

POLICY BRIEF

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INFLECTION POINT: THE AUSTRALIAN DEFENCE FORCE AFTER AFGHANISTAN

WHAT IS THE PROBLEM?

In every era there are inflection points which require long-established institutions to re-evaluate their goals, strategy, structure and resource allocations to ensure their future health and relevance. As a major organ of state, the Australian Defence Force (ADF) is no exception.

The projected withdrawal of Australian forces from Afghanistan will constitute a watershed for the ADF. After a similar period of high-tempo operations, the ADF lapsed into a post-Vietnam period of stasis that produced a hollowing out of the Army, a loss of hard-won counter-insurgency skills, and the failure to develop a truly integrated joint force, leaving Australia ill-equipped to handle the challenges of the 21st century. There is a real danger that post-Afghanistan uncertainty about future strategic challenges will lead to a similar period of drift and misplaced spending.

However, the risks of failing to adapt to new security circumstances are especially high for the ADF since there is no more important task than defence of the nation. With Afghanistan's end game in sight, and a new Defence White Paper on the horizon, it is time for a vigorous public debate about the priorities of the ADF so that we do not repeat the mistakes of the post-Vietnam period and prepare for the wrong conflicts, made worse by ill-conceived strategy and chronic underfunding.

WHAT SHOULD BE DONE?

Preparing for major interstate conflicts should not be the principal determinant of the structure, funding and future capabilities of the ADF, since irregular wars are likely to be more prevalent and require a robust national response. Australia needs either to increase Defence funding or redirect some of the money currently invested in submarines and strike aircraft to other capability priorities identified in the Defence White Paper and accompanying Defence Capability Plan. The next White Paper should include a clearly articulated defence strategy and give greater emphasis to working more closely with our Asian neighbours.



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The drawdown of Australian forces in Afghanistan presages the end of a sustained period of high-tempo operations and follows an equally lengthy period in which the ADF saw no combat after withdrawal from Vietnam in 1972. These distinctive and contrasting eras were bookended by two long-duration irregular conflicts against committed and resolute foes in different parts of Asia. Vietnam ended in defeat, and Afghanistan is unlikely to be hailed as a victory, underlining war's uncertain outcomes and unrealised expectations. What can we learn from past conflicts about the nature of warfare and the future priorities of the ADF? These are seminal questions not just for the Department of Defence but for the country as a whole.

Irregular conflicts: wars of necessity or choice?

The messy, hybrid, irregular conflicts of the post-Cold War era are unlikely to suddenly end with Afghanistan. On the contrary, they will likely continue, albeit with yet-to-be-seen further mutations, because of the persistence of the political and strategic drivers behind such conflicts following the collapse of the Soviet Union. These include:

- the proliferation of fragile states and their associated ethno-nationalist, tribal and sectarian grievances;
- terrorist and narco-terrorist non-state actors possessing the lethality and technological sophistication once the exclusive preserve of nation states;
- and, aspiring 'wannabe' regional hegemonies and dystopian regimes, lacking the conventional war-fighting capabilities to

directly challenge the preponderant power of the US, but willing to employ insurgent proxies, terrorist tactics and sometimes nuclear blackmail to advance their interests.

Each and all of these variables will continue to shape Australia's strategic environment and require a national response. Alone among advanced economies, Australia inhabits a region of the world that is overwhelmingly comprised of developing states, many of which are fragile or vulnerable to internal conflicts. These have previously resulted in interventions involving, or led by, the ADF. East Timor, Solomon Islands and Bougainville are representative.

But as we know from repeated past deployments, future ADF commitments will not be geographically determined. Ongoing humanitarian, international and alliance obligations mandate an ADF that can deploy both soft and hard power well beyond our immediate region in support of UN-sanctioned operations or in coalitions of the willing. These missions will likely be land-force intensive, requiring soldiers adept in the arts of peacemaking and post-conflict reconstruction as well as combat operations along a continuum that includes counter-terrorism, counter-insurgency and sophisticated joint war-fighting. These will be priority missions for the ADF in a world grown smaller and more interconnected by the powerful forces of communications technology and globalisation.

