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# AUSTRALIA'S NEW DEFENCE WHITE PAPER: WHAT MUST IT DO?

### Transcript of an address by

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# "Australia's New Defence White Paper: What Must It Do?"
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## Michael Hintze Chair Of International Security
## Director, Centre For International Security Studies
## to the Menzies Research Centre
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Andrew, thank you very much for those kind remarks. I'm delighted to be back here on this podium, after a break of six years. I was actually quite stunned to be told that it was 2002 when I last talked seriously about defence issues. Much has happened that is of relevance to a white paper in this time.

May I begin by observing that a centre like this has a more important role in opposition than in government, because of its role as a generator of ideas for politicians who need to rethink and refine their policies in preparation for their next stint in government. If politicians and aspiring policy makers don't take the opportunity for reflection when in opposition they certainly won't have time to do so in the heat of the next electoral battle or in government.

I'm going to talk for about 20 minutes on the forthcoming defence white paper. Let me make a few introductory remarks for those who are not that familiar with the process.

White papers – that is, full defence white papers - don't come around very often. I've been observing the white paper process for 30 years now, and there have only been four in that time. That's not many.

The two key points to take on board are that its been almost ten years since the last one, and a great deal has changed in the security environment in the intervening time. Secondly, this white paper will be accompanied by a capability review. So it's not only an assessment about the way in which Australia's security environment has changed, but it also has to answer the so what bit for our Defence Force, that is, how should the ADF be structured and used.

The way in which the Rudd Government is approaching the white paper process is quite interesting. For the first time ever, the Defence white paper will be framed against a national security statement. We have never had a national security statement or policy in this country. I welcome this initiative. Many people, including some in this room, have argued for a long time that we should have a national security policy because one can't talk meaningfully about defence policy in the absence of an understanding of the government's overarching security strategy.

The national security statement is likely to go to Cabinet in May and it will frame the later discussion about the Defence white paper which I expect will be released in November.

One would hope to see both linked sequentially. The national security statement should set the scene by defining who we are as a nation, the values we hold dear, and how we intend to protect ourselves in a complex and shrinking world. The statement should include everything of relevance to security - from trade, to aid, defence and domestic security. This should provide guidance for the authors of the defence white paper which is in essence a sectoral statement about Defence's role in the broader national security space.

The best way to characterise the defence white paper is as a road map for the Defence Department to help it determine its priorities and the allocation of the $22 billion defence budget. It’s also the government’s declaratory policy. The Rudd Government, like every other government, will want to put its imprimatur on this white paper. So the white paper is going to send some important signals about the priorities and perceptions of the government as well as defining the seminal features of Australia’s defence landscape.

For the first time ever we're going to have people outside the department involved in writing the white paper. I'm not sure how this is going to work in practice, but in principle I think a more inclusive approach is a positive development. What we want to avoid is a narrowly conceived document which is not open to genuine debate internally and does not represent a consensus view.

The writing team will be led by a deputy secretary in the Department of Defence, which rightly gives Defence ownership of the process and is, in my view, critical for continuity and policy legitimacy. The Australian Strategic Policy Institute and the Kokoda Foundation, two well credentialed think tanks, are the two main external players. The extent of their involvement and the value they add is not yet clear, so we will have to suspend judgement about this process until we see the final product.

Let me make a few remarks about the purpose of the white paper and the target audiences.

In a democracy like Australia the public version of the white paper must achieve a number of important aims, remembering that there is also a highly classified version which, by definition, will not be released.

Clearly, the Government is not going to tell the world everything about its thinking on defence. But it needs to say something about our defence policy and force structure, especially how we intend to deploy military force and to what purpose.

That’s the declaratory part of the white paper. But it also has an important deterrent function. We want potential adversaries to read the white paper and recognise that Australia takes its defence and national security seriously and that we have the capability and will to defend ourselves if attacked conventionally, or by asymmetric foes.

So it has to strike the right balance between transparency and deterrence. And that's not an easy thing to do. Especially, when one considers that there are three distinct audiences for the white paper.

First, there is an internal defence audience. The white paper provides important strategic and acquisition guidance for defence. But it is not the Ten

Commandments and should not be regarded as set in stone. The emphasis must be on guidance not rigid doctrine. It must be amenable to sensible interpretation and change, if circumstances dictate amendments and adjustments. But it is very important for determining and shaping the priorities of the department; operationally and in policy terms. Thus, when a middle level military officer is thinking about whether we should be committing money to a particular platform or capability he will be guided by what the white paper says.

