
The Politics of the 2016 Defence White Paper

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The 2016 Defence White Paper was started with the best of intentions, but released well past its expected date and with a new Prime Minister and Defence Minister at the helm. This article reviews the thirty month development of the 2016 Defence White Paper and the politics around its development and release. It argues that while the change of ministers and prime ministers clearly had an impact on the process and final text, it is just as important to recognise the changes which occurred during the Abbott Government as the changes between Tony Abbott and Malcolm Turnbull.

The Liberal Party and National Party Coalition, led by Tony Abbott, was elected on 7 September 2013 with a promise to restore good governance. A key area of emphasis for change was the Defence portfolio. Drawing on the lineage of the Howard Government, they set out to deliver a new Defence White Paper which would offer consistent strategic and financial guidance to the Department of Defence, establish a steady, consultative and considered process and arrive within eighteen months. Over their term in office doubts would emerge about the ability of the Abbott Government to achieve these aims. As the Opposition Australian Labor Party (ALP) has charged, the process saw “two Prime Ministers, three Defence Ministers, three Assistant Ministers, two Parliamentary Secretaries and a 12-month delay”.¹ There were also major policy shifts, cabinet leaks, and a stunning public dispute between Tony Abbott and the new Prime Minister Malcolm Turnbull in early 2016 with the White Paper the main stage of conflict.

In spite of these changes, the actual document was well received as a statement of the mainstream view of Australia’s changing environment and the nation’s capacity to respond. Kim Beazley, a former ALP Defence Minister broke his party bonds to describe it as “a first class statement on Australia’s strategic situation” while Paul Dibb has lauded it as the best White Paper in thirty years.² Some critics of the mainstream view in Australia, such as Professor Hugh White, were unhappy with the document’s inherent conservatism, but this is not surprising given the nature of these

¹ Senator the Hon. Stephen Conroy, Senator David Feeney, MP, Senator Gai Brodtmann, MP, ‘Transcript: Doorstop, Subject: Defence White Paper’, 25 February 2016, Australia Labor Party.

² Kim Beazley, ‘DWP 2016: A Throw Back to a Harder Era’, *The Strategist*, Australian Strategic Policy Institute, 2 March 2016, <www.aspistrategist.org.au/dwp-2016-a-throwback-to-a-harder-era/> [Accessed 31 March 2016].

documents.³ Defence White Papers tend to reflect national policy consensus rather than creating it, and any abrupt shifts tend to happen in response to circumstances or at moments of crisis, not through long public reviews. It would be far more 'strategic' if the reverse were true, but such is the strange nature of these highly public, costly, controversial and possibly inconsequential documents.

This paper traces the politics of defence in Australia from September 2013 to March 2016 and its influence on the 2016 Defence White Paper (DWP2016). It focuses on the behaviour of the Abbott Government, in particular, for two reasons. First, the major debates about Australian defence policy during this period were either initiated by Tony Abbott or were in response to him and his advisors. During his time in office he emerged as the leading spokesman for the muscular pro-US-alliance, pro-Japan approach to Australian defence policy, a role he continues to play to this day. He was Prime Minister for twenty-four of the thirty months it took to write DWP2016. His shadow continues to loom over the document after its release, particularly the vexing question of how much had been changed by the transition of leadership. As this paper will show, it is just as important to recognise the changes which occurred *during* the Abbott Government as the change *between* Abbott and Turnbull when interpreting the decisions and language of DWP2016.

The second reason for the focus on the Abbott Government is because defence policy continues to have little salience for other members of the political class or the wider public. The consensus in Canberra, one accepted by the Press Gallery, Coalition and the ALP is that discussions of security help the Coalition politically. When it came to the government's handling of terrorism in particular, Peter Jennings, Chair of the Expert Panel for the Defence White Paper, has noted that "there was a sense of how the political advantage was maximised. I don't blame the government for doing it, for seeing if it could push Labor to break, so it could then be seen as weak on national security".⁴ In these conditions and under the cover of 'bipartisanship', the ALP effectively abandoned the field. The Opposition publicly accepted most of the Abbott Government's defence policy agenda in the hope the discussion could then shift to other policy areas. The only serious exception was Labor's desire to fund a domestic defence industry, particularly through building the future submarine project in Adelaide. Defence policy issues continued to have little public salience during this period, as has been largely true of the Australian public's attitude for the past few decades, save brief moments of crisis such as the 1999 East Timor intervention or the 2001 terrorist attacks in the United States.⁵ The political

³ Hugh White, 'Defence White Paper Fails to Deal with the Strategic Risks We Face in the Asian Century', *The Sydney Morning Herald*, 1 March 2016.

⁴ Niki Savva, *The Road to Ruin: How Tony Abbott and Peta Credlin Destroyed Their Own Government* (Melbourne: Scribe, 2016), p. 177.

⁵ Department of Defence, *Guarding against Uncertainty: Australian Attitudes to Defence* (Canberra: Commonwealth of Australia, 2014), p. 101.

story of the 2016 Defence White Paper, is therefore the story of the rise, fall and return of Tony Abbott.

The Best of Intentions: Tony Abbott Assumes the Helm

The Abbott Government took office determined to lead “a grown up, adult government that thinks before it acts”.⁶ There was a firm belief in the Coalition that the ALP had badly handled defence and national security policy. They argued that the 2013 Defence White Paper had glossed over the challenge from China, the National Security Strategy had mistakenly declared the era of terrorism over, and the Asian Century White Paper had only focused on the economic opportunities of Asia. Meanwhile Defence spending had been substantially cut, key decisions on the future submarine project were endlessly delayed, and the ADF had to bear the brunt of the ALP’s failures on asylum seeker policy.

