

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2013-2014

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation

Outcome/Program: 1/1.3 GaRM

Topic: 'Investments, loans and placements', Budget Paper No.1, Sheet 9-7

Senator: Ryan

Question reference number: F24 and F25

Type of question: Hansard, F&PA Committee, Page 16-17, 30 May 2013

Date set by the committee for the return of answer: Midday Wednesday 26 June 2013

Number of pages: 2

Question: In Budget Paper No. 1, on sheet 9-7, I am interested in the question of a component of the government's balance sheet. Listed under 'Assets' is a category called 'Investments, loans and placements', which is estimated to be \$103.278 billion in 2012-13. I am interested in the composition—not right to the dollar—of this category. Note 14 on page 9-26 of Budget Paper No. 1 indicates that part of this amount is deposits, which makes sense. Are those government deposits held at the RBA?

The same note says that another part of the funds is the funds Australia has lent to the IMF, which makes sense. But then it lists a large 'Other' category covering other items, which is around \$70 billion, I understand. Is it possible to understand what that other \$70 billion consists of?

Answer: Note 14, which is repeated below, shows the breakdown of 'Investments, loans and placements'. It is made up of deposits, funds lent to the IMF and other investments.

Note 14: Investments, loans and placements

	Estimates			Projections	
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$m	\$m	\$m	\$m	\$m
Investments - deposits	30,103	30,245	27,994	25,485	29,265
IMF quota	4,830	9,848	9,935	10,022	10,022
Other	68,345	72,872	78,296	85,013	92,038
Total investments, loans and placements	103,278	112,965	116,226	120,520	131,325

The major component of deposits is term deposits held at the RBA for cash management purposes. The rest is mainly invested in Residential Mortgage-Backed Securities.

A breakdown of ‘other’ investments is shown below. The major components are investments by the Future Fund Board of Guardians with respect to certain investments of the Future Fund; and investments of the National Building Funds and DisabilityCare Australia (the latter from 2014-15).

Investments, loans and placements - Other	12-13 (\$m)	13-14 (\$m)	14-15 (\$m)	15-16 (\$m)	16-17 (\$m)
Total (as seen in Note 14)	68,345	72,872	78,296	85,013	92,038
<i>Future Fund</i>	<i>54,323</i>	<i>60,417</i>	<i>64,755</i>	<i>69,399</i>	<i>74,355</i>
<i>Nation Building Funds and Disability Care Australia</i>	<i>11,495</i>	<i>9,945</i>	<i>11,017</i>	<i>13,074</i>	<i>15,128</i>
<i>Other</i>	<i>2,527</i>	<i>2,510</i>	<i>2,524</i>	<i>2,540</i>	<i>2,555</i>