



THE HON. JOEL FITZGIBBON MP Minister for Defence

Saturday, 2 May 2009

REMEDIATING SHORTFALLS AND UNDERINVESTMENT IN THE DEFENCE BUDGET

Today, the Government delivered the most comprehensive Defence White Paper ever and will invest approximately \$30 billion over the next decade to remediate the shortfalls and underinvestment in the Defence budget.

“This important remediation work will renew, repair and refit the kit we have and the systems and facilities that support it. The Rudd Government will fix the holes in the Defence budget that we inherited from the previous Government,” said the Minister for Defence, the Hon Joel Fitzgibbon MP.

The Government will invest approximately \$6 billion across the decade to remediate critical capability gaps. There will be over 50 initiatives, which will include remediation of inadequate Electronic Warfare and Counter Improvised Explosive Devices technology as well as buying enough Mini Typhoon self defence systems to kit out all the ANZAC class ships.

The Government will invest approximately \$18 billion over the next ten years to maintain the current force and fix inadequate budget provisions of the past. This includes 20 new initiatives, such as the Net Personnel Operating Costs (NPOC) associated with both approved and planned capability projects, submarine sustainment and funding the Australian Federal Police at Headquarters Joint Operations Command.

“The Government is committed to the remediation of the Defence Information Environment and infrastructure. The Government will improve Defence’s computer systems to deliver a more integrated payroll and personnel management capability and a more holistic end-to-end estate management approach. New capabilities such as the automation of procurement, personnel and pay administration, vetting, recruitment, estate management and reporting will be progressively introduced.

“Through this White Paper, we are making proper provision for the entire through-life costs associated with building the projected force of the future, which includes fixing some projects that were approved by the previous Government but not properly budgeted for,” Mr Fitzgibbon said.

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“Additional funding is needed to cover the true operating costs for Defence capabilities over the next decade,” Mr Fitzgibbon said.

Finally, approximately \$6 billion will be spent over the next decade to address hollowness and degradation in the Defence enterprise ‘backbone’. This commitment will address under-funding of support areas and modernise Defence’s systems to bring them up to contemporary commercial standards. This will include the remediation of the ageing Department’s Information and Communication Technology (ICT) infrastructure.

“The Defence backbone has suffered decades of neglect and underinvestment. The remediation will address deficiencies in critical areas such as storage and loading facilities at ports, technology upgrades for key Defence research facilities, vehicle maintenance facilities, airfields and training ranges, and fuel and weapons storage,” Mr Fitzgibbon said.

Defence’s backbone services are critical to the Defence mission. The fast pace of technological change, the introduction of new capabilities, and the continued high deployment of the ADF provide an imperative for these support functions to be managed as effectively, efficiently, and sustainably as possible.

“To fund these measures, the Government has maintained its commitment to 3% real growth in Defence funding to 2017-18. At the same time, it will be critical for Defence to increase its productivity and drive down costs, so that these additional resources can be reinvested into the frontline capabilities where they are most needed,” Mr Fitzgibbon said.

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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