

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 93

Topic: Government Spending Growth per Person

Hansard Page: E125

Senator Bushby asked:

Senator BUSHBY—Okay. Another question which I imagine you will need to take on notice: in real terms, what is the growth in dollars, percentage terms and real spending per person for the increase in government spending for the years from 1995-96 through to and including the predictions up to 2012-13?

Mr Ray—You want government spending per person?

Senator BUSHBY—Yes, including government spending per person.

Mr Ray—We would need to take that on notice.

Senator BUSHBY—I am quite happy for you to take that on notice. Figures that I have seen state that the increase in government outlay as a percentage of GDP for the two years of the Whitlam government between June 1973 and June 1975 was 15.8 per cent, which at the time was seen to be a quite scandalous increase in government spending over a two-year period; can you inform you me what the increase in—

Senator Conroy—The Howard government managed to outspend that rate of growth in its last couple of years.

Senator BUSHBY—The rate of growth?

Senator Conroy—As a percentage.

Senator BUSHBY—It will be very interesting to see some figures, then. Can you provide me figures as a percentage of GDP? What I am particularly interested in is the period between last June and the end of this month, a period of one year. I am quite happy for you to provide me with similar figures for other years if that is what you choose to do.

Senator Conroy—Is that this month just finished or this month?

Senator BUSHBY—No, sorry, to the end of June. I am happy to wait until we have those figures.

Mr Ray—Sorry, Senator, are you asking for payments as a proportion of GDP?

Senator BUSHBY—Increase in government spending as a percentage of GDP.

Mr Ray—The increase that you are asking for is the second derivative. The way that I might answer that question is to say that payments as a proportion of GDP in 2007-08 were 24 per cent, and in 2008-09 the forecast is 26.6 per cent.

Senator BUSHBY—Thank you.

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Answer:

Table 1: Payments Series

Year	Total	Total	Real Growth	Real Growth	Real Growth
	Nominal	Nominal	in Payments	in Payments	in Payments
	Payments	Payments			Per Person
	\$m	%GDP	\$m	%	%
1995-96	135,538	26.2	3,455	1.9	0.7
1996-97	139,689	25.6	3,118	1.7	0.4
1997-98	140,587	24.3	1,205	0.6	-0.5
1998-99	148,175	24.4	7,732	4.1	3.0
1999-00	153,192	23.7	1,927	1.0	-0.2
2000-01	177,123	25.7	17,968	9.1	7.8
2001-02	188,655	25.6	7,644	3.5	2.1
2002-03	197,243	25.2	3,179	1.4	0.2
2003-04	209,785	24.9	8,884	3.9	2.6
2004-05	222,407	24.8	8,240	3.5	2.3
2005-06	240,136	24.8	11,297	4.6	3.3
2006-07	253,321	24.2	6,431	2.5	1.0
2007-08	271,843	24.0	9,922	3.8	2.2
2008-09	318,295	26.6	36,582	13.5	9.2
2009-10	336,644	28.6	12,013	3.9	2.2
2010-11	342,448	28.0	391	0.1	-1.4
2011-12	351,982	27.1	2,784	0.9	-0.6
2012-13	365,480	26.4	4,214	1.3	-0.2

Source: ABS cat.no. 3105.0.65.001 Australian Historical Population Statistics 2008, 2009-10 Budget Paper No. 1 and unpublished Treasury data.