

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 3-5 June 2008

Question: bet 76

Topic: International 'Future Funds'

Hansard Page: E40

Senator Bushby asked:

Senator BUSHBY—What other countries have a sovereign welfare fund/Future Fund type arrangement?

Senator Sherry—Again, the same question was asked at Finance estimates. In Finance we agreed to take it on notice and provide a list with a bit of a description. It is pretty long.

Senator BUSHBY—It is very helpful having you here, given that you were also at Finance.

Senator Sherry—I am not sure it is helpful asking the same questions at two estimates, but that has a flow on impact for your ability to ask questions in other areas. That is your call. I will take that on notice. We will provide the information on sovereign wealth funds and a description of that, because they do vary in terms of their structure and purpose from country to country.

Senator BUSHBY—Whilst doing that, could you also provide information as to which of the SWFs in those countries have a draw-down of capital provision and for what purposes capital is permitted to be deployed?

Senator Sherry—We will endeavour to get you that detail. I will not absolutely commit to it, because I am not sure of the extent of the research or, in fact, even the degree to which that information would be available in terms of some of the operations of the sovereign wealth funds. We will certainly endeavour to obtain it.

Senator BUSHBY—Presumably you will be able to tell me when that is not available. Is there any macroeconomic modelling of accumulating these funds and then spending them? Have you conducted any economic modelling on the effects of it, or of the accumulation and then the spending in a broad sense?

Dr Henry—In supporting the development of our macroeconomic policy advice to government we use economic modelling and so, in the development of the macroeconomic advice to government in the lead-up to each budget, we always provide governments with advice on the prevailing macroeconomic circumstances, informed in part by our macroeconomic model.

Senator BUSHBY—I presume that any such modelling that you may have done, as you say, is advice and you would not be in a position to release it?

Dr Henry—It is entirely up to the Treasurer as to what part of our advice to him he wishes to release into the public domain.

Senator Sherry—I will take that on notice.

Senator BUSHBY—Thank you.

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Answer:

Senator Bushby asked:

What other countries have a sovereign welfare fund/Future Fund type arrangement?

Answer:

According to the IMF's Global Financial Stability Report, October 2007, the following countries have Sovereign Wealth Funds:

- United Arab Emirates
- Norway
- Saudi Arabia
- Kuwait
- Singapore
- China
- Russia
- US (Alaska)
- Brunei
- South Korea
- Canada (Alberta)
- Chile
- Botswana

Senator Bushby asked:

Could you also provide information as to which of the SWFs in those countries have a draw-down of capital provision and for what purposes capital is permitted to be deployed?

Answer:

Information regarding the investments and spending of sovereign wealth funds is not readily available.