

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2010-11, 20 October 2010

Question: E10-130

OUTCOME 4: Aged Care and Population Ageing

Topic: AGED CARE SERVICES

Written Question on Notice

Senator Boyce asked:

We have all heard of the importance of the stimulus funding in the construction industry why hasn't this been applied to the provision of aged care services.

Answer:

The Government's fiscal stimulus measures were designed to reflect the scale and pace of the deterioration in the global economy. Because the global recession unfolded rapidly, it was important to design a fiscal policy response that could be implemented quickly and provide immediate support to growth and jobs. That is why the first phase of stimulus was temporary and targeted income support to low- and middle-income households. This was the most effective way the Government could provide an immediate stimulus to the economy until direct investments in infrastructure could take full effect.

Building on these immediate measures, the next phase of stimulus was focused on investment in 'shovel ready' building and construction projects across the country. These investments in schools, housing, roads, community infrastructure and support to small businesses were designed to add directly to growth and help support jobs, while also providing lasting benefits for the future.

The third phase of stimulus was focused investment in the longer term nation-building infrastructure needed to boost long-term productivity and growth. In this context, the 2009-10 Budget provided a \$22 billion infrastructure package, including funding for roads, rail and ports, tertiary education, research and innovation, the Clean Energy Initiative to support low-emission technology and jobs, and additional investments in the nation's health care system.