

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: CEFC

Question: BET 27

Topic: Investments under construction

Reference: Hansard page 59, 4 June 2014

Senator: Ruston

Question:

27. Senator RUSTON: How many of the current investments that are on your books had already been built or were already under construction or at least had development approval before you invested in them?

Mr Yates: A lot of transactions obviously have development approval because development approval can take a long period of time.

Senator RUSTON: Okay, tick that one.

Mr Yates: In fact, there are very few transactions that are actually re-financings. Most of them are new transactions which will be going into construction. In fact, a lot of them are in the process of just starting construction now because, whilst you may agree to a financing, you still have to go through an enormous amount of work before they actually begin turning dirt and going into construction.

Senator RUSTON: Back to the original question, how many—even if is just a percentage or a rough idea—had either been built or were already under construction—not the NBN under construction definition but really under construction?

Mr Yates: I can take the question formally on notice but I would suggest, for your benefit, that it was probably less than 10 per cent by transaction number.

Answer:

27. Of the CEFC's 66 individual financial transactions and sub-projects to June 2014 (including former Low Carbon Australia investments), only one relates exclusively to refinance of an existing asset – this is the Macarthur Wind Farm.

The CEFC's investment in Macarthur provided additional liquidity to the market, ensuring efficient market pricing. The CEFC's participation in this refinancing transaction encouraged other banks to participate in the project, helping ensure that the financing was fully subscribed and will facilitate Meridian's ongoing activities in Australia.