

A Plan B for Australia? Hard Truths and Political Realities in Canberra's Strategic Policy Debate

Cam Hawker

When Coral Bell looked back at the attitudes and outlook of defence policymakers facing great change and uncertainty in Australia's strategic landscape in the late 1960s and early 1970s she concluded that they were

Like a group of lost explorers marooned on an ice flow; the frozen surface was visibly breaking up all around them while they were insisting loudly that nothing really much was happening.¹

At that time, Canberra was facing the reality of the British withdrawal 'East of Suez' and the announcement by Richard Nixon that henceforth Washington would look to regional allies to play a greater role in their own defence.

In some respects, the last decade or so of Australia's strategic policy debate has echoed this period. We have, and are, witnessing, a profound transition as the world's centre of gravity shifts east. China has become rich and is increasingly inclined to flaunt that wealth in the form of military spending and carefully targeted foreign infrastructure ventures such as the Belt and Road Initiative. It has also become more assertive, diplomatically, militarily, and in more covert forms. At the same time, the United States has wavered in its regional leadership as talk becomes less centred on Washington's capacity to maintain regional dominance and more focused on its will to do so.

Like the late 1960s and early 1970s to which Bell alluded, the last decade has featured denial and denialism. As the assumptions on which Australia has so long based strategic policy have become increasingly challenged by the emergence of China, and its quest to convert its economic heft into the hard currency of power, and an associated relative decline in American primacy that has become apparent, the loudest voices have often been those insisting that nothing much needs to change. In these circles, it has until very recently been accepted that Australia could enjoy its security relationship with its reliable and preponderant ally in Washington, and continue to grow rich in its dealing with its now major trading partner in Beijing. This argument has been maintained even as the relationship between those two has evolved and soured.

1 Coral Bell, *Dependent Ally: A Study of Australia's Relations with the United States and the United Kingdom Since the Fall of Singapore* (Canberra: Department of International Relations, The Australian National University, 1984), p. 138.

The 2016 Defence White Paper was based on the assumption that 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.²

It argues that China

will not match the global strategic weight of the United States, the growth of China's national power, including its military modernisation, means China's policies and actions will have a major impact on the stability of the Indo-Pacific to 2035.³

The assumption that the United States would remain engaged in the region, at least in terms we have traditionally understood it, as the hub of so many spokes, was challenged almost immediately after the publication of the 2016 Defence White Paper with the election of Donald Trump and the ill-defined 'America First' strategy. However, it would be a mistake to see Trump as a cause of Washington's strategic malaise when he is rather a symptom of a broader American political crisis and of a country still searching for a post-Cold War identity when signs of this have been apparent for years.

The initial period of the Trump presidency saw a degree of apprehension from Washington's allies and partners, including Canberra, as they attempted to quantify this unknown quantity. An early view was that the presidency would change Trump much more than he would change the presidency.⁴ Much of this thinking rested on the presence of experienced figures like Jim Mattis (Secretary of Defense) H. R. McMaster (National Security Adviser) and John Kelly (Chief of Staff) and the view that they would restrain Trump's more extreme impulses and socialise him into the responsibilities of his office. However, by mid-2018 these figures had been sidelined. By the following year all had departed. Trump, meanwhile, had stunned allies with a series of actions and pronouncements too numerous to catalogue here. However, his July 2018 remarks that characterised the European Union as a "foe", ahead of Russia and China, rankled many.⁵ While closer to home, a 2017 leaked phone call between Trump and Prime Minister Malcolm Turnbull suggested that the relationship was delicate.

A Not So Sudden Change in the Weather

In July 2018, a new chapter Australia's strategic policy debate was opened by the Executive Director of the Australian Strategic Policy Institute (ASPI) when he argued that the time had come for Canberra to formulate a Plan B for its defence policy.⁶ Jennings located

2 Department of Defence, *2016 Defence White Paper* (Canberra: Commonwealth of Australia, 2016), <www.defence.gov.au/WhitePaper/Docs/2016-Defence-White-Paper.pdf> [Accessed 21 October 2019].

