

# Military Capability Management for Australia in the 21<sup>st</sup> Century

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## Introduction

Australia and its defence planners are in the middle of a change of circumstances at almost every level. At the strategic level, the security pictures in both the Asia-Pacific and Indian Ocean regions are changing markedly as power relativities shift with the rise of new major actors. At the operational level, the anticipated winding down of operations in Afghanistan means that the Australian Defence Force (ADF) will have to reinvent its future role.

Just three years ago, the Australian capability planning environment looked totally different from today. Launched with much fanfare, being described as the ‘most comprehensive white paper of the modern era,’<sup>2</sup> the 2009 Defence White Paper seemed to promise a significant funding and capability boost for the ADF. The government promised an annual 3% real funding increase for the following decade, and a 2.2% real annual increase for the rest of the period to 2030. This money, amounting to around A\$130 billion over the period, was intended to fund ‘Force 2030,’ an ADF order of battle that would have significantly greater range and firepower, especially at sea. Major initiatives included twelve long range submarines to replace the Collins class, and eight new frigates of much larger size than the existing Anzac class, in addition to the three Aegis-equipped Air Warfare Destroyers currently under construction in Australia and two 27,000 ton amphibious ships being built for Australia by Navantia in Spain.<sup>3</sup>

It didn’t take long before those plans unravelled. None of the promised

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<sup>2</sup> Minister for Defence Press Release, *The 2009 defence white paper – the most comprehensive white paper of the modern era*, Canberra, 2 May 2009. [http://www.defence.gov.au/whitepaper/mr/01\\_OverarchingWhitePaperMediaRelease.pdf](http://www.defence.gov.au/whitepaper/mr/01_OverarchingWhitePaperMediaRelease.pdf) accessed 13 October 2012.

<sup>3</sup> Defence White Paper 2009: *Defending Australia in the Asia Pacific Century: Force 2030*, Australian Government, Canberra, May 2009.

money has materialised—in fact, the defence budget has been targeted for ‘savings’ as part of wider government austerity measures.<sup>4</sup> The impact of the 2008 global financial crisis on Australia seems to have been underestimated at the time, and the fiscal situation faced by the Australian Government has deteriorated significantly since then, with government revenues down, due in part to the world market price for commodities such as iron ore having fallen sharply.

Another significant development since 2009 is the American ‘pivot’ to the Asia-Pacific and the development of strategies such as the AirSea Battle concept. Long a strong ally of the United States, Australia has a great interest in supporting the American position. As well, Washington has sent out signals to its partners and allies in the region that they will have a role to play in the future American strategy—which means that countries like Japan and Australia will be expected to have the capability and interoperability required. Australia has already agreed to host an increased number of visits from US ships, submarines and aircraft, as well as providing a six month a year rotational posting for 2,500 US Marines in the north of the country.<sup>5</sup>

The situation facing defence planners is therefore a difficult one. The increased challenges of the strategic environment, and greater expectations from our major ally come at a time when funding is tight and there is little prospect of significant increases in the next few years. As a result of the changed and straitened circumstances, the government has announced the development of another Defence White Paper for 2013.<sup>6</sup> This paper examines the issues that the document will have to address, and the possible outcomes.

## 1. The 2009 White Paper

In the period 1999 to 2008, Australia’s defence budget grew by over 40% in real

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<sup>4</sup> The funding situation for the 2009 White Paper is reviewed in detail in: *The Cost of Defence: ASPI Defence Budget Brief 2012–13*, Australian Strategic Policy Institute, Canberra, May 2012. [http://www.aspi.org.au/publications/publication\\_details.aspx?ContentID=339&pubtype=3](http://www.aspi.org.au/publications/publication_details.aspx?ContentID=339&pubtype=3), accessed 13 October 2012.

<sup>5</sup> *Prime Minister Gillard and President Obama Announce Force Posture Initiatives*, Embassy of the United States Press Release, Canberra, 16 November 2011.

