

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Prime Minister and Cabinet Portfolio**

**Department of the Prime Minister and Cabinet**

**Budget Estimates Hearings 2005-2006, 23 and 24 May 2005**

**Question: PM 36**

**Outcome 1, Output 1**

**Topic: Beaudesert Rail**

**Hansard Page: F&PA 26-27:**

**Senator Evans asked: The officer has indicated that PM&C provided advice to the Prime Minister around this date in the lead-up to his writing to Ms Elson. I quote the Prime Minister's letter. He said, "Therefore, while I am inclined to support the provision of a \$400,000 commonwealth loan, this support is conditional on the project obtaining funds of at least \$800,000 from the Queensland state government and/or other sources." That is not the full letter but that is the bit I was referring to. I was asking whether or not the officer was aware where the loan would be funded from.**

**Senator Hill: Where the loan would be funded from?**

**Mr Grech: I do not know. This is a hypothetical response because, as I indicated at the outset, the government did not provide a loan. After a lengthy process, considering a lot of issues, the ultimate decision was, in partnership with the Queensland state government and the shire of Beaudesert, to provide a grant to maximise the viability of the project. I think I have made that clear. But to try to answer your question in a hypothetical way, there have been previous loan arrangements that this and previous governments have entered into, and some of them were sourced from basically consolidated revenue. We have provided loans to PNG. We have provided loans to other countries as part of a development aid package.**

**Senator Hill: Also, if this was a letter from the Prime Minister, it is pretty hard for the official therefore to answer in terms of the Prime Minister's intention as it goes beyond the content of the letter. If you want to know what the Prime Minister's intention was in relation to a funding source I think you should ask the Prime Minister.**

**Senator Evans: Perhaps you could take it on notice for me, as you have represented the Prime Minister at these hearings, Senator Hill.**

**Senator Hill: I can do that.**

**Answer: No specific funding source for a loan was identified at that time, but no loan was made. A grant of \$600,000 was paid from the Regional Partnerships Programme.**