

Asset Recycling Fund – Infrastructure Growth Package New Investments

Projects	New Investments					
	2014-15 \$m	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	Total \$m
Black Spot Programme		100.0	100.0			200.0
Roads to Recovery Programme			350.0			350.0
National Highway Upgrade Programme	1.6	56.2	81.7	66.8	22.3	228.7
Upgrade of North South Rd, incl Darlington	12.0	82.0	154.0	118.0	27.8	393.8
Perth Freight Link	0.0	87.9	280.0	300.0	198.1	866.0
Northern Territory Road Package	18.6	35.4	23.0			77.0
Toowoomba Second Range Crossing		167.0	185.0	233.0		585.0

NATIONAL PARTNERSHIP AGREEMENT ON ASSET RECYCLING

Council of
Australian
Governments

An agreement between

- the Commonwealth of Australia and
- the States and Territories, being:
 - New South Wales
 - Victoria
 - Queensland
 - Western Australia
 - South Australia
 - Tasmania
 - the Australian Capital Territory
 - the Northern Territory

This Agreement will assist in addressing State and Territory funding constraints that limit their ability to invest in additional economic infrastructure. This Agreement will contribute to increased investment in productivity-enhancing infrastructure by encouraging the sale of State-owned assets to unlock funds and recycle the capital into additional infrastructure.

National Partnership Agreement on Asset Recycling

INTERGOVERNMENTAL AGREEMENT
ON FEDERAL FINANCIAL RELATIONS

PRELIMINARIES

1. This National Partnership Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.
2. In entering this Agreement, the Commonwealth of Australia (the Commonwealth) and the States and Territories (the States) recognise that they have a mutual interest in increasing infrastructure investment that supports economic growth and productivity and need to work together to achieve that objective.
3. This Agreement will assist in addressing State and Territory funding constraints that limit their ability to invest in additional economic infrastructure. It will contribute to increased investment in productivity-enhancing infrastructure by encouraging the sale of State-owned assets to unlock funds and recycle the capital into additional infrastructure.
4. Under this Agreement, references to the sale of an asset may include alternative ways of unlocking funds from State-owned assets as agreed between the relevant Parties, including long-term leasing.

PART 1 – FORMALITIES

Parties to this Agreement

5. This Agreement is between the Commonwealth and the States.

Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and one other Party sign the Agreement, and will expire on 30 June 2019, or on final performance reporting and processing of final payments against milestones. This Agreement may be terminated earlier or extended as agreed in writing by the Parties.

PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

Objectives

7. Those Parties who wish to, will work together to unlock funds from existing State-owned assets to invest in additional infrastructure that will support economic growth and enhance productivity.

Outcomes

8. This Agreement will facilitate achievement of the following outcomes:
 - (a) reduced funding constraints for additional infrastructure investment;
 - (b) increased economic activity, employment and improved living standards; and
 - (c) enhanced productive capacity of the economy.

Outputs

9. The objectives and outcomes of this Agreement will be achieved by:
 - (a) the sale of State-owned assets; and
 - (b) increased investment in additional economic productive infrastructure.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

10. To realise the objectives and commitments in this Agreement, each Party has specific roles and responsibilities, as outlined below.

Role of the Commonwealth

11. The Commonwealth agrees to be accountable for the following roles and responsibilities:
 - (a) assessing and determining the eligibility for payments to the States, in consultation with the States and in accordance with the eligibility criteria outlined in this Agreement;
 - (b) providing a financial contribution to the States to support the implementation of this Agreement;
 - (c) coordinating the development and revision of the Schedules to this Agreement, in partnership with the States;
 - (d) in accordance with the Fair Work (Building Industry) Act 2012, ensuring that financial contributions to a building project or projects as defined under the Fair Work (Building Industry – Accreditation Scheme) Regulations 2005, are only made where a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted; and
 - (e) ensuring that compliance with the Building Code 2013 is a condition of Commonwealth Government funding.

Role of the States

12. The States agree to be accountable for the following roles and responsibilities:
 - (a) delivering asset sales and reinvesting in additional infrastructure under this Agreement;
 - (b) developing and revising Schedules to this Agreement, in partnership with the Commonwealth;
 - (c) advising the Commonwealth of commercially sensitive information contained in the Schedules to this Agreement;

- (d) reporting on the delivery of outcomes and outputs as set out in Part 5 – Performance Monitoring and Reporting of this Agreement;
- (e) ensuring that only a builder or builders accredited under the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme is contracted, and providing the necessary assurances to the Commonwealth; and
- (f) ensuring that compliance with the Building Code 2013 is made a condition of tender for all contractors and subcontractors who tender for the work, and providing the necessary assurances to the Commonwealth.

Shared roles and responsibilities

13. The Commonwealth and the States will:

- (a) participate in consultations as appropriate regarding the implementation of this Agreement; and
- (b) meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

PART 4 – FINANCIAL ARRANGEMENTS

Financial contributions

- 14. The Commonwealth's financial contributions will be managed as an Asset Recycling Pool (the Pool) from which the Commonwealth will allocate financial contributions to the States over the 2014-15 to 2018-19 period. Financial contributions will be additional to existing Commonwealth infrastructure funding to the States.
- 15. Funding from the Pool will be allocated on a first-come, first-served basis. States have up to two years from commencement of the Agreement to agree with the Commonwealth the specific assets to be sold and the additional infrastructure investment which would be supported by funding from the Pool. No new asset divestments and infrastructure projects will be agreed after 30 June 2016. The sale of the asset must be completed and the construction of the additional infrastructure must commence on or before 30 June 2019.
- 16. To be eligible for funding from the Pool, infrastructure projects must:
 - (a) demonstrate a clear net positive benefit;
 - (b) enhance long-term productive capacity of the economy; and
 - (c) where possible, provide for enhanced private sector involvement in both the funding and financing of the infrastructure.
- 17. The Commonwealth will also consider projects that meet long-term economic infrastructure priorities in regional economies.
- 18. The Commonwealth's financial contributions must be spent on the additional infrastructure investment agreed in the relevant Schedule to this Agreement.

19. The total payment for each infrastructure project will be calculated as 15% of the proceeds received by States from the sale of the asset(s) multiplied by the proportion of the proceeds reinvested by the states in additional infrastructure investment.
 - (a) For example, a State sells an asset for \$1 billion and reinvests \$800 million (80%) of the proceeds into new productive infrastructure. The total payment would be 15 % of \$800 million which is \$120 million.
 - (b) The payment may be reduced if the sale of an asset results in a direct cost to the Commonwealth; for example, where the sale of social housing results in an increase in Commonwealth Rent Assistance payments. These details would be specified in the Schedules to this Agreement.
20. Payments will be made in two instalments:
 - (a) The initial payment will be 50% of the estimated total payment referred to in paragraph 19 using the book value of net assets as the estimate for the likely proceeds received by the States. The initial payment will be paid subject to the State's Statement of Assurance demonstrating that Milestone 1 has been met as follows:
 - i. commencement of the tender process or the expression of interest to sell the asset; and
 - ii. commencement of other government processes required ahead of the sale; and
 - iii. commencement of planning and approvals for the additional infrastructure project(s).
 - (b) The final payment, calculated as the total payment minus the initial payment (allowing for an adjustment for the difference between the sale proceeds and the book value, as well as any adjustment required where the sale of an asset results in a direct cost to the Commonwealth) will be paid subject to the State's Statement of Assurance demonstrating that Milestone 2 has been met as follows:
 - i. completion of the sale of the asset; and
 - ii. commencement of construction of the agreed infrastructure project(s).
21. For the purposes of calculating the initial payment, the book value of net asset(s) will be supplied by the State and agreed by the Commonwealth. The Commonwealth will also need to agree the final sale amount supplied by States, and any adjustment that may be needed in the final payment to account for the difference between the book value of the net asset(s) and the final sale proceeds. If for specific assets, the book value is not an appropriate measure, an alternative objective measure may be agreed with the Commonwealth.
22. The Commonwealth's financial contribution to each agreed project will be detailed in the relevant Schedule to this Agreement in accordance with clauses 19 to 21 of this Agreement.
23. If for any reason the asset sale does not proceed, the project does not proceed, or the State decides not to reinvest the proceeds in the agreed infrastructure project(s) in accordance with the relevant Schedule, and/or the State terminates their participation in the Agreement, the State will be required to repay the initial payment, except where the Commonwealth agrees that there are exceptional circumstances.
 - (a) In such cases, the Commonwealth may return the funds to the Pool and reallocate funds to another project or projects under this Agreement.

