



Stuart Robert MP

Federal Member for Fadden

Shadow Minister for Defence Science, Technology and Personnel

****MEDIA RELEASE****

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BUDGET TO CRIPPLE LOCAL DEFENCE INDUSTRY

The 2011-12 budget has shown that the Gillard Labor Government is recklessly indifferent to the ongoing viability of the Australian defence industry sector and importantly, the jobs that it supports and creates.

Shadow Minister for Defence Science, Technology and Personnel, Stuart Robert, said the Gillard Labor Government budget does not address the concerns of industry; rather it exacerbates existing problems in the sector.

'Defence industry, in particular local companies, will again be left wanting as the Gillard Labor Government further delays projects, cuts acquisition funding and otherwise sidelines defence industry in this budget,' Mr Robert said.

'Successive Labor Government Defence Ministers have been living in a fool's paradise when it comes to the long term sustainability of local defence industry and their workforces.'

'The further deferral of capital expenditure will likely result in many companies, who are already on their knees, being forced to shut-up shop as the work they expected to flow from the 2009 Defence White Paper fails to materialise.'

Mr Robert said the budget documents reveal that the total Defence Materiel Organisation (DMO) resourcing for the procurement and sustainment of equipment had reduced from \$11.7 billion in 2009-10 to \$10.1 billion in 2011-12 and would further decrease to \$9.8 billion in 2012-13.

'By 2012-13 the DMO will have reduced its spending on equipment acquisition and sustainment activities by almost \$2 billion as compared to 2009-10 levels,' Mr Robert said.

'This is despite the Gillard Labor Government's huge equipment wish list, which includes new frontline fighter aircraft, warships, 12 new submarines and advanced weaponry and communication equipment.'

'It's a simple equation, the longer you delay projects the more costly the projects will become and the more jobs will be lost.'

Mr Robert also said that further stifling industry will have a crippling affect on its long term viability and its ability to deliver the increasing number of delayed projects in the future.

'The Gillard Labor Government has dealt a cruel hand to defence industry by promising to invest in up-skilling workers while at the same time failing to provide work for them within the defence industry sector,' Mr Robert said.

'This is just more smoke and mirrors from a government that is weak, directionless and lacks leadership.'

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