

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Supplementary Budget Estimates 2016-17**

Prime Minister and Cabinet Portfolio

**Department/Agency:** Indigenous Land Corporation  
**Outcome/Program:** Outcome 2; Indigenous  
**Topic:** Ayers Rock Resort (ARR) debt

**Senator:** Siewert

**Question reference number:** 191

**Type of question:** Written

**Date set by the committee for the return of answer:** 2 December 2016

**Number of pages:** Four (4)

**Question:**

1. Please provide a full reconciliation or description of the current loan arrangements for the ILC Ayers Rock Resort (ARR) debt.
2. Given the latest refinancing arrangements, please provide a full account of the cost of the ARR (including consultancy fees and ancillary costs), the cost of the debt taken out by the ILC and the projected annual repayments for each future year until the debt is scheduled to be repaid.
3. What is the net benefit of the Commonwealth loan over and above the pre-existing refinancing arrangements? Please provide this on an annual basis.
4. Please provide on notice how much capital funds have been approved for the ARR for each of the last 5 financial years?
5. Has ILC debt caused a reduction in program expenditure?

**Answer:**

**Q.1**

The current balance of the debt on Ayers Rock Resort is \$185 million, \$120 million through a facility with ANZ Banking Group and a \$65 million loan from the Commonwealth.

<b>New finance terms</b>	<b>ANZ Banking Group</b>	<b>Commonwealth</b>
Borrower	Voyages (ILC 100% guarantee)	ILC (Voyages 100% guarantee)
Term	5 years	7 years
Interest rate	Variable:	Variable:
Residual loan	\$100m At end of 5 years	Nil At end of 7 years

Detailed terms and conditions of the Loans are commercial in-confidence.

## **Q.2**

Costs to ILC of ARR to 30 September 2016

<b>Type of cost</b>	<b>\$m</b>
Acquisition cost	\$300.0m
Uplift payment on vendor finance	\$17.0m
Interest on debt finance	\$61.4m
Consultant fees and ancillary costs	\$13.8m
Capital upgrades and improvements	\$75.3m
<i>Subtotal</i>	<i>\$467.5m</i>
<i>Less cash flow for operations of ARR</i>	<i>(\$81.3)</i>
<i>Less vendor contribution to capex</i>	<i>(\$22.2)</i>
<i>Less debt outstanding</i>	<i>(\$184.0m)</i>
<b>Total cost to ILC of ARR to 30 Sept 2016</b>	<b>\$180.0m</b>

Annual payments of the loans for the next 5 years average \$18.6m per annum. The residual balance of the ANZ loan will be paid out or refinanced at the end of year 5.

## **Q.3**

Net benefit is expected saving \$26m in interest payments and the \$65m loan expected to paid off in 2023–24 rather than 2025–26.

## **Q.4**

Capital funds spent and approved for ARR for each of the last five financial years

<b>Year</b>	<b>Spend</b>
2011–12	\$10.1m
2012–13	\$31.8m
2013–14	\$7.5m
2014–15	\$11.8m
2015–16	\$14.1m
<i>Subtotal</i>	<i>\$75.3m</i>
2016–17 (budget)	\$13.1m

## **Q.5**

Refer QON 106.