- (b) In the event that there are no alternative mechanisms for the State to repay the funds, the Commonwealth may recover funding via adjustments to total monthly National Partnership payments which will be made as negative payments under this Agreement.
- 24. States are required to notify the Commonwealth in writing as soon as possible, but no longer than 30 days, after becoming aware that the asset sale cannot be finalised and/or project construction cannot proceed in accordance with the relevant Schedule. States should provide the reasons why the asset sale cannot be finalised and/or project construction cannot proceed, and propose how funds will be repaid.
- 25. States should provide the reasons why the asset sale cannot be finalised and/or project construction cannot proceed, and propose how funds will be repaid.
- 26. The Commonwealth's estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D — Payment Arrangements* of the IGA FFR, will be detailed in Attachment A to this Agreement.

Schedules

- 27. Schedules to this Agreement will outline the details of the specific assets to be sold and additional infrastructure projects in each state, and will be agreed in writing between the Commonwealth and the relevant jurisdiction.
- 28. Schedules will include the following information:
 - (a) the specific assets to be sold and infrastructure projects to be supported with funding from the Pool;
 - (b) the proportion of the proceeds from the sale of the net asset(s) that will be reinvested in the agreed infrastructure investment;
 - (c) the specific details of the milestones for each investment in accordance with clause 22; and
 - (d) the associated Commonwealth payments (including any adjustments required in accordance with clause 20 (b)).
- 29. Schedules will be updated by written agreement of the relevant Parties as additional asset sales and infrastructure projects are agreed. Commercially sensitive information will not be published without the agreement of the relevant jurisdiction.

PART 5 – PERFORMANCE MONITORING AND REPORTING

Performance indicators

- 30. Achievement of the objectives and outcomes in this Agreement will be determined with reference to the following performance indicators:
 - (a) the value of the State-owned assets that are sold;
 - (b) the amount of sale proceeds reinvested into additional infrastructure; and
 - (c) the overall value of additional infrastructure constructed in Australia (including Commonwealth, State and private sector contributions).

Performance milestones

31. The States agree to meet the performance milestones as outlined in the relevant Schedule in accordance with clause 20.

Reporting arrangements

32. The States will report against the performance milestones in a Statement of Assurance. A Statement of Assurance is to be furnished to the Commonwealth upon achieving each of the performance milestones, and must:

- (a) state which of the two milestones has been achieved;
- (b) be authorised in writing by the Treasurer of the relevant State; and
- (c) be accepted by the Commonwealth for the associated payment to be made.

33. For Milestone 1, at clause 20(a), the Statement of Assurance will also:

- (a) provide the book value of the net asset(s);
- (b) identify the amount to be reinvested in the agreed additional infrastructure investment;
- (c) list the steps that are required ahead of the sale, such as addressing any regulatory constraints, corporatisation and introducing enabling legislation, and confirm that these have commenced;
- (d) list the steps that have been taken to commence planning and approvals for the agreed additional infrastructure investment; and
- (e) provide an indicative timeframe for expected completion of the asset sale, construction commencement and construction completion.

34. For Milestone 2, at clause 20(b), the Statement of Assurance will also:

- (a) for individual infrastructure investments that have been agreed with the Commonwealth, state the expected cost of the project and the date that construction commenced;
- (b) for the completion of asset sales, report the date of the asset sale and the final proceeds;
- (c) report the proportion of the asset sale proceeds used for purposes other than the agreed infrastructure investment and the amount reinvested in the additional infrastructure investment;
- (d) certify that the full amount of the payment provided by the Commonwealth has been, or will be, invested in the additional infrastructure investment;
- (e) provide an indicative timeframe for the expected completion of the additional infrastructure construction; and
- (f) be accompanied by relevant supporting documentation that the State and the Commonwealth deem necessary for the Commonwealth to authorise the associated payment.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

35. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

Review of the Agreement

36. In accordance with Schedule E, Clause 23 of the IGA FFR, this Agreement is time limited. To assess the degree to which the agreed objective and outcomes and/or outputs have been achieved, and inform decisions regarding the appropriate treatment following its expiry, a review of this Agreement will be scheduled to be completed by the Commonwealth approximately 12 months prior to its expiry.

Variation of the Agreement

37. This Agreement, including Attachment A, may be amended at any time by agreement in writing by all the Parties.
38. Variations to the Schedules to this Agreement will be agreed in writing by the relevant Parties.
39. A Party to this Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

Delegations

40. The Commonwealth Treasurer, in consultation with relevant portfolio ministers, is authorised to agree and amend Attachment A and any Schedules. The Commonwealth Treasurer is authorised to certify that performance milestones specified under this Agreement have been achieved, so that payments may be made.
41. Respective State Treasurers, in consultation with their relevant portfolio ministers, are authorised to agree and amend Attachment A and relevant Schedules to this Agreement.
42. The Commonwealth Treasurer may delegate the assessment of project-based performance indicators or milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.
43. Respective State Treasurers may delegate the authorisation of Statements of Assurance to senior State officials.

Dispute resolution

44. Any Party may give notice to other Parties of a dispute under this Agreement.
45. Officials of the relevant Parties will attempt to resolve any dispute in the first instance.
46. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers and if necessary, the Council on Federal Financial Relations.
47. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to COAG for consideration.

