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Australia's 2016 Defence White Paper: a summary

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Australia's 2016 Defence White Paper is the government's plan to ensure the security of Australia and its interests over the next two decades and beyond. It includes an assessment of the strategic outlook and a fully costed plan for a more capable, agile and potent defence force. Here, members of the RUSI Special Interest Group on Strategy summarise its main provisions. They conclude that, with the future uncertain, the costed plan seeks to cover all bases.

Key words: Defence White Paper; 2016; Australia; strategic outlook; defence strategy; force structure; force posture; defence personnel; organisational reform; defence funding.

This paper summarises Australia's 2016 Defence White Paper (DWP16) which the government released in February 2016 (Defence 2016). DWP16 outlines the government's plan to ensure the security of Australia, its people, territory, and way of life over the next 20 years. It assesses Australia's strategic environment and commits to invest in Australia's defence capabilities to meet the security challenges identified. It is the first, *fully costed* statement of Australia's future defence investment plans; and it aims to create a "more capable, agile and potent" defence force which can effectively respond to the strategic risks of the future (Defence 2016: 29).

Since the release of the last White Paper in 2013, Australia's strategic environment has changed rapidly; and certain issues in our region and further afield have become more pressing and require a response. Due to past failures in capability planning and decision-making, Australia is inadequately prepared to meet these challenges. Hence, a new White Paper was required to address these developments and shortcomings.

Australia's Strategic Outlook

DWP16 analyses Australia's strategic environment to 2035 and sets out a defence strategy based on an assessment of the threats and opportunities Australia is likely to face.

In assessing Australia's security environment, DWP16 reaffirms some long-standing areas of interest while placing other issues higher on Australia's strategic radar. It identifies six key factors which will shape Australia's strategic environment to 2035: Sino-United States (U.S.) relations; challenges to the rules-based international order; terrorism; state fragility; military modernisation; and non-geographic threats.

DWP16 reaffirms the U.S. military predominance and its place as Australia's key strategic partner over the next 20 years through the ANZUS alliance. However, its unparalleled emphasis on increasing links with regional countries is

indicative of a move away from primary reliance on the U.S. (Blaxland 2016).

A welcome feature of DWP16 is its strong focus on our immediate neighbourhood. It acknowledges that state fragility could have flow-on effects for Australia's security. To address this, it emphasises Australia's role in strengthening vulnerable countries in the region through aid, humanitarian assistance, defence co-operation, and participation in regional organisations. In particular, the government will increase investment in the Defence Co-operation Programme, particularly the Pacific Maritime Security Programme, and prioritise Australia's relationship with Papua New Guinea, Timor-Leste and the Pacific Island countries.

DWP16 also highlights how rapid military modernisation in the region has the potential to undermine Australia's long-standing defence capability edge (Defence 2016: 49). Defence spending by countries in Asia has surpassed that of Europe. Within two decades it is predicted that "half of the world's submarines [and] ... at least half of the world's advanced combat aircraft armed with extended range missiles ... will be operated by Indo-Pacific countries" (Defence 2016: 50). Therefore, the Government will develop key capabilities, especially in air and missile defence and anti-submarine warfare, to protect our forces deployed across the region and beyond.

The relationship with Indonesia is seen as vital in this regard given that Indonesia is projected to become the largest defence spender in Southeast Asia. Hence, DWP16 calls for greater co-operation with Indonesia to address our common interests in the region and secure the vital archipelago to our north.

Australia's Defence Strategy

Having established Australia's strategic outlook to 2035, DWP16 goes on to articulate Australia's Defence Strategy in response. It identifies three key Strategic Defence Interests which will drive Australia's defence strategy in the years to come:

- a secure, resilient Australia, with secure northern approaches and proximate sea lines of communication;
- a secure nearer region, encompassing maritime Southeast Asia and the South Pacific; and

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- a stable Indo-Pacific region and a rules-based global order.

