

Crikey

No doubt they were cracking open the champagne on Russell Hill last night with the defence budget just shy of \$22 billion. In comparison, when Howard entered office back in 1996, they had to make do with a paltry \$10.6 billion. Between then and now, a lot has happened that explains last night's bounty for Defence.

It began with the three per cent per year real growth in defence spending delivered by the 2000 Defence White Paper – a generous commitment made in the aftermath of East Timor in 1999. This was then built upon in every budget following the events of 9/11; in part, to develop new capabilities for the so-called War on Terror, and in equal measure to meet rapidly rising costs including those from overseas deployments.

In the past twelve months alone – and excluding the present budget – around \$26.9 billion extra has been committed to Defence for the coming decade. This includes \$10 billion to expand the army by two battalions and another \$10.7 billion to extend three per cent growth out to 2016.

Last night's budget added another \$14 billion to the pot. There was \$2.1 billion to redress falling personnel numbers by bolstering recruitment and retention (on top of \$1 billion allocated last December for the same purpose). Another \$4 billion was found for logistics sustainment, along with \$383 million for intelligence and \$6.6 billion for the controversial purchase of 24 Super Hornet jet fighters.

In addition, another year in Iraq has been funded at a cost of \$389 million with four more years in Afghanistan to set us back \$703 million. Closer to home, another \$134 million has been made available for operations in Timor Leste.

But too much champagne can lead to a hangover, and there are several of reasons for the ADF brass to hold their celebrations in check.

First of all, the budget papers show that much-lauded Defence Capability Plan of new equipment acquisitions is delayed, including almost a billion dollars of investment scheduled for next year 'reprogrammed'. Inescapably, this means that planned capability will be delivered late.

Second, despite the torrent of taxpayer's money flowing into Defence, it probably won't be enough to deliver all that's planned. If there is one thing that defence planners can be counted on to do, it's to underestimate the cost of acquiring and operating new equipment. On past experience, they will be back asking for more.

That brings us to the third problem; circumstances may be moving to erode the largess Defence has enjoyed. To start with, we are (hopefully) closer to the end than the start of operations in Iraq and Afghanistan. When and as these

operations wind down, we'll lose a tangible incentive to expand and re-equip the defence force. Nothing breeds apathy like peace.

More importantly, Defence is set to lose its number one ticket holder; John Winston Howard. Whether it's Costello or Rudd that replaces him, Howard's willingness to give the military what they need (or at least what they want) is likely to be sorely missed by those in charge of the defence force.