Many in the public seemed to agree, with the Coalition favoured at the time of the election by 46 per cent to 29 per cent for the party best able to handle national security issues.⁷ To initiate a new direction, Abbott announced his government would release a White Paper “with costed, affordable ways to meet Australia’s important defence and national security objectives” as well as a decision on submarines.⁸ The new government’s template for defence policy—as for many other areas of policy—was the experiences and procedures of the Howard Government. As has been shown elsewhere, the Coalition pledge to lock defence spending to 2 per cent of Gross Domestic Product (GDP), seems to have come from a desire to return to the ambition of the Howard Government.⁹ This legacy had two positive impacts on the DWP2016 process. First, the National Security Committee of Cabinet was—unlike for the 2013 White Paper—intimately involved in the writing of the document, considering twelve white paper-related submissions during its development.¹⁰ The second impact was to commit to full costings to be included in the document, in the end including tables of specific spending over a ten-year forward estimate. This places it ahead of the 2013, 2009 and even 2000 Defence White Papers for financial clarity.

While the Howard Government had largely relied on the Department of Defence to write the 2000 White Paper, the incoming Defence Minister,

⁶ Tony Abbott, ‘Address to the National Press Club’, 2 September 2013, Canberra: Liberal Party of Australia.

⁷ ‘Newspoll Survey Results’, *The Australian*, 3 September 2013, <polling.newspoll.com.au/image_uploads/130803%20Issues.pdf> [Accessed 31 March 2016].

⁸ Tony Abbott, *Our Plan: Real Solutions for All Australians the Direction, Values and Policy Priorities of the Next Coalition Government* (Sydney: Liberal Party of Australia, 2013), p. 48.

⁹ Andrew Carr and Peter Dean, ‘The Funding Illusion: The 2% of GDP Furphy in Australia’s Defence Debate’, *Security Challenges*, vol. 9, no. 4 (2013), pp. 65-86.

¹⁰ Marise Payne, ‘Minister for Defence—Launch of the 2016 Defence White Paper’, Media Release, 25 February 2016, <www.minister.defence.gov.au/2016/02/25/minister-for-defence-launch-of-the-2016-defence-white-paper/> [Accessed 31 March 2016].

Senator David Johnston, initially looked for external help to supplement the advice he received from the bureaucracy. This partly reflected the difficult standing of the department in 2013, as well as the incoming government's uneasy relationship with the wider public service. On the financial side, private consultants were brought in, at a cost of \$14.6 million, to validate Defence's numbers.¹¹ On the strategic side, two senior figures of the Australian security community were initially involved. Professor Alan Dupont was engaged by Johnston before the election to lead the writing of the Defence White Paper and Dr Ross Babbage was recruited with initial responsibility for the First Principles Review. However, once the government was in office, both appointments came under criticism from senior members of the Department of Defence and wider national security community due to their outside status and occasionally controversial views. The Prime Minister's office also turned against the appointments, as part of a larger power struggle for control with the minister's office over policy and staffing.¹² Both men were replaced in 2014 with larger, less politically risky teams to carry out these tasks. Formal responsibility for the Defence White Paper thus returned to its traditional home, the desk of the Defence Deputy Secretary Strategy, held during this period by Peter Baxter, the former director general of AusAid.

The expert panel was chaired by several of the country's leading strategic thinkers including Mr Peter Jennings, Executive Director of the Australian Strategic Policy Institute (ASPI); Rear Admiral James Goldrick (Ret'd); Dr Stephan Frühling, from the Strategic & Defence Studies Centre (SDSC) at the Australian National University (ANU); Rory Medcalf, who worked at the Lowy Institute for International Policy for most of the period before taking a professorship at ANU; Dr Andrew Davies also from ASPI; and Mr Mike Kalms a partner from KPMG. Along with presenting an alternate view and helping test Defence's assumptions, the panel also contributed through its commitment to public consultation. As part of the White Paper process, a report *Guarding against Uncertainty: Australian Attitudes to Defence* was released, built on public polling, community meetings in every state and territory and 269 submissions. The report identified several important findings. Most notably, there were

repeated concerns that much of the Australian community did not have a good understanding of their present-day defence force. This did not reflect a lack of goodwill or interest on either side ... Many people told the panel that they did not feel they received enough information or explanation about the ADF and defence policy.¹³

¹¹ Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016), p. 25.

¹² Aaron Patrick, *Credlin & Co.: How the Abbott Government Destroyed Itself* (Melbourne: Black Inc. Publishing, 2016). See also Savva, *The Road to Ruin*.

¹³ Department of Defence, *Guarding against Uncertainty*, p. 5.

Perhaps most concerning given the bipartisan pledge to raise Defence's budget to 2 per cent of GDP, "the long-term trend [in public opinion] across the 1975 to 2013 period is for a gradual decrease in defence spending".¹⁴ Australians also seem to have only moderate concern about China's behaviour and there seems little true warmth towards the rest of Asia.¹⁵ Given the rise of tensions in the Asia-Pacific, and the booming price tag for a 'regionally superior' Australian Defence Force, this sense of exclusion by the public should worry policy makers. It remains to be seen how committed the government is to closing the gap between the views of officials—who widely support higher spending and are increasingly cautious about regional stability—and the general public.

