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# The Politics of Defence White Papers

Peter Jennings

This article analyses the political context of Defence White Papers from 1976 to 2013. Political competition between the major Australian political parties is an inevitable and indeed essential backdrop to policy development. Only by understanding the dynamics of that competition is it possible to understand how governments make key defence policy decisions around strategy, force structure and defence spending. Competition for authority within parties also informs how Prime Ministers use White Papers as a means to cement their own power. A key challenge for governments is the need to look credible as custodians of Australian national security in the perceptions of voters. If one party is unable to demonstrate clear superiority over the other in its management of defence, a secondary aim is to try to remove defence as a point of political difference by claiming bipartisanship on key aspects of policy.

All Defence White Papers are inherently political documents. Presented as statements of policy detailing defence strategy, military equipment acquisition plans and budgeting, White Papers also carry the personal hopes of ministers and the political aspirations of the governments which sponsor them. The blend of policy and politics is entirely a normal feature of the Australian political system. One might hope that good policy makes for good politics, but good or bad, there is no separating the two: Governments make policy aiming to stay in power. Oppositions attack government policy and offer their own alternatives hoping it will put them into power. Policy is a means to get and hold power achieved through politics.

This last comment is, of course, true of the 2013 White Paper, a document conceived and delivered during a period of unceasing political challenges for Julia Gillard's government. To understand the forces which shaped this statement, it is necessary to set the broader context of defence policy over the last generation of Australian politics. In the last forty years there have been six White Papers. Viewed at a distance, they knit into a pattern of relative continuity and gradual change, but each was part of a tough political contest of the day.

## **Malcolm Fraser and the Politics of the 1976 White Paper**

The 1976 White Paper was the product of two major political shocks, one international and one in domestic Australian politics. Had it not been for the dismissal of the Whitlam Government late in 1975, the White Paper may well have been issued by a Labor Government, for its drafting began well before the shock election which put Malcolm Fraser into office. The early 1970s

were a traumatic period for Defence. A Coalition Government withdrew the last Australian battalion from Nui Dat in December 1971 and remaining trainers departed in December 1972, the month the ALP won office. The war had been internally divisive; returning soldiers felt alienated from the wider community and the purpose of the Vietnam War was deeply questioned. In 1968 the United States began its own agonizing extraction from Vietnam. President Richard Nixon announced in Guam in July 1969 that, from that moment, the United States would expect its allies to do more for their own defence.

By 1975, as the last Americans in Saigon were helicoptered off their embassy roof, the fear in Canberra was that the US was abandoning Southeast Asia. How could Australia provide for its own security? The 1976 White Paper started to answer that question by pointing to the need for defence self-reliance. But not even this strategic shock could prevent the Whitlam and Fraser Governments from cutting defence spending. Both sides of politics were content to lower the priority of defence after Vietnam. The pointers to self-reliance in the White Paper remained undeveloped.

At the end of 1979, Malcolm Fraser sought to lift his government's defence profile after the Islamic revolution in Iran and the Soviet invasion of Afghanistan. This can be read as a rather unsystematic attempt by the Coalition to differentiate between itself and Labor. In opposition, the Australian Labor Party (ALP) was moving to the left, its rank and file cohering around a rejection of the Coalition's support for the US alliance. Ronald Reagan's election at the end of 1980 allowed sharper differences to emerge over issues such as the deployment of US theatre nuclear missiles to Europe, and Reagan's investment in the Strategic Defence Initiative.

The first half of the 1980s was a critical period in the politics of Australian defence. An anti-nuclear movement started to gain popular support and found a rallying point in opposition to port access by nuclear powered and/or nuclear armed US ships, and against the Joint Facilities at Pine Gap, Nurrungar and North West Cape, relentlessly called 'US bases' by their opponents. The Victorian Labor Government unilaterally declared the state nuclear free in May 1982. In mid-1982 the then opposition Labor leader Bill Hayden had a damaging encounter with the politics of the ANZUS alliance. Hayden had been pushing Labor's alliance policies to the left by indicating opposition to Malcolm Fraser's agreement to allow B-52 training flights in Australia, and to US use of the North West Cape submarine communications facility. In June 1982 Hayden committed a future Labor Government to ban port access for US warships carrying nuclear weapons. The US administration very quickly indicated this would break alliance cooperation, a point endorsed by an ANZUS Council Meeting Communique later in the month. Hayden was forced to back-down on the port access commitment in late June. In the assessment of Paul Kelly, the stumble damaged Hayden's leadership—he was replaced by Hawke a few months later—and it

“highlighted one of the basics of Australian politics over the past 30 years: that the alliance has been the property of the coalition.”<sup>1</sup> Labor’s challenge in government was to find a way to come to terms with ANZUS.