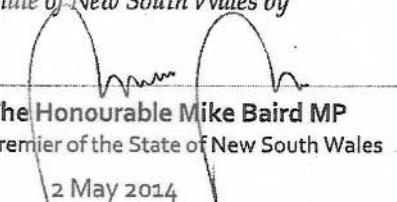
The Parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the Commonwealth
of Australia by


The Honourable Tony Abbott MP
Prime Minister of the Commonwealth of Australia

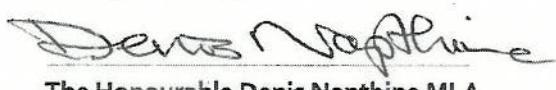
2 May 2014

Signed for and on behalf of the
State of New South Wales by


The Honourable Mike Baird MP
Premier of the State of New South Wales

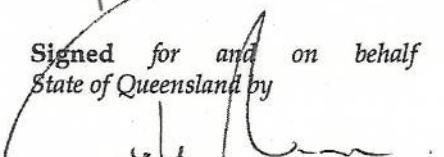
2 May 2014

Signed for and on behalf of the
State of Victoria by


The Honourable Denis Napthine MLA
Premier of the State of Victoria

2 May 2014

Signed for and on behalf of the
State of Queensland by


The Honourable Campbell Newman MP
Premier of the State of Queensland

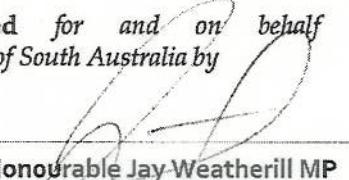
2 May 2014

Signed for and on behalf of the
State of Western Australia by


The Honourable Colin Barnett MLA
Premier of the State of Western Australia

2 May 2014

Signed for and on behalf of the
State of South Australia by


The Honourable Jay Weatherill MP
Premier of the State of South Australia

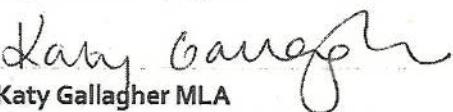
2 May 2014

Signed for and on behalf of the
State of Tasmania by


The Honourable Will Hodgman MP
Premier of the State of Tasmania

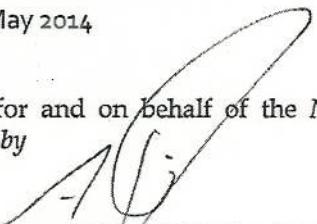
2 May 2014

Signed for and on behalf of the Australian
Capital Territory by


Katy Gallagher MLA
Chief Minister of the Australian Capital Territory

2 May 2014

Signed for and on behalf of the Northern
Territory by


The Honourable Adam Giles MLA
Chief Minister of the Northern Territory

2 May 2014

Schedule A

Australian Capital Territory Asset Sales and Projects

NATIONAL PARTNERSHIP AGREEMENT ON
ASSET RECYCLING

PRELIMINARIES

- A1 This Schedule to the National Partnership Agreement on Asset Recycling (National Partnership) should be read in conjunction with that Agreement. The objective of the National Partnership is to unlock funds from existing State-owned assets to invest in additional infrastructure that will support economic growth and enhance productivity.
- A2 This Schedule outlines the asset sales and additional infrastructure to be progressed by the Australian Capital Territory in accordance with the National Partnership.

TERMS OF THIS SCHEDULE

- A3 This Schedule will commence as soon as it is agreed between the Commonwealth of Australia, represented by the Commonwealth Treasurer, and the Australian Capital Territory, represented by the Australian Capital Territory Treasurer.
- A4 As a Schedule to the National Partnership, its purpose is to provide the public with an indication of how asset recycling is intended to be delivered and demonstrate the Australian Capital Territory's capacity to achieve the outcomes of the National Partnership.
- A5 The Australian Capital Territory must ensure:
 - (a) the total stock of public housing in the Australian Capital Territory does not fall below the level as at 30 June 2014 of 10,848 dwellings; and
 - (b) tenants in a public housing asset included in Table A1 are able to be relocated into suitable replacement public housing prior to the sale of the asset.
- A6 The Australian Capital Territory will report on the conditions in A5 through the Statement of Assurance.
- A7 This Schedule will cease on completion or termination of the National Partnership, including the acceptance of final performance reporting and processing of final payments against milestones.
- A8 This Schedule may be varied by written agreement between the Commonwealth and the Australian Capital Territory.

- (a) This Schedule will be updated following finalisation of the asset sales to reflect the final sale proceeds, as agreed with the Commonwealth in accordance with clause 21 of the National Partnership.
- (b) This Schedule may be updated to include additional projects as agreed by the Parties.

DETAILS OF AUSTRALIAN CAPITAL TERRITORY PROJECTS

TABLE A1: FINANCIAL DETAILS¹

Assets to be sold	Infrastructure investment to be funded with sale proceeds	Estimated proceeds from sale of net asset(s) (\$)	Proportion of sale proceeds of net asset(s) to be reinvested in agreed infrastructure investment (%)	Estimated value of proceeds to be reinvested into agreed infrastructure investment	Actual proceeds from sale of net asset(s) (\$) ²	Initial Commonwealth payment – Milestone 1 (\$)	Final Commonwealth payment – Milestone 2 (\$) ²	Total Commonwealth contribution (\$) ²	Total State contribution (\$)	Total private sector contribution (\$)
	(A)	(B)	(C = A x B)	(D)	(E = C x 50% x 15%)	(F = G - E)	(G = D x 15%)	(H)	(I)	(J)
ACTTAB ³	Capital Metro \$105.50 million \$7.83 million	100%	\$105.50 million	\$105.50 million (\$105.50 million x 50% x 15%)	\$7.91 million (\$105.50 million x 15%)	\$7.91 million (\$105.50 million x 7.91 million)	\$15.82 million (\$105.50 million x 15%)	TBD	TBD	TBD
<i>Commercial property:</i>										
Ambulance Station ⁴	Capital Metro	100%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Community Health Building ⁵	Capital Metro	100%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Dame Pattie Menzies House ⁵	Capital Metro	100%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Dickson Motor Registry ⁶	Capital Metro	100%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Macarthur House ⁵	Capital Metro	100%	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

National Partnership Agreement on Asset Recycling Schedule A – Australian Capital Territory Asset Sales and Projects

Assets to be sold	Infrastructure investment to be funded with sale proceeds	Estimated proceeds from sale of net asset(s) (\$)	Proportion of sale proceeds of net asset(s) to be reinvested in agreed infrastructure investment (%)	Estimated value of proceeds to be reinvested into agreed infrastructure investment Amount (\$) $(C = A \times B)$	Actual proceeds from sale of net asset(s) (\$)² (D)	Initial Commonwealth payment – Milestone 1 (\$) $(E = C \times 50\% \times 15\%)$	Final Commonwealth payment – Milestone 2 (\$)² $(F = G - E)$	Total Commonwealth contribution (\$)² $(G = D \times 15\%)$	Total State contribution (\$) (H)	Total private sector contribution (\$) (I)
Visitor Centre ⁶	Capital Metro		(A)	(B)	TBD			TBD	TBD	
<i>Public housing⁷:</i>										
Bega Court – Braddon ⁶	Capital Metro	100%			TBD			TBD	TBD	
Curriong and Allawah Apartments – Section 52 Braddon	Capital Metro	100%			TBD			TBD	TBD	
Dickson Flats and Vacant Land ⁶	Capital Metro	100%			TBD			TBD	TBD	
Garden Flats – Dickson (Karuah) ⁶	Capital Metro	100%			TBD			TBD	TBD	
Lyneham & DeBburgh (North & South) ⁶	Capital Metro	100%			TBD			TBD	TBD	

National Partnership Agreement on Asset Recycling Schedule A – Australian Capital Territory Asset Sales and Projects

