

709-1144.



**Stephen Smith MP
Minister for Defence**

The Hon John Murphy MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

21 NOV 2012

Dear ~~Mr~~ Murphy

Thank you for your letter of 29 October 2012 concerning the petition on budget cuts to the Australian Army History Unit.

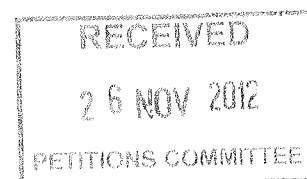
The 2012-13 Defence Budget was developed following a comprehensive review of the Department's budget to identify contributions Defence could make across the Forward Estimates to support the Government's broader fiscal strategy of achieving a surplus in 2013-14. In these times of global fiscal restraint, many Australian Government departments and agencies are being asked to contribute to maintaining Australia's strong fiscal position and Defence must also play its part.

Defence's contribution to the Government's fiscal strategy will have no adverse impact on operations in Afghanistan, East Timor or the Solomon Islands. The provision of equipment to Defence personnel on operations will not be adversely affected. There will also be no adverse impact on the number of military personnel in the Australian Defence Force.

To put the budget reductions in perspective, in 2009-10, the Labor Government, for the first time, budgeted over \$100 billion for Defence across the Forward Estimates. Last year in the 2011-12 Portfolio Additional Estimates Statements, Defence's Budget across the Forward Estimates period was \$103.4 billion. In this Budget, the Government has budgeted \$103.3 billion for Defence across the four year Forward Estimates period.

This level of funding will maintain Australia's status in the top 15 nations in terms of world Defence expenditure, along with Canada either 13th or 14th in that list.

The Army discretionary budget was reduced as part of Defence's budget reduction. Army's budget reductions were focussed to minimise the impact on military capability in support to operations. Accordingly, Army reduced the budget of many discretionary areas.



This year's reduction in funding has to be seen in the context of an additional \$675,000 that was provided for work brought forward from this financial year into 2011-12. This increased the total 2011-12 budget for the Army History Unit to \$3.4m and effectively offset some of the reductions this financial year.

The Australian Army History Unit has a budget of \$1.3m this financial year. The reduction in budget has been achieved by some reduction in the publishing program, introducing e-book technology, and holding the Chief of Army History Conference on a biennial basis.

The Australian Army History Unit will remain an important part of Army for years to come. The Army remains committed to military history and will conduct a Chief of Army Military History Conference in 2013. It will also retain the Military History Grants Scheme.

Cambridge University Press will produce three new titles this financial year under the Australian Army History Series imprint. The Army is appreciative of the need for the publishing of Australian military history to continue, and is considering the increased use of electronic technology as a more effective means of promoting military history. The use of electronic technology allows Army to continue to publish Australian military history, while simultaneously making a significant and long-term cost saving.

The Chief of Army, Lieutenant General David Morrison AO, spoke to the National Security Institute on 26 October and said, "We (Army) have steadily rebuilt our capital base through prudent investment by this Government and the previous government since the East Timor crisis of 1999. We are far better equipped than we have been at any time during my career and we are in the midst, budget constraints notwithstanding, of the most significant re-equipment program since the end of the Vietnam War".

I hope this information is of assistance.

Yours sincerely

Best Wishes

Stephen Smith

