
The 2016 Defence White Paper and the ANZUS Alliance

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The 2016 Defence White Paper outlines a major boost for the Australia-United States alliance in terms of its central role in Canberra's strategic thinking. The document's language is diplomatic but the decision-making intent is clear: Australia is increasingly hedging against a more assertive China and drawing on the ANZUS alliance as the most effective way to strengthen national security. The core of the 2016 Defence White Paper is focused on military equipment acquisitions designed to strengthen all elements of the Australian Defence Force (ADF) but with a particular emphasis on capabilities able to operate in 'maritime Southeast Asia' and to do so in close cooperation with the US military. The alliance features heavily in the White Paper's sections on force posture. It highlights the US enhanced Defence rotational presence in northern Australia, although the language here is strangely less positive than on other parts of alliance cooperation. Opportunities for trilateral or multilateral cooperation in the Indian Ocean and Asia-Pacific are also emphasised. Following the 2016 White Paper's release Canberra and Washington DC politicians and officials should consider whether this intense alliance engagement requires a more elaborate machinery of meetings and planning cells to drive new cooperation.

The 2016 Defence White Paper¹ acknowledges that "Australia's security is underpinned by the ANZUS Treaty" (para 5.20) but more typically the document refers to the "alliance with the United States" (Minister's Introduction) as the standard short-hand reference to the relationship. The modern alliance is emphatically bilateral. New Zealand is relegated to the rather lukewarm status of a "close defence relationship" (para 5.31). Enthusiasm for trilateralism is most regularly voiced for an array of Australia-United States-Japanese cooperation, which is said to be expanding "for our mutual benefit" (para 5.63). In spirit if not in the treaty itself the next White Paper could replace the 'NZ' in 'ANZUS' with a 'J'—clearly an emerging strategic focus.

Overall the White Paper describes a major boost for the Australia-US alliance in terms of its central role in Canberra's strategic thinking; plans for cooperation in the 'Indo-Pacific'; current and future military operations and force structure design. While past White Papers sought to describe the alliance, the unambiguous role of the 2016 White Paper is to "deepen our partnership with the United States" (para 1.25) and this is underpinned by many defence equipment investment proposals designed to promote greater interoperability between the military forces of the two countries.

¹ Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016).

ANZUS and the White Paper's Strategic Outlook

Much of the credibility of the 2016 Defence White Paper is built on the accuracy of the strategic judgements contained in this following paragraph:

The United States will remain the pre-eminent global military power over the next two decades. It will continue to be Australia's most important strategic partner through our long-standing alliance, and the active presence of the United States will continue to underpin the stability of our region. The global strategic and economic weight of the United States will be essential to the continued stability of the rules-based global order on which Australia relies for our security and prosperity. The world will continue to look to the United States for leadership in global security affairs and to lead military coalitions that support international security and the rules-based global order. The United States is committed to sustaining and advancing its military superiority in the 21st century ... (para 2.8)

Hugh White, a prominent critic of Australian defence policy settings, argues that the White Paper fails to offer a "coherent response to the biggest shift in our strategic circumstances since the Second World War", namely the growth of Chinese power and, in White's view, the likelihood that Beijing will continue trying to minimise American influence in the Asia-Pacific.² I would argue to the contrary: the White Paper in fact tackles this very issue and after careful and detailed consideration has arrived at the opposite judgement to Hugh White. Faced with the 'China Choice' dilemma the Australian Government, with the Opposition's bipartisan support, shows in this White Paper that it chooses the United States over any other strategic option.

