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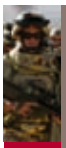

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The 2006 US Quadrennial Defense Review:
Influencing Australia's defence future?

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by Peter Layton

'The United States places great value on its unique relationships with the United Kingdom and Australia… These close military relations are models for the breadth and depth of cooperation the United States seeks to foster with other allies and partners around the world. Implementation of the QDR's agenda will serve to reinforce these enduring links.'
(2006 Quadrennial Defense Review Report)

'With Australia, our alliance is global in scope.'
(The National Security Strategy of the United States of America, March 2006)

Australian Reconstruction Task Force soldiers disembark an Australian C-130J Hercules on the ground in Southern Afghanistan, 20 September 2006. © Department of Defence

Great powers have traditionally used their armed forces to shape the international environment to their advantage. Today, the US, the greatest power of our time, is using its military forces, in concert with other national measures, to maintain US global pre-eminence. In taking such action the US, like other great powers in history, is creating the environment within which lesser powers strive to survive and prosper.

As a lesser but significant power,[1] Australia has long chosen to use a close alliance with the great power of the day to help achieve national security and prosperity. Initially with the UK, this close alliance is now with the US. In the 1960s being an active US alliance partner involved developing forces able to contribute to military operations in Indochina. This expeditionary focus changed when the Guam Doctrine was articulated by President Nixon, and the US stressed that alliance partners were primarily responsible for their own national defence using their own national forces. Australia's first Defence White Paper in 1976 set out a strategic policy consistent and compatible with the then contemporary US strategic policy.

Now, the US has articulated a new strategic direction for defence in tune with the post-September 11, post-Cold War strategic environment. If Australia chooses to follow, this new direction could fundamentally shape Australian defence policy just as the interwar British Singapore strategy and the Cold War US Guam Doctrine did. In this paper the two key strategic drivers of the new US defence policy are discussed with the intention of stimulating debate on their potential implications for Australian defence policies.

Key strategic drivers

The 2006 QDR sets out the strategic direction of the US Department of Defense for the next twenty years, and the budgetary, organisational and legislative measures needed to support the strategic vision. This Review 'operationalises' the March 2005 US *National Defense Strategy* through focusing on four priority areas:

- defeating terrorist networks
- defending the homeland in depth
- shaping the choices of countries at strategic crossroads
- preventing hostile states and non-state actors from acquiring or using Weapons of Mass Destruction (WMD).

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This approach is very unlike the uncertain defence-planning period of the 1990s when security threats were perceived as inchoate and ill-defined. In addressing these priority areas, the QDR defines distinct and important needs for military forces based on both an identified tangible threat and on a potential danger. For practical purposes, the 2006 QDR is effectively shaped by two major but dissimilar strategic drivers: winning the 'Long War' and hedging against the re-emergence of a major state-based threat.

The Long War encompasses the post-September 11 strategic environment of clear and present dangers emanating from transnational non-state actors that requires immediate action. By comparison, the post-Cold War environment where more substantial threats may again arise from a hostile state sometime in the future can be instead risk managed using a sophisticated hedging strategy. These two very different 'worlds' are expected to shape US defence

thinking and actions for the foreseeable future. Noticeably absent in this QDR is shaping the US defence forces for the kind of operations common in the 1990s and seen then as the future of defence forces: large scale peace support interventions with long term nation building aspirations.

The Review uses capabilities-based planning combined with well-defined threat benchmarks as its force structure methodology. These benchmarks ensure the QDR overcomes some inherent shortcomings of capabilities-based planning allowing it to define the quality and size of US forces needed, who these forces are meant to deter and which allies and international partners these forces are intended to reassure. There is no uncertainty, rather considerable clarity, about the two key factors driving US defence strategy.

The post-September 11 world: Winning the Long War

Popularised by US Central Command's General John Abizaid, the term 'Long War' encompasses the indefinite conflict against Islamic extremism and at least colloquially supplants the more formal global War on Terror. The QDR observes: 'The enemies in this war are not traditional conventional military forces but rather dispersed, global terrorist networks that exploit Islam to advance radical political aims ... Currently, Iraq and Afghanistan are crucial battlegrounds, but the struggle extends far beyond their borders.' This QDR does not propose new initiatives or signal additional large-scale troop deployments to Iraq or Afghanistan for, from the perspective of US military involvement, operations in these countries are considered to be in their later, concluding stages, although combat activities can be expected to continue for some time. The strategy articulated in the QDR is rather for the next steps towards winning the global War on Terror.

The Long War's next stage comprises two main paths: firstly, direct action to strike at terrorist networks worldwide and secondly, helping develop the counterterrorist capabilities of partner states especially those with ungoverned areas providing safe havens for terrorist groups. The two-path approach is broadly a counterterrorist strategy, rather than a counterinsurgency strategy as some have advocated.

The QDR counterterrorist approach is not built around regime change to introduce democracy and change the societies from which terrorists emanate, rather the approach is less ambitious and employs a well-focused military-led mixture of pre-emption, deterrence and retribution. This approach is philosophically different to that of some other nations that emphasise police, legal, judicial and regulatory responses.

