

# Defence has battle at home

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THE Government has had a pretty easy time on defence and national security so far. But life is about to get a lot tougher for Defence Minister Joel Fitzgibbon as geopolitical realities in Afghanistan and the global financial crisis cast serious doubt about the utility and underlying assumptions of the forthcoming white paper affecting billions of dollars of defence spending.

If terrorism, Iraq and East Timor defined John Howard's national security agenda, then Afghanistan is likely to do the same for Kevin Rudd. The problem is that few Australians understand why our defence forces are in Afghanistan and even fewer support the deployment, according to recent polling by the Lowy Institute and the University of Sydney's US Studies Centre.

Unfortunately, the Government has done little to arrest the worrying fall in public support, much less build a compelling case for a significant troop increase, a likely outcome of Barack Obama's election to the US presidency.

Obama has already signalled that he will augment US combat strength in Afghanistan and he expects his allies to make proportional commitments, which puts the Government in a difficult position. Refusing an Obama request for additional Australian troops would be poorly received in Washington and undermine the Government's claim that Afghanistan, not Iraq, is the central strategic challenge for Australia.

An enhanced role for Australia in Afghanistan would inevitably mean a reorientation towards combat operations against the Taliban, the possible deployment of an infantry brigade and the attendant risk of higher casualties. Not a prospect the Government would relish but one that it may be forced to contemplate once David Petraeus, the commander of US Central Command, completes his review of American strategy in Afghanistan.

Moreover, a strengthened Afghanistan military commitment will not be cheap. The high tempo of defence operations during the past decade required major supplementary funding which Howard delivered on the back of a booming economy.

Rudd confronts a far bleaker economic and financial landscape. It is not clear where he would find the hundreds of millions of dollars that would be needed to fund combat operations in Afghanistan over many years.

Afghanistan is not the only unpalatable problem on the Government's plate. Future defence planning is being complicated by the dramatic drop in

Government revenue caused by the global financial crisis, the massive devaluation of the Australian dollar and an extant \$10-15billion funding gap which is likely to blow out further.

Fitzgibbon's apparent decision to produce the white paper by a self-imposed March-April deadline may be politically expedient but it is strategically risky when there is so much uncertainty surrounding revenue forecasts and hence the Government's capacity to make informed decisions about force structure options for the ADF. All the more so given the Government's commendable, but challenging, aim of developing "whole of life" costing of all major defence capabilities.

Compounding the problem is the unprecedented scope of this white paper. Not content with a major decadal reassessment of the strategic environment and capabilities options for the ADF, Fitzgibbon has ordered a comprehensive, simultaneous review of virtually all his department's main functions, ranging from personnel practices, logistics, financial and project management through to industry support.

It is difficult to avoid the conclusion that the Government has bitten off far more than it can chew. To expect all these reviews to be completed in the next few months and integrated into a coherent articulation of the Government's defence policy, given the present financial uncertainties, is a big ask and likely to result in a sub-optimal outcome.

At worst, the white paper could be dead on arrival if the economic downturn is more severe and enduring than Treasury forecasts.

A better approach would be to release the Government's assessment of the new strategic environment Australia confronts as planned in March-April, along with an explanation of the principles and key strategic judgments that will determine our future defence force.

Detailed equipment and capability decisions, including the number, type and configuration of future ships, submarines, aircraft and land-force systems could be released at a later date -- ideally in 2010 -- following a thorough and realistic review of the impact of the economic downturn on the defence budget. By which time the extent and scope of the Government's Afghanistan commitment would also be clearer.

Ironically, it is the perplexing delay in announcing the much-touted national security statement, rather than the white paper gyrations, which is more damaging to the Government's national security credentials. The long-promised statement, which was completed nearly six months ago, has reportedly been gathering dust in the Prime Minister's in-tray.

Since the statement is meant to inform the white paper deliberations as well as provide a blueprint for national security policy, the sooner it is released the better.