The Funding Illusion: The 2% of GDP Furphy in Australia’s Defence Debate

Authors: Andrew Carr and Peter J. Dean


Abstract

One of the most effective rhetorical punches thrown by the Coalition during its period in Opposition was the (accurate) claim that Australia’s defence spending had slipped to the lowest levels since 1938. In turn the Coalition nominated a target of spending two per cent of Australia’s gross domestic product on defence if it win the 2013 election. This promise was later echoed by the Labor Government. This article explores how the 1938 comparison emerged, how it morphed into a two per cent of GDP policy target and argues that this debate has been unhelpful for Australia’s security. It argues that the Coalition, now in office, should abandon the two per cent target and return to a more orthodox approach to funding defence.

About the Authors

Dr Andrew Carr is an Associate Lecturer at the Strategic and Defence Studies Centre, The Australian National University. He runs the outreach program for the Centre of Gravity policy paper series. He is also a managing editor of Security Challenges. Dr Carr has published on Australia as a middle power, the defence and foreign policies of the Rudd and Gillard Governments, and Australian political history. He is a regular TV and media contributor for ABC, SBS, Sky News, and his articles have appeared in The Australian, The Canberra Times and the Herald Sun. Andrew.carr@anu.edu.au.

Dr Peter J. Dean is a Fellow at the Strategic and Defence Studies Centre, The Australian National University. He is the Director of Studies for the Centre and the Military and Defence Studies Program at the Australian Command and Staff College. In 2011 he was a Visiting Fellow at Georgetown University and a Research Associate - United States Studies Centre. Peter is the author of numerous works on Australian military history and defence policy and he is also a managing editor of Security Challenges. His next major publication, (with Brendan Taylor and Stephan Frühling), is Australia’s Defence: Towards a New Era? Melbourne University Press, July 2014. peter.dean@anu.edu.au.