How believable are the White Paper's judgements about the longevity of American military dominance and its engagement in the Asia-Pacific? The history of Australian Defence policy statements is littered with strategic judgements that did not quite materialise as anticipated.³ Broadly though, the level of American spending on defence assures that it will be able to field forces with commanding capability advantages over potential rivals in the Asia-Pacific over the twenty years anticipated in the White Paper. In 2014 the US Defence budget of US\$581 billion dollars was equivalent to the next ten largest defence budgets and China's defence budget of \$129.4 billion was around 22 per cent of the US total.⁴ That level of defence spending

² Hugh White, 'Defence White Paper Fails To Deal with the Strategic Risks We Face in the Asian Century', *The Age*, 1 March 2016, <www.theage.com.au/comment/defence-white-paper-gravely-underestimates-the-strategic-risks-we-face-in-the-asian-century-20160228-gn5zch#ixzz432kdwaw> [Accessed 21 March 2016].

³ For example, the assumption of continuing high levels of Southeast Asian economic growth made in the 1997 statement *Australia's Strategic Policy* was soon overtaken by the Asian Financial Crisis. The 2000 Defence White Paper failed to anticipate the resurgence of a global terrorism threat. Australian policy statements from the 1976 White Paper assumed a continuing Indonesian control of East Timor. Strategic judgements are difficult to get right.

⁴ International Institute for Strategic Studies, *The Military Balance 2015* (London: Taylor and Francis, 2015), p. 21.

translates into US maritime and force projection capabilities unmatched (but not unchallenged) by any other country.

It is less easy to be confident about the nature of American engagement in the Asia-Pacific at a time when one candidate for the 2016 presidential election—Donald Trump—is advocating essentially an isolationist policy which in rhetoric implies that a President Trump would reduce American engagement in NATO and with Japan. Trump's real position is difficult to discern amid a flurry of contradictory off-the-cuff remarks while campaigning for the Republican nomination to run for the presidency. His views stand in stark distinction to mainstream Republican and Democrat thinking, which is bipartisan on the importance of American defence engagement in Asia. Another candidate for the Republican nomination, Ted Cruz, has expressed stronger support for America's alliances but is ambivalent about military commitments to the Middle East. A Hillary Clinton presidency will certainly continue the US policy of rebalancing military priorities and platforms towards the Asia-Pacific. A Donald Trump or for that matter, a Ted Cruz presidency might emerge as more pragmatic than their candidacies, but will inevitably force America's allies to rethink their defence relationships.

The White Paper's confidence about the sustainability of America's commitment to regional security is balanced somewhat by its judgements on China, set out in two key paragraphs:

While China will not match the global strategic weight of the United States, the growth of China's national power, including its military modernisation, means China's policies and actions will have a major impact on the stability of the Indo-Pacific to 2035. (para 2.10)

While major conflict between the United States and China is unlikely, there are a number of points of friction in the region in which differences between the United States and China could generate rising tensions. These points of friction include the East China and South China Seas, the airspace above those seas, and in the rules that govern international behaviour, particularly in the cyber and space domains. (para 2.16)

Overall, the White Paper's assessment points to increasing strategic competition. The document's language is diplomatic, as is appropriate for a public statement of policy thinking, but the decision-making intent is clear: Australia is increasingly hedging against a more assertive China and drawing on the ANZUS alliance as the most effective way to strengthen national security. As such the 2016 Defence White Paper resolves a long running policy debate about how best to articulate policy on China. The 2009 Defence White Paper is remembered (somewhat unfairly) as being too critical of Chinese strategy, while the 2013 White Paper rather over-corrected this course by welcoming Chinese military growth as "natural and legitimate" (para 2.29). The 2016 description of China's security posture is more balanced but also recognises an increasingly obvious reality that China has become more assertive under President Xi.