Assets to be sold	Infrastructure investment to be funded with sale proceeds	Estimated proceeds from sale of net asset(s) (\$)	Proportion of sale proceeds of net asset(s) to be reinvested in agreed infrastructure (%)	Estimated value of proceeds to be reinvested into agreed infrastructure investment (\$)	Actual proceeds from sale of net asset(s) (\$) ²	Initial Commonwealth payment – Milestone 1 (\$)	Total Commonwealth contribution (\$) ²	Final Commonwealth payment – Milestone 2 (\$) ²	Total State contribution (\$)	Total private sector contribution (\$)
Northbourne Flats – Braddon ⁶	Capital Metro	(A) 100%	(B)	(C = A x B)	TBD	(D)	(E = C x 50% x 15%)	(F = G - E)	(G = D x 15%)	(H)
Northbourne Flats – Turner ⁶	Capital Metro	100%			TBD				TBD	TBD
Owen Flats ⁸	Capital Metro	100%			TBD				TBD	TBD
Red Hill Flats – Red Hill ⁶	Capital Metro	100%			TBD				TBD	TBD
Strathgordon Court – Lyons ⁶	Capital Metro	100%			TBD				TBD	TBD
Stuart Flats – Griffith ⁶	Capital Metro	100%			TBD				TBD	TBD
Total	\$783 million	\$392.71 million ⁹		\$392.71 million ⁹	TBD	\$29.45 million ⁹	\$29.47 million ⁹	\$58.92 million ⁹	TBD	TBD

(1) All amounts are estimates unless otherwise stated, and are subject to rounding.

- (2) Amounts will be updated, as necessary, following finalisation of the asset sale(s), as agreed with the Commonwealth in accordance with clause 21 of the National Partnership.
- (3) Estimated financial details relating to the sale of ACTTAB are based on the actual net proceeds from the sale instead of the book value of net assets, as agreed with the Commonwealth, in accordance with clause 21 of the National Partnership.
- (4) This is shown at market value supported by a valuation by Knight Frank undertaken in November 2011. Demolition costs have been deducted where appropriate. Figures will be revised once the actual proceeds from the sale are known.
- (5) This is shown as the book value of land and buildings as at September 2014. These properties will be sold with the commercial buildings on them. Figures will be revised once the actual proceeds from the sale are known.
- (6) This is shown as the book value of the land, as requested. It does not reflect the market value of the property cleared, with approvals and subdivided. Figures will be revised once the actual proceeds from the sale are known.
- (7) In accordance with clause 19(b) of the National Partnership, Commonwealth payments may be reduced if the sale of public housing results in an increase in Commonwealth Rent Assistance payments.
- (8) This is shown at the market value, supported by a valuation provided by Colliers International in June 2014. Demolition costs have been deducted where appropriate. Figures will be revised once the actual proceeds from the sale are known.
- (9) These figures represent the total of the respective column. The figures are impacted by rounding so are not necessarily reconcilable across the row.

TABLE A2: SPECIFIC DETAILS OF ASSET SALES, INFRASTRUCTURE PROJECTS AND PERFORMANCE MILESTONES¹

Assets to be sold	Infrastructure investment to be funded with sale proceeds	Specific Details of Milestone 1 to be included in Statement of Assurance	Specific Details of Milestone 2 to be included in Statement of Assurance
ACTTAB	Capital Metro	<p>NP 20 (a) (i) Divestment of ACTTAB to TABCorp was completed on 15 October 2014.</p> <p>NP 20 (a) (ii) All relevant government processes were completed prior to completion of the sale of ACTTAB.</p> <p>NP 20 (a) (iii) Commencement of planning and other approvals for the Capital Metro:</p> <ul style="list-style-type: none"> • Business case is finalised and approved by Government on 15 September 2014; • Business case released on 31 October 2014; • Commencement of expression of interest process began 31 October 2014; • Planning and Development (Capital Metro) Legislation Amendment Bill 2014 presented to the Legislative Assembly on 27 November 2014; and • Planning and development approvals process commenced July 2014. 	<p>NP 20 (b) (i) Divestment of ACTTAB to TABCorp was completed on 15 October 2014.</p> <p>NP 20 (b) (ii) Commencement of construction of Capital Metro:</p> <ul style="list-style-type: none"> • Entry into a PPP contract is expected by March 2016; • Financial close of PPP contract is expected in April 2016; and • Commencement of physical construction works for Capital Metro (being site establishment and / or such other physical works as determined during the Capital Metro RFP process) by October 2016.
<i>Commercial property:</i>			
Ambulance Station Morphett St, Dickson	Capital Metro (see below for relevant milestones)	<p>NP 20 (a) (i) Commencement of expression of interest process to sell the Ambulance Station in [REDACTED]</p> <p>NP 20 (a) (ii) Commencement of other government processes ahead of sale of the Ambulance Station:</p> <ul style="list-style-type: none"> • Due diligence expected to be complete in [REDACTED] 	<p>NP 20 (b) (i) Completion of the sale of the Ambulance Station is expected in [REDACTED]</p> <p>NP 20 (b) (ii) Completion of the sale of the Community Health Building is expected in [REDACTED]</p>
Community Health Building 1 Moore Street, Canberra, ACT, 2601	Capital Metro (see below for relevant milestones)	<p>NP 20 (a) (i) Commencement of expression of interest process to sell the Community Health Building in [REDACTED]</p> <p>NP 20 (a) (ii) Commencement of other government processes ahead of sale of 1 Moore Street:</p> <ul style="list-style-type: none"> • Due diligence expected to be completed in [REDACTED] 	

Assets to be sold	Infrastructure investment to be funded with sale proceeds	Specific Details of Milestone 1 to be included in Statement of Assurance	Specific Details of Milestone 2 to be included in Statement of Assurance
Dame Pattie Menzies House 16 Challis St, Dickson	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Dame Pattie Menzies in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of sale of Dame Pattie Menzies: <ul style="list-style-type: none">• Due diligence expected to be complete in [REDACTED]	NP 20 (b) (i) Completion of the sale of Dame Pattie Menzies is expected in [REDACTED]
Dickson Motor Registry 19 Challis St, Dickson	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell the Dickson Motor Registry in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of sale of the Dickson Motor Registry: <ul style="list-style-type: none">• Due diligence expected to be complete in [REDACTED]	NP 20 (b) (i) Completion of the sale of the Dickson Motor Registry is expected in [REDACTED]
Macarthur House 12 Wattle St, Lyneham	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Macarthur House expected in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of sale of Macarthur House: <ul style="list-style-type: none">• Due diligence expected to be complete in [REDACTED]	NP 20 (b) (i) Completion of the sale of Macarthur House is expected in [REDACTED]
Visitor Centre 330 Northbourne Ave, Dickson	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell the Visitor Centre expected in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of sale of the Visitor Centre: <ul style="list-style-type: none">• Due diligence expected to be complete in [REDACTED]	NP 20 (b) (i) Completion of the sale of the Visitor Centre is expected in [REDACTED]
	Capital Metro – these milestone details apply to each commercial property asset to be sold (as outlined above)	NP 20 (a) (iii) Commencement of planning and other approvals for the Capital Metro: NP 20 (a) (iii) Commencement of planning and other approvals for the Capital Metro: <ul style="list-style-type: none">• Business case is finalised and approved by Government on 15 September 2014;• Business case released on 31 October 2014;• Commencement of EOI process began 31 October 2014;• Planning and Development (Capital Metro) Legislation Amendment Bill 2014 presented to the Legislative Assembly on 27 November 2014; and• Planning and development approvals process commenced July 2014.	NP 20 (b) (ii) Commencement of construction of Capital Metro: <ul style="list-style-type: none">• Entry into a PPP contract is expected by March 2016;• Financial close of PPP contract is expected in April 2016; and• Commencement of physical construction works for Capital Metro (being site establishment and / or such other physical works as determined during the Capital Metro RFP process) by October 2016.

