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Australian Defense Policy in the Trump Era

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Andrew Davies and Mark Thomson, Director of the Defence and Strategy Program, and Senior Analyst of Defence Economics, respectively, at the Australian Strategic Policy Institute (ASPI), explain that “It remains to be seen whether the Trump administration has what is needed to ‘underpin stability’ in the Pacific... Australia looks to the United States for leadership, but will not follow it blindly down the rabbit hole.”

The recent story of Australian defense policy is straightforward. Faced with an increasingly adverse strategic outlook, Australia has been bolstering its defenses since the turn of the century. In the past 15 years defense spending has increased by 75% in real terms, defense personnel numbers are up by 18%, and military modernization is underway across the board. At the same time, Australia has demonstrated its alliance credentials through stalwart support of US-led operations in Afghanistan, Iraq, and Syria. As a result, there is little doubt that the Australian Defense Force (ADF) is now more capable and more inter-operable with the US, and the Australia-US alliance is stronger than at any time since at least the Vietnam conflict.

But the strategic environment has continued to deteriorate on multiple fronts. Most alarming has been China’s annexation and militarization of contested territory in the South China Sea. It is hardly surprising then, that Australia unveiled plans last year to further expand and modernize its own defense force. Just about every aspect of the ADF is slated for expansion and/or enhancement over the next two decades, but the centerpiece is a US\$50 billion naval construction program. In addition to new classes of anti-submarine frigates and offshore patrol vessels, 12 new French-designed submarines — much larger than any extant conventional submarines — will replace the six existing boats. To pay for this large-scale program, the government has promised to increase defense spending to 2.1% of the GDP by 2020.

Despite the ambitious plans, the modernization of the ADF risks being outpaced by events on the ground. The Australian government wants its defense spending to do two things: strengthen the ADF (including increasing inter-operability with the U.S.) and create an indigenous defense industry. To accommodate domestic naval production with sustainable throughput, Australia’s submarine fleet will not grow past its current six boats until sometime in the late 2030s, and will only reach the target of 12 by mid-century. The strategic environment is changing on a timescale of months and years, yet Australia’s military build-up is planned over decades. This raises the important question for Australia of whether to speed up its military modernization.

Australia’s existing plans for its defense force were underpinned by a critical assumption in its 2016 defense white paper:

“The United States will remain the pre-eminent global military power over the next two decades. It will continue to be Australia’s most important strategic partner through our long-standing alliance, and the active presence of the United States will continue to underpin the stability of our region.”

Twelve months ago, that seemed like a safe assumption. Now that President Trump has been elected, however, the situation is less certain.

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To start with, Mr. Trump has openly promoted an isolationist stance for the United States, including questioning the merits of longstanding US alliances such as NATO and the bilateral alliances with Japan and South Korea. While he now appears to be moving towards more traditional positions on those issues, it will take time and concrete action to restore Australia’s confidence in the Trump Administration’s commitment to alliances.

Even if that confidence is restored, it remains to be seen whether the Trump administration has what is needed to ‘underpin stability’ in the Pacific. Publicly questioning the half-century old ‘One China’ policy was about as poor a start as could be imagined. Australia looks to the United States for leadership, but will not follow it blindly down the rabbit hole.

The saving graces in the present situation are the strong institutional links between Australia and the United States at the military, bureaucratic, and political levels. Senator McCain’s decisive response following the fractious telephone call between President Trump and Australia’s Prime Minister Turnbull did not go unnoticed. But while Australia values its friends in Washington, it is Mr. Trump who calls the shots.

There are two schools of thought in Australia about how to deal with the United States under President Trump. The first is to grit our teeth and ride out the storm using our best efforts to influence US policy in sensible directions and averting our eyes where necessary. That appears to be the Turnbull government’s approach — at least for now. The second school of thought, which has launched an endless string of op-eds, is that Australia should adopt a ‘more independent’ foreign and defense policy.

The problem for Australia, and for the United States, is that a more independent Australian position would likely mean adopting a softer position on China. Indeed, calls for a more independent Australian posture rarely acknowledge the need to develop stronger defense forces to compensate for the loss of US support, let alone what the loss of a nuclear guarantee would mean. It’s implicit that a more independent posture would mean accommodating Beijing prerogatives — or at least not disagreeing too publically.

There are already many in Australia sympathetic to China, especially those in the business community whose interests depend on Chinese good will. It is no secret that Chinese money bankrolls sympathetic voices in the Australian debate and even finds its way into Australian politics. At the same time, Beijing does not hesitate to make thinly veiled threats of economic retribution against Australia when it sees its interests threatened.

To make matters worse, the Trump administration’s abandonment of the Trans Pacific Partnership (TPP) leaves an opening for Beijing to take the lead on trade diplomacy in the Asia Pacific. Nature abhors a vacuum. While Canberra would prefer to sign a high-standard trade pact such as the TPP, it cannot afford to be left out of a Chinese-led replacement. Australia has already shown willingness to differ with Washington in joining the Asian Infrastructure Investment Bank (AIIB).

Australia will never rush into Beijing’s arms, but it could easily fall into a pattern of compliance — however uneasily — especially if the Trump administration proves too difficult to deal with. A critical factor will be Australian public opinion. It is difficult to overstate the alarm that the Trump administration has caused in Australia. Australia’s political center of gravity falls well to the left of America’s; we have no equivalent of Fox News. No matter how much Australia’s leaders want to stay the course for the next four years, they will only be able to do so if public disdain for the Trump administration remains within bounds. Those bounds are already being tested.

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