

by **Australis**

Australis is a collective name for a number of individual contributors to *Defender*.

Gunsmoke and mirrors

Inadequate defence funding is a longstanding problem in Australia. It was not so long ago that several of the principal welfare, education and health lobbies were calling for massive cuts in supposed high defence spending. Major clamouring along these lines from one welfare lobby actually occurred only a fortnight before the ADF had to be committed to resolve the September 1999 East Timor crisis. As the crisis broke, the same organisation was then heard demanding urgent and unilateral armed intervention in East Timor in a 'damn the consequences' fashion. This vignette aptly illustrates the type of short-term and narrow-minded thinking, and uninformed and emotive inputs, that perpetually plague political debates on defence issues in Australia.

The current government on coming to power rightly deserves some credit for its foresight and disciplined record in not cutting defence spending when most federal programs were cut or capped to some extent. Indeed, our ability to help the East Timorese and rescue Indonesia from its own folly, would not have been achieved without the early 1999 decision to bring the second of our only two (and understrength) regular brigades to a higher state of operational readiness. The declaration in the 2000 White Paper to increase defence spending by around three per cent per year in real terms was also welcome, although not enough to reverse the effects of decades of comparative neglect under governments of both political persuasions.

The essential fact remains, however, that despite the ringing security rhetoric of the Treasurer's speech introducing the 2003–04 federal budget, Australia continues to allocate insufficient national resources to its defence.

In analysing this year's Commonwealth budget for defence we need to concentrate on the big picture over time. Hyperbole about relatively small items in any one particular year, such as \$22 million in 2003–04 for a new headquarters for Special Operations Command, only distracts us from the magnitude and longevity of the overall underfunding.

Even discounting the hype, the opaque way the

accounts are presented continues to hide or distort the reality. Even the welcome demise of the unnecessary distraction of the capital charge will not blast away the mists of confusion. It is especially worthy to note that the principal broadsheet newspapers in the days following presentation of the federal budget, and the following week's edition of the *Bulletin*, all had significantly different figures for Defence spending, and the size of supposed increases in both dollar and percentage terms.

There is an old business adage that you cannot manage what you cannot measure. The format and structure of Defence accounting does not assist ministers and parliament in understanding and prioritising ADF requirements, nor does it help to explain to the Australian people where the money goes and why. Furthermore, given the long lead times and five-year rolling acquisition programs to introduce or update ADF capabilities, Defence is a notoriously difficult function to fund. The technical accounting problems also cannot be resolved entirely until the overall accountability problems within the bloated Defence bureaucracy are solved by root and branch reforms.

The ADA has also always been firmly of the view that one-off costs, such as the \$650 million supplementation over several years to cover our participation in the Iraq intervention, should not be included in assessments of whether defence funding has increased. Nor should our additional \$100 million provision towards the rebuilding of Iraq. By their essential unpredictability, wars or major peacekeeping operations are really one-off events and impossible to fit into longer-term defence capability development and capability maintenance planning.

The one-off cost of the recent war is just like paying for unforecast but necessary repairs to national infrastructure after major bushfires or floods. Although clearly distracting to the overall federal budget strategy, especially the decision to aim for a budget surplus no smaller than \$2 billion, the cost of the war is really neither here nor there in terms of developing and sustaining the size and type of defence force Australia needs in the long term. This is especially so regarding the Defence Capability Plan, which, among other things, seeks to

manage in an orderly fashion the continuous and rolling need to adequately modernise and re-equip the ADF.

This budget's small increase in defence spending (around \$570 million at most depending on how you convert the figures) reflects only the limited three per cent real growth per annum promised in the 2000 Defence White Paper anyway. Our strategic circumstances have changed greatly since this White Paper was published three years ago and much greater defence spending is now even more essential. One illustration of the problem is that this year's defence allocation is actually \$41 million less than the last budget's forecast allocation for this year (\$13,970 m compared with the last budget's projection of \$14,011 m for 2003–04).