The Alliance and Military Capability Priorities

The core of the 2016 Defence White Paper is focused on military equipment acquisitions designed to strengthen all elements of the Australian Defence Force (ADF) but with a particular emphasis on capabilities able to operate in 'maritime Southeast Asia' and to do so in close cooperation with the US military. The White Paper notes that "Around 60 per cent of our acquisition spending is on equipment from the United States. The cost to Australia of developing these high-end capabilities would be beyond Australia's capacity without the alliance." (para 5.21) This emphasis results in a remarkable shopping list of high-end military technology, including the following key equipment projects:

- Space surveillance and situational awareness capabilities, including establishing "a space surveillance C-band radar operated jointly by Australia and the United States, and the relocation of a United States optical space surveillance telescope to Australia." (para 4.16)
- "Additional investment is planned in ADF space capability, including space-based and ground-based intelligence, reconnaissance and surveillance systems." (para 4.16)
- A fleet of 12 E/A-18G Growler electronic warfare aircraft to enter service from 2018. (para 4.18)
- Enhanced cyber cooperation with the United States. (para 4.19)
- Twelve "regionally superior submarines with a high degree of interoperability with the United States are required to provide Australia with an effective deterrent, including by making a meaningful contribution to anti-submarine warfare operations in our region." (para 4.25)
- The bulk of air acquisition programs are sourced from the United States, including "fighter and transport aircraft, naval combat systems and helicopters." (para 5.21)

While the White Paper is also striking for the priority it puts on Australian industry capabilities and the importance of sustaining continuous ship and submarine construction projects in-country, the reality is that access to US high technology in terms of weapons systems and sensors, intelligence surveillance and reconnaissance and command and control systems and fifth generation air combat capability underpins the capabilities of the ADF. Without the alliance we would have a considerably less capable Defence Force and one that would cost dramatically more than the anticipated 2 per cent of gross domestic product.

Without actually saying it, the 2016 Defence White Paper puts to rest the myth that Australia is capable of high degrees of self-reliance in Defence. We could be more self-reliant, but only at the price of a considerably less effective ADF, or if we were to spend improbably larger amounts on Defence. Australian governments continue to preference high-end military capabilities—and the international influence that confers—over low-technology autarchy. The implication for defence industry is important. Far from developing an industrial ‘sovereign capability’ the important development here, implicit rather than openly expressed in the White Paper documents, is that Australian industry becomes part of an international network, or value chain. A continuous naval construction capability will be deeply dependent on international design skills and foreign sourced weapons systems and sensors. Paradoxically, perhaps, greater defence self-reliance depends on Australian industry developing closer connections with international industry value chains.

The White Paper’s emphasis on acquisition of American technology is matched with a corresponding emphasis on interoperability with the US military. Even equipment sourced from third countries must be optimised for interoperability with that of the United States. The document says in a rather understated way that: “The increased capabilities of the ADF will also enhance our ability to operate with the United States.” (para 4.3) Planning for common operations is most particularly emphasised in the Indian Ocean and the Asia-Pacific, but it is also considered to be relevant to coalition operations in the Middle East and elsewhere in support of what the White Paper relentlessly calls a “rules-based global order”.

To support greater interoperability the White Paper says that increased investments will be made in developing exercise grounds and training infrastructure:

These investments will support the future force’s heightened program of international engagement, including the annual rotation of United States military forces under the United States Force Posture Initiatives. The Government will expand the range of training, exercises and other activities with our international defence partners in northern Australia. (para 4.79)

The planned structure and capabilities of Australia’s air and maritime forces, Special Forces and intelligence, surveillance and reconnaissance assets is increasingly relevant to coalition warfare. The 2016 Defence White Paper puts more priority on this aspect of force development and downplays, what a senior defence official has referred to as the ‘bog standard’ language about the ADF’s independent role to deny and defeat attacks on the country.⁵ The White Paper structures the ADF in such a way that governments will have the option to fight with the United States far forward in Asia. Australian

⁵ Tony Walker, ‘It’s about a Rules-Based Order’, *Australian Financial Review*, 24 March 2016, p. 58.

defence thinking has come a long way since the 1987 Defence White Paper set out a concept for the defence of Australia based on operations in the air and sea approaches to the continent south of the Indonesian archipelago.⁶

The Alliance and Force Posture

While the equipment development priorities set out in the White Paper will, in some cases, take several decades before they are fully in service, the 2016 White Paper is striking for the emphasis it puts on the current roles and activities of the ADF. In military parlance, this is 'force posture'—how the force-in-being is used to shape current strategic relationships. The emphasis on immediate security concerns and how the ADF might be used to shape strategic developments in peace time is important. The Australia-US alliance again features heavily in the White Paper's sections on force posture. Two areas are highlighted: the US enhanced Defence rotational presence in northern Australia and opportunities for trilateral or multilateral cooperation in the Indian Ocean and Asia-Pacific involving Australia, the United States and other parties.

