



Australian Government

The Treasury

OFFICE OF THE SECRETARY

17 September, 2009

Senator Alan Eggleston
Chair
Senate Economics References Committee Inquiry into the Economic Stimulus Package

Dear Senator Eggleston

SENATE ECONOMICS REFERENCES COMMITTEE INQUIRY IN TO THE ECONOMIC STIMULUS PACKAGE: REQUEST FOR DOCUMENTS

I am writing in response to your letter dated 11 September 2009, received in my office on 14 September 2009.

The Committee has requested particulars of, and copies of, any proposed or executed contracts relating to the economic stimulus initiatives announced since October that are as yet unexpended.

I can inform the Committee that the Nation Building and Jobs Plan (the Plan) includes funding for building and construction projects in the areas of education, social and defence housing, energy efficient homes, blackspots, boom gates and community infrastructure. As the States and Territories are responsible for delivering services in most of these areas, the Commonwealth and the States and Territories have entered into an Agreement, the *National Partnership Agreement on the Nation Building and Jobs Plan* to facilitate the coordination, monitoring and delivery of these initiatives.

The role of the Commonwealth agencies has primarily been to establish the programs, approve project proposals, to progressively commit funds, and to make progress payments to state, territory and local governments, and other agencies. The states, territories, local governments and other agencies are responsible for tendering, and subsequently entering into and managing contracts for the delivery of projects associated with the implementation of the Plan.

The exceptions to these arrangements are the Energy Efficiency Homes package that is administered by the Department of Environment, Water, Heritage and the Arts, and defence housing, administered by Defence Housing Australia. Funds are progressively committed under the Energy Efficiency Homes package as rebates are claimed directly for installation of insulation and solar hot water and heat pump systems. Defence Housing Australia directly contracts with builders and has committed all of its available funds.

The Commonwealth Coordinator-General progress report to 30 June 2009 provided a breakdown of approved program funding (see table 3 for approved projects and funding, and table 4 for revised program funding levels). In total \$18.6 billion for building and construction projects had been approved and committed against projects at that stage. The Progress Report is available at <http://www.economicstimulusplan.gov.au>.

The Coordinator-General has advised me that since 30 June 2009, he understands a number of decisions have been made by the Deputy Prime Minister, the Hon Julia Gillard MP and by the Minister for Housing, the Hon Tanya Plibersek MP, to approve projects that commit about 99 per cent of Building the Education Revolution program funding, and about 98 per cent of the Social Housing Initiative funding.

The building and construction projects under the Plan, referred to above, are administered by the following agencies:

- Building the Education Revolution — the Department of Education, Employment and Workplace Relations;
- Social Housing Initiative — Department of Families, Housing, Community Services and Indigenous Affairs;
- Defence Housing — Defence Housing Australia;
- Energy Efficient Homes — the Department of Environment, Water, Heritage and the Arts; and
- Black Spots, Boom Gates and Community Infrastructure — Department of Infrastructure, Transport, Regional Development and Local Government.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Henry', written in a cursive style.

Ken Henry
Secretary to the Treasury