National Partnership Agreement on Asset Recycling Schedule A – Australian Capital Territory Asset Sales and Projects

Assets to be sold	Infrastructure investment to be funded with sale proceeds	Specific Details of Milestone 1 to be included in Statement of Assurance	Specific Details of Milestone 2 to be included in Statement of Assurance
<i>Public housing²:</i>			
Bega Court – Braddon 12 Kogarah Lane, Braddon, Reid	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Bega Court expected in [REDACTED]	NP 20 (b) (i) Completion of the sale of Bega Court is expected in [REDACTED]
		NP 20 (a) (ii) Commencement of other government processes ahead of sale of Bega Court: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]• Replacement housing site expected to be identified in [REDACTED]	
Currong and Allawah Apartments – Section 52 Braddon Block 1, Section 52 Braddon, 59 Currong St. Block 1, Section 52 15 Ballumbir St, Braddon	Capital Metro (see below for relevant milestones) Block 1, Section 52 Braddon, 59 Currong St. Block 1, Section 52 15 Ballumbir St, Braddon	NP 20 (a) (i) Commencement of expression of interest process to sell Currong and Allawah Apartments expected in [REDACTED]. NP 20 (a) (ii) Commencement of other government processes ahead of sale of Currong and Allawah Apartments: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and• Replacement housing site expected to be identified in [REDACTED]	NP 20 (b) (i) Completion of the sale of Currong and Allawah Apartments is expected in [REDACTED]
Dickson Flats and Vacant Land	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Dickson Flats which is expected in [REDACTED].	NP 20 (b) (i) Completion of the sale of Dickson Flats is which is expected in [REDACTED]
Block 40 and 41, Section 6, 352 Northbourne Ave		NP 20 (a) (ii) Commencement of other government processes ahead of sale of Dickson Flats: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and• Replacement housing site expected to be identified in [REDACTED]	

National Partnership Agreement on Asset Recycling Schedule A – Australian Capital Territory Asset Sales and Projects

Assets to be sold	Infrastructure investment to be funded with sale proceeds	Specific Details of Milestone 1 to be included in Statement of Assurance	Specific Details of Milestone 2 to be included in Statement of Assurance
Garden Flats – Dickson (Karuhah) Block 1, Section 12 5 Karuhah St, Dickson Block 4, Section 12 4 Karuhah St, Dickson	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Garden Flats expected in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of sale of Garden Flats: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and• Replacement housing site expected to be identified in [REDACTED]	NP 20 (b) (i) Completion of the sale of Garden Flats is expected in [REDACTED]
Lynham & Deburgh (North & South) Block 8, Section 51 39-55 Owen Cres, Lynham	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Lynham & Deburgh expected in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of sale of Lynham & Deburgh: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and• Replacement housing site expected to be identified in [REDACTED]	NP 20 (b) (i) Completion of the sale of Lynham & Deburgh is expected in [REDACTED]
Northbourne Flats – Braddon Block 2, Section 8 65-59 Henty St, Braddon	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Northbourne Flats – Braddon expected in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of sale of Northbourne Flats – Braddon: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and• Replacement housing site expected to be identified in [REDACTED]	NP 20 (b) (i) Completion of the sale of Northbourne Flats – Braddon is expected in [REDACTED]
Northbourne Flats – Turner Block 1, Section 57 2-12 Forbes St, Turner	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Northbourne Flats – Turner expected in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of sale of Northbourne Flats – Turner: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and• Replacement housing site expected to be identified in [REDACTED]	NP 20 (b) (i) Completion of the sale of Northbourne Flats Turner is expected in [REDACTED]

Assets to be sold	Infrastructure investment to be funded with sale proceeds	Specific Details of Milestone 1 to be included in Statement of Assurance	Specific Details of Milestone 2 to be included in Statement of Assurance
Owen Flats Block 8, Section 51 39-55 Owen Cres, Lyneham	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Owen Flats which is expected in [REDACTED]. NP 20 (a) (ii) Commencement of other government processes ahead of sale of Owen Flats: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and• Replacement housing site expected to be identified in [REDACTED]	NP 20 (b) (i) Completion of the sale of Owen Flats is expected in [REDACTED]
Red Hill Flats – Red Hill Block 49, Section 31 25 Cygnet Cres, Red Hill	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Red Hill Flats expected in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of Red Hill Flats: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and• Replacement housing site expected to be identified in [REDACTED]	NP 20 (b) (i) Completion of the sale of Red Hill Flats is expected in [REDACTED]
Strathgordon Court – Lyons Block 1, Section 53 177 Melrose Drive, Lyons	Capital Metro (see below for relevant milestones)	NP 20 (a) (i) Commencement of expression of interest process to sell Strathgordon Court expected in [REDACTED] NP 20 (a) (ii) Commencement of other government processes ahead of sale of Strathgordon Court: <ul style="list-style-type: none">• Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and• Replacement housing site expected to be identified in [REDACTED]	NP 20 (b) (i) Completion of the sale of Strathgordon Court is expected in [REDACTED]

National Partnership Agreement on Asset Recycling Schedule A – Australian Capital Territory Asset Sales and Projects

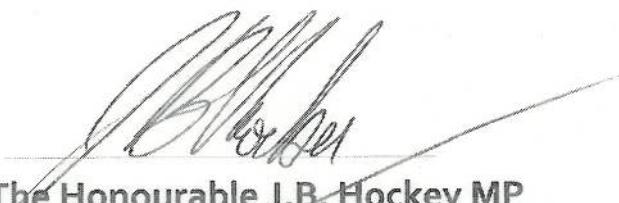
Assets to be sold	Infrastructure investment to be funded with sale proceeds	Specific Details of Milestone 1 to be included in Statement of Assurance	Specific Details of Milestone 2 to be included in Statement of Assurance
Stuart Flats – Griffith Blocks 2, 8 and 11, Section 39 11 Light St, Griffith	Capital Metro (see below for relevant milestones)	<p>NP 20 (a) (i) Commencement of expression of interest process to sell Stuart Flats expected in [REDACTED]</p> <p>NP 20 (a) (ii) Commencement of other government processes ahead of sale of Stuart Flats:</p> <ul style="list-style-type: none"> • Business case for individual asset sale and replacement stock expected to be approved in [REDACTED]; and • Replacement housing site expected to be identified in [REDACTED] 	<p>NP 20 (b) (i) Completion of the sale of Stuart Flats is expected in [REDACTED]</p>
	Capital Metro – these milestone details apply to each social housing asset to be sold (as outlined above)	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the Capital Metro:</p> <ul style="list-style-type: none"> • Business case is finalised and approved by Government on 15 September 2014; • Business case released on 31 October 2014; • Commencement of EOI process began 31 October 2014; • Planning and Development (Capital Metro) Legislation Amendment Bill 2014 presented to the Legislative Assembly on 27 November 2014; and • Planning and Development Approvals process commenced July 2014. 	<p>NP 20 (b) (ii) Commencement of construction of Capital Metro:</p> <ul style="list-style-type: none"> • Entry into a PPP contract is expected by March 2016; • Financial close of PPP contract is expected in April 2016; and • Commencement of physical construction works for Capital Metro (being site establishment and / or such other physical works as determined during the Capital Metro RFP process) by October 2016.