3 Ibid.

4 Greg Sheridan, 'The Baffling Contrary and Crazy Presidency of Trump', *The Australian*, 4 November 2017, <www.theaustralian.com.au/nation/inquirer/the-baffling-contrary-and-crazy-presidency-of-trump/news-story/478bf503a0f40e1298bd7c182e83869a> [Accessed 21 October 2019].

5 CBS News, "'I Think the European Union Is a Foe,'" Trump Says Ahead of Putin Meeting in Helsinki', 15 July 2018, <www.cbsnews.com/news/donald-trump-interview-cbs-news-european-union-is-a-foe-ahead-of-putin-meeting-in-helsinki-jeff-glor/> .

6 Peter Jennings, 'Trump Means We Need a Plan B for Defence', *Opinion*, Australian Strategic Policy Institute (ASPI), 21 July 2018, <www.aspi.org.au/opinion/trump-means-we-need-plan-b-defence> [Accessed 22 October 2019].

his argument firmly in the context of the Trump presidency. Since then, a variety of contributors, some of them great luminaries, have endorsed, weighed in on, or disputed Jennings's contention.

The key advocates of a Plan B for defence have started from the excellent premise that the ANZUS alliance cannot be taken for granted and that it cannot be assumed that Trump is an aberration. Therefore, it is prudent to plan around and mitigate the effects of a region in which the United States is less actively involved.

However, a number of flaws immediately undermine this approach. Firstly, many, though not all, advocates of the Plan B approach make the mistake of seeing Trump as a cause of crisis rather than a symptom of it. Therefore, they do little to engage with the underlying issues of Washington's changing position in the regional order. With a few exceptions, calls for the adoption of a Plan B do not advocate anything that is truly new. Most assessments rest on the assumption that a continued US presence in the region can either be expected, or sought, by greatly increased defence spending and adopting a more forward leaning force structure.⁷ This leads to a fractured kind of logic that asserts that certain big ticket power projection platforms such as long range bombers and submarines are desirable because US protection is uncertain, but that the acquisition of these platforms will also help keep the United States engaged in the region.

Most, though not all,⁸ advocates of Plan B speak of it as though defence policy exists in a vacuum and is not intrinsically linked to foreign policy and trade policy, and the broader realities of government and budgeting. Few, if any, of those who have mooted or evaluated Plan B have done so with serious consideration of the attitudes and priorities of policymakers, and by policymakers it is useful to consider not just entrenched officials at Russell, but their elected masters across Lake Burley Griffin.

Before we assess Plan B, it is useful to consider Plan A, which is probably best understood as the arrangements that Australia has enjoyed, with some modification, since Federation. The country's security has been largely, but not entirely underwritten by a preponderant maritime power with which it shares strong cultural and values-based ties. In 1901 that power was Britain, though it is less useful to think of Australia's relationship with Britain at that time as being one of allies than as a relationship between imperial master and newly minted dominion. While the Commonwealth of Australia was self-governing, its foreign policy was subject to London's veto and would not be fully emancipated until the Second World War.

At the same time, Australia's economic prosperity has, since 1901, been assured by the custom of either the security guarantor or a power aligned to it. Until 1942 that was Britain. Following the fall of Singapore, Australia famously turned to the United States. However, it would be wrong to think that Britain no longer factored in Australia's strategic calculations from that point. As Bell has noted, when Menzies spoke of "Great and Powerful Friends" he did so in the plural.⁹ Britain remained a key trading partner and an important part of Australia's security architecture until well after the war, but the relationship with

7 Paul Dibb, 'Why We Need a Radically New Defence Policy', *The Strategist*, ASPI, 29 September 2018, <www.aspistrategist.org.au/why-we-need-a-radically-new-defence-policy/> [Accessed 22 October 2019].

