



Heightened security . . . soldiers check civilians as troops secure the Australian Embassy in Baghdad

Defence spending now, paying later

COMMENT

By MARK THOMSON

THIS is the fifth Budget since the ADF deployed to East Timor in late 1999.

Every year since then, Australian servicemen and women have been on active service somewhere around the globe.

So it's not surprising that there was more money for national security in this year's Budget, despite the overall focus on tax and family.

All up, there was about \$1.8 billion in new spending. This included more money for intelligence and domestic security and a lot more money for defence logistics to make sure the ADF is ready and able to do its job.

And in a widely anticipated move, the Budget also included two additional hi-tech AEW&C aircraft for the RAAF.

In addition, funding for the Iraq deployment has been extended — but only for one more year.

There's also more money for ADF personnel for accommodation, recruitment and retention.

This is important. As recent events in Iraq have shown, we cannot afford to have anything less than a highly trained and professional military force.

But it wasn't all good news.

As has been the case for the past several years, the Department of Defence struggled to deliver new equipment projects.

This year alone, \$500 million of planned investment was deferred and another \$880 million from the next four years has been deferred to beyond 2009 in this Budget.

So while there was more money for today's ADF, the development of tomorrow's fighting force has suffered a set back.

One of the big challenges for whoever wins the next election will be to make sure that the newly independent Defence Materiel Organisation gets on with the job of delivering the equipment that the ADF needs.

Our security depends on it.

*Mark Thomson is a budget analyst at the Australian Strategic Policy Institute. These are his personal views.

Billions returned to win over family vote

PETER Costello last night handed back to parents and taxpayers over \$5 billion a year from the Budget surplus, with the promise of a swift \$1200 a child for 2.2 million families.

The Treasurer dedicated \$35 billion over five years to lifting payments in the family benefit system, cutting the taxes of upper-income earners, and positioning the Government for the coming election.

In a cheeky offer which dared Labor to block the measure, Mr Costello said families on the benefit would get an instant \$600 per eligible child as soon as the Senate passed the Budget.

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