

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates – 25–26 February 2009

Question: aet 34

Topic: Australian Business Investment Partnership - Criteria

Hansard Page: E31 (25 February 2009)

Senator COONAN asked:

Dr Henry—It is true that the considerations that you are raising are important considerations, and those considerations were certainly covered in the development of the policy, but because the vehicle is to operate on a contingent basis—that is, where financing gaps emerge and then only where other rather strict criteria are satisfied—it is impossible for any of us at this point to make judgments about what proportion of the finance extended by this vehicle might turn out to be extended to cover financing gaps in existing commercial property, as opposed to cover financing gaps in commercial property developments that are only partially complete.

Senator COONAN—The criteria have not yet been settled? Is that right?

Dr Henry—No. I think the criteria have been settled.

Senator COONAN—All right. Could you just outline the criteria for me?

Dr Henry—I do not have those details in front of me. I will certainly take that question on notice.

Senator COONAN—All right.

Dr Henry—I thought they had been published, but I will take it on notice.

Senator COONAN—I do not have them in front of me, but they may be published.

Answer:

The objective of the Australian Business Investment Partnership (ABIP) is to provide refinancing for loans relating to commercial property assets in Australia in situations where finance relating to those assets is not available from commercial providers (other than ABIP), and the assets would otherwise be financially viable.

ABIP's draft lending criteria are outlined in Appendix 2 of Treasury's submission to the Senate inquiry into the ABIP Bills.