Perhaps the most significant point of difference between elites and the public is the question of whether Australia needs to maintain a domestic defence industry. The Abbott Government came to office with little desire to continue government funding for all domestic industry and generally favoured a most-efficient-case logic for government contracts. The first Defence Minister David Johnston repeatedly stressed that "A submarine is not industrial or regional policy by other means or another name. Industry must demonstrate an ongoing capacity to meet international benchmarks with respect to productivity, cost and schedule".¹⁶ The *Defence Issues Paper 2014*, which served to guide consultation for the White Paper also repeated this goal stating "the Government flagged that it will need to see productivity in the sector improved to internationally competitive levels before it will commit to further major construction projects in Australia".¹⁷ The Coalition's attitude of "ending the age of entitlement for industry" was initially applied to a number of policy areas, such as the car industry.¹⁸ While controversial with many in the public—allowing a populist opening for Labor as will be discussed later—there was great merit to the government adopting such an approach in these 'dog days' of the Australian economy, following the end of the mining boom and a global slow down.¹⁹

Despite the early intentions to restore due process, the Prime Minister's growing enthusiasm for defence and security issues began to increasingly drive the agenda. Though never formally announced, the Abbott Government seemed to have concluded in late 2014 that an Australian build was unfeasible for the future submarine project, due to cost, quality and

¹⁴ *Ibid.*, p. 98.

¹⁵ *Ibid.*, pp. 89-139.

¹⁶ David Johnston, 'The Submarine Choice', Speech by the Minister for Defence, ASPI Conference, Canberra, 9 April 2014, <www.aspi.org.au/_data/assets/pdf_file/0011/20720/Johnston-Speech.pdf> [Accessed 31 March 2016].

¹⁷ Department of Defence, *Defence Issues Paper 2014* (Canberra: Commonwealth of Australia, 2014), pp. 24-25.

¹⁸ Sid Maher, 'Car Industry Cuts Helped Seal FTA Deals: Hockey', *The Australian*, 3 December 2014.

¹⁹ Ross Garnaut, *Dog Days: Australia after the Boom* (Melbourne: Redback, 2014).

timeframe concerns.²⁰ Abbott and his security advisor Andrew Shearer seemed highly attracted to what became known as 'Option J': purchasing Japan's Soyru-class of submarines and modifying them for Australian requirements. This was partly due to their reputation as world-class diesel submarines, but also due to what the government saw as clear 'strategic' benefits from stronger engagement between the two US allies. Abbott not only declared that Japan was Australia's "closest friend in Asia" he suggested a formal commitment to its security was in the offing, declaring his country a "strong ally" of Japan.²¹ This was later downplayed by senior Australian officials.²² Japanese officials, however, reciprocated, declaring a "quasi-alliance" was developing.²³ While there are serious merits for Japanese submarines as the purchase of choice for Australia, and for connecting the 'spokes' of the US alliance system together, the ad hoc, personality-driven approach of the Abbott Government to such a momentous decision raised serious concern in the defence community during this period.

Another example of Abbott's growing involvement can be seen in the instructions in June 2014 for Defence to examine the potential of turning the Canberra-class Landing Helicopter Docks (LHDs) into miniature aircraft carriers. This would also involve purchasing the F-35B Lighting II which has a Short Take Off and Vertical Landing (STOVL) capability.²⁴ Making such a request itself is not unusual, but many analysts were surprised to see the idea taken so seriously by the Prime Minister given the substantial and obvious case against it. As a report by ASPI quickly concluded, "the cost-benefit analysis is not in favour of developing LHD/STOVL aviation for the ADF. The scenarios in which an LHD/STOVL capability would be realistically required and make an important operational impact are vague, at best".²⁵ In other words, even if the project was feasible, it is not clear what it

²⁰ Marian Wilkinson, Karen Michelmore and Mario Christodoulou, 'Tony Abbott Changed Submarine Tender Policy Overnight when Faced with Leadership Spill', *Four Corners*, ABC, <www.abc.net.au/news/2015-03-17/tony-abbott-changed-submarine-tender-policy-leadership-spill/6324620> [Accessed 31 March 2016]; Brendan Nicholson and Rick Wallace, 'Home Built Submarines Deemed Too Expensive, Too Risky' *The Australian*, 9 September 2014.

²¹ Craig Mark, 'Politics of the "Closest Friend": Abbott, Japan and the Asia-Pacific', *The Conversation*, 10 October 2013, <theconversation.com/politics-of-the-closest-friend-abbott-japan-and-the-asia-pacific-19069> [Accessed 31 March 2016]; Robert Ayson, 'Australia-Japan: Abbott Uses the "A" word', *The Interpreter*, Lowy Institute for International Policy, 3 December 2013, <www.lowyinterpreter.org/post/2013/12/03/Australia-Japan-Abbott-uses-the-A-word.aspx> [Accessed 31 March 2016].

²² Graeme Dobell, 'Japan as a Small "a" Ally', *The Strategist*, Australian Strategic Policy Institute, 22 September 2014, <www.aspistrategist.org.au/japan-as-small-a-ally/> [Accessed 31 March 2016].

²³ John Garnaut, 'Australia-Japan Military Ties Are a "Quasi-Alliance" Say Officials', *The Sydney Morning Herald*, 26 October 2014.

²⁴ David Wroe, 'Jump Jets on Navy's Agenda as Tony Abbott Orders Air Strike Rethink', *The Sydney Morning Herald*, 3 June 2014.

²⁵ Richard Brabin-Smith and Benjamin Schreer, 'Jump Jets for the ADF?', *Strategic Insights*, no. 78, Australian Strategic Policy Institute, November 2014, pp. 7-8.

could be used for. The proposal was quietly abandoned during the White Paper process.

There were also repeated media reports of the Prime Minister's desire to send small groups of ADF forces to deal with global issues. After Malaysian Airlines flight MH17 was shot down over the war zone in Ukraine in July 2014, killing thirty-eight Australians, there was allegedly talk in the Prime Minister's office of sending in up to 1,000 ADF troops to secure the site.²⁶ This was met with widespread incredulity.²⁷ There was also a well-sourced report in *The Australian* that in November 2014 Abbott had wanted to send 3,500 ADF troops to Iraq to fight Islamic State, well in advance of the United States.²⁸ While it is unobjectionable for a prime minister to explore options for changing military equipment or sending the ADF overseas to support national interests, the combined picture of these specific initiatives suggested a leader with a weak grasp of the capabilities of the ADF and effective military strategy.