A second audience is the Australian public. Most Australians don't have a detailed knowledge of defence but they're entitled to know what the Government is doing with its $22 billion and to be reassured that it's being spent wisely and in the interests of all Australians. That's why it's important for any government to be able to distil the key judgements of the white paper and communicate them into language that ordinary people can understand.

It's the third audience that we often don't get right, which is the international audience. Many other countries will read this document hoping to understand what our defence posture is, how serious we are about defence, who we see as our potential adversaries and what our view of the world is.

The white paper has to be crafted in language that strikes the right balance between transparency and deterrence, and is explicable to both an Australian and foreign audience. It would be nice to see this white paper written with less jargon and without the value laden labels of the past. A classic example is the discredited Defence of Australia doctrine which carries so much emotional and strategic baggage and has little relevance to the Australia’s current and future security environments.

So why don't we actually write this in plain English, jettison some of that baggage, and tell people what it is this Defence white paper is going to do. I think we would all benefit by moving away from some of the less helpful debates of the past such as whether we need to have expeditionary capabilities or whether we should be focusing on defending mainland Australia.

The reality is that we need to have both these capabilities. It is a false dichotomy to pose them as two conflicting positions.

What important changes in the strategic environment should we expect the white paper to identify and what will they mean for our defence posture and capabilities.

One obvious change in the strategic environment over the last two decades is the measurable decline in the incidence of major interstate war. If one looks at our own South-East Asian region, there has not been a major state-on-state conflict for nearly 30 years, since China intervened in Vietnam in early 1979.

In North-East Asia, the strategic environment is more benign than at any time in the past century. Even some of the residual conflicts of the Cold War are less threatening – Taiwan for example and North Korea. This is good news for Australia and these trends are unlikely to be reversed in the short term.

Second, one of the questions about China as a rising power has now been answered. China will be a status quo power, not a revolutionary power. That doesn't mean to say there won't be tensions generated by China’s rise. But Beijing is not seeking to overturn regional order as it did in the '50s and the '60s. China is today very much a paid up member of the international community.

Third, every two decades or so we see the argument made that the US is in decline. I don't share that view. The latest iteration of this argument is that the US is suffering from imperial overstretch, in Iraq and Afghanistan. The huge amount of money the US spends on defence, including in Iraq, is often used to support this contention. Currently, US defence expenditure is about half a trillion dollars not including Iraq and Afghanistan. This totals about 4.5 per cent of GDP and is obviously a great deal of money. But as a percentage of GDP, it's far less than that spent on defence during much of the past 50 years. For example, under Reagan, the US spent about 6 per cent of GDP on defence and 11 per cent during the Vietnam war.

Based on these figures, I do not see how you can sustain the argument that the US has exhausted itself or is suffering from imperial overstretch. The US will bounce back. It has an enormously resilient economy and will remain a leading player by any definition of the term. I believe that the US will be the pre-eminent or indispensable power for a long time to come.

That’s the good news. The bad news is that the security environment is extremely challenging for a number of reasons. First and foremost is the rise in trans-national terrorism.

In my view the threat from Jihadist groups like Al Qaeda is greatly underestimated in Australia. We are not talking about a few dissidents letting off the occasional bomb and causing localised disturbances of the kind that we saw during the second half of the 20th century. These new, transnational terrorist groups now have strategic reach and they are seriously destabilising a number of countries in Asia, including Pakistan, Iraq and Afghanistan. They have already acquired highly lethal conventional weaponry and the danger is that they will eventually get their hands on weapons of mass destruction.

I've talked to a lot of well credentialed strategic analysts in the US who follow terrorist trends closely and asked them how they rate the probability of groups like Al Qaeda acquiring nuclear weapons? The answer is “more than 50 per cent.” So I take terrorism very seriously because if Al Qaeda ever gets hold of a nuclear device, you can be assured that the leadership will use it.

These groups have the capacity to deliver their own campaigns of shock and awe and they represent a strategic threat, not only to Australia, but to Western interests more broadly. Many terrorist groups are morphing into fully fledged insurgencies. The difference is that insurgent groups organise and fight as irregular military forces as we are seeing in both Iraq and Afghanistan.

These will be the principal wars of the future and Australia will not be unaffected. Messy, post modern hybrid conflicts are raging around the globe and some will draw Australia in because our interests are directly engaged. They are quite different from the conventional wars of the 20th century and they have enormous implications for our force structure.

When I graduated as an Army officer in the early 1970s only nation states had the capacity to project military power. But increasingly we are seeing non-state actors acquiring extremely powerful and high-tech capabilities. The trend towards highly lethal weapons in the hands of individuals and terrorist groups is only going to increase. You only need a couple of terrorists with a rocket propelled grenade to disable an armoured vehicle. Even heavily armoured main battle tanks are vulnerable. That would have been an unheard of capability 20 or 30 years ago. On top of this, as I have already mentioned, are worries about terrorist and criminal organisations gaining access to nuclear, biological and chemical weapons.

