

Additional Comments

Senator Bob Brown, Australian Greens

1.1 The Australian Greens support the recommendations of the Committee for ongoing scrutiny of the fiscal stimulus packages.

1.2 The Australian Greens are satisfied with the evidence presented to the Committee by the Treasury Secretary Ken Henry that the Australian economy would have been in recession without the stimulus package.

1.3 In evidence to the Committee, Dr Henry said:

Without this stimulus, we estimate that the economy would have contracted not only in the December quarter of 2008 but also in the March and June quarters of this year. Our estimates of these impacts are based on internal modelling informed by studies of the effects of fiscal stimulus by the International Monetary Fund, the OECD and a range of academic researchers. They are corroborated by ABS data, by private sector surveys on how the stimulus was spent and by an examination of the experience of countries that have not had such a large stimulus in place.¹

1.4 We also note the evidence of the Governor of the Reserve Bank, Glenn Stevens when he said:

If the intention was to support demand in the economy... my conclusion would be that those measures have supported demand quite materially over the last... nine or 10 months.²

1.5 The Majority Report details the different stimulus measures introduced by the Government. It is important to note that in negotiating the passage through the Senate of the \$42b Nation Building and Jobs Plan, the Australian Greens achieved job-rich, environmentally sound and energy efficient changes to the package.

1.6 These changes provided for a \$200m local jobs component in the Nation Building stimulus plan that included \$50m for emergency relief and financial counselling for people affected by unemployment, \$60m for heritage projects, \$40m for bike paths and \$10m for bioremediation of the lower Murray. The Greens also negotiated high level energy efficiency standards to be met by all new building

1 Dr Ken Henry, Secretary to the Treasury, *Proof Committee Hansard*, 9 October 2009, pp 2-3.

2 Mr Glenn Stevens, Governor, Reserve Bank of Australia, *Proof Committee Hansard*, 28 September 2009, p 6.

constructed under the stimulus package and secured fair and equitable access to a \$550m infrastructure programme for all councils in Australia, regardless of their size or location. These measures helped to create thousands of green jobs in communities across Australia, and provide greater financial assistance and support for unemployed and low-income Australians.

Senator Bob Brown
Leader of the Australian Greens