

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearings 2003-04 – 28 & 29 May 2003

Question: F16

Outcome 2, Output 2.1.1

Topic: Proceeds from asset sales program

Hansard Page: F&PA 305

Senator Conroy asked:

(Dr Watt) A moment ago you mentioned a figure of \$51 billion.

(Senator Conroy) Yes, \$51 billion. That is my rough total.

(Dr Watt) I think we are getting a different number.

(Senator Conroy) Can I run down what I have put in and then perhaps you can say, 'No, this one should have been in and this one should have been out'? It will only take a few seconds.

(Dr Watt) Why don't you do that?

(Senator Conroy) Commonwealth Funds Management; Avalon Airport; phase 1 airports, Dasfleet; AIDC; ANRC; DAS; HLIC; the former McLeod Repatriation Hospital site; Australia Multimedia Enterprises Ltd; phase 2 airports; Auscript; National Transmission Network; Australian River Co; ADI; Removals; ARAP; Essendon; NRC, in New South Wales, FreightCorp; Sydney airport; ComBank 3; and Telstra T1 and T2. The repatriation hospital site might possibly fall into the property category.

(Dr Watt) It may. We will go away and turn the handle on the calculator again.

(Senator Conroy) Did I miss any? Just for the record, I get a total \$51.039 billion.

(Dr Watt) We will go away and check our calculations again but when we use our calculator we get—

(Mr Yarra) We are getting \$46 billion on that sheet.

(Dr Watt) We will go away and crosscheck our numbers and come back to you.

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Answer:

Proceeds listed under past asset sales on the DOFA web site were updated in February 2003 to ensure that they were all reported on the basis of net proceeds to the Commonwealth. Prior to February 2003, the proceeds reported for a number of asset sales on the DOFA web site were on this basis while the proceeds for others were on a gross enterprise value basis including amounts for the repayment of debt by the purchaser.

The net proceeds figure on the DOFA web site for past asset sales for the period 1 July 1996 to 30 June 2002 on this net proceeds basis is \$45.762 billion.

These net proceeds figures reflect rounded proceeds announced at the time of the sale. These proceeds are subject to final adjustment for any changes in asset values after bids are submitted but prior to financial completion.

The \$46.5 billion figure referred to in the answer to question F6 is, therefore, the aggregate net proceeds from asset sales (based on proceeds received on financial completion of each asset sale) for the period 1 July 1996 to 30 June 2002.