



Stuart Robert MP

Federal Member for Fadden

Shadow Minister for Defence Science, Technology and Personnel

****MEDIA RELEASE****

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DEFENCE INDUSTRY WOES SET TO WORSEN

Recent comments made by the Minister for Defence in relation to the upcoming federal budget will push defence industry to the brink as expectations grow that new work will be further postponed or delayed.

Shadow Minister for Defence Science, Technology and Personnel, Stuart Robert, today said the Gillard Labor Government had failed to engage with defence industry and listen to the concerns of its workforce, which are equally sceptical about their future.

'It's a simple equation, the longer you delay projects, the more jobs will be lost and the more costly the projects will become as industry needs to re-hire and re-train its workforce,' Mr Robert said.

'With Defence already required to save \$20b over ten years, any further budget cuts are likely to be found only by delaying projects and counting on favourable movements in the foreign exchange rate, neither of which amount to real savings.'

'This view has been echoed by respected Defence budget analysts such as Mark Thomson, from the Australian Strategic Policy Institute, who have already signalled the Government will opt for the low hanging fruit in terms of additional so-called savings measures.'

Mr Robert also said that defence industry had every right to be sceptical about the Gillard Labor Government's so-called commitment to the sector given it is demanding industry shoulder more of the cost-cutting burden than even the Defence Materiel Organisation.

'In response to the 2009 Defence White Paper industry expanded its workforce, begun undertaking skilling programs and invested in developing additional infrastructure. Unfortunately, the expected work never materialised and has instead been cancelled or deferred in order to offset wasteful government expenditure in other portfolio areas.'

'Companies that rely on Defence work can only absorb so much before they inevitably have to start laying off their staff because of a lack of work,' Mr Robert said.

Mr Robert also said that Defence's additional estimates statements revealed the department was planning to hand back \$600m from its capital equipment budget despite continuing to delay projects and not having a functioning amphibious capability.

'The Minister for Defence and Minister for Defence Materiel must minimise the peak and trough nature of the defence acquisition cycle in order to help industry and to promote consistency in planning and spending,' Mr Robert said.

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