The QDR approach suggests that the US may support regimes with an authoritarian nature that are able to impose order, rather than letting chaos reign, if this will help win this war. However, governments who do not support US efforts in the Long War, and especially those working against a successful resolution, may still face regime change through US support for change from within. For example, there are proposals to influence Iranian Government policies through promoting internal opposition to the rule of the nation's religious leaders. This indirect approach of helping others to help themselves is stressed throughout the QDR; the Review continually emphasises working with and through others to achieve common objectives. Alliances and international partners are seen as key to winning the Long War.

The 2006 National Military Strategic Plan for the War on Terrorism designates Special Operations Command (SOCOM) as the Combatant Commander for planning, coordinating and executing global operations against the terrorist networks; other Combatant Commands are to support SOCOM as necessary. This is the first time SOCOM has been placed in command of an ongoing conflict reflecting both the centrality of special operations to the Long War and its global, rather than regional, nature. To win the Long War, the QDR envisages SOCOM waging simultaneous long-duration, complex operations in multiple countries around the world. These operations will make use of persistent surveillance and enhanced intelligence to better locate adversaries, and require the US maintaining a long-term, low-visibility presence in many areas of the world where US forces have not traditionally operated.

The QDR's force structure response to the demands of the Long War is mainly in terms of capacity.

The QDR's force structure response to the demands of the Long War is mainly in terms of capacity. Suitable capabilities are available but there are not enough of them, especially in the numbers of special operations personnel. Under QDR, the 52,000-strong SOCOM will gain an additional 13,000 personnel and an annual budget increase of around $9 billion. Specifically, QDR increases Special Operations Forces by 15%, the number of Special Force Battalions by one third, Psychological Operations and Civil Affairs units by one third, and establishes a Marine Corps Special Operations Command. This increased capacity will allow SOCOM to undertake a larger number of operations

A US Special Forces weapons sergeant trains an Afghan Security Forces soldier to fire a 75mm recoilless rifle atop a ridgeline 1500 feet above the Pesh Valley, Afghanistan. Special Forces soldiers assigned to Combined Joint Special Operations Task Force—Afghanistan are helping train Afghans to fight terrorists in their own country. US Army photo by Sgt 1st Class Blake R Waltman

involving specialised tasks, in particular long duration, indirect and clandestine operations in politically sensitive environments and denied areas. SOCOM will be able to further develop its ability to locate, tag and track individual terrorists globally.

General-purpose Army and Marine Corps forces will contribute to the Long War by increasing their capacity for irregular warfare—defined as encompassing the training of indigenous forces, counterinsurgency, counterterrorism, unconventional warfare, and stability, security, transition and reconstruction operations. The Army and the Marine Corps will become as proficient in these operations as they presently are in conventional combat. This reorientation will allow general-purpose ground forces to take on the less taxing foreign training and counterinsurgency tasks performed currently by Special Operations Forces, freeing up these forces for increased involvement in the more difficult counterterrorism and unconventional warfare operations. In rebalancing between the two types of conflict, there will be fewer forces equipped for conventional warfare, while more units especially National Guard and Reserve forces, will be available for irregular warfare tasks. Some 44,000 positions across the Active, Guard and Reserve elements are being realigned to meet the growing demands for more Reserve and National Guard infantry, military police, civil affairs, and engineer units but lessening demands for field artillery, air defence and armour units. Additionally, some 12,000 soldiers in administrative and facilities support positions are being brought into the operational part of the force with their previous tasks now performed by civilians. These rebalancing steps are producing a 50% increase in infantry capabilities, with similar increases in military police, civil affairs, intelligence, and other critical skills.

There will also be changes to air and naval forces. A dedicated SOCOM unmanned air vehicle squadron will be established for persistent armed surveillance of denied or contested areas. Additional procurement of Predator and Global Hawk unmanned surveillance aircraft for the US Air Force will nearly double current capacity. The US Navy will become more capable of projecting power in 'green' and 'brown' waters by accelerating procurement of Littoral Combat Ships and the development of a riverine warfare capability for river patrol, interdiction and tactical troop movement on inland waterways. Afloat forward staging bases will be used by Special Operations Forces for global operations.

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Critically, the Long War is also considered to have a sub-element that poses a serious threat to national survival; the QDR notes that: 'Several other WMD-armed states, although not necessarily hostile to the United States, could face the possibility of internal instability and loss of control over their weapons ... The prospect that a nuclear-capable state may lose control of some of its weapons to terrorists is one of the greatest dangers the United States and its allies face.' The capabilities required build on those needed elsewhere for the Long War including Special Operations Forces to locate and secure WMD; the ability to locate, tag and track WMD; interdiction capabilities to stop WMD shipments; persistent surveillance over wide areas to locate WMD; and the ability to render safe WMD.

An MQ-1 Predator unmanned aerial vehicle sits on the parking ramp at Balad Air Base, Iraq. The Predator is a medium-altitude, long endurance, remotely piloted aircraft. Its primary mission is interdiction and conducting armed reconnaissance against critical, perishable targets. US Air Force photo by Staff Sgt Tony R Tolley

The way the US chooses to wage this long-duration conflict will have global ramifications and is inescapable, especially for close US allies.