### **Labor in Power: Bob Hawke’s Defence Challenges**

Elected in March 1983, the Hawke Government knew it had some work to do to reposition ALP thinking on defence and US alliance issues. Hawke recounts in his autobiography how he approached US President Ronald Regan in mid-1983 with a suggestion to review the ANZUS alliance: “I proposed the review not to derogate from the importance of ANZUS but to strengthen the alliance and enhance its relevance.”<sup>2</sup> The review created an opportunity to make the case for the joint facilities, the alliance and to refocus defence policy. Hayden as Foreign Minister proposed a number of arms control initiatives including a nuclear free zone for the South Pacific to help establish an ascendancy over the left of the ALP, which he worried would ultimately push to abrogate the ANZUS treaty.<sup>3</sup>

In the December 1984 election, which re-elected the Labor Government under Prime Minister Bob Hawke, 643,061 votes were cast for Nuclear Disarmament Party (NDP) candidates for the Senate, some 7.23 per cent of total votes.<sup>4</sup> On re-election Hawke’s Government was almost immediately thrown into crisis over whether to support a request from the Reagan Administration to an MX missile test. The warhead would splash-down in international waters in the Tasman Sea, east of Tasmania. Hawke initially agreed and was then forced to back down on the commitment by his party. Cabinet records of January 1985, declassified in 2013, show the Government debated whether they could support the test but not publicly reveal they had done so.<sup>5</sup> In what was regarded as the first crisis of his otherwise highly popular prime ministership, Hawke was forced to withdraw his government’s support for the MX test.

Defence and security issues presented an enormous challenge for the Hawke Government. Pressured on the left by the NDP and by the example of an overtly anti-nuclear New Zealand Labour Party earning popular support by banning port access to US Navy ships in early 1984, the challenge for Hawke’s team was to design a defence policy that the ALP could endorse and still be palatable to a more pro-defence electorate. Whereas anti-nuclear views were solidly mainstream in New Zealand, they remained a

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<sup>1</sup> Paul Kelly, *The Hawke Ascendancy: A definitive account of its origins and climax 1975-1983*. (Pymble: Angus and Robertson Publishers, 1984), pp. 176-186.

<sup>2</sup> Bob Hawke, *The Hawke Memoirs* (Melbourne: William Heinemann, 1994), p. 214.

<sup>3</sup> Bill Hayden, *Hayden: An Autobiography* (Pymble: Angus and Robertson, 1996), p. 392.

<sup>4</sup> The election results can be found on the University of Western Australia’s Australian Politics and Elections Database at <<http://elections.uwa.edu.au/>>.

<sup>5</sup> See the Cabinet Security Committee Decision 4613 of 29 January 1985 at: <<http://recordsearch.naa.gov.au/scripts/Imagine.asp?B=31398987>> [Accessed 11 June 2013].

fringe issue in Australia. Australians valued the US alliance and worried more than their Kiwi cousins about potential threats in the region. Opinion polls showed Australians wanted to see more spent on defence. A Labor government which bowed to the anti-nuclear and equivocal alliance views of a significant part of its members would have run the risk of a major break in the US alliance relationship and of alienating many voters, as happened in New Zealand in 1984.<sup>6</sup>

Hawke's approach was to recast the basis of defence policy thinking in a way that moved the party closer to mainstream Australian views on security. The Labor Government renegotiated arrangements around the Joint Facilities, significantly enhancing Australia's involvement and establishing the principle of Australian Governments having 'full knowledge and concurrence' of their activities. Through carefully worded ministerial statements and a series of public papers, the government set out the case for an intelligence relationship with the United States that the majority of the Labor caucus could support. Reviews of nuclear port access arrangements set out safety requirements in designated locations which the majority in both the ALP and the country could accept. The case for ANZUS was made by explaining the benefits of the alliance in terms of access to intelligence, equipment, exercises, training and senior US political attention.

Although this did not satisfy hard line anti-nuclear and anti-alliance activists, it satisfied the ALP, who saw the outcome as a more controlled, more equal relationship with the United States. In Kim Beazley's assessment:

As we ministers got a deeper and deeper understanding of what the joint facilities did and their levels of capability, which were really quite massive, the more it appeared to us that there was value in those joint facilities for Australian purposes.<sup>7</sup>

Hawke's approach, in essence, persuaded the majority of his party and his ministers of the value of the alliance.

