

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 263

Topic: Stimulus Spending

Hansard Page: Written

Senator EGGLESTON asked:

1. How much stimulus spending remains unspent? What major projects have received no money or no more than 10% of the funds dedicated to them? Will these projects have the funds increased by the level of the increase in CPI? Is it worth reconsidering any unspent stimulus spending?
2. How many budget submissions suggested either new or increased user taxes or charges as part of their submissions?
3. How is the Fiscal Group going to maintain the 2% cap on real spending across the whole of Government?

Answer:

1. The Commonwealth Coordinator-General is responsible for monitoring the progress of the roll out of projects under the investment components of the Economic Security Strategy and the Nation Building and Jobs Plan. More broadly, the Department of Finance and Deregulation is responsible for monitoring Commonwealth Government expenditure.

2. Ministers' budget submissions are submitted to Cabinet for consideration and are therefore subject to the strict confidentiality assigned to all Cabinet documents.

3. As part of its deficit exit strategy, the Government committed to holding real growth in spending to 2 per cent a year when the economy is expected to grow above trend and until the budget returns to surplus (the Government has committed to maintaining the 2 per cent spending cap until surpluses are at least 1 per cent of GDP, on average). In the 2010-11 Budget the Government reported that it had met this commitment, with real growth in spending expected to be below 2 per cent from 2010-11 to 2013-14 (see Table 2, p.3-6, Budget Paper 1).

Treasury supports the Government in implementing its budget strategy and broader policy agenda.