

# Australian budget boosts military spending amid escalating war drive

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In a budget that included major cuts to healthcare, public education, the arts, climate-change mitigation and other key areas of social spending, the Liberal-National Coalition government has allocated tens of billions of dollars to the military, on top of unprecedented spending on the war machine over the past decade.

Prime Minister Scott Morrison and Defence Minister Peter Dutton declared that the budget represented a “record investment in defence.” All up, \$48.6 billion was handed to the Department of Defence and the Australian Signals Directorate (ASD), the electronic spying agency, representing a 7.4 percent increase on spending in 2021–22.

The budget provides for military expenditure over the coming year at over 2 percent of gross domestic product (GDP).

The annual spending is part of a far broader build-up. The 2022–23 allocations are in keeping with government declarations that some \$575 billion will be spent on defence over the decade, including \$270 billion on military hardware. They lock in measures announced by Morrison over recent weeks, including a \$38 billion fund over 20 years to pay for the largest increase of military personnel since the Vietnam War, from roughly 60,000 to around 80,000.

The budget papers state that the military spending is necessary because the world has entered “a period of profound uncertainty and disruption.” Morrison likewise declared: “In these uncertain times it is vital that Australia is well-positioned to tackle the challenges our country and our region face.”

The references to “safety” and “defence” are a sham. The vast expansion is aimed at deepening Australia’s frontline role in the aggressive, US-led confrontations with Russia, and above all China, aimed at ensuring the geo-strategic hegemony of American imperialism. The 2 percent of GDP is in line with the public insistence of senior US politicians and military figures that no less can be allocated to the military by key American allies.

Notably, the budget papers explicitly refer to “an

increasingly assertive China,” dispensing with the previous norm of bland references to “mounting tensions” with unnamed “foreign adversaries.”

The bellicose character of the military expansion is summed up by one of the headline spends, a \$10 billion increase to ASD funding over the decade. The allocation, hailed by the spying agency as the biggest in its 75-year history, will contribute to the development of its REDSPICE (resilience, effects, defence, space, intelligence, cyber and enablers) program.

Strikingly, no attempt is made to hide the fact that the primary focus of REDSPICE is offensive cyberwarfare. Previously, the ASD’s cyber operations have been falsely presented as “defensive,” but now the agency and government ministers are openly bragging of plans for cyber attacks.

A vague ASD outline of the REDSPICE program leads with a declaration that it will “triple current offensive cyber capability.” The “global footprint” of the ASD will be quadrupled, while its staff will be doubled, from 1,900 to 3,800.

The boasts underscore the utterly hypocritical condemnations by the US and its allies, including Australia, of purported Russian and Chinese hacking. Publications by WikiLeaks and US National Security Agency whistleblower Edward Snowden have already exposed American agencies and those of its allies as the biggest purveyors of malware viruses, hacking activities and mass spying operations in the world, all of which are being increased.

The joint US-Australia base in Pine Gap plays a central role in the interception of foreign satellite data, and in the planning of US drone strikes and operations throughout the Indo-Pacific and the Middle East. Together with at least three ASD facilities, it is crucial to the global activities of the US-led “Five Eyes” intelligence network.

The ASD announcement, coming on the heels of a government-media campaign over purported “Chinese cyberware,” is clearly directed against Beijing. The major expansion of the ASD is also a warning of escalating

surveillance within Australia, directed against social and political opposition, including to war.

Another \$1.2 billion has been allocated to a “national space mission,” in line with the growing militarisation of outer space.

Australian aid to the right-wing, US-backed Ukrainian regime is listed in the budget at \$156.5 million. That includes almost \$100 million spent on two military shipments dispatched to the country over the past month, as part of the US-NATO confrontation with Russia that threatens to widen into a world war.

The budget papers also hint at the central importance of AUKUS, the aggressive military pact announced between the US, Britain and Australia, directed against Beijing. Unveiled last September, AUKUS provides for the ever-greater integration of the three country’s militaries across the board, openly preparing for war in the Indo-Pacific.

A key measure was the announcement that Australia will acquire nuclear-powered submarines. The budget papers make no mention of the cost of acquiring these submarines, which will likely be bought off the shelf from the US or Britain. Previous estimates, however, have put the purchase and running of the vessels at over \$100 billion.

The government provoked a major diplomatic clash with France by abandoning an existing contract with a French company to construct 12 diesel-powered vessels. The budget reveals that the decision cost \$3 billion last year, and another half billion dollars in contract fees over 2022–23, indicating the high priority given to acquiring nuclear powered subs.

Some \$882 million, of a projected \$45 billion, is allocated over the coming year to the construction of nine Hunter-Class frigates.

The budget also does not mention the spending associated with the expansion of military personnel over the next 20 years. Some analysts, however, have indicated that the initial stages of the program are factored into existing defence force funding.

The government has also pledged to develop a submarine base on the Australian east coast in Brisbane, Newcastle or Port Kembla that can host both Australian and allied nuclear-powered subs. That base is tipped to cost \$10 billion over a decade. Another \$4.3 billion has been pledged to build a large-vessel dry dock berth in Perth to aid the stationing and construction of warships on the Australian west coast strategically located on the Indian Ocean.

None of those projects is explicitly referenced, pointing to the far greater allocation of public funds to the military that is to come.

Other, ostensibly non-defence, budget measures have clear military implications. Under “regional development,” \$1.5 billion is allocated for the construction of “new port

infrastructure” in the Northern Territory. Defence Minister Dutton has hinted at the construction of a new port in Darwin that would rival the existing facility, which is under lease to a Chinese company—a move opposed in Australian and US military circles. Another \$9.2 billion has been allocated to “maritime surveillance.”

The response to the budget’s military expenditure has been mixed, with the most hawkish figures declaring that it does not go far enough.

The Australian Strategic Policy Institute, a think-tank that has continuously agitated for a more aggressive stance against China, complained that the government’s “megaprojects,” including the acquisition of major offensive weapons such as the submarines, “simply aren’t delivering in relevant capability in meaningful timeframes.” At the same time, it praised the ASD expansion as a “promising” step in the development of “asymmetric approaches” to warfare.

An article in the *Australian* similarly complained that “AUKUS remains a statement of intent rather than a pact that will deliver any quick defence capability to Australia. The first of the nuclear submarines are decades away, if they arrive at all.

“[G]iven China’s rapid rise as a naval power, why doesn’t the government buy far more anti-ship missiles and more long-range land-based missiles...?” it asked.

Labor leader Anthony Albanese has repeatedly stressed that the government and Labor are as one on all “national security” issues associated with the drive to war against China. To the extent that he has criticised the Coalition, it has been from the standpoint that Labor is better placed to preside over the vast military build-up.

Albanese has committed a Labor government to spend 2 percent of GDP on the military. He has announced his own funding initiatives, including a plan to fit tomahawk missiles to the existing fleet of Collins Class submarines while preparations are underway to acquire the nuclear-powered vessels.



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