Over the course of 2014, the Abbott Government increasingly struggled in the polls, especially after the release of their May budget. This shift in popularity led the ALP to slowly increase its willingness to discuss defence issues. Over the last few years, the two parties have begun to slowly diverge on a number of key issues, though the constant demand for 'bipartisanship' tends to reduce their willingness and capacity to debate defence issues in public. In terms of the strategic environment, the Coalition has remained much more hawkish on international terrorism than the ALP. Foreign Affairs Minister Julie Bishop repeatedly declared that terrorism is the "most significant threat to the global rules based order to emerge in the past 70 years—and included in my considerations is the rise of communism and the Cold War". A claim few if any scholars agreed with, and which seemed disproportionate to Australia's contributions to the fight.²⁹ In contrast, Labor has sought to make climate change a central part of the national security agenda, a view the Coalition and most strategic scholars dismiss. While there is no willingness from either party to 'choose' China over the United States, there are differences on what Australia's choice of the United States

²⁶ Paul Kelly, 'Leader for a More Dangerous World', *The Australian*, 13 August 2014.

²⁷ Julieanne Strachan and Matthew Knott, 'Abbott's Mission to Ukraine Branded "Nuts"', *The Sydney Morning Herald*, 27 July 2014.

²⁸ Joe Lyons, 'Tony Abbott Sought Military Advice on Go-It-Alone Invasion of Iraq', *The Australian*, 21 February 2015.

²⁹ Paul Dibb, 'Julie Bishop exaggerates: Cold War puts Islamic State in the shade', *The Australian*, 30 April 2015; Sam Roggeveen, 'Julie Bishop, ISIS and the Cold War', *The Interpreter*, Lowy Institute for International Policy, 30 April 2015, <www.lowyinterpreter.org/post/2015/04/30/Julie-Bishop-ISIS-and-the-Cold-War.aspx> [Accessed 31 March 2016].

means, and whether the region should “make room for China as it rises”³⁰ or whether it is China which needs to “embrace the liberal world order”.³¹

In terms of capability acquisition the ALP has insisted on the need for a strong domestic defence industry, while the Coalition—at least for the first year of the Abbott Government—was willing to go offshore to obtain value for money. Finally, in terms of financial burden, the ALP has been erratic in its approach to Defence’s budget, proposing large increases in the 2009 White Paper, then reneging on them within ten days in light of the Global Financial Crisis.³² The Gillard Government publicly committed to increasing defence spending to 2 per cent of GDP, but that was only after having cut around \$18.2 billion from Defence’s budget. By contrast, the pledge to increase spending to 2 per cent of GDP will probably be seen as Abbott’s most enduring contribution to Australian defence policy. As Prime Minister he implemented it at great cost to his debt reduction agenda, and he continues to advocate for it after leaving office.

As the Abbott Government shifted position across its term, and with the shift of leadership to Malcolm Turnbull, the extent of disagreements between the Coalition and ALP has slightly moderated. But there are still quite fundamental differences of opinion about the nature of the changing order and Australia’s role in the region which are often swept away, rather than openly discussed. As Iain Henry shows in his article for this special issue, it is far from clear that the mainstream view of Australia’s strategic environment is the best way to understand the Asia-Pacific today. By not utilising the institutions of the Australian political system to debate these issues and the nation’s approach the country will be less well prepared for a major shift in policy, should future circumstances require it.

‘Good Government Starts Today’: Resetting the Abbott Prime Ministership

In December 2014, after a little over a year in office, Abbott announced a reshuffle of his cabinet, including the Defence portfolio. The minister, David Johnston, had been seen as increasingly beleaguered in the preceding months. While regarded as adept on technical detail, and liked for his genuine interest in defence issues, Johnston was considered to lack wider strategic nous. Frustratingly for the Prime Minister, Johnston also seemed to struggle to drive home the Coalition’s political advantage on national security policy issues. While Scott Morrison at Immigration captured the image of a

³⁰ Deborah Snow, ‘Tanya Plibersek Softly-Softly on China’, *The Sydney Morning Herald*, 12 August 2014.

³¹ Tony Abbott, ‘Abbott: I Was Right on National Security’, *Quadrant Online*, 26 March 2016, <quadrant.org.au/opinion/qed/2016/03/abbott-right-national-security/> [Accessed 31 March 2016].

³² Mark Thomson, ‘Defence Funding and Planning: Promises and Secrets’, *Security Challenges*, vol. 5, no. 2 (2009), p. 93.

minister at war—albeit against people seeking asylum—the actual Defence Minister at a time when the ADF was deployed in combat overseas seemed ill-suited for the part.

Johnston particularly struggled in the face of the ALP's demand to use defence policy as industry policy, to protect jobs and support companies. The economically dry preference of the government was obviously a harder sell to the public, but Abbott and Johnston were portrayed as having become indifferent to the fate of the local defence industry, with allusions to the collapse of the car industry common. Though the government had come into office cautious about the merits of industry, it was flabbergasted in late 2014 by newly revealed problems in the construction of the Air Warfare Destroyers (AWD). This involved cost overruns of over a billion dollars and significant "delays caused by poor work standards, incorrect drawings and lack of coordination".³³ A few months after these problems were revealed, Johnston showed the depths of his anger by declaring that when it came to the Australian Submarine Corporation (ASC), which had been involved in the AWD project, he "wouldn't trust them to build a canoe". The comments caused Johnston to be censured in the Senate, and were widely attributed as a cause of his sacking from the portfolio.³⁴

In a sign of Abbott's strong desire to run the Defence portfolio—something common to many prime ministers—Kevin Andrews was appointed the new Defence Minister. Andrews was a controversial choice given he had no background in the portfolio, though he did offer extensive ministerial expertise, ranging back to the Howard Government era.³⁵ Andrews quickly embraced the portfolio and seemed to be a stronger advocate for the government and its policy choices than his predecessor. Andrews' biggest headache in the office came just two months into the job, when a potential leadership challenge directly led to a number of substantial changes to defence policy.