<sup>6</sup> *New Defence White Paper 2013*, Prime Minister of Australia Media Release, Canberra, 3 May 2012. [www.pm.gov.au/press-office/new-defence-white-paper-2013](http://www.pm.gov.au/press-office/new-defence-white-paper-2013), accessed 13 October 2013.

terms. This was propelled by a ‘perfect storm’ of circumstances. First, the government was alarmed by the state of its armed forces when Australia was called upon to take the lead role in the 1999 INTERFET mission to East Timor. After a decade of flat funding levels due the Cold War ‘peace dividend’ that affected most western militaries, the preparedness of the ADF had fallen away from its earlier peaks, and many units were below their nominal strength. Second, the shock of the September 11 attacks in 2001 saw a renewed focus by government and the public alike on security matters. Finally, Australia’s economy boomed—admittedly by the standards of the west rather than the ‘tiger economy’ standards of Asia—and government revenue was high. The government of the day had the will and the resources to fund defence.<sup>7</sup>

That was the environment in which the 2009 White Paper was conceived and commissioned. But circumstances intervened before its delivery in May 2009. After the financial events of October 2008, the Australian public were much more concerned about the economy than security matters; Australia was also more significantly impacted by the GFC than was first thought. So by the time the White Paper was delivered, the environment in which it was developed had essentially disappeared. The result was predictable, even if its demise was faster than most observers might have predicted. In his budget brief this year my ASPI colleague Mark Thomson, who watches the Australian defence budget situation closer than anyone else, summed up the status of the government’s defence policy with a few simple words: ‘the 2009 White Paper is dead.’<sup>8</sup>

Before turning to examine what might be done to address Australia’s future capability requirements in the 2013 White Paper, it’s worth reviewing what the 2009 document tried to achieve, and where the resulting shortfalls are most likely to be felt. As noted above, the major initiative in the 2009 document was a substantial boost to Australia’s naval capabilities, both in terms of range and endurance, but also in firepower for strike missions. The future frigates, air warfare destroyers and submarines would all be able to carry land attack cruise missiles, representing a substantial step up in Australia’s power projection

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<sup>7</sup> Andrew Davies, *Revenues and defence spending*, ASPI Strategist blog, 18 September 2012. <http://www.aspistrategist.org.au/graph-of-the-week-revenues-and-defence-spending/>, accessed 13 October 2012.

<sup>8</sup> ASPI 2012–13 Budget Brief, op cit.

capability.

While the White Paper didn't say so explicitly, China was in the mind of its authors. Courtesy of a Wikileaks release of a conversation between then Prime Minister Rudd and US Secretary of State Clinton, we now know—and some of us had deduced this anyway—that the proposed naval development was aimed squarely at bolstering western sea power in the face of China's growing military capability.<sup>9</sup> It thus effectively represented a stepping up of Australia's alliance role under the ANZUS Treaty. It would also give Australia the capability to play a greater role in the Pentagon's so-called AirSea Battle concept, a point that will be returned to later.

Those capabilities weren't going to be cheap; cost estimates for the submarines alone range up to A\$40 billion and the total naval program might cost twice that figure.<sup>10</sup> As well, there are plans for 'up to 100' F-35 Joint Strike Fighters, likely to cost around A\$15 billion and other initiatives such as new protected mobility vehicles for the Army (A\$10+ billion), and the increased operating costs that will come with the amphibious ships—far bigger than any Australia has ever operated—and other platforms already in the process of being delivered. Simply put, that isn't affordable within the current or expected budget funding in the years to come. The 2013 White Paper is going to have its work cut out for it in juggling the realities of power shifts in Australia's part of the world, the rapid growth of Asian economies, alliance expectations, and the self-imposed domestic constraints on defence spending.

The 2012 Australian Government budget cut A\$5.4 billion from defence over this year and the next three. This has already seen some future deliveries deferred; the F-35 acquisition timetable has been pushed out to the right and work on the air warfare destroyers will slow, resulting in a later delivery. As well, the Army has mothballed some of its M1A1 Abrams main battle tanks and recently-upgraded M113 armoured personnel carriers.<sup>11</sup> It's not (quite) all doom

<sup>9</sup> *US Embassy cables: Hillary Clinton ponders US relationship with its Chinese 'banker'*, 28 March 2009. Available at <http://www.guardian.co.uk/world/us-embassy-cables-documents/199393>, accessed 13 October 2012.