Finally, we need to think more about the impact of what I call trans-national forces that have nothing to do with the competition for power between rival nation states. I am talking about phenomena such as piracy, illegal fishing, drug trafficking, pandemic disease and the threat of climate change. All these issues have a security and foreign policy dimension of a kind that would have been inconceivable during the cold war.

Let me conclude with some of the implications for the structure and capability of the ADF.

It is incumbent upon me to acknowledge the contribution of the Howard Government in restoring much needed capabilities to the ADF. When the Howard Cabinet looked at the situation in 1999, just before we deployed to East Timor, ministers were pretty shocked to see how little capability we had to deploy even a small force, and sustain and protect that force in East Timor.

We managed to cobble together a deployable force but with much difficulty and with little in reserve. East Timor was the catalyst for a major rethink of the ADF’s structure which has since been acknowledged as having been seriously deficient in core capabilities, especially the Army. The Howard Government’s main contribution was to significantly increase defence spending and sustain the increase over the best part of a decade.

So what do we want the ADF to do? First, we must be able to deploy at some distance from Australia. There has been a major debate over the past few years about this issue and the balance between defending the continent versus deploying on coalition operations well beyond our neighbourhood. In some respects, this has been a false debate since we obviously have to do both. But we certainly must be able to deploy our forces where we need them and this may take the ADF well beyond Southeast Asia and the Southwest Pacific. Iraq and Afghanistan demonstrate this strategic reality. Let us not forget that, historically, 90 per cent of Australia's military commitments have been beyond Australian shores and the future will be no different.

The threshold decision here is whether you decide to deploy beyond Australia because the capability needed for East Timor is essentially the same as for

Afghanistan or Iraq. In my view importance trumps proximity every time as a force structure determinant.

Another important change is that the core business of the ADF has broadened substantially since the days when I served. When I joined the army, our principal preoccupation was knowing how to fight and win conventional wars against other armies that looked like us, fought like us and had essentially the same equipment. Today the ADF has to do much more - peacekeeping, stabilisation operations, emergency relief missions are indicative.

It is flawed logic to argue that the only thing that matters when we're deciding what kind of defence force we want is the need to fight a defence force or a military force that looks like our own, which is patently not the case.

This expansion in core business is one of the big challenges for the ADF and ought to a major preoccupation of the new white paper. It begs the question of how we prioritise our resources and has implications for doctrine, training and recruitment as well.

I often make the point that if you want to have an effective military strategy you need to think about winning the peace. Remember that President Bush declared the war in Iraq over after six weeks of fighting. We have just observed the fifth anniversary of this unfortunate conflict.

How should we define victory and defeat in the world of the 21st Century? In my view, it's going to be very difficult to win decisive military victories. The real challenge is conflict prevention. And when conflicts do occur we need to think more about post-war reconstruction. All of which requires far different skill sets to the ones that I was given 30 years ago.

Our defence forces have to be peacekeepers and nation builders as well as war fighters. You can't arrive at the conflict, take off the offence and suddenly bring on the defensive team. The one team has to be able to do both offence and defence. So, if we are spending all our resources on preparing for conventional military warfare then it will be difficult to seamlessly transform into a force optimally configured for multi-tasking, such as unconventional warfare in the urban jungles of the developing world. If we are going to be involved in more post-modern conflicts, then let’s start structuring and training for them.

Finally, a few words about money. It's all very well to talk about tasks and priorities but if you don't have the money then the best strategy in the world isn’t worth the paper it’s written on.

The problem for the Rudd Government is that even though it's committed to maintaining a three per cent increase in real spending on defence until 2016, there will still not be enough money to buy all the equipment currently on the order books or to recruit the people we need. So something has to give.

There are really only two solutions to the forthcoming squeeze on funding. The government can increase defence spending, which is doubtful in the current fiscal cycle, or it can mandate cuts which seems a more likely course of action.

So, expect to see some hard decisions this year about our future capabilities. The only real place to make substantial savings is in the big ticket platforms which is why the JSF program is most vulnerable. It may be, for example, that we can only afford 60-80 Joint Strike Fighters rather than the 100 that Air Force wants. We certainly don’t want to be taking a 10 or 15 per cent cut across the board, which is neither good politics nor sound strategy.

In conclusion, the authors of the next white paper have some tough decisions to make matching means with ends in a rapidly changing strategic environment which will test our adaptive and planning skills to the full.

I'll leave it there. Thank you very much.