In early February 2015 a motion to 'spill' the leadership of the Liberal Party was initiated by unhappy backbench members of parliament. While Abbott survived the motion, the Prime Minister made numerous promises of policy change, including to Defence, as part of his bid to retain his position. South Australian politicians, both ALP and Coalition, had long been concerned that a deal with Japan on the future submarine project would mean the closure of

³³ Ian McPhedran, 'Defence's Air Warfare Destroyer Delayed Project \$500m over Budget', *News.com.au*, 15 August 2014, <www.news.com.au/national/defences-air-warfare-destroyer-delayed-project-500m-over-budget/news-story/e6b66dd0b5c272759f23596b9003d010> [Accessed 31 March 2016].

³⁴ Jennifer Rajca, 'Labor Calls for Defence Minister David Johnston To Be Sacked after Criticising Australian Shipbuilders', *News.com.au*, 26 November 2014, <www.news.com.au/national/labor-calls-for-defence-minister-david-johnston-to-be-sacked-after-criticising-australian-shipbuilders/news-story/19f9a2e857b94f27fc630be5e89d4443> [Accessed 31 March 2016].

³⁵ Heath Aston and Latika Bourke, 'New Defence Minister Kevin Andrews Takes Flak for "No Interest" in the Military Comment', *The Sydney Morning Herald*, 22 December 2014.

shipyards in the state and the loss of jobs. These concerns had been stoked for months by ALP-leader Bill Shorten who resorted to at times xenophobic language about the Japanese to argue for an Australian build.³⁶ In order to obtain the vote of South Australian Senator Sean Edwards in the internal ballot, Abbott promised that the ASC could compete for work on the submarine contract.³⁷ This decision was apparently undertaken without the knowledge of other colleagues in the National Security Committee.³⁸ After the spill was defeated, Minister Andrews announced that a 'Competitive Evaluation Process' (CEP) would now be undertaken to decide who would build Australia's future submarines. At the time of the announcement, it was not clear what a competitive evaluation process was, and Andrews struggled to say how it was distinct from a tender, leading to some mirth from the media.³⁹

A reasonable case can be made that, however nakedly political the process, the CEP has been a strong policy benefit for Australia. Contrary to traditional arguments that good policy is good politics, this was an inverse where bad politics has led to good policy.⁴⁰ By holding a competitive assessment the Abbott Government achieved two useful outcomes. First, it shifted the leverage from the supplier to the buyer. Rather than Australia seeking Japanese submarines, the process now required Japan, along with French and German participants, to seek Australian endorsement. Through the formal process, and via public relations campaigns in the media, the three countries have all competed to argue they can offer a lower price and more local build options than their competitors. This should lead to savings for Australia in the final price, as well as adding more rigour to the decision-making process.

The other advantage is that it has helped to bring the decision and relative merits of the options much more clearly into the public eye. As a \$100 billion (or more) process, the working assumption of prime ministers Kevin Rudd, Julia Gillard and Tony Abbott was that the decision was so important it had to be made behind closed doors with little explicit public engagement. This however let sectional interests run riot. The economic ideology of the Labor and Liberal parties quickly became a key deciding factor for whether there should be a domestic build or not, rather than the technical, strategic or financial requirements. The CEP by contrast has enabled much greater

³⁶ Troy Bramston, 'Bill Shorten's Submarine Speech Plumbs the Depths', *The Australian*, 11 September 2014.

³⁷ Lisa Cox, 'Senator Sean Edwards Gives Bizarre Interview about Tony Abbott's Submarine Promise', *The Sydney Morning Herald*, 10 February 2015; Savva, *The Road to Ruin*, p. 159.

³⁸ Wilkinson et al., 'Tony Abbott Changed Submarine Tender Policy Overnight when Faced with Leadership Spill'.

³⁹ Tony Wright, 'Post Non-Spill Submarines? Read My Bubbles', *The Sydney Morning Herald*, 10 February 2015; Jared Owens, 'Defence Minister Kevin Andrews Struggles To Explain New Submarine Policy', *The Australian*, 10 February 2015.

⁴⁰ Andrew Carr, 'Australia's Submarines: Bad Politics Can Lead to Good Policy', *The Canberra Times*, 26 February 2015.

public insight into the process, with the three contenders each publicly making their case and Opposition and independent politicians feeling emboldened to offer their views on the right approach. Whatever the decision, the more open process of debate and discussion will help to build public ownership for what will be “the largest Defence procurement program in Australia’s history”.⁴¹

Abbott, Turnbull, and a White Paper Stuck in the Middle

While the CEP led to a strengthened policy process, the politics did not significantly improve for Tony Abbott. In April 2015, the Abbott Government used the release of a major inquiry by the RAND corporation into the Australian naval shipbuilding industry to declare that it was now “prepared to commit to a long-term investment” in the industry.⁴² As the report made clear, this reversed the government’s desire to put efficiency first, given the “production of naval warships in Australia involves a 30 percent to 40 percent price premium over the cost of comparable production at shipyards overseas”.⁴³

In August 2015, the Prime Minister formalised the government’s switch to support local industry, announcing a ‘historic’ surface fleet project would be built in Adelaide.⁴⁴ The essentially political nature of the Prime Minister’s decision was apparent in the impact on the White Paper process. As *The Australian* reported soon after “the move caused havoc for defence planners, who have had to rewrite much of the white paper to accommodate the rescheduled shipbuilding program and have delayed the release of the policy blueprint”.⁴⁵

While the Turnbull Government was later criticised for DWP2016’s embrace of domestic industry, the shift in the Coalition’s approach to industry support largely occurred during 2015 as the Abbott Government sought to restore its public standing. Despite the significance of the changes, Abbott remained unpopular. In September 2015, Abbott faced a second party-room ballot on

⁴¹ Kevin Andrews, ‘Minister for Defence—Strategic Direction of the Future Submarine Program’, Media Release, Canberra, 20 February 2015, <www.minister.defence.gov.au/2015/02/20/minister-for-defence-strategic-direction-of-the-future-submarine-program/> [Accessed 31 March 2016].