DWP16 then puts forward three equally-weighted Strategic Defence Objectives which the government expects Defence to achieve in support of the Strategic Defence Interests. Defence must be able to:

- deter, deny and defeat attacks on, or threats to, Australia and its national interests, and its northern approaches;
- make effective military contributions to support the security of maritime Southeast Asia and support the governments of Papua New Guinea, Timor-Leste and of Pacific Island Countries to build and strengthen their security; and
- contribute military capabilities to coalition operations that support Australia's interests in a rules-based global order.

Given these objectives, the future Defence force will need to be "more agile and adaptable with a broader set of capabilities from which to draw" so as to respond to the variety of tasks it will be required to perform (Defence 2016: 77).

The Future Australian Defence Force

The central focus of the DWP16 is 'The Future Australian Defence Force', the structure of which is informed by Australia's 'three Strategic Defence Interests' listed above. Introducing a "more capable, agile and potent future force supported by an effective Defence organisation" is essential to achieving these objectives (Defence 2016: 83).

This capability, agility and potency will stem from the procurement of modern and effective matériel and the operability of such platforms within a contemporary Australian Defence Force. DWP16 outlines ambitious (but not unattainable) plans to significantly reshape and enhance the existing force structure within Navy, Air Force and Army (in order of strategic weight). The development of warfighting equipment and supporting systems, research and development, and the skills and training of Defence staff, are designed to contribute to the effectiveness, reach and interoperability (particularly with the U.S.) of the Australian Defence Force (ADF).

Individual investment across all three services is to be complemented by a strong focus on joint mobility and the urgent need to upgrade Defence 'enablers' (infrastructure, facilities and systems). By uniting different "land, air, sea, intelligence, electronic warfare, cyber and space capabilities", the government intends to strengthen Defence through six 'capability streams' (Defence 2016: 84):

- the Intelligence, Surveillance, Reconnaissance, Space, Electronic Warfare and Cyber capabilities that ensure our forces have superior situational awareness;
- the Maritime and Anti-Submarine Warfare capabilities that will enable our forces to operate in more challenging maritime threat environments;
- the Strike and Air Combat capabilities that will provide our forces with greater flexibility in responding to threats independently or as part of coalition operations;
- the Land Combat and Amphibious Warfare capabilities that will provide our forces with greater capacity to conduct both combat and non-combat operations;
- the Key Enablers essential to supporting the operation and sustainment of Defence; and
- the Air and Sea Lift capabilities that will help overcome the huge distances over which the ADF is deployed and has to be supplied (Defence 2016: 84-85).

Substantial investment in intelligence, surveillance and reconnaissance (ISR) will be accompanied by the expanded role of the P-8A Poseidon maritime surveillance and response aircraft and the high altitude MQ-4C Triton unmanned aircraft, as well as short-range maritime tactical unmanned aircraft to improve the situational awareness of ships on operations (Defence 2016: 86-87).

Strengthening our limited space surveillance and situational awareness capabilities must be a co-ordinated effort with the U.S., involving the establishment of the space surveillance C-band radar as a joint U.S.-Australian operation, and the relocation of a U.S. optical space surveillance telescope to Australia.

Investment in electronic warfare support to naval, air and land forces for operations in hostile electromagnetic environments, including the introduction of new long reach electronic warfare support aircraft (based on a long-range commercial business jet) in the early 2020s, will be further enhanced by the continued upgrades to the fleet of 12 E/A-18G Growler electronic warfare aircraft which are to enter service from 2018 (Defence 2016: 88).

Within the separate cyber security line of spending, considerable investment is planned to improve the Defence cyber workforce, including new military and Australian Public Service (APS) positions and training programmes (Defence 2016: 89). Despite this, however, the projected \$30-\$40 million per annum over the next ten years dedicated to cyber security appears modest when compared to the more traditional areas of counter-threat procurement.

The cornerstone of DWP16 is the acquisition of twelve 'future' submarines (a modified model of the Shortfin *Barracuda*, in design partnership with French defence group DCNS) which will need to begin entering operational service from the early 2030s to prevent a capability gap developing and to ensure that we keep up with the regional pack. This project is the largest procurement plan in the nation's history. The focus on submarines flows from the maritime strategy and the recognition that: "by 2035, around half of the world's submarines will be operating in the Indo-Pacific region where Australia's interests are most engaged" (Defence 2016: 90).

