

WITH NEW DEFENSE WHITE PAPER, AUSTRALIA REBALANCES

MICHAEL FULLILOVE

The Obama administration's pivot away from the Middle East and toward Asia is based on the belief that the U.S. has underinvested in the Asia-Pacific, where the bulk of its future opportunities and challenges lie. As America rebalances, a defense white paper from its most reliable ally in the region, Australia, should be closely read in Washington. Its message is that if the U.S. is rebalancing, so is Australia.

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Talk of America's "pivot" toward Asia echoes around graduate school classrooms and foreign ministry corridors. The Obama administration believes the United States has overinvested in the Middle East and underinvested in the Asia-Pacific, where the bulk of its future opportunities and challenges lie. So now America is rebalancing its investment portfolio.

A [defense white paper](#) from America's most reliable ally in the region, Australia, should therefore be closely read in Washington. The message from the Australian Government's 2013 Defense White Paper is that if the United States is rebalancing, [then so is Australia](#).

This white paper is very cautious in its characterization of China's rise. Beijing was extremely unhappy that Australia's previous defense white paper, in 2009, dwelled on the threat of rising powers in the region. The latest version, by contrast, describes China's military modernization and growing defense capabilities as "natural" and "legitimate" outcomes of China's economic growth. It states that Australia "does not approach China as an adversary."

This new tone should be seen in the context of Prime Minister Julia Gillard's recent visit to China and the announcement of a high-level strategic and political dialogue between Canberra and Beijing.

At the same time, the Australian government rightly declares that "the Australia-United States alliance is the indispensable, enduring feature of Australia's strategic and security arrangements." The alliance [is a valuable national asset](#) for Australia. It entails a promise of protection from strategic threats and increases Australia's influence in the councils of the world—including in Asia. It also saves Australia billions of dollars a year it would otherwise have to spend to safeguard its security.

It is sensible for Australia to balance against the risk of future Chinese recklessness by keeping the United States deeply engaged in the region and strengthening, not weakening, its alliance institutions. But this doesn't mean Australia should run down its relationship with China; on the contrary, Australia should strengthen it—which is the Gillard government's intention.

The second striking point of the white paper is that defense spending remains too low, given the state of affairs in Australia's neighborhood.

In recent years, defense expenditure has fallen to around 1.5 percent of GDP—a level not seen for three-quarters of a century. What's more, Australia's defense spending is scaling down at exactly the moment when other countries in the region are scaling up.

This trend is not occurring because Canberra feels the strategic environment in Asia is benign. Rather, it reflects a tight fiscal situation, as well as the Labor government's other priorities, including increased spending on education and a new national disability insurance scheme.

Over time, however, this trend line must bend in the opposite direction.

Australia is a middle power located in a region that is home to rising powers and undergoing transformative and unpredictable change. Australia relies for its prosperity on trade and foreign investment. Maritime security and open sea lines of communication are critical. Australia therefore needs to maintain a defense force with strategic weight, one that gives Canberra options in the case of a crisis.

Australia is also a country with global interests. Its economy is the 12th-largest in the world, and it is a member of the two most important economic and political forums, the G-20 and the U.N. Security Council, [the latter for a two-year term](#). Australia has a long record of contributing to global security, including through its alliance with the United States. It must not allow too wide a valley to open up between its ambitions and its capacities.

Australia's government acknowledges that the current level of defense spending is too low and expresses a "commitment" to increasing it to 2 percent of GDP "when circumstances allow." It is important that this occurs, sooner rather than later.

Within this constrained budget, however, Australia made some notable military hardware announcements in the white paper. Canberra will acquire 12 new EA-18G Growler electronic-warfare aircraft, instead of converting 12 of Australia's F/A-18F Super Hornets to Growlers, thereby retaining all 24 Super Hornets in their current configuration. This will help bridge a feared air capability gap created by delays in the Joint Strike Fighter (JSF) program.

Canberra has recommitted to the JSF, although it now apparently intends to buy around 72 of them, starting in around 2020, instead of the originally envisaged 100. The new submarine fleet promised by former Prime Minister Kevin Rudd is still on the list of planned acquisitions, although for later than originally expected. The government rejected the cheaper option of buying an off-the-shelf boat in favor of a new design to be built locally. But Australia will have to protect its large maritime interests with its small Collins-class fleet for many years yet.

The revised plans for the JSFs and submarines suggest one of two possibilities: that the challenges flowing from China's rise are now judged to be less serious than previously thought or, more likely, that the challenges remain the same but Australia cannot afford to address them in the same way and is resigned to carrying more risk.

Australians go to the polls on Sept. 14 to elect a new government. Based on current polling, it seems likely that the victor will be the conservative opposition, which has promised a new white paper if it wins.

Most analysts expect a conservative government would be more focused on boosting defense spending. However, some things would not change under a new government. Managing the U.S.-China-Australia strategic triangle will remain the key future dilemma for Australian policymakers.

The U.S. is rebalancing toward Asia, and Australia is rebalancing away from a harder line on China. That is not to say that Australia underestimates the risks associated with China's rise, but only that the 2013 defense white paper couches these risks in more diplomatic language than did the last one.

For observers in Washington, the lesson is clear. Since World War II, the United States has been very good at the linear application of power in the Pacific. In the 21st century, however, Americans will have to bone up on their trigonometry. □

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