In scope the Long War is global. Protracted US interest and activities in regions of direct interest to Australia can be reasonably expected. The way the US chooses to wage this long-duration conflict will have global ramifications and is inescapable, especially for close US allies. While a comparatively small conflict, the duration, complexity, interagency (whole-of-government) nature, and global battlefield of this—the first war of its type—will progressively transform SOCOM elevating its prominence in the US defence establishment. For the US, SOCOM is the 'cutting edge' that is being relied upon to win the war. The development of organisations, technology, doctrine and tactics for the Long War will permeate US strategic thinking, strongly influencing US choices, mental frameworks and future force structure. This will inevitably also significantly influence interoperability between US and allied defence forces.

The US is now emphasising developing extensive special operations capabilities to undertake protracted global counterterrorism and unconventional warfare operations as an important permanent part of its future force structure. US Special Operations Forces are shifting from 'being postured for reactive, regional contingencies to being a global, proactive and pre-emptive force' that observes and disrupts terrorist groups in their safe havens.[2] Australia has few forces to contribute to such operations from a coalition perspective, and has no plans to acquire a riverine capability, Littoral Combat Ships, or Predator unmanned persistent armed surveillance aircraft. Such operations, while strategically and operationally important, raise some legal concerns and questions of legitimacy, less so for intelligence collection

activities and the arrest of terrorists but certainly for targeted killings. Australian involvement in any such operations whether observing or actively disrupting terrorist groups would need to be carefully considered. The US position though is clear: direct action by Special Forces is a key part of the Long War that meets the 2006 US National Security Strategy direction that: 'The hard core of terrorists cannot be deterred or reformed; they must be tracked down, killed, or captured.' By inference then, allies who step away from involvement at the sharp end of the Long War will have less ability to influence the war's tactical activities or strategic decision-making. These allies will become less well-connected and less important to Washington as time goes by.

On a more positive note, Australia is well positioned with meaningful contributions to the second strand of the Long War: the developing of counterterrorist capabilities of partner states especially those with ungoverned areas providing safe havens for terrorist groups. The Australian Defence Force (ADF) and the Australian Federal Police (AFP) have significant involvement in specialised counterterrorism training with several Southeast Asian states and have notably deepened bilateral ties. Australia has worked particularly closely and effectively with Indonesia in response to recent terrorist bombings. Furthermore, Australia is now providing small watercraft to the Philippines to improve surveillance of riverine and marshland areas in Mindanao as part of countering Jemaah Islamiah activities. In the associated area of irregular warfare, the capabilities of the Australian Army are being improved in ways compatible with QDR Long War thinking, helping to sustain interoperability with the evolving US Army and Marine Corps. However, the second strand of the Long War while essential is less likely to give an ally as deep continuing access and influence, and importance, as also contributing to direct action.

Members of the Australian Special Operations Task Group (SOTG) disembark a United States Air Force (USAF) C-17 Globemaster at a Forward Operating Base (FOB) in Afghanistan, 7 September 2005. © Department of Defence

Critically, the Long War is perceived as a protracted affair. Australian contributions of whatever nature will need to be equally long-lasting, influencing and shaping the ADF over the longer term. Such a long-duration conflict represents a significant allocation of resources that sustained over many years will markedly change current plans based on older strategic priorities. ADF command structures and plans for raising, equipping, training and sustaining forces may need adjusting to the new realities. For the US, Long War operations and their associated rotation base and sustainment requirements are becoming a primary force sizing determinant; the ADF would be similar if the QDR vision was accepted.

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Longer term, the traditional state-centric defence paradigms which dominate much fundamental Australian defence thinking may need recasting to include more completely the full transnational non-state actor threat. The nexus between terrorism and criminal activities cannot be ignored if the threat from non-state actors is to be successfully addressed. The organisations, technology and tactics being created for the Long War by the US also appear relevant to waging the arguably more costly 'five wars of globalisation': the illicit trade in arms, drugs, human beings, intellectual property, and money.[3] SOCOM's steadily expanding involvement in the large-scale and long-running *Plan Colombia* drug war may be a harbinger of an expanded and important role for military forces, including Australia's, beyond, yet alongside, the Long War. The recent *Security Update 05* has started this broadening of Australian defence paradigms; further re-conceptualisation may be needed to gain the full benefits for national security and force development.

The post-Cold War world: Hedging against a future state-based threat

The QDR contends that choices that the major and emerging powers, particularly India, Russia and China, make will affect the strategic position and the freedom of action of the United States, its allies and partners. In working to shape these choices towards positive goals, the US seeks to ensure that no other power can dictate the terms of regional or global security. Although the threat of a conflict with a major power presently appears improbable, this may change in the future. This QDR is quite explicit: 'Of the major and emerging powers, China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional US military advantages …'

US policy remains focused on encouraging China to have a constructive role in the region and to be a partner with the US in addressing common global problems. This QDR though reiterates US concerns that China is acquiring advanced military capabilities while giving the international community little understanding of Chinese motivations and long-term intentions. Over the next several decades China's GDP may grow to equal that of the US. China could choose to spend as much on defence as the US and, with its large population base, become a peer competitor. The QDR accordingly articulates adopting a balanced approach: seeking cooperation while hedging against the possibility of some future military competition.