However, future interventions are likely to be more judicious and circumspect than those of the past decade, with greater pressure on political and military leaders to clearly set out achievable goals and objectives, prior to

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intervention and as the mission evolves. Nation-building and democratisation have almost certainly been deleted from the agendas of all but the most idealistic of liberals and ‘neocons’, for the time being at least. Libya, not Afghanistan, may be a better pointer to future American and European engagements in fragmenting states, but Australia’s responsibilities and interests in the Melanesian world suggest that boots on the ground are likely to remain an enduring feature of ADF deployments.

Protection against terrorism, in its various manifestations, will also demand a major contribution from the ADF and not just the Special Forces, who have been at the forefront of counter-terrorism operations to date. Despite severe setbacks to the al-Q’aida franchise, it would be wishful thinking to regard terrorism as largely defeated or a marginal, second-order issue for the military. The latter view is remarkably pervasive in Australia primarily because its adherents do not accept or understand that terrorism, as a tactic, is an intrinsic element of conflict, demanding military as well as legal and police responses. Terrorism is essentially the most primitive form of irregular war.¹ As the preferred tactic of the militarily weak, or as part of a broader strategy devised by a relatively strong power, insurgents frequently begin life as terrorists and morph into irregular, or regular forces, as they gain strength on the battlefield.

Afghanistan and Iraq exhibited these characteristics, but it would be wrong to see them as idiosyncratic or exemplars of a radically new form of conflict. Examples of irregular war feature prominently in the history of the 20th century – think the early phases of

the Chinese civil war and Indonesia’s resistance to Dutch reoccupation in the 1940s – and as far back as the Roman Empire. Furthermore, terrorists, insurgents and criminals often co-exist in the same battle-space and must be dealt with simultaneously by the confronting force. In short, we have been here before and, almost certainly, we will be here again.

To assert that irregular conflicts are discretionary wars of choice, rather than wars of necessity, implying that we can therefore opt out as we see fit, is a misreading not only of the prevailing political and strategic climate but also of Australian experience. It is true that none of the recent conflicts in which the ADF has been involved have been wars of necessity if defined narrowly as arising from existential threats to the survival of the nation. But few wars meet these stringent criteria. In Australia’s case, perhaps only the Second World War qualifies. Does this mean that Australia should not have intervened in East Timor, or supported stabilisation missions in Bougainville and Solomon Islands? Or that we should not commit the ADF if Australian lives were to be put at risk by internal conflict in PNG? Most Australians would demur.

The broader point is that while one can endlessly debate the morality or wisdom of particular commitments, governments constantly make decisions to commit the ADF based on partisan political positions and principle, in addition to strategic judgements. One government’s principled and necessary intervention may well be another’s act of imprudence or moral turpitude. Morality alone is, therefore, a poor indicator of the conflicts we will choose to fight. Recent history is a better guide, along with the fundamentals of

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our strategic environment and the decisions of our long-standing friends and allies.

In thinking about the nature of warfare after Afghanistan, every effort should be made to avoid two common, but egregious mistakes. The first is to assume that past experiences have little or no relevance for the future because political, strategic, technological or budgetary circumstances have changed. History is testament to the serious consequences of faulty strategic analysis and replete with examples of policy-makers and defence intellectuals drawing the wrong conclusions from yesterday's wars. At the end of the Vietnam War, the argument was made in the United States, as well as Australia, that it would be sheer folly to become involved in distant, extended, Asian counter-insurgency campaigns or to structure the armed forces for such contingencies. For the US, the central task of the military would revert to preparing for conventional war against the Soviet Union and other potential great-power rivals. In Australia, absent an obvious adversary, the ADF's principal role became the defence of the Australian continent and its maritime approaches from a generic, state-based enemy.

