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ON THE surface, this was a tough budget for Defence. Funding over the next four years has been slashed by \$2.7 billion compared with what was promised in the 2009 Defence white paper. Critically, the cuts include deferral of \$1.3 billion of planned investment in new equipment for the Defence Force. But Defence funding has not been cut to hasten a return to surplus. Rather, spending has been reduced to align with what Defence can spend. As the financial year draws to a close, Defence is in the embarrassing position of handing back \$1.6 billion of its budget unspent. While this is understandable, it bodes badly for the government's long-term goal of expanding and modernising the Defence Force. So while Wayne Swan will no doubt welcome this windfall, serious questions need to be asked about Defence's ability to plan, budget and deliver what the government wants.

Don Henry
Chief executive Australian
Conservation Foundation



WHAT the budget leaves undone is answering the big question facing Australia: are we going to develop a cleaner economy? We have slippage in the renewable energy spend and deferrals for tax breaks for green buildings, that's no good. We urgently need to boost renewable energy and energy efficiency measures — while putting a price on pollution — so we are driving towards a clean economy.

We are pleased about changes to subsidies that create pollution, that is the \$1 billion saving from the fringe benefits tax. The government should look at getting rid of other fossil-fuel subsidies that would help the environment and put money back in people's pockets. Every household pays \$200 a year to support cheap diesel for the mining sector. That should stop.

The budget is steady-as-she-goes on the environment, at a time when we need to redouble investment in protecting and restoring our precious natural environment.

MITCH HOOKE
Chief executive
Minerals Council of
Australia



THE Minerals Council of Australia welcomes steps taken in the budget to tackle current and looming skills shortages in the mining industry.

Measures to boost skilled migration are critical in light of official projections that the minerals sector will require an additional 77,500 workers by the year 2015.

Boosts to permanent migration and the further streamlining of temporary skilled migration will help address immediate challenges, while a greater focus on providing job training will extend employment opportunities for more Australians.

The budget does not deliver the productivity agenda needed to ensure Australia secures the gains from record mining investment.