8 Anthony Milner, 'Australia's Plan B: Time for Some Tough Realism', *The Strategist*, ASPI, 2 August 2018, <www.aspistrategist.org.au/australias-plan-b-time-for-some-tough-realism/> [Accessed 22 October 2019].

9 Bell, *Dependent Ally*, p. 62.

Washington and the associated alliance soon became dominant. In this period, American-aligned Japan became Australia's largest trading partner following the establishment of the 1957 Commerce Agreement. Although Canberra did not recognise the People's Republic of China (PRC) until 1972, a strong trade in non-strategic goods existed from the 1950s. This became a source of some frustration for Washington over the years. The fact that it continued is an indication of a pragmatic approach to the region.

In retrospect, the back-to-back addresses made by US President George W. Bush and China's President Hu Jintao to the Australian Parliament in October 2003 represent an extraordinary moment. Such duality would be impossible today. It took place in an era when Prime Minister John Howard made the assurance that Australia did not have to "choose geography or history".¹⁰

By 2007, the same year that Howard left office, China became Australia's largest trading partner. For the first time, Australia looked to powers that were not only unaligned, but increasingly in competition with each other for our security and prosperity. Plan A ended there. Everything since has been strategic drift.

Today Canberra faces a strategic landscape where its largest trading partner is a state that it increasingly regards to be a threat to its security, yet remains indispensable to its economic prosperity. At the same time, Australia is allied to a state in a deep and likely prolonged political crisis. One led by a president who appears at best to be ambivalent towards the concept of a liberal rules-based order. At times, he is openly hostile to the idea of alliances and has voiced this hostility directly to certain partner states.

Assessing Plan B

The allure of Plan B is that it is a seemingly tangible response to a tangible problem. At the heart of it is the sensible point that ANZUS is of enduring value to Australia and that it cannot be taken for granted. As Jennings notes, Trump's leadership is "increasingly bizarre".¹¹ He is right to point out that "the 2016 defence white paper shows that the current Plan B is even more of the alliance's Plan A".¹² Yet his Plan B offers little that is truly different in respect to the alliance or strategic planning.

At the core of Plan B is an argument for increasing the defence budget from its current rate of just under 2 per cent of GDP to somewhere between 3 and 4 per cent.¹³ Jennings has also argued for a lift in personnel numbers from 58,000 to about 90,000. What would this money be spent on, and how would these personnel be used? Jennings advocates an enhanced conventional force including nuclear powered submarines, capable of long range operations. Richard Menhinick laments our lack of ability to "impose our will and deter adversaries at a distance across the Indo-Pacific".¹⁴ Paul Dibb argues the need for

10 John Howard, 'Address to the Asia Society, "Australia and Asia: An Enduring Engagement"', 8 May 1997, <pmtranscripts.pmc.gov.au/release/transcript-10335> [Accessed 22 October 2019].

11 Jennings, 'Trump Means We Need a Plan B for Defence'.

12 Ibid.

13 Ibid.

14 Richard Menhinick, 'Australia Must Double Defence Spending to Address Worsening Strategic Outlook', *The Strategist*, ASPI, 11 October 2018, <www.aspistrategist.org.au/australia-must-double-defence-spending-to-address-worsening-strategic-outlook/> [Accessed 21 October 2019].

a “radically new defence policy”.¹⁵ But there is nothing radical or new in the author of the 1987 Defence White Paper’s call for a regional focus and self-reliance within the alliance.

It is notable that several advocates of a defence Plan B noted above envisage a force designed for forward operations with a strong emphasis on Sea Control. While Plan B is predicated on the idea that US leadership in the region cannot be taken for granted, it also appears to assume that the ADF will be deployed in areas of operation made secure by the United States and will continue to operate alongside US assets. Assuming that increased military spending and forward deployments will prove Canberra’s mettle and worth as an ally to Washington is nothing new. It is a classic play from the Australian manual of alliance management echoing the era of Forward Defence.