⁴² Kevin Andrews, ‘Minister for Defence—Release of the RAND Corporation Report’, Media Release, Canberra, 16 April 2015, <www.minister.defence.gov.au/2015/04/16/minister-for-defence-release-of-the-rand-corporation-report/> [Accessed 31 March 2016].

⁴³ John Birkler et al., *Australia’s Naval Shipbuilding Enterprise: Preparing for the 21st Century* (Santa Monica: RAND Corporation), <www.rand.org/content/dam/rand/pubs/research_reports/RR1000/RR1093/RAND_RR1093.pdf> [Accessed 31 March 2016], p.xxxviii.

⁴⁴ 891 ABC Adelaide, ‘2,500 Shipbuilding Jobs “Safe” for Adelaide as Prime Minister Announces Local Navy Frigate and Corvette Ship Build’, *ABC News*, 4 August 2015, <www.abc.net.au/news/2015-08-04/major-shipbuilding-plan-expected-for-sa/6668956> [Accessed 31 March 2016].

⁴⁵ Cameron Stewart, ‘\$70bn Defence Boost Builds Sea Defences’, *The Australian*, 12 September 2015.

his leadership, this time losing a vote to Malcolm Turnbull. While Turnbull made the case for change based on economic leadership, polling at the time found that three-quarters of Australians preferred Turnbull to have responsibility for issues of national security compared to Tony Abbott.⁴⁶

A cabinet reshuffle soon followed, leading to the end of Kevin Andrews's tenure and appointment of Marise Payne as the third Defence Minister under the Coalition. Andrews, who had supported Abbott during the spill, took the unusual step of pre-empting Turnbull's cabinet announcement and announced his resignation at a press conference. In stepping down, Andrews declared that "during the past 9 months ... the fragile trust between government and defence was restored" which seemed to slight his Coalition predecessor David Johnston.⁴⁷ Andrews also declared that he was "disappointed that Mr Turnbull did not accept my offer to work with him", stating "frankly my remaining in this job was not about me. It was all about the stability of our defence force in Australia and its leadership".⁴⁸

Andrews also left a final hand grenade for the new Defence Minister. He told the media that the Defence White Paper was "finalised and ready for release".⁴⁹ This has been privately disputed by Defence officials who say a first draft was ready at the time of the leadership change, but the document had not yet been seen by Prime Minister Abbott. The effect of Andrews's statement was to put immediate pressure on Turnbull and Payne to release the document straight away. In the end they would take nearly six months to review it before release.

This cautious approach bears the hallmark style of Marise Payne. A nineteen-year veteran of the Senate, she had served extensively on security and foreign policy committees during her time, although with little public recognition or impact on major debates. The choice of Payne was widely endorsed, though Abbott's close friend and confidant Greg Sheridan was a notable critic.⁵⁰ While only six months into the role at the time of writing, Payne seems to have avoided putting a major foot wrong, though she has yet to clearly drive the public debate around defence issues either. There have also been some criticisms, such as the difficulty of access to her and

⁴⁶ Heath Aston, 'Poll Finds Tony Abbott's Assumed Security Strength a Misconception', *The Sydney Morning Herald*, 27 November 2015.

⁴⁷ 'Kevin Andrews Steps Down as Defence Minister—Video', *The Guardian*, 20 September 2015, <www.theguardian.com/australia-news/video/2015/sep/20/kevin-andrews-steps-down-defence-minister-video> [Accessed 31 March 2016].

⁴⁸ Lenore Taylor, 'Kevin Andrews Tried To Appoint Advisor to Defence Job in Days after Leadership Coup', 2 March 2016, *The Guardian*, <www.theguardian.com/australia-news/2016/mar/03/kevin-andrews-tried-to-appoint-adviser-to-defence-job-in-days-after-leadership-coup?CMP=share_btn_tw> [Accessed 31 March 2016].

⁴⁹ *Ibid.*

⁵⁰ Brendan Nicholson, 'Marise Payne's Defence Post Choice "Inspired Choice"', *The Australian*, 21 September 2015; Greg Sheridan, 'No Defence for Breaking Continuity of Vital Defence Ministry', *The Australian*, 24 September 2015.

management of her office, but pleasingly gender seems to have played little role in her reception.

Without access to all of the classified draft versions of the White Paper, it is difficult to assess how significant the change of Prime Minister and Defence Minister was on the final text of the 2016 Defence White Paper. Many have speculated about substantial changes to the language on Japan and China, but this has been privately countered by officials. Given the generally diplomatic language in Prime Minister Abbott's public speeches, as well as the experience of the 2009 White Paper, it is unlikely DWP2016 would have staked out a bold new rhetoric or courted controversy. It would appear that the major capabilities Australia is acquiring have remained unchanged, although Turnbull and Payne have clearly embraced Abbott's shift to larger domestic construction and using defence policy to support local industry. As one former official has scathingly assessed of DWP2016: "Much of the investment program seems designed to help industry rather than maximise security—and only an incurable optimist would imagine one can do both".⁵¹ For instance, as Lee Cordner notes in his article for this edition, the desire to have a 'continuous build' approach to shipbuilding will likely require a slower, less efficient production in order to maintain employment opportunities.⁵² Turnbullian language such as 'innovation' and 'agile' also seems to have filtered its way into the document, as did references to climate change.

