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“ONLY 10 days after releasing its new Defence White Paper and promising to continue 3 per cent growth in the defence funding, the Government deferred \$2 billion of planned defence spending in the budget.

“What’s more the new, more generous indexation for the defence budget has been deferred for four years.

“Nonetheless, Defence has dodged a bullet. In a budget that was tough on most areas of spending, they have gotten off lightly. In fact, even after the deferral, they still get an extra \$3.4 billion this year to bring their budget up to \$26.6 billion.

“But there’s some belt-tightening ahead. Defence has to find \$22 billion of savings over the next decade to pay for the ambitions set out in the Government’s Defence White Paper.

“Over the next four years, there’s \$5 billion of internal savings to be found.

“And although the past 10 years of generous funding has no doubt resulted in a lot of inefficiency, the difficulty of achieving savings on this scale should not be underestimated.”

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