While prudent, this worse case analysis runs the risk of becoming a self-fulfiling prophecy. However, the capabilities developed for such an improbable worse case scenario will give the US the ability to handle any other state-based threats that develop in the future with ease. Debates about the military threat posed by China may help shape and justify sustaining US high technology forces, but they might also simultaneously alienate China.

The US has a 'great power' perspective of the rise of China that differs in some important aspects from Australia's 'middle power' viewpoint.

Force planning against improbable threats is by no means uncommon. The US planned for wars against Britain before and after World War I. These typically involved plans for US invasions of Canada—a consideration in the development of the major US Army base at Fort Drum—and Britain's Caribbean islands, although Joint War Plan Red also envisaged defending against a retaliatory invasion of California by British, Australian and New Zealand forces. At the time the British Empire was the only potential threat to the continental US that could justify the development and maintenance of US armed forces, including numerous coastal forts and defences. From a theoretical perspective, China is postulated as a possible serious threat to overcome shortcomings in using either capabilities-based or threat-based force planning methodologies. These methodologies have some inadequacies when being used for force planning in a time without a clearly identifiable state-based threat. In this respect, using such rational planning methodologies in a transparent manner can have unintended and undesired strategic consequences; a better methodology that avoids these problems may need to be developed.

The US has a 'great power' perspective of the rise of China that differs in some important aspects from Australia's 'middle power' viewpoint. The QDR articulates a cautious forward-leaning US defence posture that has implications for Australia. This three-part hedging strategy is sophisticated and equally applicable to managing other emerging powers:

- First: 'Improving the capacity of [regional] partner states and reducing their vulnerabilities ... the United States will work to achieve greater integration of defensive systems among its international partners in ways that would complicate any adversary's efforts to decouple them. It will seek to strengthen partner nations' capabilities to defend themselves and withstand attack, including against ambiguous coercive threats.'
- Second: 'Diversify US basing posture to promote constructive bilateral relations, mitigate anti-access threats and offset potential political coercion designed to limit US access to any region.' As part of this the USN is repositioning to emphasise the Pacific at the expense of other regions.
- Third: 'The United States will develop capabilities that would present any adversary with complex and multidimensional challenges and complicate its offensive planning efforts ... The aim is to possess sufficient capability to convince any potential adversary that it cannot prevail in a conflict ...'

The US strategy of helping allies improve their capabilities has attractions for Australia, whether or not completely agreeing with the US stance on China. Australia seeks a networked force, and incorporating the US proposal in this QDR to work with allies to

integrate intelligence sensors, communication networks, information systems, missile defences, undersea warfare and counter-mine warfare capabilities could helpfully advance this goal. India (now seen as an important strategic partner) and Japan (long-term ally) are undoubtedly the key nations in the QDR's Asia–Pacific strategy and may also accept this US overture of defence assistance to upgrade their capabilities with advanced equipment.

The recent US decision to provide India with advanced nuclear technology… has already created some uncertainties for Australia.

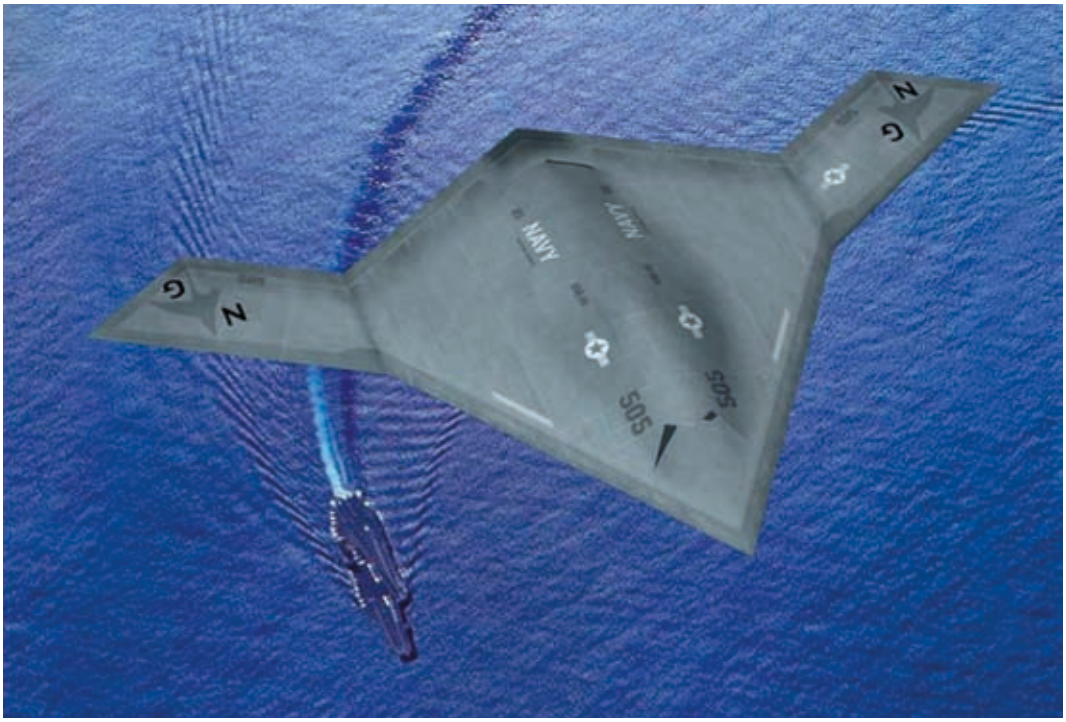
The less restrained export by the US of modern defence technology to regional nations may be an outcome of this new hedging strategy that may sometimes concern Australia. This may already be beginning and include technology which, while commercial, is sensitive with significant defence implications. The recent US decision to provide India with advanced nuclear technology, unconstrained by the Nuclear Non-Proliferation Treaty (NPT) safeguards against its experimental fast breeder reactor producing weapons grade plutonium, or abiding by the Comprehensive Nuclear Test Ban Treaty, has already created some uncertainties for Australia.