- (1) All components of a milestone must be achieved for the Commonwealth to make the relevant milestone payment. Expected timing for meeting individual components of milestones is included for indicative purposes only, subject to clause 15 of the National Partnership, which requires the sale of the asset to be completed and the construction of the additional infrastructure to commence on or before 30 June 2019. In the event that a milestone is achieved in a different financial year from that indicated in Table A2, the relevant milestone payment will be made subject to the Commonwealth agreeing to a movement of funds.
- (2) In accordance with clause 19(b) of the National Partnership, Commonwealth payments may be reduced if the sale of public housing results in an increase in Commonwealth Rent Assistance payments.

National Partnership Agreement on Asset Recycling

The Parties have confirmed their commitment to this Schedule as follows:

*Signed for and on behalf of the
Commonwealth of Australia by*


The Honourable J.B. Hockey MP
Treasurer of the Commonwealth of Australia

17th February 2015

*Signed for and on behalf of the
Australian Capital Territory by*


The Honourable Andrew Barr MLA
Treasurer of the Australian Capital Territory

17th February 2015

New South Wales Asset Divestments and Projects

NATIONAL PARTNERSHIP AGREEMENT ON
ASSET RECYCLING

PRELIMINARIES

- B1 This Schedule to the National Partnership Agreement on Asset Recycling (National Partnership) should be read in conjunction with that Agreement. The objective of the National Partnership is to unlock funds from existing State-owned assets to invest in additional infrastructure that will support economic growth and enhance productivity.
- B2 This Schedule outlines the asset divestments and additional infrastructure to be progressed by New South Wales in accordance with the National Partnership.

TERMS OF THIS SCHEDULE

- B3 This Schedule will commence as soon as it is agreed between the Commonwealth of Australia, represented by the Commonwealth Treasurer, and the State of New South Wales, represented by the New South Wales Treasurer.
- B4 As a Schedule to the National Partnership, its purpose is to provide the public with an indication of how asset recycling is intended to be delivered and demonstrate New South Wales' capacity to achieve the outcomes of the National Partnership.
- B5 This Schedule is contingent upon the following conditions:
 - (a) New South Wales providing written notice to the Commonwealth that it intends to proceed with this Schedule within 60 days of the 28 March 2015 election;
 - (b) for each project specified in Table B1, New South Wales providing the final business case (or alternate supporting information if a final business case is not available) and, on the basis of that information, the Commonwealth Treasurer agreeing that each project meets the eligibility criteria in accordance with clause 16 of the National Partnership;
 - (c) for each programme specified in Table B1, New South Wales providing information on all constituent projects under the programme by 30 June 2016 and, on the basis of that information, the Commonwealth Treasurer agreeing that each constituent project meets the eligibility criteria in accordance with clause 16 of the National Partnership; and
 - (d) Infrastructure Australia, in consultation with Infrastructure NSW, completing an assessment of the Sydney Rapid Transit Project, and any project in Table B2

(whether it be a standalone project or one that is part of a programme) that will receive more than \$100 million in milestone payments from the Commonwealth.

- B6 If the condition in subclause B5(a) is not satisfied, this Schedule lapses. The Commonwealth may then reallocate the funding previously allocated for milestone payments under this Schedule.
- B7 If any of the conditions in subclauses B5(b)-(d) are not satisfied, this Schedule continues to operate except to the extent it relates to the project or programme subject to that condition.
- B8 The Commonwealth will not make any milestone payments relating to a project or programme if a relevant condition in clause B5 has not been met.
- B9 This Schedule will cease on completion or termination of the National Partnership, including the acceptance of final performance reporting and processing of final payments against milestones.
- B10 In accordance with clause 14 of the National Partnership, the Commonwealth's financial contributions under this Agreement will be in addition to existing Commonwealth infrastructure funding to the States. Funding for future projects will be determined on a case-by-case basis in accordance with the terms and conditions of the relevant agreement.
- B11 This Schedule may be varied by written agreement between the Commonwealth and the State of New South Wales in accordance with clause 38 of the National Partnership.
 - (a) This Schedule will be updated following finalisation of the long-term asset leases to reflect the final lease proceeds, as agreed with the Commonwealth in accordance with clause 21 of the National Partnership.
 - (b) This Schedule may be updated to include alternative or additional projects or programmes within the amount of funding agreed when this Schedule first comes into effect, subject to the Commonwealth Treasurer agreeing that the project, or constituent projects within a programme, meets the eligibility criteria in accordance with clause 16 of the National Partnership, and subject to the written agreement of the Commonwealth and New South Wales' Treasurers in accordance with clauses 40 and 41 of the National Partnership.
- B12 Tables B1 and B2 include four programmes (Regional Road Freight Corridor, Regional Growth Roads, Fixing Country Roads and Fixing Country Rail) that are not envisaged, at the time of signing this Schedule, to be fully funded through the proceeds from long-term asset leases. If the amounts to be re-invested in other projects and programmes in Table B1 decreases, New South Wales may use surplus proceeds from long-term asset leases to fund constituent projects in these four programmes. In this case, the Commonwealth will make milestone payments associated with the four programmes subject to:
 - (a) this Schedule being varied by the written agreement of the Commonwealth and New South Wales' Treasurers in accordance with clauses 40 and 41 of the National Partnership; and
 - (b) both Parties meeting the terms and conditions of the National Partnership and this Schedule.

- B13 Neither the inclusion of these four programmes in Tables B1 and B2, nor the operation of clause B12 entitles New South Wales to additional Commonwealth funding unless this Schedule is varied by the written agreement of the Commonwealth and New South Wales' Treasurers in accordance with clauses 40 and 41 of the National Partnership.

DETAILS OF NEW SOUTH WALES PROJECTS/PROGRAMMES

TABLE B1: FINANCIAL DETAILS¹

Assets to be leased	Infrastructure investment to be funded with lease proceeds (\$ million)	Estimated proceeds from long-term lease of net asset(s) (\$ million)	Proportion of lease proceeds of net asset(s) to be reinvested in agreed infrastructure investment (%)	Estimated value of proceeds to be reinvested into agreed infrastructure investment	Actual proceeds from long-term lease of net asset(s) (\$ million) ²	Initial Commonwealth payment – Milestone 1 (\$ million)	Total Commonwealth contribution (\$ million) ²	Total State contribution (\$ million) ²	Total private sector contribution (\$ million)
<i>Long-term Asset Leases</i>									
TransGrid 100%	All proceeds to be invested into projects and programmes, as specified below. ⁴	TBD	100%	TBD	TBD	TBD	TBD	TBD	TBD
Ausgrid 50.4%		TBD	100%	TBD	TBD	TBD	TBD	TBD	TBD
Endeavour Energy 50.4%		TBD	100%	TBD	TBD	TBD	TBD	TBD	TBD
Total		13,100 ³	100%	13,100	13,100	983	1,965	TBD	TBD

