

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Budget Policy Division
Question No: 252
Topic: Asset Recycling Initiative
Reference: Hansard page 92 (01 March 2017)
Senator: Rice, Janet

Question:

[...]

Senator RICE: And the remainder—\$5 million minus \$2.3 million minus \$877,000—went to the Northern Australia Infrastructure Facility? Is that how it adds up?

Mr Brennan: Just about. I would have to take on notice whether there was any other residual amount, but if there was it would be relatively small.

Answer:

In the 2014-15 Budget the Government announced it would provide \$5.0 billion over five years to 2018-19 to establish the Asset Recycling Initiative (ARI).

In the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO) the Government achieved savings of \$800 million over three years from 2016-17 from ARI. The savings were redirected to form part of the Government's *White Paper on Developing Northern Australia*.

In the 2016-17 Budget the Government returned \$853.6 million in unallocated funds from ARI to the budget for use on other policy priorities. At this Budget the Government had reached agreement or had expected to reach agreements with the States and Territories worth up to \$3.3 billion. As no other agreements with the States and Territories were expected to be agreed before 30 June 2016, the Government decided to reallocate the remaining uncommitted funding from ARI to other policy priorities.

In the 2016-17 Mid-Year Economic and Fiscal Outlook \$877 million was set aside in the Contingency Reserve for future Victorian infrastructure projects. This funding reflects the notional allocation for a Victorian schedule of the National Partnership Agreement on Asset Recycling. This schedule of asset divestments and infrastructure investments was unable to be agreed prior to the deadline on 30 June 2016.