In considering a diversified US basing posture, Australia is now geographically important to the articulated US strategy, a marked change from the Cold War period. US basing policies have evolved away from developing large permanent overseas garrisons towards using more austere overseas bases. US forces will increasingly use host nation facilities, with only a modest supporting US presence that allows US-based forces to be quickly deployed into theatre when needed. This QDR aims to further reduce the forward footprint of US forces through a careful mix of sea basing, overseas presence, enhanced long-range strike, reach back, and surge and prepositioned capabilities.

Accordingly, US interest in Australian basing may be principally in assured long-term access rights to selected ports and airfields, and secondly in modest focused infrastructure improvements to these facilities. Meeting such US interests in basing could be accomplished with little impact domestically or internationally and would be a tangible alliance outcome useful to both partners. Such a new basing agreement may be a timely substitute for the training opportunities and exercise areas Australia has traditionally provided which may become less relevant in the new strategic circumstances. In a similar manner, Australia could reasonably expect that the US will endeavour to gain similar access rights and make modest infrastructure improvements to selected airfields and ports of regional nations.

The QDR's key capability decisions concerning hedging against future state-based conflict includes increased procurement of unmanned surveillance aircraft (while cutting both an in-service and developmental manned surveillance aircraft program), sharply accelerating the development of next-generation land and sea based long-range strike aircraft, and converting a small number of Trident submarine launched ballistic missiles for conventional prompt global strike.

These decisions reflect the QDR vision of reorienting US Air Force and US Navy strike capabilities away from the Cold War paradigm of short range tactical aviation designed for European conditions toward systems with significantly longer range and persistence, larger and more flexible payloads for surveillance or strike, and the ability to penetrate and sustain operations in denied areas. The joint air forces (sic) developed '… will



The Development of Unmanned Combat Air Vehicles is being accelerated by QDR 2006 as part of a high technology hedging strategy. An unmanned long-range strike-reconnaissance aircraft is being developed for operations from aircraft carriers in the next decade. Photo courtesy Defense Advanced Research Projects Agency

be capable of rapidly and simultaneously locating and attacking thousands of fixed and mobile targets at global ranges.'

This QDR also makes evident a marked conceptual shift in US air power thinking. Unmanned systems, instead of manned aircraft, will become progressively more important for future strike and surveillance air operations during both irregular and conventional warfare, although manned aircraft will retain the air dominance role. This shift could have implications for ADF force structure, in particular in the number of Joint Strike Fighter (JSF) aircraft purchased by Australia for strike operations in the period 2015 to 2045.

US development of Unmanned Combat Air Vehicles has been accelerated, and this QDR confirms that US thinking considers these the 'wave of the future'. For example a new unmanned long-range carrier based strike aircraft capable of being air-refuelled will be developed 'to provide greater stand-off capability, to expand payload and launch options, and to increase naval reach and persistence' compared to the current F/A-18E/F and forthcoming JSF. This is a broadly based trend; the QDR notes that, for the US Air Force, 'some 45% of the future long-range strike force will be unmanned'. As the keen US interest indicates unmanned combat air vehicles offer some unique and important operational characteristics however, their expedited development has implications for allies. Now when considering how Australia might meaningfully contribute to, and be a partner in, US-led coalition air operations in the 2015 to 2045 period, there may be value in considering acquiring a mixed JSF and unmanned combat air vehicle fleet rather than only a purely JSF fleet. A mixed fleet would appear to potentially offer the Australian Government a more robust and broader range of options, be more durable given US technology advances, fit more

readily into the future US force structure and way of war, and help sustain interoperability with the US.