In 1985 Defence Minister Kim Beazley appointed a senior defence official, Paul Dibb, to review the capabilities of the defence force, and recommend appropriate policies for a following White Paper. The 1987 White Paper is well known in terms of its policy outcomes. Four core policy elements stand out: Strong support for the US alliance; support for reasonably high levels of defence spending given the absence of direct threats; support for maintaining a high-technology but limited manpower force, and; support for designing the Australian Defence Force (ADF) around a tightly defined concept of 'the defence of Australia' (DoA). Subsequent White Papers have

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<sup>6</sup> Ian McAllister and Juliet Pietsch, *Trends in Australian political opinion: results from the Australian election study 1987-2010* (Canberra: Australian National University, 2011). Note in particular pp. 60-66, reporting on attitudes on defence and security.

<sup>7</sup> Kim Beazley, address to a seminar on *ANZUS After 45 Years*, Joint Standing Committee of Foreign Affairs, Defence and Trade, Defence Sub-committee, September 1997, pp. 46-47.

to greater or lesser degree taken this approach as the starting point for defence policy. It has also provided a strong basis for making decisions about force structure priorities, which has put some discipline (at times ignored by Governments and the Defence organisation) into ensuring equipment choices are relevant to DoA tasks. This has enabled a high level of bipartisan support, as was shown by the Howard's Government's endorsement of the DoA concept in its 2000 Defence White Paper, which in turn has allowed consistent and steady force structure planning.

Given the obvious policy benefits, it hardly matters that the core purpose of the 1987 White Paper—defending Australian territory from armed attack—has from a strategic perspective been an utterly remote possibility. On no day since 1987 has this dire threat been even faintly in prospect. Apart from some domestic disaster response tasks and regular border protection duties, every ADF operation since that time has been far from our shores. The East Timor crisis in 1999 carried with it the potential for Australia and Indonesia to be in direct military conflict. Much of the story of the INTERFET deployment into East Timor in September 1999 was about the efforts of Canberra, supported by Washington, to avoid that outcome with Jakarta. It was not a near run thing. Once the United States had decided to decisively back the Australian-led intervention there was little prospect, and even less capacity for Jakarta to turn the crisis into a conflict with Australia. It is nevertheless around scenarios of conflict between Indonesia and Australia that the DoA concept as a military strategy is most relevant. No Australian government can ignore that risk.

It may be objected that a core purpose of defence policy is to prepare for remote but very dire possibilities, but more immediate purpose of the 1987 White Paper was political: To craft a defence policy the ALP could sign up to; to create a way for Labor leaders to show they were strong on defence (and therefore electable); and as far as possible to remove defence as a sharp point of difference between Labor and the Coalition.

On these measures the 1987 White Paper was a resounding success. It is a model of good policy development informed by necessary political objectives. By using frequent ministerial statements, detailed policy speeches, discussion and information papers and Dibb's *Review of Australia's Defence Capabilities*, the Hawke Government sold its policy to the ALP audience, many of whom would have been happy to go down the New Zealand path of de-facto non-alignment. It was also fortunate for Hawke that the policy was not tested other than through niche peacekeeping operations and the very constrained deployment of some ships to the first Gulf War in 1990. The consensus of structuring for DoA was not tested.

The 1994 White Paper continued the policy setting of its predecessor. Its political purpose was twofold. First, it demonstrated that Labor's defence approach was still valid after the collapse of the Soviet Union and the end of

the Cold War. Second, it made it possible for Prime Minister Keating to brand his own defence policy approach. An important political function of White Papers is for them to be 'owned' by a Prime Minister. It is an important credential of office and often a way for a Prime Minister to demonstrate that they have arrived in office as someone able to operate in international affairs. We shall see later that a White Paper without a Prime Minister actively claiming to 'own' it does not survive for long.

After Labor moved into the defence political middle ground, defence policy was largely bipartisan in the 1987, 1990, 1993, 1996 and 1998 elections. The major parties sought to magnify differences on secondary issues of managerial competence. A deep-seated Labor fear of being accused of being soft on the US alliance or weak on defence was avoided. For its part the Coalition could concentrate on what it took to be its strong suit, economic management—it actually went into the 1993 and 1996 elections planning to cut defence spending. Both sides of politics were happy to call the defence competition a draw and focus on other political targets.

### **John Howard's National Security Decade**

John Howard resisted producing a Defence White Paper in his first term of office between 1996 and 1998. He had a conservative's natural suspicion of what Kevin Rudd once called 'programmatic specificity'<sup>8</sup> and liked to keep his political options open. But by early 1999 a new White Paper was being drafted. In policy terms the final product, issued in late 2000, was notable for its broad continuity with its predecessors. DoA had broadened a little to become 'DoA plus'—the practical outcome of the East Timor operation, and a realization that the most likely use of land forces was going to be stabilisation operations in the inner arc and the South Pacific. The White Paper set out John Howard's claim for natural leadership of national security, after the East Timor operation, via a commitment to major long term spending growth. There was little the opposition could do other than to offer bipartisan support.

