

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Supplementary Budget Estimates
2016 - 2017

Division/Agency: Foreign Investment and Trade Policy Division

Question No: 468

Topic: Sale of the NSW power grid

Reference: Written

Senator: Xenophon, Nick

Question:

Referring to the recent disallowance by the Treasurer in relation to the sale of the NSW power grid to foreign investors, including Cheung Kong Infrastructure (CKI):

In forming its recommendation to the Treasurer:

1. Did FIRB consider the CKI management structure and the commerciality of its operations?
2. Why did FIRB not separate its deliberations with respect to the Chinese State owned company and CKI and did it consider the reputational damage that not doing so may have caused?

Answer:

1. Foreign investment applications are considered on a cases-by-case basis against the national interest. The national interest test includes, amongst other matters, a consideration of the applicant's governance structure and the nature of their business.
2. Foreign investment applications are considered on a cases-by-case basis. Treasury does not comment on the application of the foreign investment screening arrangements as they apply or could apply to particular cases.