With defence spending down to well under two per cent of GDP (1.8 per cent by some calculations) we are not even treading water that well. The gap between White Paper assessments of what is needed and actual spending since 1987 is now over \$100 billion. Defence spending needs to be at least 2.3 per cent of GDP in order to catch up for decades of relative neglect. It needs to be even greater to pay for the modern, versatile, operationally ready and sustainable defence force we actually need.

However, the Association notes that before defence spending is increased to the level really needed, major organisational and corporate governance reforms are required in the Department of Defence. These are essential to ensure the money is used wisely, and that our defence strategy and ADF capability development processes are sufficiently robust.

Finally, ADA members and *Defender* readers are likely to meet fellow Australians who may mistakenly believe that defence spending is somehow too high or that Australia cannot afford to spend more. We all need to take every opportunity to explain instead the stark truth. One of the best ways of doing so is to present the uninformed with the stark comparisons. Defence spending is now only the fourth largest national outlay (it was actually fifth for a while until government debt was reduced). Australia spends at least 5 to 6 times as much on welfare, at least 3 to 4 times as much on health, and at least 2 to 3 times as much on education, as we do on defence. Even without acknowledging our current and foreseeable difficult strategic circumstances, this low spending on defence should concern all Australians.

The Commonwealth alone spends five times as much on social welfare as it spends on defence. Federal spending on health alone is now over twice that spent on defence even before the significant spending by the States (on what is primarily a State responsibility) is included. Federal spending alone on education (also primarily a State responsibility and about half of each State budget) is virtually the same as that spent on defence. The defence budget seems relatively high to some because they fail to realise that it is met solely by federal spending.

Whatever your views on the importance of social welfare, health and education spending we need to face up to our neglect regarding an issue at least as important — our national defence.

The darkening ecliptic

The apparently post-Modernist approach to public affairs continues in the Department of Defence's intriguingly titled Public Affairs and Corporate Communications (PACC) Division. Ern Malley would have been proud of them.

Over the last three years the number of queries to the ADA from the media has increased exponentially. As a rough rule-of-thumb about a half to two-thirds of these queries have primarily involved journalists seeking simple facts, basic explanations or historical background on various aspects of the ADF.

Prior to the advent of the highly bureaucratised, centralised and 'politically focused' PACC, such uncontroversial, security-neutral and/or basic queries were invariably handled, very promptly and efficiently, by uniformed ADF members working in the Directorates of Public Information answerable to the CDF and the three Service Chiefs.

The media appear to now often contact the ADA instead and increasingly regard the Association as a de facto Defence public-affairs body. On receiving such basic queries, journalists contacting the ADA are usually asked 'have they sought the information required from Defence'. Almost invariably the response falls into one or more of six categories:

- civilian PACC staff do not know the answer and/or how to find it out;
- the time that PACC staff have advised will be necessary to furnish an answer is either unknown or clearly exceeds filing deadlines for the story;
- PACC staff have simply not rung back;
- the answer provided by PACC staff has been irrelevant, incomplete or contradictory to other research of open sources;
- the journalist was referred to the ADA by Defence public-relations staff; or
- the journalist no longer believes it is worth the effort to seek the information from PACC in the first place.

Now the standard of question asked by many generalist journalists allocated a defence storyline to follow up is often very badly thought through. Questions from such defence neophytes frequently show only the most cursory understanding of defence issues, international affairs, Australian history and Australian governance. This is all the more reason, however, to staff Defence public affairs with experienced ADF officers and senior NCO/sailors from operational backgrounds like we used to do fairly well. Journalists need to talk directly to 'operators' in order to get timely and real answers to their questions.

However, for argument's sake, let us allow for the strictly controlled information flow theory inherent in the centralised bureaucratic model instituted through PACC. Let us also ignore for a moment the apparent preference to employ civilian staff with little understanding or knowledge of the ADF. Even ignoring these two aspects,