<sup>10</sup> *Naval shipbuilding: Australia's \$250 billion nation building opportunity – executive summary*, Defence South Australia, Adelaide, undated. <http://www.defencesa.com/upload/media-centre/publications/cor/3303/NavalShipbuildingExecSummaryLoRes.pdf>, accessed 13 October 2012.

<sup>11</sup> Minister for Defence Press Release, *Budget 2012-13 Defence Budget Overview*, Canberra, 8 May 2012. <http://www.minister.defence.gov.au/2012/05/08/minister-for-defence-budget-2012-13-defence-budget-overview/>, accessed 13 October 2012.

and gloom. Since 2009 the government has approved a couple of significant new capabilities in the form of an upgrade to twelve of the RAAF's F/A-18F Super Hornets to EF-18G Growler standard—the first export of that capability outside the United States—and the purchase of new airlift platforms in the form of two additional C-17 Globemaster II aircraft and ten C-27J Spartans.

Nonetheless, any hopes the ADF might have had for a big expansion during this decade now lie firmly behind them. As Mark Thomson put it in a grim prognosis:

...even under optimistic assumptions of how quickly things can be done if ample funding somehow becomes available in a couple of years hence, we are looking at a 'lost decade' of progress towards Force 2030.<sup>12</sup>

The net result is that the ADF is going to have to position itself to meet the raft of challenges that it faces with less resources than it expected just a few years ago.

## 2. The Future ADF

All is not lost, however, and some careful thought could still deliver a capable and suitable ADF. In fact, the Force 2030 concept has come under criticism from some quarters for being unfocussed and grandiose, in effect taking us into the competition between two major powers (China and the United States), where we can't make a decisive difference anyway. Instead, Australia needs to see itself as the middle power that it is (the world's fourteenth largest economy) and cut its cloth accordingly. It also needs to take into account the economic, demographic and military trends in its region—all of which are likely to impact on the sort of influence that Australia and its military forces can hope to have.

Quite simply, when formulating the next Defence White Paper, Australia needs to decide what sort of military power it wants to be in the twenty-first century, and then match the resources provided to the defence of its ambitions. The answer is unlikely to be 'more of the same,' as the twenty-first century will

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<sup>12</sup> ASPI Budget Brief 2012–13, op cit.

be very different from the last half of its predecessor. And Australia isn't used to thinking too hard about its strategy—since World War II, Australia has had a pretty easy run in its extended neighbourhood. At least in the maritime domain, the post war world contained no strong Asian powers, leaving the field clear for the United States, Australia's closest ally, to set the maritime agenda in the Asia-Pacific region. As well, Australia had a clear lead over its immediate Southeast Asian neighbours in terms of development and technical sophistication.

Today both of those conditions are under question. Australia's neighbours are making great strides in modernising their militaries and China and India are both developing—albeit slowly—power projection capabilities. Indonesia's economy is already larger than Australia's in purchasing power parity terms, and is projected to overtake it in nominal terms late this decade.<sup>13</sup> The net result is that Australia's relatively privileged position in terms of wealth and ability to exploit high technology is rapidly becoming a thing of the past.

Asymmetry isn't usually an important consideration for powerful nations due to the nature and sheer scale of resources they have at their disposal. The ability to overwhelm an adversary with either numbers or technical superiority (or both) means that nuance isn't always at the forefront of planning (think 'shock and awe'). In the past, Australia has relied on its technically advanced forces to deter any threat from the relatively unsophisticated forces of its region. A relatively small force of advanced platforms, such as six Oberon or Collins submarines, was enough to give Australia a qualitative advantage over any regional rival. And there was a natural *détente* between Australia and the nations of Southeast Asia—our small land forces were no threat to their territorial integrity and their modest air and maritime capabilities couldn't bring power to bear against Australia and its capable forces.

The 2000 Australian Defence White Paper brought this thinking out explicitly in the form of the phrase the 'knowledge edge' to describe where Australia's advantages should lie.<sup>14</sup> But the fact is that the days of Australia being able to have such an edge are coming to an end. As other Asian nations acquire advanced equipment from Russian, western European and American forces, the qualitative

<sup>13</sup> International Monetary Fund, *World economic outlook database, October 2012*. [http://www.google.com/publicdata/explore?ds=k3s92bru78li6\\_](http://www.google.com/publicdata/explore?ds=k3s92bru78li6_), accessed October 13 2012.

