



THE HON. JOEL FITZGIBBON MP Minister for Defence

Saturday, 2 May 2009

GOVERNMENT TO DELIVER BILLIONS IN SAVINGS

“As part of the 2009 Defence White Paper, the Government has directed a targeted program of reforms to reduce the cost of supporting Defence’s major fleets of military equipment while maintaining stringent safety standards,” the Minister for Defence, the Hon Joel Fitzgibbon MP said.

“The Government is committed to find ways to improve productivity and free up resources, both people and dollars, to reinvest in Defence capability. This initiative will pursue opportunities for significantly increasing efficiency in the maintenance of military equipment, inventory and supply chain management,” Mr Fitzgibbon said.

Reforms will focus on becoming more productive and eliminating waste in the maintenance and supply-chain processes as well as reducing inventory costs through smarter procurement processes and reducing the size of inventory holdings.

“This is a whole of Defence reform program involving the Army, Navy and Air Force and the Defence Materiel Organisation. It will involve changes to the way we operate and support our military equipment to reduce the cost of ownership,” Mr Fitzgibbon said.

Industry suppliers to Defence will also have a big part to play in the success of this program. Defence will develop appropriate incentive arrangements in its future maintenance contracts to encourage industry to implement ongoing productivity improvements. In addition, Defence will also expect industry to make commensurate productivity improvements to maintain their long-term supply opportunities.

Over the next five-years all major fleets of military equipment across the three Services will be scrutinised in detail to identify possible efficiencies. Savings delivered by this reform program will grow progressively over the decade and will be reinvested back into Defence.

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.

A Defence Force for the 21st Century

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