Jennings also calls for the establishment of formal alliances with Britain, France and Japan. It is hard to see what advantage the first two would offer. One wonders if anyone remembers SEATO. As Mike Scafton points out, an alliance with Japan is likely to provoke China.¹⁶ Such an alliance might well risk entrapping Canberra in a Sino-Japanese conflict without offering any tangible benefit in return.

Some broader thinking on the Plan B proposal have come from Tony Milner who argues the importance of a “diplomatic and political strategy” as a driver of defence planning.¹⁷ Mike Scafton questions the assumption that Australia is materially capable of altering the course of events in the region. He points out that the mooted 3-4 per cent of GDP spent on defence translates roughly to an increase from 6 to 9 per cent in overall government spending for defence, something that it is unlikely to politically palatable.¹⁸

Another questionable assumption at the heart of most Plan B proposals is the idea that conventional military force can act as a credible deterrent against a nuclear power. When we consider that this may be taking place without the umbrella of US extended nuclear deterrence, the assumption becomes even more questionable. It is worth asking in what circumstances do we imagine a beefed up, but conventionally armed, forward deployed ADF operating against China without US support?

A more robust set of arguments is made by Hugh White and Rod Lyon. In White’s 2019 book *How to Defend Australia*, he soberly makes the case that we ought to revisit a discussion last had in the early 1970s, and consider if the development of a nuclear weapons capability is in the national interest.¹⁹ The fact that White is advocating the discussion, rather than championing nuclear acquisition, has to some extent been lost in the public discourse. Rod Lyon takes us a step back in a recent piece for ASPI in which he points out that the development of an indigenous nuclear weapons program would take at least 15 years and that it would be prudent for us to act now to minimise that lead time in order to be better placed to make the decision.²⁰

15 Dobb, 2018.

16 Mike Scafton, ‘Australia’s Plan B: Increasing Defence Spending Will Only Provoke China’, *The Strategist*, ASPI, 3 August 2018, <www.aspistrategist.org.au/planning-australias-plan-b-increasing-defence-spending-will-only-provoke-china/> [Accessed 22 October 2019].

17 Milner, ‘Australia’s Plan B: Time for Some Tough Realism’.

18 Scafton, ‘Australia’s Plan B: Increasing Defence Spending Will Only Provoke China’.

19 Hugh White, *How to Defend Australia* (Carlton, Vic.: Black Inc., 2019), p. 231.

20 Rod Lyon, ‘Should Australia Build Its Own Nuclear Arsenal?’ *The Strategist*, ASPI, 24 October 2018, <www.aspistrategist.org.au/should-australia-build-its-own-nuclear-arsenal/> [Accessed 22 October 2019].

A sub-argument of some Plan B discussion has centred on Australia's perceived over exposure to the Chinese market. Dibb contends that Canberra should "consciously diversify (our) trade, investment, tourism and international student businesses with other countries. These should include Japan, South Korea, India, Vietnam and Indonesia—as well as Europe".²¹

Diversification is happening in niche areas such as defence related technology and rare earth minerals. This is sensible and will continue. However, broader divestment is both unrealistic and undesirable. While our tourism, education and resources sector will no doubt continue to seek out new markets, no single market or indeed combination of existing markets, is going to replace China from its dominant position in the foreseeable future.

It is Australia's dilemma that while it has become increasingly wary of China's growing power, and rightly regards a China that seeks to overturn the prevailing order as being contrary to its interests, a weak China is not in its interests either. Australia needs China to be rich in order to trade with us and to be constructively engaged in the global economy. It is now trade, and differing approaches to trade, that is emerging as a key point of difference between Canberra and Washington in their attitudes and approaches towards China.