Such thinking had three profoundly detrimental effects on the ADF. First, it led to a hollowing out of the Army, resulting in a serious loss of combat power and capacity to deploy ground forces beyond Australia's shores. Second, the Army itself failed to retain, nurture, and adapt the hard-won counter-insurgency skills developed in Vietnam. Third, the ADF was never properly structured to act as a truly integrated, joint force, and lacked the training, doctrine, heavy lift and amphibious capabilities which would be sorely needed more than two

decades later. The East Timor deployment, in 1999, exposed these deficiencies. Even with remedial action by the government of the day, the ADF was still demonstrably underprepared for the Afghanistan and Iraq commitments. Despite their nation-building and counter-terrorism justifications, these were essentially counter-insurgency wars which bore no resemblance to the unrealistic scenarios that had informed Australian defence planning during the long peace of the late 20th century.

Another mistake is to assume that military technology can ever be truly transformational in allowing a technologically superior military to impose its will on the future battlefield against all enemies, under all circumstances. This was the vision of the so-called Revolution in Military Affairs (RMA), a concept which dominated Western and particularly American military thinking prior to Afghanistan and Iraq. Technology has certainly empowered military forces to deploy and engage more quickly, over longer distances, but a large human presence on the battlefield is still required. Real wars are not an extension of computer war games where droids do all the fighting. Had he been a defence analyst, former Chairman of the US Federal Reserve, Alan Greenspan, would have rightly dismissed RMA advocates as displaying 'excessive exuberance' and of ignoring the first law of competition – that every clear competitive advantage soon generates a countervailing response which reduces or eliminates the initial advantage. In the case of Iraq and Afghanistan, after initial successes, the US military soon found itself matched by technologically inferior, but politically astute, adversaries who deployed asymmetrical strategies to counter US strengths and exploit its vulnerabilities.

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High-end warfare capabilities: still required, but less so

A second broad observation about contemporary military conflict is that privileging major war between states flies in the face of the dominant trend of the past 20 years; namely, the dramatic decrease in interstate war over the past half-century and particularly since the end of the Cold War. In the 1950s, the world experienced on average six to seven interstate wars a year but in the past decade only two of 29 major armed conflicts were interstate. Most conflicts today are of low intensity.² The main reason is the declining utility of force as a means of acquiring influence, territory or resources because of the rising normative and practical constraints. There has not been a significant interstate conflict in Asia and the Pacific since the Chinese Army's incursion into Vietnam in early 1979. And there has not been a major war between Asia-Pacific powers since the end of the Korean War in 1953, the India-China border conflict of 1962 notwithstanding. While it would be foolish to rule out the possibility of interstate wars reoccurring, the historical trends of recent decades suggest that the chances of the ADF being deployed for this contingency have clearly diminished.

The challenge is to find the right balance between structuring and resourcing the ADF for (more likely) irregular conflicts while maintaining a capability to defend against traditional, state-based threats (less probable but potentially more consequential), requiring sophisticated, conventional weaponry and their supporting systems. While most Defence capabilities are multi-purpose, the most expensive are typically reserved for high-end,

state-based threat contingencies. The soon-to-be-acquired F-35 Joint Strike Fighters and Air-Warfare Destroyers are prime examples, along with the proposed replacement Collins Class submarines. So we must be clear about the purpose of such capabilities, carefully weighing the numbers required and their cost against other capabilities, matched to an assessment of the likely security environment Australia can expect to encounter in the years ahead.

The 2009 Defence White Paper, and the debate which informed it, makes clear that China's rise will be a defining feature of our strategic landscape, presenting security dilemmas as well as economic and trade opportunities for Australia. The principal unknown is uncertainty about the path China's leaders will follow, often posited in overly stark and simplistic terms as a choice between being a responsible stakeholder or a revisionist state. In fact, China is likely to be both, conforming to the norms of the international system, except where protection of its core interests is perceived to be threatened by those norms. The self-declared core interest most worrying to Australia is Beijing's apparent determination to prosecute its contentious territorial claims in the maritime reaches of the Western Pacific, and in particular the South China Sea.³ Although Australia is not a party to these disputes, the South China Sea is becoming a touchstone for latent concerns about China's military capabilities and strategic intentions, concerns that are shared by the United States and many of China's Asian neighbours.