There do seem two areas where changes have been made or at least a difference between the Abbott and Turnbull camps can be identified. First, there has been a re-interpretation of the 2 per cent of GDP target for Defence. In the days before the White Paper's release, Abbott released an opinion piece setting out his conditions for support, chief among them was maintaining the GDP link.⁵³ In the actual document however, GDP is still used as a target, but crucially it seems to have shifted to a once-off process with specific dollar figures replacing GDP as the focus. This was of course a necessary step for planning, but DWP2016 also seems to embed this shift to focus on dollars as the government's long-term approach:

To strengthen Defence's long-term budget and planning certainty, the Government has decided that the 10-year funding model will be not be subject to any further adjustments as a result of changes in Australia's GDP growth estimates. This de-coupling from GDP forecasts will avoid the need

⁵¹ Hugh White, 'Defence White Paper Fails To Deal with the Strategic Risks We Face in the Asian Century', *The Sydney Morning Herald*, 1 March 2016.

⁵² Lee Cordner, 'The Future of Maritime Forces in an Integrated Australian Defence Force', *Security Challenges*, vol. 12, no. 1 (2016), p. 12.

⁵³ Sam Roggeveen, 'Abbott Sets Benchmark for Turnbull's Defence White Paper', *The Interpreter*, Lowy Institute for International Policy, 22 February 2016, <www.lowyinterpreter.org/post/2016/02/22/Abbott-sets-benchmark-for-Turnbulls-Defence-White-Paper.aspx> [Accessed 31 March 2016].

to have to regularly adjust Defence's force structure plans in response to fluctuations in Australia's GDP.⁵⁴

Paragraph 8.10 of DWP2016 therefore explicitly breaks the link between what the government will spend, and Australia's GDP. This is a welcome step, given the 2 per cent target was an arbitrary number, tied to an unrelated benchmark and which inverted sensible strategic policy practice.⁵⁵ Mark Thomson has identified clear evidence of "profligate planning" in DWP2016 due to the 2 per cent target.⁵⁶ Despite the change in approach the Turnbull Government will have to watch Defence's spending closely to avoid further waste and inefficiency.

The other change between Turnbull and Abbott was not immediately apparent on the document's release. Instead, on 2 March 2016, six days after the White Paper's release, Greg Sheridan reported that draft sections of the paper had been leaked to him. Most controversially, Sheridan stated that Abbott-era drafts had expected Australia's submarine fleet to begin arrival in the mid to late 2020s, while the language of the Turnbull document now talked about the mid-2030s. Abbott was quoted by Sheridan for his article as saying he was "not just disappointed, I'm flabbergasted at this decision".⁵⁷

The leak of a draft white paper set off a media firestorm, and internal recriminations within the Liberal Party. Abbott supporters such as Sheridan used the change to suggest Turnbull was weak on defence policy, and unresponsive to the worsening strategic environment. Meanwhile Turnbull, Payne and the senior leadership from Defence decided to call in the Australian Federal Police (AFP) to investigate the leak.⁵⁸ The Secretary of the Department of Defence, Dennis Richardson, has rejected the claims made by Sheridan and Abbott, arguing before a Senate Estimates committee that "I was not aware of a single professional view in Defence which supported the mid-2020s" as the launch date for the first submarines.⁵⁹

One plausible explanation for the different positions comes from Sheridan's article which states "The Abbott government had included in its white paper draft the more cautious figure of the late 2020s, but in all its internal planning and discussions, the government under Mr Abbott and Mr Andrews was

⁵⁴ Department of Defence, *2016 Defence White Paper*, p. 179, para 8.10.

⁵⁵ Carr and Dean, 'The Funding Illusion'.

⁵⁶ Mark Thomson, 'Funding and Delivering the 2016 Defence White Paper', *Security Challenges*, vol. 12, no.1 (2016), p. 7.

⁵⁷ Greg Sheridan, 'Malcolm Turnbull Pushed Back Tony Abbott Submarine Dates', *The Australian*, 2 March 2016.

⁵⁸ 'AFP To Investigate Submarine Report Leak', *The Australian*, 2 March 2016.

⁵⁹ Senate Foreign Affairs Defence and Trade Legislation Committee, Estimates, 'Defence Portfolio', Thursday 3 March 2016, Proof Committee Hansard, p. 3.

determined to get the first submarine built by 2026-27”.⁶⁰ In other words, the earlier target was more of an enthusiasm from the executive, one resisted by Defence, rather than an explicit ‘decision’. As Richardson told the Senate committee: “We have consistently advised government that it was highly unlikely that the first of the Future Submarines could be delivered by 2026 and that an extension of life for the Collins class submarine would almost certainly be required”.⁶¹ Andrew Davies and Mark Thomson from ASPI have argued that a mid-2020s delivery of the first submarine was possible if purchased ‘off-the-shelf’ from Japan, without any of the modifications the Australian Government was seeking (such as extended distance and new combat systems). But they point out that this option evaporated with Abbott’s creation of the CEP and his decision to expand the role of Australia’s domestic industry in the final build.⁶² As such, the main reason why a mid-2020s delivery is now impossible, is because of decisions made by the Abbott Government.

