

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2015-16

Finance Portfolio
27-28 May 2015

Department/Agency: Department of Finance

Outcome/Program: 1/1.1

Topic: Future Fund earnings presentation in the medium term projections

Senator: Wong

Question reference number: F99

Type of question: Written

Date set by the committee for the return of answer: Friday, 10 July 2015

Number of pages: 1

Question:

Was the Finance Minister or the Department of Finance involved in any way in the decision to:

- a) Not include the earnings of the Future Fund in the 2013-14 MYEFO, 2014-15 Budget and 2014-15 MYEFO;
- b) But include the earnings of the Future Fund in the 2015-16 Budget, for the purposes of the presentation of the medium term projection of the underlying cash balance?

Answer:

The Chart on page 3-6 of Budget Paper No. 1 2015-16, which includes Future Fund earnings in UCB from 2020, is the responsibility of Treasury. Finance was not involved in its preparation and presentation.

The *Future Fund Act* requires that draw downs from the Future Fund be available no later than 1 July 2020. Inclusion of these amounts in the underlying cash balance are appropriate to comply with reporting standards for Government finances. The change from 2020 was foreshadowed in both the 2012-13 Budget papers, and in a joint paper issued by Treasury and Finance about the treatment of Future Fund earnings also released in 2012 ('Budget Treatment of Future Fund Costs in the Australian Government Budget and Financial Documents').