

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

**Department/ Agency:** Treasury

**Question:** BET 3680-3687

**Topic:** Asset Recycling Initiative

**Reference:** Transferred from the Department of Infrastructure and Regional Development – 26 June 2014

**Senator:** Sterle

**Question:**

- 3680. Can you indicate what role, if any, the Department had in allocating the profile of funding from the Asset Recycling Initiative in the forward estimates?
- 3681. Would you agree that the Commonwealth anticipates about \$26 billion in asset sales over the forward estimates (the allocated payments of \$3905M are for the 15% incentive payment – this implies \$26 billion in asset sales by the States in the next four years?)
- 3682. What role did the Department play in deriving this figure?
- 3683. What role did the Department play in allocating sums across the forward estimates?
- 3684. Can you indicate which States and assets were included in forming this assumption?
- 3685. How did this assumption come about?
- 3686. What evidence was used to back up these estimates?
- 3687. In fact, it is possible that this Fund will never be used – it's totally up to the States isn't it?

**Answer:**

- 3680. The Department of the Treasury allocated the funding from the Asset Recycling Initiative across a five-year profile. The costing was agreed by the Department of Finance.
- 3681. The value of asset sales generated will be dependent on the assets that States and Territories nominate to sell and the price the market is prepared to pay. However, the Commonwealth expects that this scale of asset sales is achievable in the timeframe.
- 3682. Treasury analysed a range of information on state-owned assets and held discussions with States and Territories.
- 3683. Refer to the answer to Question 3680.
- 3684. Assets in all States and Territories were considered in estimating the appropriate size of the Asset Recycling Initiative.
- 3685. Refer to the answer to Question 3681.
- 3686. Refer to the answer to Question 3681.
- 3687. All States and Territories signed the National Partnership Agreement on Asset Recycling, suggesting that States do intend to utilise the Asset Recycling Initiative.