

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates, 16 & 17 February 2005

Question: Add 48

Topic: Future Fund – Comments made by Dr Henry

Hansard Page: E106

Senator Sherry asked:

This might be one for Mr Martine to respond to. I notice that Dr Henry gave a speech on this issue last year, 18 May. It was called 'The fiscal and economic outlook, Australian business economists'. Are any of you familiar with that speech?

...

To quote from Dr Henry:

The pro-growth strategy rejects the first approach—
intergenerational fund—

involving an increase, over time, in the average tax burden. And it certainly, therefore, rejects the rather more extreme proposition advocated by Ross and others that we should run higher average tax burdens. Indeed, it would see such an approach as being inconsistent with both its means, higher workforce participation and higher labour productivity and its ends, high GDP per capita growth.

How would you reconcile these comments made by Dr Henry with the government's Future Fund?

...

Mr Tune – I will stand corrected and I will check, but my recollection is that he was talking there in the context of those comments about an ex ante fund. I will check for you, Senator.

Answer:

Dr Henry's comments were made in the context of an ex ante fund.