The capabilities in question are those primarily associated with China's evident desire to prevent the US Navy from unimpeded access to the Taiwan Strait and to dominate the seas of

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the Western Pacific more broadly. They include a formidable array of advanced missiles, ships, submarines and aircraft that collectively represent a growing threat to US maritime assets at sea and forward-deployed units in Japan and South Korea. The Chinese Navy and Air Force may also soon be able to threaten a key support base for the US 7th Fleet on Guam, some 3,000 kilometres from the Chinese mainland. In aggregate, China's military capabilities are still no match for the US globally, notwithstanding exaggerated claims about the potency of its newly acquired aircraft carrier and stealth fighter. However, in battles of its choosing, especially involving Taiwan, it is now highly likely that China could deter the United States from its preferred course of action by threatening to inflict unacceptable damage on US aircraft carrier groups, the highly visible totems of US military power in the Pacific. China's newly acquired capabilities could also soon be directed to support its South China Sea claims and as enablers of force projection into the strategically important Malacca Straits, through which flows 40 per cent of global trade and 50 per cent of energy trade.⁴ The Malacca Straits and South China Sea are also vital conduits for Australia's commerce with Asia, Europe and the Middle East. Their stability and security are, therefore, crucial to our interests and prosperity.

In the absence of certainty about intentions, the natural predisposition of defence planners is to prepare for worst-case outcomes based on assumptions about future regional military capabilities, which in turn informs strategic policy and defence acquisitions. A reading of the 2009 White Paper, against the background of informed media commentary and leaked diplomatic cables, makes clear that senior

defence planners believe Australia will need to hedge against the possibility that China's rise will not be peaceful. This hedging will involve strengthening the Navy and more closely aligning with the United States, the only state deemed capable of balancing China.⁵ Hence the Gillard Government's decision to fund 12 new submarines and allow the rotation of US Marines and ships through the Northern Territory and Western Australia.

While this may seem an appropriate response, grounded in sensible risk management, there are dangers and opportunity costs which have not been fully explored nor even recognised, certainly in the cursory public debate accompanying these significant changes in strategy and force structure. Consider the submarine project, the most complex and expensive defence project ever contemplated, likely to consume around one third of current capital spending on defence over its estimated 20-year life cycle. There are serious unanswered questions about the rationale for 12 submarines, not to mention their affordability, strategic fit and likely availability.⁶ Are they to be used to support the United States in a confrontation with China over Taiwan? If so, such a conflict had better not take place soon, since the first of these submarines is unlikely to be fully operational before 2025 and the twelfth, if built in Australia, not until the late 2030s.⁷

What of the opportunity costs of investing so much of the shrinking defence dollar in a system primarily designed for a low-probability event such as deterring, or defeating, a conventional adversary at sea when there are other defence challenges of equal import and greater probability? This is not an argument

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against submarines, per se, but a cautionary warning to think carefully about the number and variant we choose. The right submarine force can fulfil multiple roles, including intelligence collection, support for Special Forces, and protection of surface ships. But 12 is a big step up from the six Collins Class submarines which the Navy has struggled to crew and maintain on station since the first put to sea in 1996. Indeed, there are good reasons to believe that the Collins Class fleet may be functionally incapable of meeting minimum operational and strategic requirements.⁸

An unhealthy preoccupation with China could take us back to a discredited strategy of the past which held that the ADF should only be configured for state-on-state-conflicts and defence of the maritime approaches to Australia. A classical maritime strategy, based on the use of substantial naval power to control major sea lines of communication or independently defend our maritime approaches against a major power, is well beyond Australia's capability.⁹ In the unlikely event that Australia is drawn into a wider conflict with China over Taiwan or the South China Sea, our alliance with the United States would clearly require us to make some military contribution. But this requirement should not be a principal force structure determinant given all the other tasks expected of the ADF and the Government's inability to fund the existing Defence Capability Plan. Moreover, there would be little we could do to decisively affect the outcome of a war between China and the United States, even assuming our aspirational, high-end capabilities were combat-ready and able to operate in a high-threat environment – a dubious assumption considering the ADF's recent track record. Allowing the United States

to rotate troops, ships and aircraft through Australia is a much more cost-effective way of contributing to regional stability and hedging against a new hegemony in Asia.

