

**Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Innovation and Science Portfolio  
2017 - 2018 Budget Estimates  
31 May – 1 June 2017

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**AGENCY/DEPARTMENT:** NORTHERN AUSTRALIA INFRASTRUCTURE FACILITY

**TOPIC:** Applications from Macro Investments and Securities

**REFERENCE:** Questions on Notice (Hansard, 1 June 2017, page 133-134)

**QUESTION No.:** BI-64

Senator PRATT: I want to ask whether—and I know you have not disclosed this stuff on the public record thus far—you have had any applications or contact from Macro Investments and Securities; namely, Veronica Macpherson?

Senator IAN MACDONALD: Chair, how many times do we—

Senator PRATT: There is an important reason for this question.

Senator IAN MACDONALD: A point of order, Madam Chair.

CHAIR: Senator Macdonald, on a point of order.

Senator PRATT: I am entitled—

Senator IAN MACDONALD: The secretary has said so many times that she cannot tell you that.

How many times do you need to be told?

Senator PRATT: Okay. Well, how do you advise investors if this so-called applicant is actually claiming—and this is her letter to investors—that: 'To deal with this issue and preserve the interests of our investors, we have had to restructure the business plan and proposal for our prospective buyer, which will incur more delays. The situation business plan and proposal will be made known to our new state government and form part of an application to the federal government's Northern Australia Infrastructure Facility funding that was announced last year.' This woman is currently before the Federal Court and has legal proceedings against many of her companies, and she is making these claims to investors. So my question is: what might NAIF do if you became aware that someone was falsely claiming they had made an application and that they were using that information to collect money from investors on the basis of a purported application?

Senator IAN MACDONALD: Chair, can I raise a point of order?

CHAIR: Senator Macdonald, we should let the minister and the CEO respond.

Senator BUSHBY: This is a matter for the ACCC.

Senator Canavan: I am happy for Ms Walker to provide an answer to the extent that she can. It does seem to be going—

Senator IAN MACDONALD: It is hypothetical.

Senator Canavan: Exactly, Senator Macdonald.

Senator PRATT: It is not hypothetical. I am happy to give you the documentation.

CHAIR: I think Senator Pratt is asking about process.

Senator PRATT: I am now asking about process and about what you would do, hypothetically.

CHAIR: Well, that is a hypothetical.

Senator Canavan: That is a hypothetical! But I am happy for Ms Walker to try and say what she can, but—

CHAIR: Senator Pratt, perhaps if you asked what the process is that—

Senator PRATT: I have asked what the process is.

Mr Lawson: This is a matter for the ACCC.

Senator BUSHBY: That is right; it is a matter for the ACCC.

Mr Lawson: Allegations of impropriety and illegal behaviour are not something for an entity that is part of our portfolio to pursue. It is a matter for the ACCC to pursue.

Senator Canavan: I am happy to talk about process, as the Chair mentioned. Perhaps on this specific matter I think we should take it on notice because I am not familiar with that particular company or director or owner that you mentioned. I think we had best take that on notice and get back to you on that. Is there anything that you would like to add, Ms Walker, in a general sense, about process?

Ms Walker: I am not aware of that either, but, if there were something inappropriate and we needed it investigated by the appropriate authorities, we would do that. We do, from time to time, get what I would call 'false applications', or people having a bit of a joke; they send in applications for the \$5 billion, and we do some of our own investigations. Sometimes you can find out that it is not a valid application very quickly. But if there is something that you think is inappropriate and you would like to send it to us, we will look at it and we will determine where the appropriate investigator would be.

## ANSWER

NAIF's Incident Reporting Policy (Policy) is available on the [NAIF website](#).

Section 2 of the Policy notes the definition of an Incident includes, *“a fraudulent practice being any act or omission by a party, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead another party, to obtain for the first party or a third party a benefit to which that party would not otherwise be entitled”*.

Under Section 3 of the Policy, NAIF staff are strongly encouraged to make a report if they become aware of an Incident.

Under Section 4 of the Policy, a report can be made to the Chief Executive Officer, or to the Chair of the Board or to the Chair of the Board Audit and Risk Committee (the **Recipient**).

The Recipient must consider whether to investigate the report. If the Recipient decides to investigate the report, they may investigate as they see fit and may appoint an independent person to investigate or advise on the matter.

The Recipient may determine that if the information reported is the same, or substantially the same, as information, which has been, or is already being investigated through means such as a law or executive power of the Commonwealth that it would be inappropriate to conduct another investigation at the same time. This includes the Recipient being reasonably satisfied that there are no further matters concerning the Incident that warrant investigation.

In accordance with the Policy, in responding to an Incident, the Recipient will (amongst other steps):

- arrange for the investigation to be conducted with honesty, integrity, professionalism and efficiency and to comply with all applicable Australian laws;
- maintain all records relating to the investigation in a secure manner;
- if the investigation concludes that there is credible evidence that an offence may have occurred, decide whether to refer the matter to the Australian Federal Police or other appropriate law enforcement agencies (for example, the Australia Securities and Investments Commission).