

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 24A

Outcome 2 Improved and More Efficient Government Operations, Output 2.1.1

Asset Sales

Topic: Divestment of the Australian Technology Group Limited

Hansard page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

What progress has been made on the ATG divestment process?

Answer:

The Commonwealth of Australia has purchased the minority interests in the Australian Technology Group Limited (ATG) and a shareholders' agreement between the Commonwealth as the majority shareholder and the minority shareholders, was terminated. The Board of ATG has been asked by the Australian Government to proceed with the realisation of ATG's portfolio as part of a longer term strategy to exit the Commonwealth's interest in ATG.

Date: 2 December 2003

Cleared by (SES): Simon Lewis

Group/Branch: Asset Management Group

Contact Officer: Robin Renwick

Telephone No: 6215 2117

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 24B

Outcome 2 Improved and More Efficient Government Operations, Output 2.1.1

Asset Sales

Topic: Divestment of the Australian Technology Group Limited

Hansard page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

How much did the acquisition of minority interests in ATG cost the Commonwealth?

Answer:

The Commonwealth acquired the minority interests in the Australian Technology Group Limited, including the termination of an agreement between the Commonwealth as the majority shareholder and the minority shareholders, for a total of \$200,000.

Date: 2 December 2003

Cleared by (SES): Simon Lewis

Group/Branch: Asset Management Group

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ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 24C

Outcome 2 Improved and More Efficient Government Operations, Output 2.1.1

Asset Sales

Topic: Divestment of the Australian Technology Group Limited

Hansard page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

When did this acquisition occur, and how was this process managed? Where is this amount included in the budget?

Answer:

The minority interests were acquired on 26 June 2003. The acquisition of the minority interest and termination of the shareholders' agreement was negotiated by officers of the Department of Finance and Administration within parameters set by the Australian Government.

The cost of acquiring the minority shareholdings and terminating the shareholders' agreement of \$200,000 was funded from the original \$850,000, appropriated to the then Office of Asset Sales and IT Outsourcing in the context of the Additional Estimates 2000-01, for the sale costs for the divestment of the Australian Technology Group Limited.

Date: 2 December 2003

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ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 24D

Outcome 2 Improved and More Efficient Government Operations, Output 2.1.1

Asset Sales

Topic: Divestment of the Australian Technology Group Limited

Hansard page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

How is the divestment of ATG being undertaken? Is the process being managed by the Department or has it been outsourced? What are the costs of divestment?

Answer:

The Board of the Australian Technology Group Limited (ATG) has been asked to assist the divestment process through realising ATG's interests in its portfolio of investments. The Department of Finance and Administration (Finance) has an oversight, monitoring and advisory role in relation to the realisation process.

The costs over the last four years (when the Government announced its intention to divest its interest in ATG following the scoping study in 1998-99) have been \$671,000. These costs included the \$200,000 to acquire the minority shareholdings in ATG and terminate the shareholders' agreement, as well as costs associated with procuring business and legal advice in relation to the divestment process. The amount does not include the cost of the scoping study which was funded from a 1998-99 appropriation (see answer to Question on Notice 24E) or Finance's internal costs which have been incurred intermittently over the past four years.

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ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 24E

Outcome 2, Output 2.1.1

Topic: Divestment of the Australian Technology Group Limited

Hansard page: N/A

Written Question on Notice: 11 November 2003

Senator Forshaw asked:

What was the cost of the scoping study?

Answer:

As reported in the 1998-99 Annual Report of the Office of Asset Sales and IT Outsourcing, the cost of the Australian Technology Group Limited scoping study was \$261,184.

Date: 2 December 2003

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