@ntu.edu.sg or call 6790 6982 to speak to the Editor RSIS Commentaries, Yang Razali Kassim.

Australian Defence White Paper: What Price Maritime Security?

Sam Bateman

7 May 2009

Australia's recent Defence White Paper has a clear focus on maritime security. However this comes at a high price – both for Australian taxpayers, and potentially also for the region.

THE DEFENCE White Paper released by the Australian Government on 2 May outlines plans for a major build-up in Australia's naval capabilities. Of the three Australian military services, the Navy has emerged the winner with plans to double the size of the submarine force, and to acquire a new large strategic sea-lift ship, new frigates, long range land attack cruise missiles, and a new class of offshore patrol combatants. This is in addition to existing commitments to acquire three air warfare destroyers and two large air-capable amphibious ships.

While the Navy receives the biggest share of the cake, there is something for all three services in the White Paper. The Air Force is to receive additional Joint Strike Fighters and new maritime surveillance aircraft. The government's commitment to expand the Army is maintained, along with the projected acquisition of new battle-field helicopters and deployable fighting vehicles. However, more generally, the Army will be disturbed by its apparent relegation to a primary role of defending the home base in the remote likelihood of direct military attack against Australia.

Maritime Security

The emphasis on maritime security in the White Paper is understandable. Australia is an island with a

huge maritime domain where it has both rights and obligations. When the Australian Antarctic Territory and adjacent maritime zones are included, Australia claims jurisdiction over a larger area of the earth's surface than any other country - around 27.2 million square kms, of which about half is ocean or sea. It has declared an exclusive economic zone (EEZ) of 8.15 million square kilometres around the continental land mass and island territories - the third largest national EEZ in the world. Australia has also accepted search and rescue and international security responsibilities for a large area of high seas in the Indian, Pacific and Southern oceans – in total about 9 per cent of the earth's surface.

As an island nation, direct threats to Australia and its national interests must come from across the sea. However, rather than emphasising positive dimensions of Australia's regional links through the maritime domain, the White Paper still sees the oceans and seas surrounding Australia mainly as a barrier to unwanted incursions from the region. Thus Australia is still seeking security *against* rather than *with* the region. Rather than taking a broader strategic perspective of the oceans, the White Paper has a narrow view of their significance to Australia's future prosperity and security. It sees capabilities to control the sea-air gap to the north of Australia as having the highest priority in capability planning.

Regional Issues

As the title of the paper, *Defending Australia in the Asia Pacific Century: Force 2030*, suggests, the White Paper looks out to the year 2030. It sees the world then as possibly being a more uncertain place. Nevertheless, it is not quite as hawkish on the issue of China's military expansion as was anticipated. Rather than focussing on China, the paper paints a broader picture of regional uncertainty with a relative decline of US regional influence and the possibility of confrontation in the longer term between the emerging great powers of the region – China, India and Russia. It believes that it would be premature to judge that war among states, including the major powers, has been eliminated as a feature of the international system.

The White Paper believes that the Indian Ocean will have greater strategic significance in the period to 2030, including as a possible area for conflict between major regional powers. In noting that shows of force by rising powers could become more common as their military capabilities expand, the document could have India in its sights almost as much as China.

In a partial return to the earlier *Defence of Australia* doctrine, the White Paper notes that the direct defence of Australia is the nation's most basic strategic interest. This may not sit well with the US where there might have been a preference for Australia giving higher priority to expeditionary

operations as a member of “coalitions of the willing”. Iraq, and Australia’s involvement there, gets no mention in the White Paper, although Afghanistan is acknowledged as still requiring an Australian commitment.

With its focus on naval capabilities, the White Paper claims to be responding to naval developments in the region. Paradoxically, however, this could provoke further expansion of regional capabilities, leading to a possible naval arms race. Submarines and long-range missiles are two capabilities where this might occur. This would be a classic manifestation of the “security dilemma” as countries respond successively to each other’s capability developments and defence budgets spiral upwards.

While major regional powers, particularly China, may have concerns about the White Paper, regional countries with less capable military forces may be more comfortable with it. Indonesia, for example, is said to have welcomed it, particularly with regard to the document’s commitment to helping ensure a safe and secure Southeast Asia.

Financial Achievability

The ability to fund the military expansion foreshadowed in the White Paper must be open to question. The document provides no estimates of the costs of acquiring new capabilities. It has a highly questionable “buy now – pay later” flavour. It is very easy to come up with a “wish list” for the next twenty years. It’s much harder to provide the necessary resources.

The required 3% real growth in defence expenditure over the next decade will be impossible to sustain if the current economic downturn extends beyond the next two years or so. The government requires a \$20 billion saving in defence overheads over the decade to offset the large increase in capital expenditure, but then says nothing about how this might be achieved.

A real risk exists of a huge “bow wave” in deferred expenditure over the next few years that could create a crisis in Australian defence planning. The result would be a need to defer or even cancel major capital equipment projects, despite their “sunk costs” and the time and effort expended on them. The alternative would be to slash non-capital equipment elements of the defence budget. On past experience, these cuts would likely be in personnel with the Army being the big loser. This would be similar to the situation in the 1980s that led to the Australian Army struggling to meet its commitments in East Timor, the Middle East and the “arc of instability” in the Pacific islands, as they emerged in the 1990s and 2000s.

Counting the Costs

The emphasis on maritime security in the new Defence White Paper comes at a significant price. It has a huge opportunity cost for the Australian taxpayer who ultimately must foot the bill for new ships, submarines and aircraft. Within the Australian Defence Force, the Army is likely to be a major loser both in the short-term, and perhaps even more seriously in the longer-term. At a regional level, there may be a price to pay if Australia's planned naval expansion provokes a naval arms race either across the board or in terms of particular capabilities.

Sam Bateman is Senior Fellow with the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University. He is a former Australian naval officer who has previously held senior positions in the strategic policy areas of the Department of Defence in Canberra.