<sup>14</sup> Defence White Paper 2000, *Defence 2000 – our future defence force*, Australian Government, Canberra, December 2000. [www.defence.gov.au/publications/wpaper2000.PDF](http://www.defence.gov.au/publications/wpaper2000.PDF), accessed 13 October 2012.

gap will narrow. What all that means for military planning—which is necessarily focussed on the downside risk of the strategic environment—is, I think, yet to be fully understood in Australian defence circles. But, as failed as it is now, the 2009 White Paper suggests some possible future directions—a higher weighting of asymmetric capabilities, and tighter integration with American forces.

### **3. Two Strategies**

The 2009 Defence White Paper planned to take one major step towards asymmetry in the ADF's force structure—by changing the relative weighting of submarines versus surface combatants. The plan was to double the number of the former to twelve while keeping the latter constant, effectively matching the size of the surface and subsurface fleets. For a country that has inherited the Anglo-American heritage of sea power, this was a bold step. Surface combatants are the platform of choice for major powers that rely on sea control for strategic dominance and secure sea lines of communication for commerce. Submarines, on the other hand, have been used by the leading maritime powers of their time as another arm of sea power, but also have been extensively deployed by adversaries seeking to reduce the advantages enjoyed by the other side—the obvious examples are Germany in both World Wars. This works (or in the historical cases almost worked) because submarines are platforms that require a disproportionate effort to counter. For that reason, they are the naval platform of choice for a country with a relatively small budget—a few billion dollars won't buy a significant surface fleet, but when spent on submarines it can greatly complicate the planning of a more powerful adversary. Argentina's very modest submarine arm caused the British forces in the Falklands a great deal of consternation.

Of course, Australia is unlikely to completely change its approach to force structuring, which has been long based on the concept of a 'balanced force' that is able to respond to a wide range of contingencies. The approach was summarised by the Chief of the Royal Australian Navy (RAN) in a 2008 speech:

With a broadly balanced force structure we can generate combinations that allow me to provide coherent, flexible and if necessary graduated options to the CDF and Government across

the full range of possible contingencies.<sup>15</sup>

Given the evolution of Asian military capabilities, the ‘full range of possible contingencies’ will be much wider than it was in the past, meaning that it will be harder for Australia to maintain a credible response capability to all of them. As Australia’s autonomous capability declines in comparative terms (which are all that matters), it is likely to push Australia towards an even closer relationship with the United States and its other like-minded partners in the region, as a collective approach to security—the other strategy implicit in the 2009 Defence White Paper.

The air and naval forces of Force 2030 would be readily interoperable with US forces in the Pacific theatre, with many of the platforms and most of the communications and weapons systems being sourced from American suppliers. The resulting force would be capable and flexible for low to medium intensity contingencies that Australia might contemplate responding to unilaterally, but wouldn’t constitute a credible deterrent against a hostile major power. But twelve submarines, three Aegis-equipped air warfare destroyers and eight multi-role frigates operating American-sourced anti-submarine warfare helicopters and all equipped with American missiles, would be a useful supplement to an American task group or as part of a theatre-wide Air-Sea Battle strategy in a wider conflict.

## 4. Force Structure Decisions

### 4.1. Air

The 2009 White Paper may be dead, but its logic might well outlive it. Asymmetry and the ability to dovetail with American forces remain viable strategies for Australia. But it won’t look quite like Force 2030, and will necessarily be more modest due to a smaller funding envelope. This section examines some of the choices that will be faced and suggests a few possible materiel solutions.

Beginning with combat air power, only one major decision remains for the RAAF—the future of the fast-jet component. All of the supporting elements are

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<sup>15</sup> VADM Russ Crane, *Chief of Navy speech for the Australian Strategic Policy Institute*, Canberra, 6 November 2008. [http://www.aspi.org.au/admin/eventFiles/CNSpeech\\_for\\_the\\_Australian\\_Strategic\\_Institute\\_\(ASPI\).pdf](http://www.aspi.org.au/admin/eventFiles/CNSpeech_for_the_Australian_Strategic_Institute_(ASPI).pdf), (sic) accessed 12 October 2012.

essentially brand new; the last of six Boeing 737 ‘Wedgetail’ AEW&C—the result of a difficult development project for which Australia was the lead customer—was taken on charge by the RAAF in June this year. Similarly, the RAAF is in the process of working up its air-to-air refuelling capability based around five new KC-30A (Airbus A330) multi-role tanker transport aircraft.