Something to be said for the 2000 White Paper was that John Howard felt he owned it. Classified Cabinet options papers and the draft of the public White Paper were systematically discussed in the National Security Committee of Cabinet from late 1999 through to late 2000. Howard had worked his way through the issues to his satisfaction and did not feel the need to revisit them with a new White Paper during the rest of his time in office.

The 2000 White Paper began a remarkable run for defence policy and defence politics in an era which has since been described as 'the national security decade'. The use of military forces to apprehend the Norwegian

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<sup>8</sup> Aleisha Preedy, 'Rudd bamboozles Germans with 'programmatic specificity'', *perthnow.com.au*, 9 July 2009, <[www.perthnow.com.au/news/rudd-bamboozles-germans-with-programmatic-specificity/story-e6frg12c-1225747867748](http://www.perthnow.com.au/news/rudd-bamboozles-germans-with-programmatic-specificity/story-e6frg12c-1225747867748)> [Accessed 11 June 2013].

freighter the MV Tampa in August 2001 as it carried a number of asylum seekers rescued from a distressed boat, Australia's response to the 9/11 attacks in the United States, the Bali bombings, the Iraq War, the Afghanistan War, the 2006 re-intervention in East Timor and a host of smaller military operations in the Pacific marked out a period when the Coalition Government was forced to respond to security challenges, and did so in militarily substantial ways.

Opinion polls show that although public opinion divided on Australian involvement in Iraq and Afghanistan, the Coalition retained a strong lead over Labor in terms of being seen to be the better party on national security.<sup>9</sup> Howard reinforced this with a series of high-cost investments in defence equipment not anticipated in the 2000 White Paper, such as Super Hornet and C-17 transport aircraft and additional Army battalions. Events allowed the Coalition Government to give great prominence to its management of security. Following the Al Qaeda attacks in the United States in September 2001, Howard invoked the ANZUS treaty for the first time in the alliance's history. These events gave the election in November that year a military flavour—one which helped the Coalition electorally. After six years in office the Liberals received a voter swing to it of 3.19 per cent.<sup>10</sup> Defence figured less prominently in the 2004 and 2007 elections.

Labor struggled over this period to manage an effective response to the politics of Howard's defence policies. In the lead up to the 2003 Iraq War, Simon Crean as leader of the ALP struggled to draw the distinction between support for deployed troops in Iraq but opposition to the war, at least without just one more UN Security Council resolution.<sup>11</sup> As shadow defence spokesman before the October 2004 election, Kim Beazley competed with Howard to see who could sound stronger on counter-terrorism measures.<sup>12</sup> Kevin Rudd supported the Afghanistan operation but not the manner of the war's fighting. The experience shows that it is difficult for oppositions to do anything other than offer bipartisan support to military operations. Fine points of policy difference are lost in the debate and the electorate does not like any hint (accurate or not) that the troops are not being supported—a noticeable change of community sentiment since the Vietnam War.

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<sup>9</sup> Newspan data between January 2001 and January 2013 on the question 'who is best able to handle defence/national security?' shows that during that time the ALP has never led the Coalition on that measure. See Mark Thomson, *The Cost of Defence: ASPI Defence Budget Brief 2013-2014* (Canberra: Australian Strategic Policy Institute, 2013), p. 10.

<sup>10</sup> See <<http://results.aec.gov.au/10822/Website/index.html>> [Accessed 13 June 2013].

<sup>11</sup> Peter Jennings, 'The Iraq war decision ten years on', *The ASPI Strategist*, 10 March 2013, <[www.aspistrategist.org.au/the-iraq-war-decision-ten-years-on/](http://www.aspistrategist.org.au/the-iraq-war-decision-ten-years-on/)> [Accessed 13 June 2013].

