

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2015-16

Finance Portfolio
27-28 May 2015

Department/Agency: Department of Finance

Outcome/Program: 2/2.2

Topic: Scoping Studies - general

Senator: Ludwig

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Type of question: Written

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Number of pages: 2

Question:

The Government has flagged a number of government owned asset sales with scoping studies announced as part of the 2015-2016 budget – www.finance.gov.au/procurement/scoping-studies

These assets included:

- Defence Housing Australia (DHA),
- Australian Hearing Services (AHS),
- The registry services of the Australian Securities and Investments Commission (ASIC),
- The Royal Australian Mint

With regard to asset sales more generally:

1. What is the process used by the government to identify assets as being candidates for sale?
2. Is there a set of criteria used by the department to determine suitable candidates for sale?
3. Who is typically involved in these discussions?
4. After the scoping study is completed, what are the steps that will follow before the asset is sold?

Answer:

1. There are a range of processes the Government can draw on to determine whether assets might be suitable for sale such as government reviews, Productivity Commission reports and the Commission of Audit. In addition, the Government is undertaking the Contestability Programme which identifies activities that may be more efficiently delivered through alternative processes or providers. Where these processes indicate that alternate ownership options should be considered, the Government generally undertakes a scoping study before making a decision as to whether or not to proceed to a sale.

2. Refer to 1 above.
3. All matters relating to the sale of major government assets are managed by the Department of Finance and involve consultation as appropriate with relevant public and private sector stakeholders. Decisions on which entities are to be the subject of scoping studies and /or sale is made by Government.
4. Where a scoping study recommends that an asset be sold and where this is supported by Government, consideration is given to issues such as market conditions for sale, its timing and structure. The Government appoints external advisers to assist with the sale process.