The fast jet of choice for the RAAF is the F-35 Joint Strike Fighter programme. Based on earlier plans, they would now be taking delivery of 100 of the type as a replacement for the 1980s F/A-18A/B Hornet and vintage 1960s F-111C (now retired). Instead, the first two training pool aircraft are still two years away, with the next twelve to follow later—and what comes after that is open to debate. The purchase in 2006 of twenty-four F/A-18E/F Super Hornets as an ‘interim air combat capability’ has gained some breathing space for future decision-making, as well as opening the door for the acquisition of Australia’s first electronic warfare aircraft, the EF-18G Growler.<sup>16</sup>

However, despite the clear preference for the fifth generation characteristics of the F-35, the ownership of twenty-four new Super Hornets opens up another possibility of acquiring another tranche of the latter and deferring further the acquisition of the F-35. And, in some ways, that wouldn’t matter too much in terms of Australia’s military capability and aspirations. Both types are strike-fighters with similar range and payload. The F-35 has attributes that should put it well ahead of the Super Hornet in hotly contested airspace, but it is hard to see exactly under what circumstances that capability might be required by Australia.

In a defensive posture, Australia’s neighbours don’t have the ability to mount a credible power projection threat against Australian territory due to the distances and logistic difficulties involved. With the advantage of proximity to home bases, Australia’s forces would be operating with a significant advantage—any possible threat could be dealt with by the combination of Super Hornet, Growler, Hornet, AEW&C and tanker that will soon be in place.

Furthermore, for offensive operations, there are no sophisticated air defence systems within the range of the Super Hornet when operating in its strike role from Australian bases. Operating further from home would most likely see the

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<sup>16</sup> Minister for Defence Press Release, Acquisition of the Growler electronic attack capability, Canberra, 23 August 2012, <http://www.minister.defence.gov.au/2012/08/23/minister-for-defence-and-minister-for-defence-materiel-joint-media-release-acquisition-of-the-growler-electronic-attack-capability-2/>, accessed 13 October 2012.

Australian strike-force aircraft taking part in a coalition operation, in which either the F-35 or Super Hornet would provide a credible contribution, as both types will be in front-line service with United States forces until at least the 2030s. While the RAAF would stage a spirited defence of the F-35, the threats that would demand this level of capability don't seem to be present. A future government looking for a more cost-effective solution might look hard at the savings that would result from buying fewer new aircraft and from taking advantage of the fixed costs already accrued by standing up the Super Hornet fleet.

#### **4.2. Land**

The Australian Army is a force of just under 30,000—small by regional standards. It is large enough to make a valuable contribution to coalition operations or to lead medium-sized operations (such as the INTERFET mission, which saw 6,000 Australian troops deployed at its peak), but it isn't large enough to mount sizeable combat operations (Division or above) of its own. In the last twenty years Australia's land forces have found themselves deployed around the world under United Nations auspices and in US-led coalitions. Similar coalition operations in future multilateral interventions remain a possibility, despite what will probably be a diminished appetite on the part of Western nations for wars of the sort seen recently in Iraq and Afghanistan.

The Australian Army has also been required to conduct peacekeeping and stabilisation operations in weaker states around Australia's periphery—Timor-Leste, Bougainville and the Solomon Islands.<sup>17</sup> There is likely to be continued demand for these sorts of operations in the future. There are many smaller nations in Australia's neighbourhood with weak governance, poorly performing economies and demographic pressures that make a deterioration of their security situations likely.

If those prognostications are accurate, then the future requirements for the Australian Army will centre around the ability to send high-value contributions to coalition operations (such as the combat engineers, logisticians and special forces that have shouldered the lion's share of the Australian contribution in

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<sup>17</sup> At the time of writing, Australia had 1550 troops in Afghanistan, 394 in Timor Leste and 80 in the Solomon Islands. Source: Department of Defence Global Operations data: <http://www.defence.gov.au/op/index.htm>, accessed 13 October 2012.