The White Paper is curiously cool about the increased role of the US Marine Corps in northern Australia. The document says:

The United States' strategic rebalance to the Indo-Pacific region, strongly supported by Australia including through the United States Force Posture Initiatives, will be an essential ingredient in preserving stability and security over the coming decades. The United States Force Posture Initiatives in northern Australia are being implemented under the legally-binding Force Posture Agreement signed at the 2014 Australia-United States Ministerial Meeting. They will expand our cooperation, increase opportunities for combined training and exercises and deepen the interoperability of our armed forces. (para 5.26)

Under the Force Posture Agreement, Australia and the United States will continue to work towards the full United States Marine Air-Ground Task Force of around 2,500 personnel and equipment rotating through Australia by 2020, during the six month dry season, while at the same time expanding our Air Force cooperation. We expect more rotations of United States aircraft through northern Australia and increased combined training and exercises. We will also continue to build our already strong naval cooperation through increased training and exercises. (para 5.27)

Note how these paragraphs repeatedly insist that the initiatives for enhanced cooperation in northern Australia are US initiatives. This contrasts with the language in the 2013 Defence White Paper, which characterised the initiatives as jointly involving Australia and the United States:

In November 2011, Australia and the United States announced two force posture initiatives as a natural development in our bilateral relationship that will support increased regional security cooperation.⁷

⁶ Department of Defence, *The Defence of Australia, 1987* (Canberra: Australian Government Publishing Service, 1987).

Absent from the 2016 White Paper was a restatement of the 2013 White Paper's interest in "potential opportunities for additional naval cooperation at a range of locations, including HMAS Stirling, Australia's Indian Ocean naval base."⁸ The 2016 document admits only that "We will also continue to build our already strong naval cooperation through increased training and exercises." (para 5.27) Further, on infrastructure investment, the 2013 White Paper says:

Defence will consider opportunities to work with the United States to identify opportunities for jointly funded improvements to base capacity and facilities at Darwin and Tindal, and to enhance training areas and supporting logistic infrastructure, as part of the enhanced practical cooperation measures between Australia and the United States announced in November 2011.⁹

This contrasts with the 2016 White Paper, which mentions in five separate paragraphs that Australian investment will be needed in Darwin for an expanded ADF presence, but makes no mention of joint funding involving the United States or the need to take account of United States needs for access to Australian infrastructure.¹⁰ Finally, the 2016 White Paper notes that "Australia and the United States will continue to work towards the full United States Marine Air-Ground Task Force [MAGTF] of around 2,500 personnel and equipment rotating through Australia by 2020." (para 5.27) The original date for the deployment of the 2,500 MAGTF was 2016-17.¹¹

Readers will appreciate that, subtle as these drafting changes are, every word in a Defence White Paper is, or should be, weighed with forensic care. The question should be asked: in a White Paper replete with positive references to the US alliance why is it that the language has gone cold on the enhanced rotational presence of US forces in northern Australia? Australia and the US have allowed negotiations over shared funding arrangements for the enhanced cooperation program to drag out for too long. Issues over comparatively trivial sums of money should not have impeded the broader strategic purpose of the MAGTF deployments, which has been repeatedly endorsed at the highest levels of the Australian and US governments. It remains to be publicly explained if the delays over funding are a symptom or a cause of the White Paper's cool language on the enhanced cooperation agenda.

