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POWER

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OF POWER IN AUSTRALIA

2007

Defence

— STORY BY **GEOFFREY BARKER**

SECTORAL POWER

THE HOWARD government sees national defence policy as one of the keys to its survival in the forthcoming federal election. Over the past 12 months, against the background of an increasingly complex international security environment, the government has showered the armed services with new Super Hornet fighter jets, new warships, new tanks and other advanced weapons. Defence spending soared to a record \$22 billion this year.

The government is working the armed services very hard indeed. With more than 4,000 troops now deployed to Iraq, Afghanistan, East Timor and elsewhere, Prime Minister John Howard has boasted proudly that the operational tempo of the defence force is now "greater than at any time since the Vietnam War". And a big recruitment drive is under way.

The government has also released a long-awaited strategic update, which acknowledges that Australia does not face any conventional military threats, but it does face ongoing asymmetric security threats from terrorism and from fragile regional countries in an increasingly globalised world. This is the essential (and dubious) justification for Australia's unpopular involvement in the bloody Iraq War.

Perhaps in search of a pre-election political wedge, Defence Minister Brendan Nelson has sought to revive the phoney war between defence regionalists and globalists. He claimed recently that the strategic update "lays the final nail in the coffin" of the defence of Australia doctrine – a strange claim given that the update describes the region surrounding Australia as "our area of paramount defence interest".

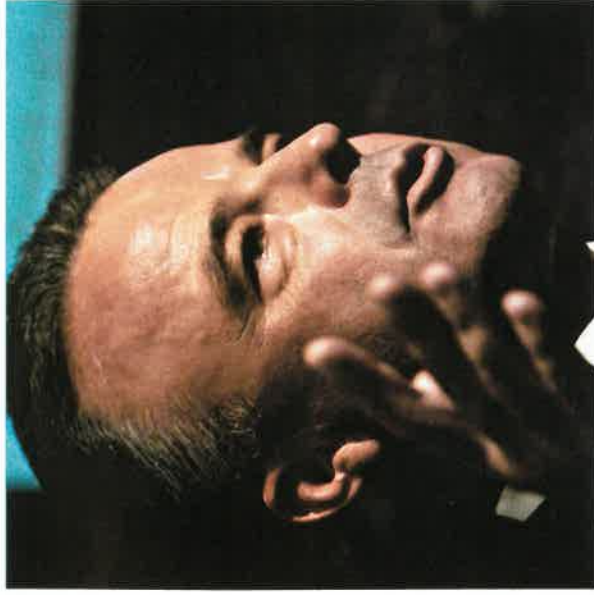
Meanwhile Defence has acquired a new departmental secretary this year. Nick Warner is focused on finalising Ric Smith's efforts to straighten out Defence's financial accounts and on improving the quality of defence advice to the government. Warner and the Defence Force Chief, Air Chief Marshal Angus Houston, accepted 50 of the 53 recommendations from the waspish Proust Defence Management Review set up by Nelson, but jibbed at Proust's proposal for ending their joint diarchic management of the department.

Nelson's competition-where-practicable Defence and Industry Policy Statement was welcomed by defence firms as a statement of admirable intentions. It remains to be seen how consistently it will be applied by the Defence Materiel Organisation.



1. John Howard ↑ A military as well as cricket tragic, the Prime Minister ensured that Defence gets the money, equipment and troops that it wants. Only the brave or the foolhardy would place themselves between John Howard and a parade of Australian soldiers.

2. Brendan Nelson ↓ Hardworking and shamelessly self-promoting, Nelson has overseen the strategic update, the Proust management review and the industry policy statement and has not been shy of using its findings as a political wedge – even if this involved a somewhat original reading of the update. The Defence Minister enjoys Howard's trust and confidence.



4. Mike Pezzullo ★ A new name on the power list, Defence's deputy secretary for strategy, co-ordination and governance has emerged as a tireless, hyperactive bureaucrat. Author of much of the strategic update, Pezzullo is seen as something of a whirlwind in Defence circles.



3. Angus Houston NC The softly spoken Defence Force Chief bears the burden of responsibility for the lives and performance of Australia's forces overseas. Despite a daunting workload, Houston seems quite unflappable. He is universally admired for his personal and professional integrity.



5. Mark Thomson NC The budget and management director at the Australian Strategic Policy Institute (ASPI) continues to bring transparency to the most complex Defence budget and industry policy issues. He is deservedly ASPI's star analyst.

