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Defence

Once again, the Government has been very generous to the defence force. They've agreed to continue increasing defence spending at 3 per cent per annum past the end of the decade. This was unavoidable. The cost of military capability continues to outpace inflation, and there are a number of big-ticket items up for replacement in the next decade, not least of which is the \$16 billion Joint Strike Fighter project.

There is also a lot of extra money for the next several years. There is more than \$600 million for operations in Iraq and Afghanistan; \$650 million for accelerated equipment buys and \$118 million for maritime surveillance. On top of this, \$1.9 billion has been provided for massive new C-17 transport aircraft and \$1.5 billion to enhance the army. Critically, almost \$200 million has been provided to boost military recruitment and retention. This had better work – personnel numbers have fallen by almost 1000 over the last three years. With Australian forces stretched from Solomon Islands to the other side of the globe, the Government has done the right thing.



Sharan Burrow
ACTU president

Industrial relations

Already under pressure from the meanest industrial relations laws in 100 years, the handouts in this budget will be quickly swallowed up by the rising cost of living for working families. Interest rates are up \$70 a month since the election, petrol is up \$40 a month just this year, and child-care fees are up \$100 a month in the last year. Likewise health, education and even food is getting more costly.

Working families are struggling to keep their heads above water and yet this budget offers them very little. Almost all working people on incomes up to \$70,000 a year receive tax cuts of only \$7 to \$10 a week from this budget. The tax cuts will mean little to the majority of low- and middle-income Australians. They mean even less to people that have seen a big drop in their take-home pay since the new IR laws started and they mean nothing to people that have lost their jobs ... [This] budget benefits the top end of town with a cut in the top tax rate for the highest income earners.



Elspeth McInnes
National Council of
Single Mothers and
their Children

Sole parents

Single parent families have made some small gains with adjustments to income tax rates and family payments in the budget, but have missed out on any equity measures to address disadvantage. The income tax cuts and increased earnings threshold for family tax benefit Part A would only help families where parents were already in paid work.

Likewise, the child-care rebate would only help families who are paying a tax bill and not very low income earners.

The people raising children on income support payments have been left further behind.

[We] welcomed the removal of limits on out of school hours care and family day care places, noting that the big challenge was now to ensure quality care and training and accreditation.

Family day care providers were relatively underpaid and under-supported, leaving providers and children more vulnerable in unforeseen or high-risk circumstances. Long day care in child-care centres had still to be funded to meet demand.



David Deans
National Seniors
chief executive

The aged

The superannuation benefits are a surprise and an enormous benefit for people leading up to retirement and in retirement. We were looking for tax relief on superannuation and the Government has gone further than we expected. We'd need to look at the aged pension in the future, particularly the aged pension for singles. Single people are paid 60 per cent of the couples' pension. In looking at the costs for people on a single aged pension, it should probably be about 65 per cent. It would be good to see research undertaken into that area. Cash bonuses for self-funded retirees and pensioners in the utilities and the senior concession once-off payment is certainly a plus for those people. [On the relaxing of rules where pensions have been denied to some elderly rural people,] that's something we had had a lot of feedback on because people in rural areas had a large asset in land which they can't sell, so [the changes] are good. On aged care, there has also been good money made available for training and community care. The broadening of the private health insurance is a plus.

Getting tough on
pig's back