

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL BUDGET ESTIMATES 2011-2012

Finance and Deregulation Portfolio

Department/Agency: Future Fund Management Agency

Outcome/Program: Outcome 1

Topic: Investments in foreign owned companies

Senator: Di Natale

Question reference number: F66

Type of question: Hansard, F&PA Committee, page 55, 14 February 2012

Date set by the committee for the return of answer: Friday, 30 March 2012

Number of pages: 2

Question:

Mr Burgess: We would expect our fund managers to be aware of aspects of the way the companies operate.

Senator DI NATALE: Were you aware that they might have been assisting in programs to develop weapons of mass destruction?

Mr Burgess: It is hypothetical as to which ones you are alluding to, but we would expect our fund managers to be aware of the companies that they invest in on our behalf.

Senator DI NATALE: And has there ever been fresh capital or debt finance provided to any of these companies?

...

Senator DI NATALE: Have funds been provided to any of these companies for specific projects relating to nuclear weapons or delivery vehicles? Could you take that on notice if you do not have that information with you?

Answer:

In accordance with the *Future Fund Act 2006* and Investment Mandate Directions, the Board, through its external investment managers, has constructed and maintains a broadly diversified portfolio that includes equity and debt holdings in a wide range of companies. Investment is undertaken in accordance with the Board's investment policies and external investment managers trade in and out of positions in line with their investment strategy and mandate.

In response to a question from Senator Ludlum (question 1516, 19 January 2012), the Minister provided a summary of the Future Fund's equity holdings in 13 companies. As at 14 February 2012, these positions had not increased.

In investing funds in various companies and entities, the Board has established a rigorous monitoring and control framework to assist it in overseeing its external investment managers and to ensure compliance with its investment policies and obligations. Under this framework the Board has identified no instances in which funds have been provided to these companies and/or specific projects in breach of its policies.