The (Increasingly Hawkish) View from Washington

In a series of speeches over the last year or so, US Vice President Mike Pence and Secretary of State Mike Pompeo have laid out the prevailing Washington view on China. In a speech delivered at the 2018 APEC Summit in Port Moresby, Pence pledged Washington's commitment to a "free and open Indo Pacific" while ending what he characterised as an era of Chinese exploitation of the United States.²² He expanded on these themes in remarks to the Wilson Centre in October 2019.²³ Here Pence lamented the failure of economic engagement in transforming China into a "free and open society". Although Pence explicitly rejected the idea of economic "decoupling" and denied that Washington seeks to contain Beijing, he made it clear that acceptable Chinese development is that which takes place on Washington's terms.

In an extraordinary speech to the Hudson Institute in the same month, Mike Pompeo characterised China as a "strategic competitor at best" and praised the Quadrilateral Security Dialogue as a mechanism for ensuring that it "retains only its proper place in the world".²⁴ In a more recent speech, Pompeo spoke of US "accommodation" of China that had been made in the hope that the country would become "more free, more market driven, and ultimately, hopefully more democratic".²⁵ Pompeo also appeared to question

21 Dibb, 'Why We Need a Radically New Defence Strategy'.

22 Mike Pence, 'Vice President's remarks at the APEC CEO Summit, Port Moresby, Papua New Guinea', 16 November 2018, <www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-2018-apec-ceo-summit-port-moresby-papua-new-guinea/> [Accessed 23 October 2019].

23 Mike Pence, 'Vice President's remarks at the Fredric V. Malek Memorial Lecture', Washington DC, 24 October 2019, <www.whitehouse.gov/briefings-statements/remarks-vice-president-pence-fredric-v-malek-memorial-lecture/> [Accessed 28 October 2019].

24 Mike Pompeo, 'Trump Administration Diplomacy: The Untold Story', Speech at Heritage Foundation President's Club Meeting, Washington DC, 22 October 2019, <www.state.gov/trump-administration-diplomacy-the-untold-story/> [Accessed 28 October 2019].

25 Mike Pompeo, 'The China Challenge', Speech at Hudson Institute's Herman Kahn Award Gala, New York, 30 October 2019, <www.state.gov/the-china-challenge/> [Accessed 31 October 2019].

the wisdom of Washington's decision to end its recognition of the Republic of China in the 1970s. This is a radical suggestion as it criticises the diplomacy that laid the foundations for a period of peace and prosperity that underwrote the final quarter of the twentieth century in Asia and greatly benefited the region, including Australia.

An American hope that economic engagement with China and China's integration into the global economy would in turn lead to political liberalisation and perhaps even the end of the CCP state is not new. It is after all an articulation of liberalism itself. According to liberalism, free markets and free societies are intrinsically linked. Some forty years since China began its market liberalisation, and thirty years since Tiananmen, Washington has apparently decided that the jury is in on Beijing's progress towards enlightenment. All this raises the question of what sort of China is acceptable to Washington. If the answer is only a democratic one, Australia is faced with a dilemma.

The View from Parliament House, Canberra

Traditionally there has been a broad consensus among Australia's political class in support of Plan A, with some differences on tone and prioritisation. ANZUS has certainly enjoyed long and strong bipartisan support, with opposition from the Left of the Australian Labor Party being confined to the fringe since the Hawke era.

The ANU academic Andrew Carr has made a thoughtful contribution to this under-examined area by pointing out that a strategic policy debate that is not contested in a political context is at risk of growing stale and that bipartisanship in this area is not necessarily a good thing.²⁶

However, in the post-Plan A world of today the major differences that exist within the political class on strategic policy are more evident within the major parties than between them. So far, these differences are more pronounced around China than they are in relation to the American alliance, though events and Donald Trump could change this. Within the Liberal-National Party Government differences on China can be observed along portfolio lines. Trade Minister Simon Birmingham will emphasise the importance of China to Australia's economy, while Defence Minister Linda Reynolds and Foreign Minister Marise Payne will tend to focus on the challenge that China poses to the existing order.

