

# Australian government announces \$89 billion naval expansion

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The Australian government yesterday announced that the building of a fleet of new frigates costing \$20 billion (\$US15 billion) would commence in 2020, three years ahead of schedule, and be based in South Australia. Construction of new Offshore Combatant Vessels would begin in 2018 with a price tag of \$19 billion. These projects are part of a major naval expansion over the next 20 years, including the new submarines, at a total cost of \$89 billion.

While the decision has come under fire for “pork barrelling” and maintaining inefficient local shipbuilding, the naval build-up is above all aimed at further integrating Australian defence forces into the US “pivot to Asia” and its preparations for war against China. Over the past four years, Australia has been transformed into a platform for the American forces in Asia, with the country’s northern bases opened up to US Marines, war planes and naval vessels.

Significantly, the naval expansion was featured in the *Wall Street Journal*, which noted that Washington had long been pressing Australia to boost its military spending and to purchase equipment that complemented the US navy’s own build-up in the Indo-Pacific. “We think it would be good for Australia to have bigger ships that are able to do more and be as multirole as possible, to work with allies like ourselves and Japan,” a senior US Navy official told the newspaper.

Prime Minister Tony Abbott declared the “historic announcement” would mean “basically a fleet build here in Australia, centred on SA [South Australia], because we have confidence that a restructured domestic surface naval ship-building industry can be competitive.” He refused to be drawn on the planned fleet of 12 submarines, which has been subject to protracted controversy over whether construction

would take place locally and hotly contested rivalry between Japan, Germany and France over the \$50 billion contract.

The announcement is clearly pitched at reversing the electoral standing of Abbott’s Liberal-National Coalition, which plunged in South Australia after it reneged on a 2013 election promise to build the submarines at the government-owned ASC shipbuilding yard in South Australia. The official, understated jobless rate for the state, which has already been hit by the planned closure of the auto industry, hit 8.2 percent in June.

Speaking yesterday in the state capital Adelaide, Abbott declared that 2,500 shipbuilding jobs in South Australia would be safe for “all time.” He foreshadowed implementing a continuous build of warships extending beyond the next 20 years. The government is concerned that it could lose three key seats in South Australia at the next election, including that of Education Minister Christopher Pyne. Abbott’s own personal poll rating in South Australia in March was the lowest-ever of any prime minister in any state.

The announcement immediately came under fire in the media with a scathing editorial in the *Australian* entitled “Team Abbott launches HMAS Pork Barrel” that began: “Parliament without Christopher Pyne wouldn’t be the same, but is he worth \$89 billion?” It cited “a generation of failure in naval shipbuilding” pointing in particular to the defects and lateness of the existing Collins-class submarines. It also noted a Rand Corporation report that concluded Australian shipbuilding involved a 30 to 40 percent cost premium.

The opposition Labor Party condemned the Abbott government for failing to save jobs at the Forgas shipyard in New South Wales and the BAE yard in Victoria which are likely to close with the loss of

hundreds of jobs. Labor's flag-waving rhetoric was on display in September last year, when Labor leader Shorten told workers at the South Australia shipyard that under his party, "We will build ships and submarines in Australia... because we love this country!"

The silence throughout the media and political establishment about the purpose of the government's massive naval expansion is an expression of the broad unanimity in Australian ruling circles for Washington's aggressive stance against China. The importance of Australia to the US is underscored by President Obama's decision to formally announce the "pivot to Asia" in the Australian parliament in November 2011 with the blessing of the Labor government of Prime Minister Julia Gillard.

Under the Abbott government, military ties between the US and Australia have been further consolidated. The Australian focus on naval expansion is directly linked to the Pentagon's strategic plans for an economic blockade of China in the event of war. Naval control over key shipping lanes and "choke points" to the north of Australia through South East Asia is crucial to blocking China's ability to import energy and raw materials from Africa and the Middle East.

The Abbott government has fully backed Washington's provocative campaign against China's land reclamation in the South China Sea, including US reconnaissance flights and naval forays close to Chinese-controlled atolls and islets. The Australian government's announcement yesterday takes place as the US is putting pressure on all of its allies and strategic partners in Asia to expand their armed forces, especially their naval power.

IHS *Jane's Defence Weekly* reported in May that annual defence spending just in South East Asia was projected to reach \$US52 billion by 2020, up from an anticipated \$42 billion this year. A large portion of the spending on military hardware related to naval forces. Singapore has built six frigates, is constructing four amphibious ships and has ordered two submarines from Germany's ThyssenKrupp Marine Systems. Vietnam has taken possession of three Russian-built Kilo-attack submarines. Malaysia has ordered six corvettes and Indonesia, Vietnam and Thailand are in negotiations to make buy similar vessels. Indonesia is purchasing three South Korean submarines.

The Japanese government, which is pushing through security legislation to allow its military to participate in US-led wars, is an integral part of the US "pivot" and also forging its own military ties in Asia. It is supplying the Philippines with 10 coastguard vessels to bolster its naval capacity. Speaking in Washington last week, Japan's top naval officer, Admiral Tomohisa Takei, sounded another dire warning, declaring that the entire South China Sea would come under Chinese domination if it stationed military forces on its reclaimed islets. He urged all US allies in the region to "enhance its own naval power" and "synchronise with the US rebalance [pivot]."

The Abbott government's announcement adds further fuel to the arms race that is developing in the Indo-Pacific and compounds the danger of war as geopolitical tensions rise in flashpoints such as the South China Sea.



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