<sup>12</sup> See Beazley's interview on the ABC *Lateline* program, 20 September 2004, and of then Defence Minister Robert Hill's interview on *Lateline* on 21 September 2004: <[www.abc.net.au/lateline/content/2004/s1203369.htm](http://www.abc.net.au/lateline/content/2004/s1203369.htm)> and <[www.abc.net.au/lateline/content/2004/s1204180.htm](http://www.abc.net.au/lateline/content/2004/s1204180.htm)> [Accessed 13 June 2013]

## Kevin Rudd and the 2009 White Paper

Both government and opposition went into the 2007 election campaign promising to write a new White Paper. Labor started the task in 2008. The final product in 2009 was a curious document in some respects, with politics and policy even more closely inter-twined than usual. Politically, the White Paper gave the Rudd Labor Government an opportunity to assert its claim to be the natural party of national security, after twelve years in which Howard had played a strong defence hand. Rudd's own personality figured large. He had strong interests in international affairs and a detailed knowledge of regional strategic developments. In September 2008 at a Returned Service League Conference in Townsville he gave a speech setting out his concerns about the growth of maritime power in Asia, which formed the backdrop to the White Paper. At a subsequent media conference Rudd was very pointed in his observations:

Well, we have got to deal with facts and reality. Australia is in a region where there is an explosion in defence expenditure, or arms expenditure, across large parts of the Asia-Pacific region. So, you can either ignore that, or you can take practical steps in response to it at the defence level. ... there has been an arms race underway, or an arms build-up ..., across the Asia-Pacific region for the better part of the last decade. ...I am saying quite clearly that if we are to be serious as a maritime power and defending our sea-lines of communication, Australia needs a naval capability which is able to do that. We need to plan for it, we need to provide the manpower for it and we need to provide the funding for it.<sup>13</sup>

Rudd's strong international credentials, however, were a potential vulnerability in domestic politics. Would the former diplomat, able to fluently deliver speeches in Mandarin, be in some way too pro-Chinese? The need to counter this perception fed into the White Paper, which placed a much closer focus on China, worried about the growth of Chinese military power on regional stability and posited a major growth in Australian naval power as a response. The interpretation that the 2009 White Paper was anti-Chinese has gathered strength in recent years and is not entirely accurate. Like the 2013 White Paper, the 2009 version points to China's potential to contribute to regional security "as a leading stakeholder in in the development and stability of the global economic and political system." On balance though the 2009 statement was more attentive to the risks around China's rise:

the pace, scope and structure of China's military modernisation have the potential to give its neighbours cause for concern if not carefully explained, and if China does not reach out to others to build confidence regarding its military plans. China has begun to do this, but needs to do more. If it does

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<sup>13</sup> Prime Minister Rudd's speech and media conference are available in Gregory P Gilbert and Nick Stewart, *Australian Maritime Issues 2008 SPC-A Annual* (Canberra: Sea Power Centre, 2009).

not, there is likely to be a question in the mind of regional states about the long-term strategic purpose of its force development plans...<sup>14</sup>

The statement in rather coded terms also discussed measures the ADF might need to take in the event that a “major power adversary” sought to operate “in our approaches.” In those circumstances, the 2009 White Paper stated, that “the weight and reach of the force the Government intends to build” means that the ADF would be able to “to attend to our local defence needs against a major power adversary ... and that substantial costs will be imposed on our adversaries.”<sup>15</sup> It is difficult to see which country could be in contemplation other than China.

Perceptions of the ‘anti-Chinese’ character of the White Paper had less to do with the wording of the statement than of the media buzz which surrounded it. Undisciplined and off-record briefings to the Canberra press gallery stressed the toughness and ‘hard driving’ nature of the statement, characterising it as a victory for Canberra ‘hawks.’ The subsequent leaking of details of a pre-release briefing on the White Paper to Chinese officials strengthened views that this White Paper was taking a tough approach.<sup>16</sup> Kevin Rudd reinforced the anti-China perception as a result of his remarkable outburst in December 2009 at the Copenhagen Climate summit. “Those Chinese f\*\*kers are trying to rat-f\*\*ck us”, he is reported to have said of the Chinese delegation at the conference.<sup>17</sup>

The 2009 White Paper set out a major spending growth plan, like its 2000 predecessor, lasting twenty years into the future. Doctrinally the document was more outward looking than that of 1987, more a ‘DoA plus, plus.’ Even allowing for subsequent overstatement of its position on China, the White Paper was by any standard a bullish statement of defence policy, a paper the Prime Minister ‘owned’ and had uniquely shaped. The opposition couldn’t do much to challenge it. Politically they couldn’t look ‘weaker’ than it by saying they would spend less or buy less. So, bipartisan support was the order of the day.

## **Julia Gillard Changes Focus**

The resignation of Defence Minister Joel Fitzgibbon within weeks of the White Paper’s release left the policy without a sponsor and Rudd’s loss of the party leadership and with it the Prime Minister’s position in June 2010

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<sup>14</sup> Commonwealth of Australia, *Defending Australia in the Asia-Pacific Century: Force 2030* (Canberra: Department of Defence, 2009), paras 4.25-27.

<sup>15</sup> *Ibid.*, paras 8.45-46.