The JSF program is one of the most expensive US defence projects ever when the current system design and development phase and the next, much more costly, Full Rate Production phase are combined. The budgetary scale alone makes it likely the next QDR in 2009 will consider the program's future shape. By 2009 with some test aircraft flying, there will be much greater certainty concerning the aircraft's performance, cost and delivery schedule. Consideration by the 2009 QDR may include further debate on the numbers of aircraft the US will itself buy, as this decision will determine the programme's overall impact on the US defence budget. Such debate would highlight a coming quandary in US defence strategy more important to Australia than just the JSF program.

The defence build-up by the Bush Administration during Fiscal Year (FY) 2000–2005 is qualitatively different to the previous defence build-up undertaken by the Reagan Administration during FY 1980–1985. In the earlier Reagan defence build-up almost four-fifths of the funding added to weapons acquisition was spent on procurement with the remaining one-fifth allocated to Research and Development (R&D). By comparison more than half the funding added to weapons acquisition during the Bush Administration's defence build-up has been absorbed by R&D, largely by projects like the JSF, the Army's Future Combat System and the Navy's DD(X) which are all in their costly system design and development phases. The recapitalisation of the force under the Bush Administration's defence build-up has been significantly less than that of the earlier Reagan build-up—at least so far.

The emphasis on R&D reflects the Bush Administration's strategic objective, reinforced in this QDR, of hedging against future state-based threats by developing new generation systems rather than procuring proven, but older-technology, equipment.

The emphasis on R&D reflects the Bush Administration's long-standing strategic objective, reinforced in this QDR, of hedging against future state-based threats by developing new generation systems rather than procuring proven, but older-technology, equipment. In 1999, the then Presidential Candidate George Bush spoke of defence modernisation moving 'beyond marginal improvements—to replace existing programs with new technologies and strategies: to skip a generation of technology.' The sharp acceleration in unmanned aircraft development is a tangible example of the implementation of this approach.

A significant question for the next US Administration post-2008 is whether to change the balance between R&D and procurement and instead emphasise building large numbers of weapon systems to replace aging elements of the current force structure originally acquired for the Cold War, in particular land-based short range tactical aviation. This may be difficult if the development of the new weapon systems costs more than anticipated, preventing reducing R&D expenditures. History suggests a changed balance is improbable for as Steven Kosiak writes: 'there has been no sustained period over the past fifty years during which R&D funding has been cut, while funding for procurement has been increased.'[4]

Additionally, some contend that the present size of the US defence budget is unsustainable

over the longer term. The defence budget as a percentage of federal outlays has been relatively stable since the Cold War's end oscillating between about 16.2% and 19.9% since FY 1994; for FY 2007 the defence budget is 16.9% of federal outlays.[5] Across this period generally favourable economic growth has steadily increased the size of the federal budget, and the monies able to be allocated to defence, without tax increases. The abrupt change has been in emergency supplementals which since 2001 have significantly increased the total funds allocated to defence purposes as a percentage of federal outlays; including these in FY 2007 the outlays for defence overall would be about 20.7%.

Such a percentage of federal budgets being allocated to defence was accepted during the Cold War, albeit with a corresponding acceptance of sizeable budget deficits. However, achieving the current force structure plans may be problematic if, with the end of the Iraq war, a sizeable proportion of the emergency supplementals are not continued and rolled into the defence budget, or if a new President decides to address federal deficit concerns by including trimming the defence budget (presently excluded from consideration). The 'guns or butter' debate has so far been avoided, but there is always a possibility that future Administrations may determine differently.

The uncertainty of future defence outlays being sufficient, and their fragility in being hostage to external events, suggests that the defence budget increasing over the medium-to-longer term as the QDR envisages may not occur. Moreover, this QDR proposed a number of offsetting funding cuts to force structure, personnel entitlements and major equipment projects. These cuts seem unlikely to be approved by Congress, as evidenced by the recent passage of the FY 2007 Defense budget through the House and the Senate. Without these cuts, funding all the changes QDR sought may be problematic.

The defence budget has quite limited discretionary funding able to be cut to absorb funding reductions caused by any factor. Reducing the numbers of new weapon systems procured is often the only area realistically able to generate sufficient savings, especially when domestic political considerations are taken into account. Furthermore, the strong likelihood of also needing to sustain Long War investment and associated land force manning levels for a protracted period also suggests that there may be lesser priority, and hence limited funding, for procuring large numbers of new weapon systems suitable primarily for high-end conventional warfighting. Fighting the Long War is not a discretionary activity; procuring large numbers of high-end conventional warfighting weapon systems absent a major state-based threat may be.

The looming budget dilemmas suggest that the broad strategic vision of this QDR will be maintained and a strong focus on R&D will be sustained, particularly as this can provide important flow-on effects throughout the wider US economy. Given defence budget constraints and uncertainties, the US appears likely to continue to focus on developing leading edge technology and fielding smaller operational fleets (although still large by others' standards), only switching to larger-scale procurement when a significant state-based threat clearly emerges. Until then, the numbers of new weapon systems procured are more likely to be driven principally by the budget available, rather then by sustaining a specified force size.