A robust expeditionary Navy is necessary to enable our greatest geo-strategic asset (and also our Achilles heel), the 25,765 kilometre Australian coastline, to be secured by a forward first-line of defence. To this end, Navy will gain further potency and range with the acquisition of major surface vessels, including:

- three Hobart-class Air Warfare Destroyers to enter into service in the early 2020s, providing naval task groups with defence against air and missile attack;
- nine new anti-submarine warfare frigates to be introduced from the late 2020s to replace the existing eight Anzac-class; and
- 12 new offshore patrol vessels to provide greater reach and endurance than the existing Armidale-class and able to operate with the new large-hulled multi-purpose patrol vessel, the Australian Defence Vessel *Ocean Protector* (Defence 2016: 90).

Two additional KC-30A air-to-air refuellers will be introduced into service before the end of the decade to bring the total to seven such aircraft (DWP 2016: 95), further extending the reach of our air-power.

The government remains committed to receiving 72 F-35A Lightning II Joint Strike Fighters to enter operational service from 2020 to replace the Classic Hornets, however

“options to replace the Super Hornets in the late 2020s will be considered in the early 2020s” (Defence 2016: 95), leaving some ambiguity about Air Force’s overall future strike and air combat capability.

Missile defence is another area in which government pledges to work closely with the U.S. as a mentor, to counter the regional ballistic missile threat and work towards a ground-based radar system from 2020 (Defence 2016: 97).

As to land-power, the acquisition of 1100 Australian designed and manufactured Hawkei light protected mobility vehicles will provide improved protection for soldiers, improved movability and advanced communications systems, while a replacement for the Bushmaster will be introduced from around 2025 (Defence 2016: 98). The early to mid-2020s will also see a new long-range rocket system to enhance Army’s artillery; the re-introduction of a riverine patrol capability; new armed medium-altitude unmanned aircraft; and a new armed reconnaissance capability to replace the current Tiger Armed Reconnaissance helicopters (Defence 2016: 98).

The last 10 years of Army restructuring, combined with the two Canberra-class Landing Helicopter Dock amphibious assault ships, have set the scene for what is hoped will be a comprehensive future amphibious capability, with Army, Navy and Air Force interoperability, heading into a future of uncertain regional stability.

Positioning Defence for Tomorrow’s Challenges

To meet the challenge and uncertainty of the regional strategic architecture in both the short and long term, DWP16 provides for a “more active and internationally engaged Defence posture” *i.e.* “[Defence’s] international engagement, relationships and arrangements; the ADF’s preparedness (how ready the ADF is to undertake and sustain a range of operations at the same time); the ADF’s basing and infrastructure; our overseas operations; Defence funding arrangements; and Australia’s significant presence in northern Australia” (Defence 2016: 117).

Our international defence engagement is to be based on four objectives: to enhance ADF capability; to generate and sustain Australia’s regional and global influence; to generate active and effective security partnerships; and to enhance international security resilience (Defence 2016: 119).

Alliances: Central to these objectives, is our system of alliances and relationships with other countries. “The Government’s highest priority will continue to be our alliance with the United States. We will look to mature and deepen practical engagement with partners across the Indo-Pacific, particularly Indonesia, Japan, South Korea, New Zealand, India and China. We will also maintain global partnerships including with NATO to respond to threats which engage Australia’s interest in a stable rules-based global order.” (Defence 2016: 117)

United States: A “strong and deep” alliance with the U.S. is at the core of Australian strategic thinking and defence spending. Sixty per cent of our acquisition spending is on American equipment. This aids our mutual high level of interoperability, alongside the continued Australia-U.S. Defence Trade Co-operation Treaty, the Five-Eyes intelligence community (which also includes New Zealand, the United Kingdom and Canada) and the Joint Defence Facility at Pine Gap (Defence 2016: 121). Under the 2014 Force Posture Agreement, Australia and the U.S. will work towards a full U.S. Marine Air-Ground Task Force of around

2500 personnel and equipment rotating through Australia by 2020; to expanding our Air Force co-operation with more rotations of U.S. aircraft through northern Australia; and to increased combined training and exercises, on top of amplified naval training and exercises (Defence 2016: 123).