These differences are far starker when we observe the Cabinet in contrast to the government's backbench. Here we find evidence of far more hawkish views on China. Of course, within our system it is quite usual for backbench Members of Parliament (MP) to speak out on issues that concern them, even if this places them against the Cabinet. From time to time the back bench will exert real influence over the Cabinet. It is rare for this to happen on matters relating to Defence or Foreign Affairs. However, we now know that prominent backbenchers Tim Wilson and Andrew Hastie (among others) pressured the government to drop plans to sign an extradition treaty with China in 2017.²⁷

26 See Andrew Carr, 'I'm Here for an Argument: Why Bipartisanship on Security Makes Australia Less Safe', *The Australia Institute*, Canberra, August 2017, <www.tai.org.au/content/i%E2%80%99m-here-argument-why-bipartisanship-security-makes-australia-less-safe> [Accessed 22 October 2019].

27 David Crowe, 'China Test Looms for Australia over Hong Kong', *Sydney Morning Herald*, 5 October 2019, <www.smh.com.au/politics/federal/china-test-looms-for-australia-over-hong-kong-free-trade-agreement-20190905-p52ob0.html> [Accessed 22 October 2019].

More recently, Wilson has emerged as a vocal supporter of the rights of the people of Hong Kong. Hastie, often spoken of as a future party leader, has utilised his position as Chair of the Parliamentary Joint Committee on Intelligence and Security to raise his concerns over growing Chinese influence within Australian institutions.

Opposition attitudes are harder to assess. At the time of writing, the parliamentary Labor Party remains in state of disarray following its unexpected defeat in the May 2019 election. On one hand, Shadow Foreign Minister Penny Wong continues to map out sensible policy vision. At the same time, Shadow Defence Minister Richard Marles appears to be out of his depth. Opposition Leader Anthony Albanese has said little on strategic policy thus far.

So far, we have seen little real disagreement either within or between the major parties on the alliance. Differences have been internal and have tended to focus on Trump and the apparent dysfunction of his White House. The hollowing out of the State Department and management issues within the Pentagon have also been causes for concern. A second Trump term, or some disagreement that places us in divergence with him, could bring those differences into focus.

Canberra's Trump strategy has been to personalise the relationship to a high degree. We have done this ever since we used golfing legend Greg Norman as an intermediary. As Director of the Lowy Institute Michael Fullilove has noted, Trump "likes people who like him".²⁸ In this spirit, we have used the '100 years of mateship' campaign to socialise Trump into the history of the alliance and liberally applied flattery to lubricate the process.

It is a potentially high reward, but also very high risk approach. So far, the rewards have been more apparent. Australia is now one of few liberal western nations to be on truly good terms with the Trump administration. Australia was exempted from steel tariffs in 2018. To continue the metallic theme, Prime Minister Morrison was recently celebrated at the White House as a "man of titanium".²⁹ But beneath all the bonhomie and talk of the second century of mateship the points of difference are apparent. Recently, US Ambassador Arthur Culvahouse gave a speech urging Australia to display more confidence and suggested that taking part in freedom of navigation operations in the South China Sea might be an ideal way to do so.³⁰ The invitation was not taken up by the Morrison government. The government was also quick to end speculation that it would agree to host US intermediate range ballistic missiles (IRBMs).

28 Michael Fullilove quoted in Matthew Knott, 'Why Scott Morrison's Dinner with Trump is a Diplomatic Victory', *Sydney Morning Herald*, 20 September 2019, <www.smh.com.au/world/north-america/why-scott-morrison-s-dinner-with-donald-trump-is-a-diplomatic-victory-20190920-p52t65.html> [Accessed 22 October 2019].

29 David Crowe, 'Trump Lauds Scott Morrison as a "Man of Titanium"' *The Sydney Morning Herald*, 21 September 2019, <www.smh.com.au/politics/federal/donald-trump-lauds-scott-morrison-as-a-man-of-titanium-20190921-p52tio.html> [Accessed 22 October 2019].

