



## **THE HON. JOEL FITZGIBBON MP Minister for Defence**

Saturday, 2 May 2009

### **CHANGES TO THE DEFENCE FUNDING MODEL**

For the first time, an Australian Government has committed to funding a Defence White Paper for the life of the White Paper.

“The new funding model will ensure the Australian Defence Force of the 21<sup>st</sup> Century will have the capabilities required to meet future strategic challenges,” the Minister for Defence, the Hon. Joel Fitzgibbon MP said.

The Government’s financial plan for Defence involves.

- 3 per cent real growth in the Defence budget to 2017-18;
- 2.2 per cent real growth in the Defence budget from 2018-19 to 2030;
- 2.5 per cent fixed indexation to the Defence budget from 2009-10 to 2030;
- that Defence will reinvest savings from its Strategic Reform Program back into priority Defence capabilities as agreed by the Government; and
- continuation of the no win no loss funding arrangements for the net additional costs of overseas operations.
- shortfalls against the White Paper funding plan will be offset by Defence.

The Government has also directed Defence to undertake a substantial program of reform, efficiencies and savings to underpin the achievement of White Paper objectives. In addition to meeting the broad objectives of the White Paper, the funding will allow Defence to correct long-term hollowness and remediate the enabling functions of the Australian Defence Force.

The financial plan will allow Defence to bolster capability and ensure that our men and women in uniform have all the capability, training, and protection they need to do their job as safely, as effectively, and as efficiently as is possible.

Long term funding stability, including more certain indexation arrangements and real growth for the Defence portfolio is essential for long term planning.

### **A Defence Force for the 21<sup>st</sup> Century**

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“Central to this new model is the Government’s commitment to maintain 3% real growth in Defence funding to 2017-18 in order to maintain Australia’s relative capability levels. Mr Fitzgibbon added, “This long overdue reform will stabilise Defence funding to better enable Defence to plan for and acquire capabilities and avoid the financial problems funding volatility has caused since the 2000 White Paper.”

The 2009 Defence White Paper represents the most comprehensive statement on Defence ever produced. It affirms the Government’s commitment to the defence of Australia, the protection of our sovereign interests and the security and stability of our region.

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