

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2015 - 2016

Department/Agency: Treasury

Question: SBT 402

Topic: Asset recycling in the Northern Territory

Reference: written - 30 October 2015

Senator: Wong, Penny

Question:

Asset recycling in the Northern Territory:

402. Are the TIO and Darwin Port eligible for Commonwealth Asset Recycling Scheme? If not, why not? What funding is the NT Government likely to receive under the scheme following the sale of these infrastructure assets?

Answer:

The Asset Recycling Initiative provides incentive payments to states and territories that sell assets and reinvest the sale proceeds to fund economic infrastructure. The National Partnership Agreement on Asset Recycling sets out the conditions for asset sales and infrastructure projects under the Asset Recycling Initiative (ARI).

For asset sales, the relevant state or territory must provide information demonstrating that the sale has been significantly influenced by the ARI; and that a significant interest in the asset is being sold or funding is being unlocked by some other means (e.g. long-term lease). At the Senate Estimates hearing on 21 October 2015, Mr White (Division Head, Industries and Infrastructure Division, Department of the Treasury) noted to Senator Nova Peris that while further analysis was required, these asset sales were likely to be eligible for the ARI (Economics Legislation Committee, 21 October 2015, Estimates, Treasury Portfolio, Department of the Treasury). The Treasurer ultimately decides whether the proposed asset sales and infrastructure projects meet the ARI's eligibility criteria.

The Commonwealth incentive payment equals 15 per cent of the proceeds of the asset sales that is reinvested into additional infrastructure.