Assets to be leased	Infrastructure investment to be funded with lease proceeds	Estimated proceeds from long-term lease of net asset(s) (\$ million)	Proportion of lease proceeds of net asset(s) to be reinvested in agreed infrastructure investment (%)	Estimated value of proceeds to be reinvested into agreed infrastructure investment	Actual proceeds from long-term lease of net asset(s) (\$ million)¹	Initial Commonwealth payment – Milestone 1 (\$ million)	Final Commonwealth payment – Milestone 2 (\$ million)²	Total Commonwealth contribution (\$ million)²	Total State contribution (\$ million)²	Total private sector contribution (\$ million)
<i>Projects and Programmes</i>										
Sydney Rapid Transit (Project) (Project cost: \$10,400 million)				9,043		678	678	1,356	TBD	TBD
Western Sydney Rail Upgrade (Programme) (Programme cost: \$1,000 million)				870		65	65	130	TBD	TBD

Assets to be leased	Infrastructure investment to be funded with long-term lease proceeds	Estimated proceeds from long-term lease of net asset(s) (\$ million)	Proportion of lease proceeds of net asset(s) to be reinvested in agreed infrastructure investment (%)	Estimated value of proceeds to be reinvested into agreed infrastructure investment	Actual proceeds from long-term lease of net asset(s) (\$ million) (C = A x B)	Initial Commonwealth payment – Milestone 1 (\$ million)	Final Commonwealth payment – Milestone 2 (\$ million)²	Total Commonwealth contribution (\$ million)²	Total State contribution (\$ million)²	Total private sector contribution (\$ million)
Parramatta Light Rail (Project) (Project cost: \$1,000 million)					522					
Pinch Points and Clearways (Programme) (Programme cost: \$400 million)					348					
Smart Motorways (Programme) (Programme cost: \$400 million)					348					

Assets to be leased	Infrastructure investment to be funded with lease proceeds	Estimated proceeds from long-term lease of net asset(s) (\$ million)	Proportion of lease proceeds of net asset(s) to be reinvested in agreed infrastructure investment (%)	Estimated value of proceeds to be reinvested into agreed infrastructure investment	Actual proceeds from long-term lease of net asset(s) (\$ million)	Initial Commonwealth payment – Milestone 1 (\$ million)	Final Commonwealth payment – Milestone 2 (\$ million)²	Total Commonwealth contribution (\$ million)²	Total State contribution (\$ million)²	Total private sector contribution (\$ million)
Gateway to the South (Project) (Project cost: \$300 million)	(A)	(B)	261		(D)	20	20	39	TBD	(I)
Regional Road Freight Corridor (Programme) (Programme cost: \$2,000 million)				1,708 ⁵		128	128	256	TBD	TBD
Regional Growth Roads (Programme) (Programme cost: \$1,000 million)				- ⁵	0	0	0	0	TBD	TBD

Assets to be leased	Infrastructure investment to be funded with lease proceeds of net asset(s) (\$ million)	Estimated proceeds from long-term lease of net asset(s) (\$ million)	Proportion of lease proceeds of net asset(s) to be reinvested in agreed infrastructure investment (%)	Estimated value of proceeds to be reinvested into agreed infrastructure investment	Actual proceeds from long-term lease of net asset(s) (\$ million) (C = A x B)	Initial Commonwealth payment – Milestone 1 (\$ million)	Total Commonwealth contribution – Milestone 2 (\$ million)²	Total State contribution (\$ million)²	Total private sector contribution (\$ million)
Fixing Country Roads (Programme)			-5		0	0	0	TBD	TBD
Fixing Country Rail (Programme)			-5		0	0	0	TBD	TBD
Total				13,100	983	983	1,965	TBD	TBD

- (1) All amounts are estimates unless otherwise stated, and are subject to rounding. Further, the Commonwealth will not make any milestone payments relating to a project or programme unless relevant amounts recorded as 'TBD' are agreed with the Commonwealth in accordance with clause 22 of the National Partnership.
- (2) Amounts will be updated, as necessary, following finalisation of the asset leases, as agreed with the Commonwealth in accordance with clause 21 of the National Partnership.
- (3) This figure is an estimate of the market value of the assets as supported by a scoping study completed by Deutsche Bank and UBS in December 2014, as agreed with the Commonwealth in accordance with clause 21 of the National Partnership.
- (4) Proceeds from long-term asset leases can be re-invested into any fully or partly funded projects/programmes listed in Table B1. Once an asset lease meets the criteria for milestone 1 in accordance with clause 20(a) of the National Partnership, the initial milestone payment 1 will be paid made as projects/programmes also meet the criteria for milestone 1. In the case of milestone 1, the payment will be based on the amount of the estimated proceeds from the asset lease that are to be re-invested in the projects/programmes that also meet the criteria for milestone 1. Once an asset lease meets the criteria for milestone 2 in accordance with clause 20(b) of the National Partnership, the final milestone payment 2 will be paid made as projects/programmes also meet the criteria for milestone 2 in accordance with clause 20(b) of the National Partnership. In the case of milestone 2, the final payment will be based on the actual proceeds from the asset lease that are re-invested in the projects/programmes that also meet the criteria for milestone 2, adjusted for any difference between the estimated and actual asset lease proceeds and any adjustment required where the lease of an asset results in a direct cost to the Commonwealth.
- (5) Subject to clauses B12 and B13.

TABLE B2: SPECIFIC DETAILS OF ASSET LEASES, INFRASTRUCTURE PROJECTS AND PERFORMANCE MILESTONES^{1,2}

Asset(s) to be leased	Infrastructure investment to be funded with lease proceeds	Specific Details of Milestone 1	Specific Details of Milestone 2
<i>Long-term Asset Leases</i>			
TransGrid 100%	All proceeds to be invested into projects and programmes, as specified below.	NP 20 (a) (i) Release of expression of interest for a long-term lease of 100% of TransGrid. NP 20 (a) (ii) Commencement of other government processes ahead of lease: <ul style="list-style-type: none">• Public announcement of New South Wales' intention to lease the asset;• Passage of enabling legislation to Parliament; and• Release of Information Memorandum to the market.	NP 20 (b) (i) Financial close of the long-term lease transaction for 100% of TransGrid.
Ausgrid 50.4%		NP 20 (a) (i) Release of expression of interest for a long-term lease of 50.4% of Ausgrid. NP 20 (a) (ii) Commencement of other government processes ahead of lease: <ul style="list-style-type: none">• Public announcement of New South Wales' intention to lease the asset;• Passage of enabling legislation to Parliament; and• Release of Information Memorandum to the market.	NP 20 (b) (i) Financial close of the long-term lease transaction for 50.4% of Ausgrid.
Endeavour Energy 50.4%		NP 20 (a) (i) Release of expression of interest for a long-term lease of 50.4% of Endeavour Energy. NP 20 (a) (ii) Commencement of other government processes ahead of lease: <ul style="list-style-type: none">• Public announcement of New South Wales' intention to lease the asset;• Passage of enabling legislation to Parliament; and• Release of Information Memorandum to the market.	NP 20 (b) (i) Financial close of the long-term lease transaction for 50.4% of Endeavour Energy.