What ought to be done?

Prepare for more irregular conflicts

A number of important conclusions can be drawn from this analysis of the ADF's post-Afghanistan challenges. Future conflicts are unlikely to be dramatically different from those of the recent past. They will require an enhanced capacity to deploy ground forces rapidly, with adequate protection, for extended periods of time, and at considerable distance from the Australian continent on a variety of operational tasks. They range from high-end warfare to stabilisation missions, counter-insurgency, counter-terrorism and disaster relief. If irregular conflicts are likely to be the most common form of future warfare then the ADF must be equipped to fight and win them. This imperative should be reflected in our strategy and funding priorities. It would be a mistake to think that the rise of China and the rapid modernisation of the People's Liberation Army should be the main determinant of our force structure. And we ought not to direct a high proportion of our limited defence resources towards maritime systems and platforms designed primarily for great-power conflicts.

Greater emphasis should be given to capabilities that improve the ADF's versatility and deployability for a range of operational tasks consistent with Australia's position as a middle power with global interests. The reorganisation of the Army into three

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structurally alike multi-role manoeuvre brigades and the acquisition of two large amphibious ships fall into this category, although considerable follow-up investment will be required to ensure that the necessary skills, doctrine and experience are developed to optimise these new capabilities.

A natural, but unfortunate, tendency of the media, politicians, and some policy-makers is to equate defence platforms with capability and to fixate on the configuration and cost of particular weapons systems. To enable the ADF to meet the challenges of the future there ought to be a much more informed and open discussion about defence strategy, the overall balance of the force, and external enablers such as the US alliance and our relationship with regional defence forces.

Articulate a clear defence strategy

Strategy is one of the most over-used and poorly understood words in the Defence lexicon and the 2009 White Paper is no exception. There are multiple references to strategic risk, strategic risk management, and strategic hedging along with sections on Australia's strategic environment, posture and interests. But Australia's defence strategy is poorly articulated. It must be inferred from a reading of several disconnected chapters dealing with the future of major war and intra-state conflict; defence policy; principal tasks for the ADF; and, the future development of the ADF.¹⁰ Conceptualising and detailing a clear defence strategy should be a key task for the writers of the next Defence White Paper. This strategy should explicitly recognise that the ADF will need to be well prepared for more internal conflicts and transnational disturbances in the Asia-Pacific, and require

significant numbers of ground forces with the means to transport, protect, and sustain themselves.

Although Army will continue to bear the brunt of future deployments, the fact that Australia is a maritime nation means that Navy and Air Force will have crucial support roles and in some cases the lead role, notably in helping to secure Australia's vital off-shore resources and maritime trade routes in Southeast Asia and the Indian Ocean. Piracy, illegal fishing, people smuggling and fleet protection will also levy significant demands on both these Services. While our defence strategy must incorporate plans for dealing with a major conventional military attack against sovereign Australian territory, this remains a low-probability scenario and the ADF should not be primarily structured for such a threat. It makes no strategic sense to allocate the lion's share of the defence budget to capabilities that have little or no utility for the conflicts most likely to engage the ADF, or which cannot be used because they do not have the necessary protection to survive in a high-threat environment (a failing of many past acquisitions).¹¹ We need to give much higher priority to maintaining and sustaining the equipment we have by elevating the importance of logistics and remediation.