⁷ Department of Defence, *Defence White Paper 2013* (Canberra: Commonwealth of Australia, 2013), <www.defence.gov.au/whitepaper/2013/docs/WP_2013_web.pdf> [Accessed 24 March 2016], p. 10, para 2.24.

⁸ *Ibid.*, p. 57, para 6.16.

⁹ *Ibid.*, p. 51, para 5.49.

¹⁰ The relevant paragraphs in the *2016 Defence White Paper* are: 3.13, 4.65, 4.66, 4.77, 4.78 and 4.79.

¹¹ "US Marine Rotational Force—Darwin", Australian Defence Facilities, 30 September 2013', Nautilus Institute, <nautilus.org/briefing-books/australian-defence-facilities/us-marine-rotational-force-darwin/> [Accessed 24 March 2016].

On the broader question of trilateral and multilateral cooperation in the region, it is important to note the qualitatively different role anticipated for cooperation between Australia, the United States and Japan. Among many references to Japan, the White paper says:

The Government will increase the number of multinational exercises the ADF participates in across our immediate region and the broader Indo-Pacific, working closely with the United States, Japan and other regional countries and international partners. This will result in a more regular surface and airborne Australian maritime presence in the South Pacific, South East Asia, North Asia and the Indian Ocean and an increase in land-based exercises. (para 5.9)

Japan is a major power in North Asia with advanced military forces and an increasingly active approach to regional security. Australia and Japan have a deep and broad relationship. We share democratic values, have been close economic partners for decades and more recently we have become close strategic partners. We each have alliances with the United States and we have common strategic interests in secure and free-flowing trade routes, a stable Indo-Pacific region and a rules-based global order. We welcome the Japanese Government's recent decision to adopt policies that will enable it to contribute more directly to regional and global security and stability. (para 5.59)

An intriguing possibility involves enhancing trilateral cooperation on ballistic missile defence:

Australia is committed to working with the United States to counter the ballistic missile threat. Australia and the United States have established a bilateral working group to examine options for potential Australian contributions to integrated air and missile defence in the region. (para 4.48)

Although Japan is not mentioned in this paragraph there are few other countries 'in the region' with whom such cooperation would be practical and more sharply relevant to strategic developments. We may know during the course of the second half of 2016 if government choses a Japanese design for the new submarine to replace the ageing Collins class submarines. This would certainly speed up cooperation in an already accelerating Australia-Japan defence relationship. More important though than the design of the submarine will be how the boats are used in bilateral and trilateral military cooperation between Australia, Japan and the United States. Regardless of the submarine design outcome, Australia-Japanese defence cooperation is set to deepen significantly.

While the 2016 White Paper has a commendable focus on enhancing regional defence cooperation with a long list of countries, the reality is that Japan offers the possibility of substantial cooperation involving high-technology weapons systems, a maritime focus, a shared commitment to the rules-based global order and overlapping (although not identical) strategic outlooks. Whereas other forms of multilateral cooperation may help to build "regional forums, including the East Asia Summit, as mechanisms for

supporting security and facilitating transparency and cooperation” (para 2.80), trilateral cooperation between the United States, Australia and Japan looks to have a much harder strategic edge to it and aimed at developing shared high-technology military skills rather than simply aimed at amorphous confidence building.

The 2016 Integrated Investment Program, released with the 2016 White Paper, also points out that the three countries will jointly be operating the F-35 Joint Strike Fighter:

The Joint Strike Fighter will be interoperable with other ADF elements equipped with United States derived systems as well as United States forces. The nature of the global partnership in developing and supporting the Joint Strike Fighter also extends an interoperability benefit more broadly with potential coalition partners, including within our region.¹²

There will be strong elements of commonality across the ADF, Japanese Self-Defence Forces and the US military, particularly on air and maritime platforms. This will facilitate significantly closer trilateral cooperation over time.

