Sweet and sour in defence take on China

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Don't be misled by the China-friendly packaging of Australia's 2013 defence white paper. Canberra's revised strategic policy is not as meek as it seems about the risk of trouble with China.

Its most telling line is not to be found in all the comforting talk about co-operation, multilateralism and a peaceful Asian Century. Buried in all that sweetness, it says plainly that Australia may need to be prepared "to conduct conventional combat operations to counter aggression or coercion against our partners".

That can mean many things, but one of them remains the possibility, however remote, of joining a US-led war against China.

True, the new policy document isn't written to ring alarm bells about a rising China's impact on peace across Indo-Pacific Asia. That suits Australia's efforts to build mature dialogue with its biggest trading partner. In diplomacy, it's often dumb to speak loudly, especially when carrying a rather modest stick.

The 2009 defence white paper, driven by Kevin Rudd, was blunter about China's military rise. It spoke of Australia's need to resist a "major power" and take the fight to the opponent's door.

To be fair, it didn't name China as an enemy either, but nobody imagined those references were to America, India or Japan. So Prime Minister Julia Gillard and Defence Minister Stephen Smith are technically right when they say their defence policy reflects continuity.

They're right, too, because as with Rudd's effort, the new document's chief weakness is about money. Smooth drafting cannot disguise last year's big cuts to the military budget.

It continues to defy credibility that the promised force of 12 made-in-Adelaide submarines, Joint Strike Fighters and so on, can be delivered unless the budget can be lifted from about 1.5 per cent towards 2 per cent of GDP.Defence driven by economics

So if it ever comes to Australia joining a US-led confrontation with China, the question will still arise: With what? That's where the new Growler electronic warfare jets might fill a small niche.

Still, Australia's diminished defence budget is driven by domestic politics and economics, rather than a wish to perplex Washington or please Beijing.

The paper contains a sophisticated articulation of Australia's changing strategic environment and the risks ahead. Stripped of diplomatic varnish, the largest of these challenges involve China.

Of course Australia "does not approach China as an adversary", as the paper says. But going by the paper's expansive definition of the interests Australia needs to protect, trouble may arise whether we seek it or not.

Those interests include a stable Indo-Pacific region, a rules-based global order, and the protection of this country and others from coercion and intimidation.

If this template is applied even just to foreseeable tensions in the South China Sea, the East China Sea, the Korean Peninsula, and even between China and India, then that makes for plenty of strife in which we seem to claim a stake. Cyber-security challenges flagged

And more direct security challenges are already with us. The white paper and January's National Security Strategy warn of cyber challenges – espionage, interference, and potential future attacks – from foreign states. Not publicly naming China in this regard is simply diplomatic common sense.

Above all, the paper needs to be read in the context of Australia's US alliance.

Some in Washington may not like the even-handedness of the paper's depiction of US-China relations, but Australian reliance on and support for the US as an ally has deepened since 2009.

The white paper endorses America's "rebalance" to Asia and confirms support for that through the presence of US marines in Darwin and US space-tracking assets in Western Australia.

By announcing upgrades to airfields in Cocos Islands and northern Australia, the paper marks the way to their possible eventual use by US aircraft.

Another sign that this paper was not made to satisfy Beijing is the way it redraws the map of Australia's security. This paper makes Australia the first country officially to term its region the Indo-Pacific rather than the Asia-Pacific.

The Indo-Pacific is an objective description of Australia's two-ocean geography as well as the region in which China is rising, given its huge energy, trade and diplomatic interests across the Indian Ocean.

But this term also discomforts China because such a large region dilutes China's centrality and plays India into the Asian power game.

Whether or not Rudd's paper was a red rag, this one is not a white flag.

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