Indonesia: DWP16 further pledges to deepen security ties with Indonesia, through key areas for co-operation including counter-terrorism, maritime security, humanitarian assistance and disaster relief, peacekeeping, and intelligence. This will occur through navy, army and air force co-operation; expanding our comprehensive pattern of training, exercises and operations; more frequent policy and planning dialogue; and intelligence exchanges (Defence 2016: 126).

The **South Pacific** will remain a continued focus through the Pacific Maritime Security Programme, where Australia will provide replacement patrol boats to Papua New Guinea, the Solomon Islands, Palau, the Federated States of Micronesia, Kiribati, Samoa, Vanuatu, Fiji, Tuvalu, Tonga, the Cook Islands, the Marshall Islands, and Timor-Leste (should it accept Australia’s invitation) from 2018; will enhance aerial surveillance; and will provide support for the regional security architecture (Defence 2016: 126).

Southeast Asia: Australia will continue to engage in Southeast Asia by increasing participation in the Five Power Defence Arrangements with Malaysia, Singapore, New Zealand and the United Kingdom; the comprehensive Strategic Partnership with Singapore; the ASEAN Defence Ministers’ Meeting-Plus; and the Australia-Malaysia Joint Declaration of Strategic Partnership (Defence 2016: 129-131).

In **Northeast Asia**, close security co-operation with Japan and the Republic of Korea will continue. It will involve strategic dialogue, training and exercising; co-operation in capability development; defence matériel acquisition; increased personnel exchanges; deepening co-operation on humanitarian assistance and disaster relief, maritime security, peacekeeping, and capacity building; and increasing trilateral co-operation with the U.S. (Defence 2016: 132-134).

Restraint is exercised on **China**, however the strong commitment to the development of mutual defence relations is emphasised, working to enhance mutual understanding, facilitate transparency and build trust (Defence 2016: 133).

In **South Asia**, Australia plans to pursue with India (particularly), Pakistan and Sri Lanka: a regular programme of strategic dialogue and bilateral training; and to exercise opportunities to strengthen co-operation in maritime security, counter-terrorism, capability acquisition, and defence science and technology (Defence 2016: 135).

Further afield, Australia remains committed to working with NATO, the United Nations, and other defence partners including the United Kingdom, Canada, France, and the United Arab Emirates.

Australia’s strategic outlook requires a more active and internationally engaged regional and global posture. This calls for an appropriate Defence presence in Australia and overseas and suitable ADF preparedness levels. The Government has directed an increase in ADF preparedness, based on raising its overall capability and improving its sustainability on operations, requiring an increase in training and more funding to support increased activity (Defence 2016: 140).

People

There are currently 58,000 permanent serving members of the ADF. This number will increase to approximately 62,400 over a 10-year period with the aim of supporting upcoming capabilities. These new positions will be created within the realms of land, sea, and air combat; intelligence; cyber security; and enabling capabilities. In addition, an estimated 2,300 ADF personnel will be reallocated to priority jobs (Defence 2016: 146).

DWP16 recognises the many specialist skill sets of the 19,500 Reservists, particularly in the medical and technical fields. Project Suakin is to continue, as the role of the part-time soldier becomes further integrated with the overall ADF force structure (Defence 2016: 149). By promoting 'one Australian Defence Force', service transfers will occur more efficiently, whilst promoting a "contemporary workforce model ... to provide greater organisational flexibility and agility" (Defence 2016: 154).

There are 17,900 civilian (full-time equivalent) APS employees working for Defence. A further 800 positions will be created for roles in "intelligence, space, and cyber security". An additional 400 positions will enable greater "information technology support, simulation, support to Navy engineering and logistics, security, force design and analysis, and strategic international policy". This will bring the total employee number to 18,200, with new positions being offset by reductions elsewhere (Defence 2016: 150).