Projects and Programmes	NP 20 (a) (iii) Commencement of planning and other approvals for the SYDNEY RAPID TRANSIT PROJECT, which includes: <ul style="list-style-type: none">• commencement of state planning and environmental approvals via the lodgement of:a) <i>Planning and Assessment Act 1973</i> and related legislation and regulations; orb) <i>Planning and Assessment Act 1973</i> and related legislation and regulations, one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the <i>Environmental Protection and Biodiversity Conservation Act 1999</i>, and related state legislation, which is expected to occur in [REDACTED]	NP 20 (b) (ii) Commencement of construction of the SYDNEY RAPID TRANSIT PROJECT. (This is expected in [REDACTED])
Western Sydney Rail Upgrade programme	NP 20 (a) (iii) Commencement of planning and other approvals for each constituent project in the WESTERN SYDNEY RAIL UPGRADES PROGRAMME, which includes: <ul style="list-style-type: none">• commencement of state planning and environmental approvals via the lodgement of:a) <i>Planning and Assessment Act 1973</i> and related legislation and regulations; orb) <i>Planning and Assessment Act 1973</i> and related legislation and regulations, one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the <i>Environmental Protection and Biodiversity Conservation Act 1999</i>, and related state legislation, which is expected to occur in [REDACTED]	NP 20 (b) (ii) Commencement of construction of each constituent project in the WESTERN SYDNEY RAIL UPGRADES PROGRAMME. (This is expected in [REDACTED])

Parramatta Light Rail project	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the PARRAMATTA LIGHT RAIL PROJECT, which includes:</p> <ul style="list-style-type: none"> • commencement of state planning and environmental approvals via the lodgement of a: <ul style="list-style-type: none"> a) development application under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations; or b) notification of works under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations, • one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the Environmental Protection and Biodiversity Conservation Act 1999, and related state legislation, which is expected to occur in [REDACTED]. 	<p>NP 20 (b) (ii) Commencement of construction of the PARRAMATTA LIGHT RAIL PROJECT (This is [REDACTED]).</p>
Pinch Points and Clearways programme	<p>NP 20 (a) (iii) Commencement of planning and other approvals for each constituent project in the PINCH POINTS & CLEARWAYS PROGRAMME, which includes:</p> <ul style="list-style-type: none"> • commencement of state planning and environmental approvals via the lodgement of a: <ul style="list-style-type: none"> a) development application under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations; or b) notification of works under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations, • one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the Environmental Protection and Biodiversity Conservation Act 1999, and related state legislation, which is expected to occur in [REDACTED]. 	<p>NP 20 (b) (ii) Commencement of construction of each constituent project in the PINCH POINTS & CLEARWAYS PROGRAMME. (This is expected in [REDACTED]).</p>

Smart Motorways programme	<p>NP 20 (a) (iii) Commencement of planning and other approvals for each constituent project in the SMART MOTORWAYS PROGRAMME, which includes:</p> <ul style="list-style-type: none"> • commencement of state planning and environmental approvals via the lodgement of a: <ol style="list-style-type: none"> a) development application under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations; or b) notification of works under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations, one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the Environmental Protection and Biodiversity Conservation Act 1999, and related state legislation, which is expected to occur in [REDACTED]. 	<p>NP 20 (b) (ii) Commencement of construction of each constituent project in the SMART MOTORWAYS PROGRAMME. (This is expected in [REDACTED]).</p>
Gateway to the South project	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the GATEWAY TO THE SOUTH PROJECT, which includes:</p> <ul style="list-style-type: none"> • commencement of state planning and environmental approvals via the lodgement of a: <ol style="list-style-type: none"> a) development application under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations; or b) notification of works under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations, one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the Environmental Protection and Biodiversity Conservation Act 1999, and related state legislation, which is expected to occur in [REDACTED]. 	<p>NP 20 (b) (ii) Commencement of construction of the GATEWAY TO THE SOUTH PROJECT. (This is expected in [REDACTED]).</p>

Regional Road Roads programme ³	<p>NP 20 (a) (iii) Commencement of planning and other approvals for each constituent project in the REGIONAL ROAD FREIGHT CORRIDOR PROGRAMME, which includes:</p> <ul style="list-style-type: none"> • commencement of state planning and environmental approvals via the lodgement of: <ul style="list-style-type: none"> a) development application under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations; or b) notification of works under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations, • one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the Environmental Protection and Biodiversity Conservation Act 1999, and related state legislation, which is expected to occur in [REDACTED]. 	<p>NP 20 (b) (ii) Commencement of construction of each constituent project in the REGIONAL ROAD FREIGHT CORRIDOR PROGRAMME (This is expected in [REDACTED]).</p>
Regional Road Freight Corridor programme ³	<p>NP 20 (a) (iii) Commencement of planning and other approvals for each constituent project in the REGIONAL GROWTH ROADS PROGRAMME, which includes:</p> <ul style="list-style-type: none"> • commencement of state planning and environmental approvals via the lodgement of: <ul style="list-style-type: none"> a) development application under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations; or b) notification of works under the NSW Environmental Planning and Assessment Act 1979 and related legislation and regulations, • one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the Environmental Protection and Biodiversity Conservation Act 1999, and related state legislation, which is expected to occur in [REDACTED]. 	<p>NP 20 (b) (ii) Commencement of construction of each constituent project in the REGIONAL GROWTH ROADS PROGRAMME (This is expected in [REDACTED]).</p>

	Fixing Country Roads programme ³	NP 20(a) (iii) Commencement of planning and other approvals for each constituent project in the FIXING COUNTRY ROADS PROGRAMME, which includes: <ul style="list-style-type: none">• commencement of state planning and environmental approvals via the lodgement of:a) development application under the NSW Environmental Planning and Assessment Act 1973 and related legislation and regulations; or b) notification of works under the NSW Environmental Planning and Assessment Act 1973 and related legislation and regulations, one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the Environmental Protection and Biodiversity Conservation Act 1999, and related state legislation, which is expected to occur in [REDACTED].	NP 20 (b) (ii) Commencement of construction of each infrastructure project in the FIXING COUNTRY ROADS PROGRAMME. (This is expected in [REDACTED].)
	Fixing Country Rail programme ³	NP 20(a) (iii) Commencement of planning and other approvals for each constituent project in the FIXING COUNTRY RAIL PROGRAMME, which includes: <ul style="list-style-type: none">• commencement of state planning and environmental approvals via the lodgement of:a) development application under the NSW Environmental Planning and Assessment Act 1973 and related legislation and regulations; or b) notification of works under the NSW Environmental Planning and Assessment Act 1973 and related legislation and regulations, one of which can be expected to be lodged in [REDACTED] and where required, commencement of the Commonwealth environmental assessment approval processes under the Environmental Protection and Biodiversity Conservation Act 1999, and related state legislation, which is expected to occur in [REDACTED].	NP 20 (b) (ii) Commencement of construction of each constituent project in the FIXING COUNTRY RAIL PROGRAMME. (This is expected in [REDACTED].)

- (1) All components of a milestone for a project, or for a constituent project within a programme, must be achieved for the Commonwealth to make the relevant milestone payment. Expected timing for meeting individual components of milestones (where available) is included for indicative purposes only, subject to clause 15 of the National Partnership, which requires the divestment of the asset to be completed and the construction of the additional infrastructure to commence on or before 30 June 2019.
- (2) The expected dates for milestone 2 for projects and programmes reflect the commencement of construction activities and the NSW Government's response to the State Infrastructure Strategy released on 25 November 2014.
- (3) Subject to clauses B12 and B13.

The Parties have confirmed their commitment to this Schedule as follows:

Signed for and on behalf of the Commonwealth of Australia by



The Honourable J.B. Hockey MP
Treasurer of the Commonwealth of Australia

5th March 2015

Signed for and on behalf of the State of New South Wales by



The Honourable Andrew Constance MP
Treasurer of the State of New South Wales

5 March 2015