

# Australia: Labor government to boost military spending

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In the course of the Australian federal election, Labor sought to capitalise on widespread opposition to the war in Iraq by promising to withdraw 550 Australian combat troops. In all its essentials, however, the new Labor government is committed to continuing the militarist agenda of the Howard government that it replaced.

Labor leader Kevin Rudd has promised that his government will be solidly behind the US alliance and the Bush administration's bogus "war on terrorism". Australian forces will remain in the Middle East and involved in the US-led occupation of Afghanistan, even as the Labor government focuses greater strategic attention on the Asia-Pacific region. As a consequence, it will be spending huge sums on bolstering the size and capacity of the Australian armed forces.

Under Howard, the defence budget rose from \$A10.6 billion in 1995-1996 to \$22 billion in the 2007-2008 budget—taking the total to 9.3 percent of government outlays and 2 percent of gross domestic product (GDP). Australia is currently one of the 15 largest military spenders in the world, with annual expenditure that exceeds the combined military spending of all 10 members of the Association of South East Asian Nations—Indonesia, Malaysia, Brunei, Singapore, the Philippines, Thailand, Vietnam, Cambodia, Laos and Burma.

Labor's 2007 "Plan for Defence", released for the November 24 election, pledged to not only maintain the defence budget at this level, but matched the Howard government's promise to increase it by 3 percent in real terms every year until 2016. Defence is the only ministry that has been exempted from Labor's "razor-gang", which requires every federal department to slash 2 percent of its spending.

The endorsement of Howard's defence budget was intended to send a clear signal to ruling circles: in military affairs, Labor and Liberal were as one. The introduction to an eight-page "Defence Special Report" liftout in last weekend's *Australian* commented: "The new Labor government does not represent a sharp discontinuity with the Howard era when it comes to the nation's defence. Kevin Rudd is a staunch advocate of the US alliance and fully comprehends its fundamental importance to Australia's long term defence effort."

Both Liberal and Labor view the US alliance as crucial to ensuring Washington's backing for Australian economic and

strategic interests in the Asia-Pacific region, which is becoming a focus for growing tensions between the major powers. Since 1999, the US has supported Australian military interventions into East Timor and the Solomon Islands to ensure Canberra's dominance and to counter the influence of US rivals, particularly China and the European states.

The quid pro quo is Australia's support for the US wars to establish control over the crucial resource-rich regions of the Middle East and Central Asia. Australian budget allocations, for example, include \$1.1 billion to finance the current level of Australian troops in both Afghanistan and Iraq for the next three years. Rudd and Defence Minister Joel Fitzgibbon have denied any definite plan to boost Australian forces in Afghanistan when combat troops are withdrawn from Iraq in mid-2008. But it remains highly likely that Washington will make such a request due to increased anti-occupation resistance in Afghanistan.

The US may also call on the Rudd government's political support and military participation in a war against Iran. The Australian military is already involved in the US preparations. Planning for US air strikes uses data provided from satellite tracking and communications bases such as Pine Gap in the Northern Territory. Australian warships in the Persian Gulf are part of the joint task forces with the US navy that have signalled a confrontational stance against Iran.

Longer term, Labor's defence budget incorporates the Howard government's plans for new military hardware intended to give the Australian Defence Forces (ADF) a technological edge in the Asia-Pacific region. Some \$18.7 billion has been committed to purchasing 24 F/A-18 Super Hornet fighters for the air force, build three new air warfare destroyers at the Adelaide shipyards of the soon-to-be privatised Australian Submarine Corporation and increase the size of the army by two battalions.

By the end of 2008, Labor will have to sign off on the largest military procurement by far of any Australian government—the purchase of 100 Lockheed Martin F-35 Joint-Strike Fighters (JSF), an aircraft that is currently in development with Australian involvement. The JSFs are scheduled for delivery in stages between 2013 and 2020. The ultimate cost will be at least \$15 billion.

The explicit aim of the JSF purchase is to give the Australian air force air superiority over the Russian-manufactured Sukhoi fighters that have been acquired by China, India, Malaysia and Indonesia—pointing to the preoccupation of the Australian ruling class with the growing geo-political rivalries in the Asia-Pacific.