The problem for alliance partners is that this hedging strategy, while arguably sensible and pragmatic, is at variance with the traditional equipment acquisition policies of lesser powers. Australia typically acquires

new equipment in an episodic manner; for example seventy-five F-18 fighter aircraft were acquired in the 1980s and they will all be replaced, probably by the JSF, around the middle of the next decade. There is now a danger that continuing with this 'big bang' acquisition approach will lead to Australia having prematurely obsolescent fleets of defence equipment as the US develops leap ahead technology and fields relatively small numbers of state-of-the-art systems on a continuing basis.

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An acquisition paradigm more compatible with this US hedging strategy may be for Australia to buy smaller numbers of replacement systems on a rolling basis. This approach would ensure the ADF had in-service not only leading-edge technologies interoperable with those of the US, but also a set of capabilities continually adapting to the evolving strategic environment. Although with this approach the ADF may have comparatively small numbers of the newest systems available for operations.

In some respects this rolling acquisition approach and its benefits is already evident in the recent progressive development of the ADF air transport fleet which over the last several years has acquired twelve C-130J troop lift aircraft, two Boeing 737 and three Challenger CL-604 VIP transport aircraft, five advanced Airbus tanker/transport aircraft and now four C–17 heavy lift aircraft. As strategic circumstances have changed, the airlift fleet has been adapted to meet it. Air Commander Australia, Air Vice Marshal John Quaife, recently observed that Air Lift Group is being steadily transformed from 'a group dominated by the tactical capability of C-130 aircraft to one incorporating a significant responsive global airlift capacity.'

The Littoral Combat Ships will operate with focused-mission packages that deploy manned and unmanned vehicles to execute missions including Special Operations Forces support, high-speed transit, Maritime Interdiction Operations, Intelligence, Surveillance and Reconnaissance, and Anti-Terrorism/Force Protection. Artist concept provided to the US Navy courtesy General Dynamics

Airlift capabilities are being progressively modernised to stay abreast of the evolving strategic requirements. The airlift fleet remains state-of-the-art and is now better able to handle a greater diversity of operational tasks than say a large single-type fleet, although possibly at the price of increased life-cycle costs. The rolling acquisition approach may be useful for other ADF capability sets, including the air combat force, to ensure they also stay both in tune with evolving strategic requirements, and compatible with US forces.

All the way with QDR?

The two key strategic drivers of the Long War and hedging against future state-based threats will also shape the US alliance network. The QDR sees alliances not as static partnerships but rather as dynamic, utilitarian arrangements that should be moulded anew to meet contemporary US strategic concerns. Strategic risks and responsibilities should be shared for as September 11 demonstrated, alliances in the post-Cold War era cut both ways; the US will aid smaller allies but these allies also have an obligation to help the US. Arguably, the US in so doing is providing strategic leadership to rally its alliance network to meet clear and present dangers to all.

These alliances serve specific and QDR stated purposes, not all achieved by military means, that can be used as benchmarks to measure the health of a relationship: allies should be united on important strategic issues, promote shared values, and share military and security burdens around the world. In meeting these benchmarks, the alliances with Australia and the UK are seen as models that others are urged to meet, although these nations may worry that a proliferation of 'special' relationships may devalue theirs. In the field of defence burden sharing, the QDR articulates US expectations and aspirations.

The US no longer favours unilateral actions, now preferring to act multi- laterally with allies and partners, at least in part driven by a realisation that contemporary problems cannot be solved by the US alone. In general, the US would prefer its alliance partners to adopt a broad perspective, and contribute to resolving identified global issues rather then just solely focusing on narrow local problems. The US belief that today's global defence and security burdens are common, and should be shared places real obligations on allies; from the US perspective, parochial national needs should no longer be the exclusive determining factor in a lesser power's strategic policies. Allied involvement in US-led coalitions is already less geographically constrained and tied to specific regions. The 2006 US *National Security Strategy* approvingly notes that the 'model' alliance with Australia is today global in scope; this is a clear US aspiration for other alliance partners.

The US no longer favours unilateral actions, now preferring to act multi-laterally with allies and partners…

In being part of the Long War, allies should join the US in maintaining the offensive, '… relentlessly finding, infiltrating, attacking and disrupting terrorist networks worldwide' denying them sanctuary in both physical and cyberspace domains. In line with the QDR vision, allies 'must also' hedge against the possibility that a major or emerging power could choose a hostile path in the future. In both circumstances, there is an expectation of a higher level of allied contributions. The US Defense Department is now assessing the implications of these assumed contributions in meeting surge demands for homeland defence, irregular warfare and conventional campaigns. As part of this, the QDR proposes an increased emphasis on collective

capabilities to plan and conduct stabilisation, security, transition and reconstruction operations. With a greater allied contribution and involvement in such operations, a reduced or rebalanced US force structure may become possible.