<sup>16</sup> Cameron Stewart and Patrick Walters, ‘Spy chiefs cross swords over China as Kevin Rudd backs defence hawks’, *The Australian*, 11 April 2009; John Garnaut, Michelle Grattan and Michelle Davis, ‘Military build-up ‘ risks new Asian Arms race’’, *The Age*, 4 May 2009; Philip Dorling and Richard Baker, ‘China’s fury at defence paper’, *The Age*, 10 December 2010.

<sup>17</sup> Rudd’s statement was initially reported by David Marr in *Power Trip: The Political Journey of Kevin Rudd*, Quarterly Essay, no. 38 (Collingwood: Black Inc, 2010).

removed the statement's key champion. A policy so personally identified with Rudd struggled to find advocates after his departure. Described by former Labor leader Mark Latham as a 'once in a century egomaniac',<sup>18</sup> Rudd's personality and chaotic management style underlined the reasons for his political demise and suffused the 2009 White Paper. It is difficult to escape the thought that the ALP's flight from Rudd made it easier to walk away from two of the most difficult aspects of the 2009 White Paper: the funding growth commitment and the tougher line on China. Julia Gillard made it clear that her focus would be on social issues. Her spending priorities were elsewhere. Although she did not have a strong interest in international issues, neither did Julia Gillard need to show how tough she was on China. Defence Minister Stephen Smith however continued to say that the government was sticking with the force structure expansion plans set out in 2009.<sup>19</sup> As a matter of politics it is difficult for any government to walk back from defence acquisition plans, for fear of being charged by the opponents as being weak on defence.

Re-elected as a minority government in late 2010, the demands of dealing with a largely hostile parliament, sluggish economy, lower than predicted revenues and a number of high-cost new social welfare and education programs all served to keep defence as a low priority, except in as much as savings and efficiencies could help to lower its impost on general revenue. Fortunately for the government, the 2009 White Paper contained the means for its own termination. It committed the government to new White Papers, no later than five years apart. A new White Paper would therefore be due in 2014.

Even before Rudd ceased to be Prime Minister but with increasing urgency after his departure, the impact of a much more powerful political driver was re-shaping Labor policy. The imperative for Labor to be seen to be good economic managers was forcing substantial defence spending cuts and deferrals as the government strived to bring the budget back into surplus ahead of the September 2013 election. In the May 2012 budget more than five billion dollars was cut from defence funding, reducing spending to 1.6 per cent of GDP, the lowest proportion spent on defence since 1938.<sup>20</sup> A few days before the budget Defence Minister Stephen Smith and Julia Gillard jointly announced the commissioning of a new White Paper, to be delivered in 2013, a year ahead of schedule. As a political act this was a clever move. Nothing more decisively kills off a problematic policy than to announce that its replacement is being developed. The announcement deflected attention somewhat from the impact of the budget cuts and bought

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<sup>18</sup> Ben Packham, 'Kevin Rudd's a lunatic, says Mark Latham,' *The Australian*, 7 June 2013.

<sup>19</sup> For example, Smith reiterated the commitment to twelve submarines in his address to the Submarine Institute of Australia on 10 November 2010: <[www.minister.defence.gov.au/2010/11/10/opening-address-to-the-fifth-biennial-conference-of-the-submarine-institute-of-australia/](http://www.minister.defence.gov.au/2010/11/10/opening-address-to-the-fifth-biennial-conference-of-the-submarine-institute-of-australia/)> [Accessed 13 June 2013].

<sup>20</sup> Thomson, *The Cost of Defence: ASPI Defence Budget Brief 2013-2014*, p. 28.

the government a breathing space, during which time questions about how to balance spending cuts against acquisition priorities could be deferred until after the new White Paper.

While the announcement of a new policy development process may have been a good political strategy, Labor faced a deeper problem in deciding how to deal with the content of a new White Paper. Both sides of politics, but Labor in particular, have a fear of being characterised as weak on defence. Abandoning equipment plans can translate into lost jobs or investment in Australian industry. This concern has been added to with the arrival of well-organised lobbying for defence spending on the part of state governments, especially in Victoria and South Australia and around shipbuilding. The 2009 White Paper had expanded plans for ship and submarine building, and the challenge for the government was to reconcile a series of diverging realities: How to justify defence spending cuts at the same time as paying heed to changing strategic circumstances and without looking as though this would impact on equipment acquisition. These three elements competed uneasily in Gillard and Smith's media conference of 3 May 2012 announcing the new White Paper.