Outside the quarters of the former prime minister and his supporters, DWP2016 seems to have earned a largely favourable public response. On the day it was released, Opposition Shadow Defence Minister Stephen Conroy stated that “based on our initial review and in the spirit of bipartisanship, we are broadly supportive of the Defence White Paper”.⁶³ Given the document maintains many of the capability commitments put in place under Labor in 2009 and 2013 this is unsurprising. The ALP especially welcomed the commitment to domestic construction, though continued to argue this should be extended to also include the entire development of the future submarine project in Adelaide. Two notable statements of support came from the architects of the 1980s Defence of Australia (DOA) policy, with Kim Beazley and Paul Dibb both praising the new White Paper.⁶⁴ There are large aspects of the DOA framework back within this document, with a greater emphasis on northern Australia (a key Coalition concern for development and growth)⁶⁵ the South Pacific and maritime Southeast Asia as the main areas of activity and attention. This is quite distinct from the Howard Government’s thinking in the mid-2000s which seemed to want to float Australian strategic policy free of its geographic constraints, and from

⁶⁰ Sheridan, ‘Malcolm Turnbull Pushed Back Tony Abbott Submarine Dates’.

⁶¹ Senate Foreign Affairs Defence and Trade Legislation Committee, Estimates, ‘Defence Portfolio’, p. 2.

⁶² Andrew Davies and Mark Thomson, ‘New Subs—Not so Fast’, *The Strategist*, Australian Strategic Policy Institute, 3 March 2016, <www.aspistrategist.org.au/new-subs-not-so-fast/> [Accessed 31 March 2016].

⁶³ Conroy et al., ‘Transcript: Doorstop, Subject: Defence White Paper’.

⁶⁴ Kim Beazley, ‘DWP 2016: A Throw Back to a Harder Era’, *The Strategist*, Australian Strategic Policy Institute, 2 March 2016, <www.aspistrategist.org.au/dwp-2016-a-throwback-to-a-harder-era/> [Accessed 31 March 2016]; Paul Dibb, ‘DWP 2016: The Return of Geography’, *The Strategist*, Australian Strategic Policy Institute, 1 March 2016, <www.aspistrategist.org.au/dwp-2016-the-return-of-geography/> [Accessed 31 March 2016].

⁶⁵ Australian Government, *Our North, Our Future: White Paper on Developing Northern Australia* (Canberra: Commonwealth of Australia, 2015).

some of Abbott's rhetoric about his "government's commitment to giving our armed forces global reach" and to "uphold our values around the world".⁶⁶

Internationally, the most important and perhaps predictable responses came from the United States and China. The US ambassador to Australia, John Berry, stated that "as allies, we welcome the Government's sustained investment in defence capabilities and readiness and its support for rules-based international order", along with welcoming the document as a "well-considered, comprehensive approach to addressing evolving security challenges of the coming decades".⁶⁷ The Chinese Government's response meanwhile stated it was "dissatisfied" with the "negative" language used to describe China, and repeated its previous call for Australia to abandon its Cold War-era mentality, code for ending the alliance with the United States.⁶⁸ An early analysis of Chinese media coverage of the 2016 Defence White Paper concluded that overall "the response was measured and rather low-key".⁶⁹ As was the case in Indonesia and Southeast Asia.⁷⁰

Conclusion

In September 2013 when Tony Abbott was first elected Prime Minister many expected a repeat of the Rudd experience with the Defence White Paper. That is, the production of a document bearing all the idiosyncrasies and personality of the Prime Minister. Instead, it was the changing fortunes of his government which left the largest mark on the document. When Abbott was ascendant, good process including demands for explicit costing and deep engagement with Cabinet governance were established. As he slid in the polls, the Defence portfolio and White Paper was increasingly—though futilely—used as a leverage for restoring political standing. Principles were dropped, policies changed, and the ADF seemed to become a default tool for solving global problems. Sometimes the outcomes were for the better—

⁶⁶ Tony Abbott, 'Why We Need To Beef up Defence', *The Australian*, 22 February 2016; Tony Abbott, 'Abbott: I Was Right on National Security', Quadrant Online, 26 March 2016, <quadrant.org.au/opinion/qed/2016/03/abbott-right-national-security/> [Accessed 31 March 2016].

⁶⁷ Greg Jennet, 'Defence White Paper: Australia Joins Asia's Arms Race with Spending on Weaponry and Military Forces to Reach \$195b', *ABC News*, 25 February 2016, <www.abc.net.au/news/2016-02-25/defence-white-paper-released-increased-spending/7198632> [Accessed 31 March 2016].

⁶⁸ Eliza Borrell, 'South China Sea: Beijing "Dissatisfied" with "Negative" Remarks in Australia's Defence White Paper', *ABC News*, 26 February 2016, <www.abc.net.au/news/2016-02-25/china-'dissatisfied'-with-defence-white-paper-comments/7201062> [Accessed 31 March 2016].

⁶⁹ Jackson Kwok, 'Chinese Media Respond to the Defence White Paper', *The Interpreter*, Lowy Institute for International Policy, 3 March 2016, <www.lowyinterpreter.org/post/2016/03/03/chinese-media-responds-to-the-Defence-White-Paper.aspx> [Accessed 31 March 2016].

⁷⁰ Tim Huxley, 'Southeast Asia's Muted Reaction to the 2016 Defence White Paper', *The Strategist*, Australian Strategic Policy Institute, 16 March 2016, <www.aspistrategist.org.au/southeast-asias-muted-reaction-to-the-2016-defence-white-paper/> [Accessed 31 March 2016].

such as the CEP for the future submarines—but many of the other costs are still to be counted.

The new government of Prime Minister Malcom Turnbull and Defence Minister Marise Payne are yet to truly make their mark in the portfolio. They will have to demonstrate credibility not through writing a white paper as past governments have sought to do but by coherently implementing one. This is a much harder challenge, however only then will we be able to say that the 2016 Defence White Paper has escaped the politics of its creation.

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