30 Phillip Coorey, 'Show Backbone against China or Risk New Cold War: US Ambassador', *Australian Financial Review*, 14 September 2019, <www.afr.com/politics/federal/stand-up-to-china-or-risk-cold-war-20190912-p52qsp>

A risk for Canberra may be that Trump feels he has made certain allowances for Australia over tariff exemptions and matters such as the so-called 'people swap deal' and that he is therefore owed favours in kind. We possibly saw something of this thinking when Trump reportedly requested that Canberra assist in the investigation by US Attorney-General William Barr into the Mueller inquiry.³¹ However, this request is very little in terms of what might be asked.

The Prime Minister's Dilemma

At the centre of all this sits the Prime Minister himself. To a large degree, it is his view, more than any other single view that matters. The views which he chooses to listen to are consequently of great importance. On the surface, Scott Morrison is a values driven man. He recently spoke strongly on the plight of the persecuted Uighur people within China. Yet a closer examination of the Prime Minister, particularly a reading of his speeches, suggests something more pragmatic. There can be no doubt of Morrison's commitment to ANZUS. Indeed, his emotional attachment to its ideal and the history behind it appears strong. However, Morrison also speaks unapologetically of the benefits to Australia of a strong trade relationship with China.³²

Like Menzies before him, Morrison appears to think of Australia's "Great and Powerful Friends" in the plural. Though unlike Menzies, Morrison's embrace is broad enough to include a range of regional partners as diverse as the United States, Indonesia, Japan and China.³³ Morrison's dilemma is that some ten years or so since Plan A lapsed he has inherited a situation in which he is reacting to events without much in the way of a strategic framework. And he is doing so at a time when Canberra's great security ally and its major trading partner are increasingly opposed and increasingly demanding of it. Australia has long attempted to avoid 'choosing' between Washington and Beijing because it is essentially the choice between security and prosperity. It now finds itself making choices on a daily basis.

Advocates of a Plan B for defence would do well to recall that Morrison was Treasurer before becoming Prime Minister. Of the many departments jostling for his ear, it is invariably Treasury which he listens to first and last. Money is after all the alpha and omega of the policy process. Although we may question the necessity of reaching and maintaining a budget surplus, we would be foolish to dismiss the importance which the government places on it. They believe that their delivery of, an albeit, small surplus ahead of the election was central to their victory and that the loss of that surplus will likely mean the loss of the next election. They are therefore unlikely to adopt policies that would do this. Nor are they likely to raise taxes, even in areas as broadly popular as defence.

31 Jacob Greber and Phillip Coorey, 'Morrison Confirms Trump Call, "Readiness" to Help with Mueller Probe', *Australian Financial Review*, 1 October 2019, <www.afr.com/world/north-america/trump-pressed-morrison-in-call-over-australia-s-mueller-probe-links-20191001-p52wffj> [Accessed 22 October 2019].

32 Scott Morrison, 'Speech: McCormick Foundation', Chicago, 23 September 2019, <www.pm.gov.au/media/chicago-council-global-affairs> [Accessed 22 October 2019].

33 Ibid.

Conclusion

A renewed approach to Australian strategic planning is necessary after more than a decade of drift. However, such an approach must not limit itself to defence, with a focus solely on capability, without a firm understanding of the strategic purpose of those capabilities. A renewed approach to strategic planning must also include foreign policy and the proper resourcing of diplomacy. It must include trade and the recognition that free trade is not only vital to prosperity but fuses interests and promotes peace. It will require policymakers to make difficult decisions on budgeting and resource allocation. All this demands that Canberra addresses the core assumptions on which it makes strategic planning assessments. Inevitably this will mean addressing hard truths and questions of prioritisation. Sir Arthur Tange is well known for saying “until you’re talking dollars, you’re not talking strategy”. We should not lose sight of this. However, strategy is also about ends. It concerns means as a method of obtaining them. A frank assessment of Canberra’s desired strategic ends in a landscape that was already changing when Donald Trump was a mere reality TV star, must be the basis of any Plan B.

Cam Hawker is Principal at the consultancy Zephyr West.