Defence will continue a "concerted program of recruitment, training and targeted retention". The ADF Gap Year Programme will be extended to the Navy in 2016, alongside cadetships and Defence technical scholarships that will aim to "recruit and retain science, technology, engineering and mathematics" students. In an attempt to remain competitive within the job market, Defence aims to offer flexible initiatives (Defence 2016: 150-151).

Diversification of the workforce remains a top priority, which will see the further recruitment of women, Indigenous Australians, and "Australians from culturally and linguistically diverse backgrounds". This will be reflected through the graduate programme and other short-term work experience programmes. As of 2016, all new female ADF recruits will be able to apply for combat roles (Defence 2016: 152).

To remain capable within a "rapidly changing strategic environment", Defence has placed great significance on the development of its people. This includes the need for "innovation in training, education, and skilling" of both ADF and APS personnel through joint military education in the ADF, and supporting individuals through accredited academic institutions within the fields of "national security policy analysis, intelligence, capability development, engineering and a range of technical training" (Defence 2016: 152-153).

Defence has further detailed its desire to acquire greater linguistic capabilities and cultural understanding for the purpose of increased co-operation and interoperability within the region.

Reform of Defence

To create a more potent, agile and capable defence force, Defence is to be reformed in line with the 2014 First Principles Review (Defence 2016: 165). In the past, Defence has lacked a strong centre of guidance; structures of accountability were unclear; and it had a culture that was not amenable to change. Hence, Defence must now be moulded into an integrated organisation, labelled as "One Defence",

which works in line with strategy and is guided by a strong strategic centre (Defence 2016: 166).

Funding Defence

A new 10-year funding model will see Defence funding increase to 2 per cent of GDP by 2020-21. It has been identified that "Defence must have confidence in its funding so it can develop and implement long-term plans" as does Australian defence industry, which must sense a degree of certainty in order to "invest in infrastructure, skills, and capabilities" (Defence 2016: 177).

The funding model is based "on a fully costed future force structure, with external validation" by experts in cost assurance, so the strategy should be affordable. The Defence budget will grow to a projected \$42.4 billion in 2020-21, which will allow Defence to retain its force structure plans (Defence 2016: 178-9).

The budget will grow gradually towards the end of the decade to match the investment that is required for new capabilities (Defence 2016: 181-182) such that, by 2025-26:

- capital investment will rise from \$9.4 billion (29 per cent of the budget) to \$23 billion (39 per cent);
- sustainment of capabilities will rise from \$8.1 billion (25 per cent) to \$16.4 billion (28 per cent);
- operating costs will remain steady at 7 – 9 per cent; and
- personnel expenditure will reduce from 37 per cent to around 26 per cent.

Having recognised past funding failures, the government has developed this model to "re-establish an affordable, achievable, and sustainable basis for our nation's defence and to rebuild our capabilities" (Defence 2016: 182).

Implementing this Defence White Paper

Implementation is to begin immediately. The Defence Committee, led by the Secretary of Defence and the Chief of the Defence Force, has been tasked with the responsibility of "leading and co-ordinating White Paper implementation" (DWP 2016: 185). The Minister of Defence will meet with the Committee every 6 months to consider "a formal strategic assessment of alignment between Defence's strategy, capability and resources, together with First Principles Review and cultural reform implementation". Thereby, reviews can be made to ensure that Defence is positioned correctly to modify its "plans to seize opportunities and manage risks as strategic circumstances change" (Defence 2016: 186).

Conclusion

The challenge for a Defence white paper in the current era is the transience of the regional and global strategic outlook. Against an overwhelming air of uncertainty about future regional security, DWP16 sets out prudent, relevant and seemingly fiscally achievable measures for Australian and regional security in all facets of defence capability, pending future security challenges that are projected but not guaranteed. In other words, DWP16 is seeking to ensure that we cover all of our bases.

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