Gillard initially announced six reasons for bringing the White Paper forward:

First, the strategic shift in our region described in the 2009 White Paper has continued as global weight has moved to our region of the world. Second, we now know far more clearly the transition time frames for our mission in Afghanistan and our draw-down in East Timor and the Solomon Islands. Third, we now have the Defence Force Posture Review. ... Fourth, at the time of the 2009 White Paper the global financial crisis was still unfolding, as were its strategic impacts. We need to take stock of those impacts for our defence arrangements. ...We also need to keep driving the defence reform program and ... ensuring that we retain these skills in Defence that we need ...

She then set out the case for reducing defence spending, stating that "I do want make clear ... that Defence will be making an important contribution to the Government's fiscal objectives". Finally the Prime Minister identified areas that would not be cut:

there will be no impact on any of our overseas operations ... there will be no impact on the equipment provided to ADF personnel on deployment overseas ... there will be no impact on ADF numbers ... there will be no impact on entitlements ... and in relation to capability, as I've said, the core [2009] White Paper projects will continue to be delivered. ... the Government is committed and remains committed to acquiring 12 new Future Submarines to be assembled in South Australia. In our strategic

environment we need strong maritime capabilities and that's why we need a potent submarine force.<sup>21</sup>

On the one hand the strategic changes outlined seemed to imply a greater sense of urgency in reviewing Defence, but on the other hand, funding cuts and delays in equipment delivery pointed to perhaps less reason to invest at high levels in defence. A third message was that nothing was really going to change as far as 'core' capabilities were concerned. These different factors made for an inconsistent jumble of policy priorities, but consistency does not necessarily have to be a part of political messaging. The government's announcement of a new White Paper attempted to speak soothing words to different constituencies and largely succeeded in that task.

Two major policy statements helped set the context for the new Defence White Paper. An Asian Century White Paper was released in November 2012, enthusiastically setting out a picture of un-interrupted economic growth and Australian opportunity in Asia in coming decades. The statement's origins were curious. It was produced essentially outside of the public service by a team lead by former Treasury Secretary Ken Henry. There was no Department of Defence representation on the steering committee, and the inclusion of the United States seemed to be a grudging afterthought. Final drafting of the statement was handed to the then Director General of the Office of National Assessments. The product included a short chapter on security which did little to alter the paper's overall upbeat assessment of prospects for the Asia-Pacific. The whole package, including proposals to massively lift Australia's ranking among the global economies, was endorsed as policy by Cabinet.<sup>22</sup> The reader was left wondering how a government could produce two such differently toned documents as the 2009 White Paper and the Asian Century White Paper. The answer, of course, is that the shift from Kevin Rudd to Julia Gillard had brought fundamental changes to Australia's strategic policy. The Asian Century statement was a decisive policy rejection of the 2009 White Paper's more pessimistic assessment of the prospects for regional security. Through the 2012 statement Julia Gillard put her personal stamp on the government's external policies. This was the White Paper which Gillard 'owned', and in it she distanced herself from Rudd's legacy, weakening the case for higher levels of defence spending.

The January 2013 release of a National Security Strategy continued the Gillard Government's largely positive interpretation of regional security. The Prime Minister's forward to the Strategy says:

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<sup>21</sup> Prime Minister, Minister for Defence, Minister for Defence Materiel, *Joint Press Conference*, 3 May 2012, <[www.minister.defence.gov.au/2012/05/03/prime-minister-minister-for-defence-minister-for-defence-materiel-joint-press-conference-canberra-2/](http://www.minister.defence.gov.au/2012/05/03/prime-minister-minister-for-defence-minister-for-defence-materiel-joint-press-conference-canberra-2/)> [Accessed 13 June 2013].

<sup>22</sup> See Peter Jennings, *Ken Henry's Asian Century*, ASPI Policy Analysis, no. 104 (Canberra: Australian Strategic Policy Institute, 2012); and Peter Jennings, 'The Asian Century White Paper: One plan to rule them all', *The ASPI Strategist*, 29 October 2013, <[www.aspistrategist.org.au/the-asian-century.white-paper-one-plan-to-rule-them-all/](http://www.aspistrategist.org.au/the-asian-century.white-paper-one-plan-to-rule-them-all/)> [Accessed 11 June 2013].