Rebalance Defence spending

There is a worrying and growing imbalance in the allocation of capital investment dollars within the Defence portfolio. The largest, and most frequently deployed, Service on combat operations is the Army, but it receives approximately 23 per cent of capital spending compared to the Navy and Air Force's combined 70 per cent, with the remaining seven per cent going to joint communications and

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logistics.¹² There are good reasons why Navy and Air Force need more – their major ships and aircraft are expensive to purchase and maintain. But these investment asymmetries are now reaching dangerous levels, jeopardising other capabilities and the financial health of the whole ADF. The main problem is the rising cost of the future submarine and JSF programs, which at \$36 billion and \$16 billion respectively cast a very long fiscal shadow over the \$5 billion currently spent each year on capital equipment.

These levels of spending are clearly not sustainable in an era of declining budgets without risking the loss of other important capabilities and imperilling the ability of the ADF to meet all its declared objectives. In the absence of defence budget increases, the most efficacious solution is to reduce the number of submarines and F-35s on order, delivering a still-potent strike and deterrent capability but not at the expense of other critical programs in the Defence Capability Plan, or the integrity of the Defence budget. A reduction in the number of future submarines from twelve to nine would still represent a significant boost in capability from our existing 6 Collins Class submarines, allowing the Navy to maintain three submarines on station at any one time.¹³ Anticipated savings would be in the order of \$7-9 bn. A reduction in JSF numbers from 100 to 72 would still allow the Air Force three fighter squadrons and could save between \$3-4 bn depending on the final cost of the JSF.¹⁴ Overall savings from these two decisions would therefore be in the range of \$10-13bn, a considerable sum of money which, if recouped, would go a long way to stabilising the defence budget and better aligning capability with strategy.

The financial travails of the United States can only increase pressure on Australia's Defence budget. Despite the new priority given to the Asia-Pacific region, Washington has made abundantly clear that it will expect more burden-sharing by allies. Should Congressionally mandated automatic defence cuts come into force then it may not be possible for the Obama Administration to quarantine US forces in the Pacific from them.¹⁵ Over time, the inability of the United States to fund its yawning fiscal deficit could erode the value of the alliance although the United States is likely to remain a major force and intelligence multiplier for Australia as well as an important security guarantor. But the bottom line is that Australia will have to do more for itself with fewer resources.

Work more closely with Asian neighbours

One area of neglect that needs to be addressed, in conjunction with the Department of Foreign Affairs and Trade, is the relative inattention we devote to our Asian neighbours and the shallowness of our regional defence cooperation. Although Australia has come a long way from the days in which it had virtually no engagement with Asian defence forces, largely because of concerns about their intrusive and often controversial domestic political roles and a perceived lack of professionalism, our defence relations with the region are totally overshadowed by the US alliance and need to be given a major boost. There may be a credible argument that the US alliance makes Australia a more attractive security partner to Asian neighbours, but this question of how Australia can contribute to and leverage such partnerships is ultimately one that only this country can answer.

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If the ADF is more likely to be engaged in irregular conflicts, combating transnational challenges and contributing to regional stability in Asia and the Pacific, then working closely and effectively with Asian partners ought to be a priority. Beefing up regional engagement will increase our weight and influence in Asia, mitigate strategic risk and open up further areas for defence and security cooperation with like-minded neighbours. This is an area warranting detailed research and recommendations, but at the bare minimum, it will require a much deeper pool of highly trained, multilingual defence attaches and diplomats skilled in defence diplomacy, supported by adequate resources and a strategy to match. These are the tools of smart power in which small, but strategic, investments can generate disproportionately large security returns. Leveraging our strengths, with those of our friends and allies, is the template for how the ADF should conduct its business more generally in an era of multiple, shifting challenges and declining budgets.

NOTES

¹ For an excellent analysis of irregular war and its relationship with terrorism, see Laurence Freedman, *The Counterrevolution in Strategic Affairs*, *Daedalus*, Vol. 140 (3), Summer 2011, pp 23-28.

² *SIPRI Yearbook 2011: Armaments, Disarmament and International Security (Summary)*, Stockholm International Peace Research Institute (Sweden): <http://www.sipri.org/yearbook>; and the *2009-2010 Human Security Report*, produced by the Human Security Report Project based at Simon Fraser University (Canada): <http://www.hsrgroup.org/human-security-reports/20092010/overview.aspx>.

