

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 2012

15 – 17 February 2012

Question: AET 1260

Topic: How much of the stimulus in 2009 remains to be spent in financial year 2011-12

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Senator Cormann asked:

How much of the stimulus spending that Treasury identified to the Senate in 2009 remains to be spent in financial year 2011-12.

Mr Ray: It is clearly not much, but I need to take that question on notice.

Senator Cormann: When you say not much, I am looking at a graph that was part of a speech by Dr Gruen and the indication was that in 2011-12 stimulus would be around 1.2 per cent of GDP which, in today's terms, would be well over \$10 billion. Is it about right?

Mr Gruen: It's news me.

Senator Cormann: I can show you the graph from your speech.

Mr Ray: We will take that on notice.

Answer:

The composition of fiscal stimulus provided by Treasury to the Senate Economics References Committee in October 2009 is not updated. The composition included spending outside the major stimulus packages on measures that extended existing programs, such as the COAG Funding Package and net pension spend, which cannot be updated within existing systems.

The Department of Finance and Deregulation tracks a composition of fiscal stimulus that does not include the COAG Funding Package and net pension spend. Stimulus spending is virtually complete. The small amount of funding to be spent in 2011-12 relates to completion of infrastructure projects, including those funded from the Building Australia Fund, the Education Investment Fund and Health and Hospitals Fund.

All future queries on remaining spending on these items should be directed to Finance.