Some 12 years on [from the 9/11 attacks] our strategic outlook is largely positive. We live on one of the safest and most cohesive nations in the world. We have a strong economy. A major war is unlikely. Our highly-effective national security capability is already focussed on national priorities.<sup>23</sup>

The statement of course mentioned potential risks and the dangers of misunderstandings, and the PM warned that Australia should not be complacent. But there was no mistaking the up-beat tone, nor the repeated use of the word 'positive' in describing "the relatively benign global landscape." In her launch speech the PM effectively declared the end of the national security decade, which had begun with the attack on the twin towers: "Osama Bin Laden is dead. Al Qaeda's senior leadership is fractured. Jemaah Islamiah has been decimated in our region." These and other challenges, Gillard said, were the focus of her predecessor. Her strategy "enters a new era of national security priorities." Its purpose was to "inform priority-setting in a time of fiscal constraint."<sup>24</sup>

These two Gillard policy statements strived to achieve two objectives. Within the ALP the aim was to cement her leadership from attack by Kevin Rudd, a man who appeared relentless in his objective to regain the Labor leadership. Externally, the statements were driven by the need to reduce spending on defence as a way to push the federal budget back into surplus. It is difficult to escape the conclusion that the National Security Strategy retro-fitted a benign strategic narrative to a series of decisions which had already stripped billions of dollars from defence spending.

Released on 3 May 2013, exactly a year after its foreshadowing, the 2013 White Paper completed the trilogy of foreign and national security policy documents released by Gillard's government. On strategy, the White Paper welcomed China's rise, urged more effective bilateral relations between Beijing and Washington and made muted noises of concern about regional flash points. The paper offered a more realistic assessment of regional security than the *Asian Century White Paper*, but offered a more benign interpretation than the 2009 White Paper. It described Australia's region as being part of an 'Indo-Pacific strategic arc', a term much favoured by Western Australian Stephen Smith. As the government indicated a year earlier there were few changes to force structure. 12 Growler aircraft equipped with advanced electronic warfare systems were purchased. Smith hinted that the trade-off might be to purchase 30 fewer Joint Strike Fighters, but that this would be a matter for a future government. The commitment remained to 12 future submarines—led more by industry and electoral politics than any strategic appreciation of the need for submarines—and the

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<sup>23</sup> Commonwealth of Australia, *Strong and Secure: A Strategy for Australia's National Security*. (Canberra: Department of Prime Minister and Cabinet, 2013).

<sup>24</sup> Julia Gillard, 'Australia's National Security Beyond the 9/11 Decade'. 23 January 2013, <[www.pm.gov.au/press-office/australias-national-security-beyond-the-911-decade/](http://www.pm.gov.au/press-office/australias-national-security-beyond-the-911-decade/)> [Accessed 11 June 2013].

government claimed to have narrowed the choice to larger and therefore more expensive new designs.

On defence spending the White Paper said substantively even less than the 2009 version, leaving it to the budget a week later to reveal an increase of around \$3 billion within the forward estimates. Detail on long term spending projections was deliberately limited but estimates are that some \$30 billion has been cut from what was planned in 2009 to 2022. The increase in funding was unexpected, although as a proportion of GDP defence spending again was at the lowest level since 1938 at 1.59 per cent. Defence was probably spared further cuts because of the acknowledgement that a surplus was out of reach: the reality of a deficit meant that little effort was made to further trim defence.<sup>25</sup> But the \$30 billion difference between the defence equipment plan repeated from 2009 and reduced expenditure remains a gap which can only be filled with more money, or by cutting the shopping list.

Here, then, is the ultimate irony of the 2013 White Paper: It describes a strategic outlook somewhat more benign than its predecessor, but there is almost no change to force structure, beyond the addition of the extra Growler aircraft. Billions have been cut from defence spending since 2009, but the 2013 White Paper maintains that this has no effect on plans to deliver core capabilities. So here is a White Paper where there is no apparent connection between strategic outlook and force structure and no link between equipment acquisitions and the budget. Apart from criticisms about managerial competence, the Coalition has not advanced any critique of the statement, and indeed shares a bipartisan approach to defence spending, as Stephen Smith triumphantly noted at the White Paper's launch. In terms of strategic outlook, there is little that a Coalition government could object to in the White Paper's analysis, but they may look to change the tone of some of the language and to find a better way of describing assessments about China's regional role. Both the Coalition and the government claim an aspiration to lift defence spending to two per cent of GDP. Both parties refuse to say when that will happen.

In the absence of credible policy on strategy, force structure or money, the only purpose the 2013 White Paper serves is a political one: to remove defence as a point of difference between the ALP and the Coalition in the lead up to the September 2014 election. That is a result both sides of politics are happy to accept, because neither are prepared in the run-up to an election to acknowledge the unreality of Defence's budget situation. Bipartisanship in this case masks a collective failure of Australian politics to close a structural gap between aspiration and money.

*Peter Jennings is the Executive Director of the Australian Strategic Policy Institute and a former Deputy Secretary for Strategy in the Department of Defence. [peterjennings@aspi.org.au](mailto:peterjennings@aspi.org.au).*

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<sup>25</sup> Thomson, *The Cost of Defence: ASPI Defence Budget Brief 2013-2014*, pp. vi, 28.