³ Alan Dupont, *Living with the dragon: why Australia needs a China strategy*, Lowy Institute Policy Brief, June 2011.

⁴ For additional data on the Malacca Straits and other chokepoints, see the U.S. Energy Information Administration, *World Oil Transit Chokepoints*, updated 30 December 2011:

<http://www.eia.gov/countries/regions-topics.cfm?fips=WOTC>.

⁵ Cameron Stewart, *Military Ambitions*, *The Weekend Australian*, 2-3 May 2009, p 17.

⁶ These estimates assume a total cost of around \$36 billion for 12 follow-on submarines to the Collins Class. For a discussion of the likely costs and time frames see Sean Costello and Andrew Davies, *How to buy a submarine: defining and building Australia's future fleet*, Australian Strategic Policy Institute Strategic Insights, October 2009. Also see Brice Pacey, *Sub judice: Australia's future submarine*, Kokoda Paper No.17, January 2012, which estimates a much lower figure of \$18 billion for 12 submarines.

⁷ Andrew Davies and Mark Thomson, *The once and future submarine-raising and sustaining Australia's underwater capability*, Australian Strategic Policy Institute Policy Analysis, 14 April 2011, p 3.

⁸ John Angevine, *Dangerous luxuries: how the quest for high-end capabilities leaves the ADF vulnerable to mission failure and more dependent on the United States*, Lowy Institute Analysis, June 2011. Also see Cameron Stewart, *Collins fleet damned as unfit, safety risk*, *The Australian*, 14 December 2011: <http://www.theaustralian.com.au/national-affairs/defence/collins-fleet-damned-as-unfit-safety-risk/story-e6fgr8yo-1226221305084>.

⁹ I elaborate on this argument in *Transformation or Stagnation: Rethinking Australian Defence*, *Australian Journal of International Affairs*, Vol. 57 (1), April 2003 and in *Living with the dragon: why Australia needs a China strategy*.

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¹⁰ 2009 Defence White Paper.

¹¹ The list is long and includes F/A-18 Hornets which could not be deployed against modern air-defence systems in Iraq because they had not been upgraded with the necessary electronic counter-measures; and Black Hawk helicopters that were not sent to Afghanistan for the same reason. See Cameron Stewart, Our defenceless force, *The Australian*, 31 March 2009, p 11.

¹² These calculations are based on the 57 major capital equipment projects reported in the 2011-12 Defence Portfolio Additional Estimates Statements. I am grateful to Mark Thomson for his helpful advice on sources and issues relating to funding and acquisition.

¹³ With judicious management nine submarines should be sufficient to maintain a force of three submarines at sea although some analysts argue that 12 would be needed. Pacey, *Sub judice: Australia's future submarine*, p 45.

¹⁴ The cost of the JSF for Australia may now be as high as \$215 million each, which would mean we could only afford between 60 and 70 at current funding levels. The Honourable Dennis Jensen, Member for Tangney, House of Representatives, HANSARD, 27 February 2012, p 128.

¹⁵ The mandated cuts are in the 'Budget Control Act' (BCA). Since the collapse of the Congressional Super Committee and the passing of certain key deadlines, the sequestration mechanism of the BCA has been triggered. Of course, there are ways to avoid or soften the blow. Enforcement of sequestration (when funding is actually taken out of accounts) doesn't begin until Jan 2013, allowing time for Congress to nullify or modify the legislation. War funding, referred to as the Overseas Contingency Operations budget, is exempt, so the OCO could be revised to include additional funding for the base budget. The budget could also be revised to spread cuts over a longer period of time. Regardless of how Congress

deals with the BCA in 2012, however, the long-term picture is for protracted fiscal uncertainty, underlining the need for Australia to plan for increased burden sharing. Todd Harrison, *The fiscal year 2013 defense budget: continuity or change?* Center for Strategic and Budgetary Assessments Backgrounder, February 2012:

<http://www.csbaonline.org/publications/2012/02/the-fiscal-year-2013-defense-budget-continuity-or-change/>.

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