

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 660 - 663

Topic: Gates Report on Innovative Finance – G20 Summit

Hansard Page: Written

Senator Rhiannon asked:

Background:

French President Nicholas Sarkozy requested that Bill Gates present a report to the G20 Leaders Summit in November on innovative forms of finance for development and climate adaptation. The Gates Foundation has been supporting the research for this report through an extensive consultation process, as a result Bill Gates is now including financial transaction taxes as one of the few innovative mechanisms to fund development and climate adaptation. The Gates Foundation tabled a 'technical note on the Gates report' at the recent G20 Finance and Development Ministers meeting in late September, which includes FTT as one of only three innovative forms of finance. The technical note states the potential yield of a FTT across G20 countries as between \$48 billion and \$100-250 billion each year:

"..some modeling suggests that even a small tax of 10 bp [basis points equivalent to 0.1%] on equities and 2 bp [basis points equivalent to 0.02%] on bonds would yield about \$48 billion on a G20-wide basis.... Some FTT proposals offer substantially larger estimates, in the \$100-250 billion range, especially if derivatives are included. If a substantial part of the revenues could be allocated to development, this would be a useful addition to resources." (page 4).

660. Does Treasury acknowledge that the technical note on the Gates report on innovative finance presented to G20 Finance Ministers at the recent meeting on 23 September notes Financial Transaction Taxes as one of only three innovative forms of revenue raising viable to meet international development and climate adaptation commitments?

661. What is your position on this?

662. Does Treasury acknowledge that the technical report notes the potential revenue from G20 wide implementation of Financial Transaction Taxes as between \$48 billion to \$250 billion each year?

663. What is your position on considering this for financing Australian development and climate adaptation work?

Answer:

- 660. The report *Innovation With Impact: Financing 21st Century Development* by Bill Gates to G20 leaders has been publically released and is attached.
- 661. The Government has publicly indicated that it does not support an FTT and has no plans to introduce one.
- 662. See 660
- 663. See 661