Afghanistan), and the ability to deploy light forces and their mobility vehicles to regional countries. What there doesn't seem to be much call for are combined arms operations, with armour, artillery, infantry and support elements working together.

Like the Air Force with the F-35, the Army would resist any notion of downplaying these capabilities and would fight a rearguard action to preserve them. This isn't surprising: the ability to undertake combined arms manoeuvres is seen almost as the defining feature of a modern army. However, in a future where we mightn't be able to have everything, we might have to look hard at the idea of a 'two-tier Army' designed for low level operations nearby and niche contributions to conflicts elsewhere where Australia is not the lead country. The 2009 White Paper took a step that is consistent with this evolution, and was quite explicit in ruling out high-intensity operations in 'the Middle East... Central or South Asia or Africa.'<sup>18</sup> The cancellation of the acquisition of self-propelled artillery in the 2012 budget is consistent with a lack of interest in equipping the army for high-intensity warfare.

### **4.3. Maritime**

The single biggest decision on maritime capability to be taken in the near future is the type of submarine that will replace the Collins class sometime in the next decade. In many ways, this decision more than any other will say a great deal about the nation's strategic ambitions, its approach to the ANZUS alliance and its appetite for the cost and risks involved in pursuing those ambitions.

The 2009 White Paper described a very sophisticated submarine with greater range, longer endurance on patrol, and expanded capabilities compared to the current Collins class submarine. The aim was clearly for a far-ranging submarine, allowing Australia to deliver an effect across the western pacific and much of the Indian Ocean if required. The description included the requirement for the boats 'to be able to undertake prolonged covert patrols over the full distance of our strategic approaches and in operational areas.'<sup>19</sup>

Like much of the 2009 White Paper, this ambitious description has been the subject of much debate, and little progress has been made towards turning it into hardware. The potential price tag—variously estimated to be between A\$20

<sup>18</sup> 2009 Defence White Paper, op cit, paragraph 7.23

<sup>19</sup> Ibid, paragraph 9.5

billion and A\$40 billion<sup>20</sup>—has so far proven to be difficult to support in the current environment. Because of the cost, which has been described as having ‘the potential to distort the force structure,’<sup>21</sup> there are advocates for solutions based on existing European designs that would be much less costly, but also less capable, than the White Paper description. However, if Australia really sees a theatre-wide role for its naval forces, then the geography of the western Pacific and Indian Oceans dictates a boat capable of long transits. And, again, the ability to work with American forces across the theatre is seen as a positive. The US ambassador to Australia has described Australia’s submarine capability as being ‘crucial to security in the Asia-Pacific region.’<sup>22</sup>

European boats are very capable, and the latest generation of air-independent propulsion-capable boats are in some ways more advanced than the 1980s vintage Collins class design. However, they have only around two-thirds of the displacement of the Collins (which itself is considered to be a little too small for the role described in 2009). As a result, any European submarine is likely to carry less payload, especially fuel and weapons, which is required for a long-range role. Australia’s continental size and geographic position at the southern edge of Asia means that such boats would be suited only for operations in Australia’s immediate approaches and could operate further afield only by staging from forward bases, which would require the compliance of other nations and reducing operational flexibility. Australia would essentially be opting out of the underwater realm in the wider theatre.

The final decision will involve a trade-off between strategic ambition, cost, schedule and project risk. No definitive decision will be made before the planned publication of the next White Paper in the first half of 2013 (and perhaps not even then), but the ultimate direction of the submarine project will say a lot about Australia’s wider thinking on security.

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<sup>20</sup> Andrew Davies, *What price the future submarine?*, Australian Strategic Policy Institute, Policy Analysis, Canberra, 2 March 2012, [http://www.aspi.org.au/publications/publication\\_details.aspx?ContentID=332](http://www.aspi.org.au/publications/publication_details.aspx?ContentID=332), accessed 13 October 2012.

