

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 67

Topic: Carbon Pollution Reduction Scheme

Hansard Page: Written

Senator FISHER asked:

Page 9 of Budget Paper 2, on the CPRS deferral states there will be savings of \$2.7 billion over five years.

1. Aside from \$652 million for renewables, where will the rest of the funds be spent?
2. Do you commit to using it to retire debt?

Answer:

In underlying cash balance terms, the deferral of the CPRS package leads to an improvement of \$652 million over five years from 2009-10. This amount is fully allocated to the new Renewable Energy Future Fund. The Government's commitment to offset new spending is cast in terms of the underlying cash balance. In fiscal balance terms the deferral improves the fiscal balance by \$2.7 billion over five years from 2009-10. Details of the cash and accrual recognition of the CPRS package are outlined in Statement 5 of 2009-10 Budget and the attached fact sheet.