Now in office, Labor will formulate the first new “White Paper” on strategic doctrine since 2000. It will codify the Howard government’s ad hoc responses to vast political shifts, from the eruption of US militarism to the rise of China as a contender for influence in the region.

A White Paper, Labor’s Defence Plan stated, would support “the five ADF strategic tasks which have guided operational planning to date”. The tasks included “controlling the air and sea approaches to our continent”; “contributing to the security and stability of our immediate neighbourhood”; and “contributing to coalitions of forces ... beyond our immediate neighbourhood”.

Decoded from defence-speak, this means strengthening Australian air and naval capability to assist the US military confront potential rivals in the Pacific, using diplomatic and military interventions to keep South Pacific states such as East Timor, the Solomon Islands and Papua New Guinea firmly within Australia’s sphere of influence and deploying Australian troops in support of US operations internationally. The ADF, Labor declared, had to be able to “deploy more units at higher readiness levels”; “deploy at shorter notice”; and “sustain operations for longer periods”.

Labor has indicated it will unveil several more large defence procurements during its term in office. At the top of the list is a multi-billion dollar project to construct replacement submarines for the Navy’s fleet of Collins class vessels. A decision in the immediate future is considered crucial in military circles to ensure the new subs enter service in time. It is also considered necessary to ensure the viability of Australia’s small naval ship-building industry.

To the extent that the Labor Party expressed disagreement with the outgoing government’s handling of defence, it was to condemn the “mismanagement of equipment projects” arising from the lack of “high-level strategic guidance” provided by a White Paper. Labor, reflecting concerns of military circles, has declared it will impose efficiency in defence procurement.

Rudd told journalists on November 12: “Defence procurement is a massive rolling policy failure on the part of the current government. There have been billions of ... wasted dollars in defence procurement. It is a rolling scandal and we are determined in government to ensure that we’ve got the processes in place to make sure there is rational long term planning for our equipment requirements, our Defence platform requirements, which is in turn consistent with a strategic doctrine laid down in the White Paper.”

At the top of Labor’s list of “wasted dollars” is the Howard government’s decision to buy 11 aging Seasprite helicopters

for over \$1 billion. Delivery of the aircraft is five years late and they may ultimately never be put into use by the military.

Other concerns focus on productivity in defence contracting companies. Upgrades to navy’s frigates costing \$1.4 billion are running five years late and the introduction of improved early warning capabilities for the air force, at a cost of \$3.5 billion, is two years behind schedule. It is a common view among military analysts that defence purchases should be made “off-the-shelf” overseas due to the inefficiency of local defence industries.

To oversee a shake-up of the defence industry, Rudd selected Greg Combet, the former head of the Australian Council of Trade Unions (ACTU). Combet, just elected into parliament, has been immediately installed as the parliamentary secretary for defence procurement, working under Defence Minister Fitzgibbon. In an ABC interview, Finance Minister Lindsay Tanner highlighted Combet’s “specific responsibility” in tackling the problems of “too many huge delays, cost overruns, too much risk being taken, inadequate financial scrutiny”.

Combet has definite qualifications for the task. He has been intimately involved in the collaboration of the trade unions with big business in driving up productivity and suppressing any opposition from workers. As ACTU assistant national secretary, Combet played a key role in betraying the bitter 1998 waterfront strike and imposing an agreement that enabled stevedoring company Patricks to shed hundreds of jobs, destroy longstanding conditions and drive up productivity by more than 50 percent.

Combet will be instrumental in working with employers and the unions to drive through the restructuring of employment levels and working conditions that can be expected across the shipyards, workshops and factories of defence contracting companies. The objective goes beyond ending delays and cutting costs for equipment and refits for the Australian military. Australian companies are seeking to be competitive in the huge US defence industry as opportunities open up following the signing of the Australia-US Treaty on Defence Trade Cooperation in September.

The Labor government’s defence policy is all of a piece. The increases in military spending, planned overhaul of defence industries, strategic White Paper reorientation and total support for the US alliance are the preparation for new military interventions, whether as a junior partner to Washington in the Middle East, or closer to home in the Asia-Pacific region.



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