<sup>21</sup> VADM Peter Jones, *Address to ASPI*, Canberra, 21 June 2012, [http://www.aspi.org.au/admin/eventFiles/CCDG\\_Address\\_to\\_ASPI\\_21\\_June-final.pdf](http://www.aspi.org.au/admin/eventFiles/CCDG_Address_to_ASPI_21_June-final.pdf), accessed 13 October 2012.

<sup>22</sup> Quoted in: John Kerin, *US floats nuclear subs option*, Australian Financial Review, 22 February 2012, [http://afr.com/p/national/us\\_floats\\_nuclear\\_subs\\_option\\_uPMgRrev3KjNwBLfXpdeO](http://afr.com/p/national/us_floats_nuclear_subs_option_uPMgRrev3KjNwBLfXpdeO), accessed 13 October 2012.

## Conclusions

Australia is still coming to terms with what it means to plan for its defence forces in the twenty-first century. In its White Paper three years ago, the Australian government had a clear vision for its armed forces that would see them working closely with the United States to maintain the security framework that has served both nations well for over half a century. Today, despite the strategic challenges having only increased, and with the increased emphasis on the region by the United States with its concomitant requirement for US allies to work with them, there is less will to boost defence and, crucially, less money available to do so. Given that its likely to be very much a product of today's unusual domestic circumstances, the 2013 Defence White Paper is unlikely to be the final word on the subject of Australia's approach to its long-term security.

All is not lost, however, and some careful thought could still deliver a capable and suitable ADF. In fact, the Force 2030 concept has come under criticism from some quarters for being unfocussed and grandiose, in effect taking us into the competition between two major powers (China and the United States), where we can't make a decisive difference anyway. Instead, Australia needs to see itself as the middle power that it is (the world's fourteenth largest economy) and plan accordingly.

We need some new ideas, and some new approaches. Here are some thoughts on the subject.

- 1) A cultural change is needed. Australia has been reluctant to become part of Asia and much of our defence thinking has been about being secure from Asia. We need to learn to be secure within Asia.
- 2) Once we have changed that mindset, we can start working with our neighbours, especially Indonesia, who are facing the same uncertain strategic factors that we are.
- 3) Asymmetry—capability that require a disproportionate investment to counter—is likely to be more appealing to Australia in the future. It's an approach that traditionally appeals to weaker combatants, which in a sense Australia will be. The 2009 Defence White Paper planned to take one major step towards asymmetry in the ADF's force structure—by changing the relative weighting of submarines versus surface combatants. Cyber

- operations are another possible growth area for asymmetric capabilities.
- 4) More integration with American forces and with other American allies such as Japan. Twelve submarines, three Aegis-equipped air warfare destroyers and eight multi-role frigates operating American-sourced anti-submarine warfare helicopters and all equipped with American missiles, would be a useful supplement to an American task group or as part of a theatre-wide Air-Sea Battle strategy in a wider conflict.
  - 5) ANZUS 2.0 Australia's treaty with the United States was created post WWII and was designed for a different era. We don't need to change the words, but we do need to think about their interpretation. Australia has, to be honest, tended to free ride on the Americans, but now they want us to do more—and sometimes say so in public. We need to decide how we do that, and whether our alliance contributions are bilateral, or part of a multilateral approach with other American partners.
  - 6) We have to let strategy drive military procurement. Up to now we've let the military decide. That's been fine, but there are signs that we can't do that. We have to let go of the idea of a 'balanced force' which works fine when everyone nearby is weak, but could leave us short of capacity by spreading our spending over too many capabilities when they aren't.
  - 7) Smarter procurement is necessary. We should try for 80% solutions, buying working equipment that someone else (usually America) has done the R&D for.
  - 8) In those rare cases where we can't buy what we need even at the 80% level, we should go into cooperative development programs with partners who have the capability and capacity to help us get what we need (and tell us we can't have what we want). The future submarine is one such case—we have a continent sized maritime problem, and need a long range submarine, has to be conventional. Discussions with Japan might yet bear fruit on such a collaboration.

Those are some ideas for changing Australia's approach to the development of its military forces. I think I can safely predict that they aren't all going to happen. Attempts to change culture are difficult—and my list includes national culture, military culture, political and industrial culture, so that is a difficult change indeed. But we live in a new world, and we have to find new ways of approaching our security in it.