On broader defence cooperation with countries in the Indo-Pacific, it is important to note that the White Paper presents the US alliance as an enabler of Australian bilateral cooperation with other countries. Australia is an attractive defence partner for many countries—not least China—because of the high-technology capabilities and training standards of the ADF, which in significant part derives from the alliance relationship. For a number of countries in the region with non-aligned foreign policy instincts, Australia offers valuable defence training benefits without the political baggage of engaging with the United States.

Alliance Questions

Overall the 2016 Defence White Paper presents a picture of a significantly transformed Australia-US military alliance. A very conscious effort is being made to modernise cooperation and to extend it into the next generation of military technology across all domains. This is not business as usual for the alliance. The White Paper aims to turbo-charge the relationship. In so doing it answers the question posed by those who say Australia must in some way choose between its economic relationship with China and its strategic relationship with the United States. The choice has been made for some time and is strongly reaffirmed in the 2016 statement.

Inevitably some significant questions remain. The possibility of a Donald Trump or perhaps even a Ted Cruz presidency raises some concern about

¹² Department of Defence, *2016 Integrated Investment Program* (Canberra: Commonwealth of Australia, 2016), <www.defence.gov.au/WhitePaper/Docs/2016-Defence-Integrated-Investment-Program.pdf> [Accessed 24 March 2016], p. 96, para 5.10.

what would happen if a genuinely isolationist American administration came to power. It is difficult to imagine how isolationism is even feasible as an American strategy in such an intensely networked and globalised world. Whatever the outcome of the US presidential election—and the Australian federal election for that matter—the task remains with Canberra to make its case in Washington DC for the special relationship between the two countries. This gives rise to the need for a more intense alliance management framework to drive the multiple initiatives planned for the military relationship.

Unlike NATO, the ANZUS alliance has run on the absolute minimum amount of standing machinery to shape alliance activities. This has been both a strength and a weakness for alliance cooperation. The ease of exchange between the defence and intelligence personnel of the two countries has allowed cooperation to grow organically and with the minimum of bureaucratic red tape. It is questionable, though, that one annual meeting between Foreign and Defence ministers supported by a few senior-level officials meetings will be sufficient to sustain the new and faster momentum of cooperation. Indeed the confusion that attended the lease of strategic areas of the Port of Darwin to a Chinese company for ninety-nine years without any discussion taking place between the United States and Australia points to the urgent need to overhaul alliance communications. It should be noted that the Port of Darwin lease was announced at precisely the time Australian Foreign and Defence ministers were meeting their US counterparts in Boston for the 2016 AUSMIN meeting. Notwithstanding the meeting's commitment to closer naval maritime cooperation between the two countries, Australia did not advise the United States of the Darwin Port lease, and left American officials up to and including President Obama puzzled and annoyed at Canberra's lapse in consultation.¹³

Following the 2016 White Paper's release Canberra and Washington DC politicians and officials should consider whether our more intense engagement requires a more elaborate machinery of meetings and planning cells to drive new alliance cooperation.

Finally, the biggest strategic question is whether the 'rules based' global order—the phrase is used fifty-six times in the White Paper—is genuinely sustainable. The statement claims that:

¹³ For a range of views on the Port of Darwin issue see Paul Barnes, Sam Bateman, Allan Behm, Phoebe Benich, Anthony Bergin, Patrick Cronin, Neil James, Peter Jennings, Geoff Wade, and Feng Zhang, *Chinese Investment in the Port of Darwin: A Strategic Risk for Australia?* ASPI Strategic Insight, no. 101, December 2015, <www.aspi.org.au/publications/chinese-investment-in-the-port-of-darwin-a-strategic-risk-for-australia/SI101_Chinese_investment_Darwin.pdf> [Accessed 25 March 2016].

While major conflict between the United States and China is unlikely, there are a number of points of friction in the region in which differences between the United States and China could generate rising tensions. (para 2.16)

As it must this White Paper worries about the 'points of friction'. It is clear that an up-gunned alliance relationship with the United States is Australia's primary response to the increasingly risky strategic environment emerging in our wider region.

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