

**The.Firm**

From: The.Firm [the.firm@internode.on.net]
Sent: Monday, 28 March 2005 4:40 PM
To: Senator the Hon Robert Hill <ministerfordefence@defence.gov.au>;
Senator the Hon Nick Minchin, FINMIN
Cc: AM Angus Houston, CAF; ACDRE John Harvey (E-mail); 'The Firm Distribution List'
Subject: DEFENCE CAPABILITIES - MANAGING RISKS AND COST EFFECTIVENESS

Our Reference: 606/01/05 Pt1 (10)

Defence Capabilities – Managing risks and cost effectiveness

Dear Ministers,

The article (“Plenty of flak over the chosen fighter”, *Herald*, March 25-27) invokes some mirthful imagery in an otherwise very serious matter. However, it is overly cautious in the statement, “Moreover, 50 F/A-22s, combined with 36 revamped F-111s would better meet Australia's aim of continued regional air dominance, probably at lesser cost” (emphasis added).

An air combat capability force structure of 50 x F/A-22As and 36 x Evolved F-111s is a more cost effective and far more capable solution for Australia's air combat capability needs than the Department's current plans. It would ensure Australia's air superiority position in the region is assured well into the next decade and beyond, with no capability gaps. Australia would continue ‘to punch above our weight’ in our contribution to the defence of the region and, as a result, the maintenance of stability in the region.

There are a number of important ‘other benefits’ that flow from such a force structure when compared with the Department's current plans, including more positive influences on Australia's current account figures and further strengthening of the capabilities of our Defence Industry to support the ADF.

Based on the Department's own planning and statutory budget figures, such a force structure represents over \$4.5 bn worth of cost/capability improvements and related savings over the next decade, with lower and more manageable risks, when compared with the current plans of senior departmental officials. In today's dollars, that's a Snowy Mountain Scheme or three Darwin to Alice Springs Railways. By any measure, this is serious money which could be used to further strengthen the ADF or for national infrastructure development or, even, addressing the challenges in education and skills shortages or all three.

Various attempts over the past 4 years to discuss this option with senior departmental officials have been ignored, with prejudice. In the national interest, we respectfully request you direct the Chief of Air Force and the New Air Combat Capability Project Office to open a formal dialogue with us on this option.

Yours sincerely,

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Attachments: A signed, printer friendly copy of the E-Letter is attached



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