

Tony Abbott announces asset recycling deal to rebuild NSW

Written by Tony Abbott



Sunday 8 March 2015. New South Wales will receive \$2 billion in incentive payments from the Commonwealth for investment in crucial infrastructure projects.

The incentive payments will be made under the Asset Recycling Initiative and used to support the NSW Government's infrastructure plan to create jobs, reduce congestion and boost growth.

The agreement is based on the NSW Government's plan to reinvest the proceeds from the leasing of 49 per cent of the State's electricity network into major road and rail projects.

Traffic queues and crowded trains are costing the NSW economy up to \$8.8 billion a year. Better infrastructure means less time spent commuting and more time spent productively at work or at home with family.

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The Commonwealth Government is investing a record \$50 billion to build world class infrastructure for a stronger and more prosperous Australia.

The Asset Recycling Initiative was approved by the Commonwealth and all states and territories on 2 May 2014 with a total pool of \$5 billion, available on a first come, first served basis.

The Initiative is designed to encourage states to get on with asset recycling and investment in productive infrastructure at a time when the mining investment boom is receding. The first deal under the Initiative was signed with the ACT Labor Government on 19 February 2015.

The Initiative is expected to generate close to \$40 billion of additional infrastructure investment across Australia, with states and territories receiving 15 per cent of any asset sale as a bonus payment from the Commonwealth Government if the money goes into new infrastructure. It forms an important part of the Commonwealth Government's \$50 billion Infrastructure Growth Package.

Only Coalition Governments in Sydney and Canberra have the will and the vision to deliver these crucial infrastructure projects.

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Below are the projects that are part of the NSW infrastructure plan:

Project/ Program

Estimated value of lease proceeds reinvested

Commonwealth 1st milestone payment

Commonwealth 2nd milestone payment

Commonwealth incentive payment

Sydney Rapid Transit

\$9.043 billion

\$678 million

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\$678 million

\$1.365 billion

Western Sydney Rail Upgrade

\$870 million

\$65 million

\$65 million

\$130 million

Parramatta Light Rail

\$522 million

\$39 million

\$39 million

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\$78 million

Pinch Points and Clearways

\$348 million

\$26 million

\$26 million

\$52 million

Smart Motorways Program

\$348 million

\$26 million

\$26 million

\$52 million

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Gateway to the South Project

\$261 million

\$20 million

\$20 million

\$39 million

Regional Road Freight Corridor

\$1.708 billion

\$128 million

\$128 million

\$256 million

TOTAL

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\$13.1 billion

\$983 million

\$983 million

\$1.965 billion

**The above table is simplified and contains rounding. The National Partnership Agreement, and the Schedule signed by the Federal Treasurer and the NSW Treasurer attached, contain further details on the agreement and conditions surrounding milestone payments.

8 March 2015