From the US perspective, Australia (and other allies) could usefully force structure on similar lines to the US…

From the US perspective, Australia (and other allies) could usefully force structure on similar lines to the US, improving irregular warfare capabilities and capacities to win the Long War, and enhance those capabilities useful in hedging against state-based warfare resuming. In particular, the US does not wish to be alone in the application of offensive military power, such as long range strike. Some perceive even close allies withdrawing from the hard power capability areas fundamental to the QDR's new strategic vision. The ability of allies to contribute to such operations is seen as noticeably diminishing in the medium-term. In the next decade only the US may be realistically capable of more than token actions, although this QDR's decisions to develop new land and carrier-based strike systems provides an opportunity for allies to sustain such capabilities if they choose.

While the US may hope that Australia will be a meaningful partner in addressing the complex challenges thrown up by the QDR's two strategic drivers, this is for Australia to ultimately determine. Australia could follow more insular strategic policies and choose not to be influenced by the QDR although, if there are real costs in following the US lead, there are also real costs in choosing not to.

The expectation of reciprocity is central to Australia's alliance relationship with the US.[6] Australia promotes the concept of mutual obligation; each party should support the other because they have previously. Abiding by this perspective may mean Australia should meet some of the demands of the QDR strategic vision to ensure a reasonable expectation of US assistance in some future time of national peril. Although this may not be onerous, generally US and Australian strategic concerns overlap.

The Long War affects both Australia and the US. Successfully meeting the transnational non-state actor threat requires global action that Australia cannot undertake alone. Collaborating closely with the US is directly in Australia's interest to overcome a global terrorist threat that may be encountered anywhere. Similarly, against such threats homeland defence can no longer be an exclusively Australian undertaking. The deep interdependence between developed nations makes obsolete the distinction between domestic and external dangers. Close collaboration with the US, and others, is essential for the necessary defence-in-depth.

Australia also has a distinct national interest in stopping the spread of WMD; *in extremis* Australia relies on the US alliance providing an extended nuclear deterrence guarantee. While the 2000 White Paper and successive updates observe little likelihood of a state-based threat, the NPT is creaking with a possibility of a significant break in the future. This could have serious consequences for Australia, suggesting retaining a nuclear deterrent hedge through sustaining the alliance is sensible.

Lastly, Australia's strategic culture suggests that the nation will adopt defence policies pragmatically informed by the QDR vision. While a lesser power, Australia since Federation has sought to be meaningfully involved in international affairs by being part of a great power's alliance network.

The nation, geographically distant from major conflict zones, could have adopted an inward looking strategic policy built around a Singapore or Switzerland-like 'porcupine strategy'. Instead, Australia has consistently sought to be part of great affairs elsewhere, to be part of shaping the international environment not just be buffeted by it. To reject the QDR approach now would be to reverse the habits of more than a century—not impossible, but culturally problematical.

Conclusion

The 2006 QDR will help create a two tier US defence force: high end air and naval forces to deter major peer-competitor state-on-state conflict, and land forces for irregular warfare and to be part of a joint force able to comprehensively defeat the conventional military forces of lesser powers. The combination of the distinctly air and naval hedging force mix, and the land force heavy construct of the Long War, together create overall a balanced force able to address the four priority areas identified early in the QDR process.

The demands of the post-September 11 and post-Cold War strategic environments are driving the US waging of the Long War and the adoption of a sophisticated hedging strategy. These new defence policies provide Australia as a 'model' alliance partner with opportunities and challenges. Sustaining the close alliance partnership may require addressing the new QDR strategic vision, possibly with changes to Australian strategic policies, force structure and force employment. Lesser powers work in the environment great powers create; this QDR's vision will influence all nations to a greater or lesser extent, willingly or unwillingly, close ally or implacable adversary.

Ground crew preparing Global Hawk for launch at RAAF Edinburgh. © Department of Defence

Endnotes

1 Compared against the other some 230 nations, Foreign Minister Downer recently noted that: 'by any measure Australia is a significant country. We're the world's 6th largest country by land mass. We have the 13th largest economy and the 10th largest industrialized economy. We're the 8th richest nation in per capita terms ... We have military expenditure that is the 12th largest in the world ...' Minister for Foreign Affairs, the Hon. Alexander Downer MP, *Should Australia Think Big or Small in Foreign Policy?*, The Policymakers Lecture Series, The Centre for Independent Studies, 10 July 2006, page 1, http://www.cis.org.au/

2 Thomas W. O'Connell, 2006, Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict, quoted in *Defense Leader Thanks Lawmakers for Support of Special Ops Forces*, http://www.defenselink.mil/news/Apr2006/20060405_4721.html

3 Moises Naim, 2003, 'The Five Wars of Globalization', *Foreign Policy*, January/February, pp. 29–36

4 Steven M Kosiak, *Analysis of the FY 2007 Defense Budget Request* Center for Strategic and Budgetary Assessments, Washington DC, p. 25 available at http://www.csbaonline.org/

5 Steven M. Kosiak, *Analysis of the FY 2006 Defense Budget Request*, Center for Strategic and Budgetary Assessments, Washington DC. Figures from Table 7 available at http://www.csbaonline.org/

6 Prime Minister John Howard, *Address to the Sydney Institute*, Intercontinental Hotel: Sydney, 1 July 2003, http://www.pm.gov.au/News/Speeches/speech323.html

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