

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 695

Topic: Sovereign Wealth Fund

Hansard Page: Written

Senator Bob Brown asked:

695. One proposal to address the 'two speed economy' is to capture some of the revenue generated from the boom in mineral prices in a sovereign wealth fund and invest offshore. Is the experience of sovereign wealth funds investing outside their home economy that it reduces the appreciation of the exchange rate and so helps other export industries such as manufacturing and tourism prosper?

Answer:

The Secretary to the Treasury addressed questions of this nature in a recent speech on 9 November 2011, titled 'Policy Challenges in a Changing World'. The speech is available on the Treasury website.