

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY BUDGET ESTIMATES 2014-15

Finance Portfolio

Department/Agency: Department of Finance

Outcome/Program: 1/1.3

Topic: Draw down description of Future Fund in Budget Papers

Senator: Lundy

Question reference number: F125

Type of question: Hansard, F&PA Committee, Page 34, 20 November 2014

Date set by the committee for the return of answer: Wednesday, 31 December 2014

Number of pages: 1

Question:

Senator LUNDY: That is right, and what I am exploring in the scenario that Mr Helgeby has just described is: how would that be presented in the budget paper were a government to draw down, presumably, on the maturing of the Future Fund?

...

Ms Halton: There is an explanation for this which is a technical explanation which goes back to—

Senator LUNDY: I am happy for you to take that on notice.

Ms Halton: Table 3, which we just referred to.

Senator Cormann: To the extent that we can add to this on notice, we will provide additional information.

Answer:

The budgetary impacts of the Future Fund are reflected in the Australian Government financial statements in accordance with Australian Accounting Standards and Government Finance Statistics, as described in pages 9-16 to 9-37 of Budget Paper No. 1 2014-15. The net earnings of the Future Fund are not included in the underlying cash balance fiscal aggregate.

Unfunded superannuation liabilities, operating expenses and payments are included in the financial statements. Unfunded superannuation payments are included in payments for employees in the Cash Flow Statements (Statement 9, Table 3).

Utilisation of the Future Fund would be reflected in Budget financial statements from the year that it took effect, that is 2020 or later, as determined by Government and in accordance with the *Future Fund Act 2006*. How this would be reflected in the financial statements would depend on the nature and detail of the Government's decision and would be described in the technical note to the statements, consistent with current practice.