

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr. Higgins to the Treasurer

Government Guarantee for Darwin Turf Club

1. Why was the Darwin Turf Club given a Government guarantee in 2007?
2. What project did it underwrite?
3. Why has the government guarantee been renewed? When was it renewed?
4. How much was the guarantee and which project did it underwrite?
5. Did you approve the renewal of this facility?
6. Do you or your colleagues have any conflict of interest regarding the renewal of this facility?
7. How much public money did Darwin Turf Club receive in Financial Years 16/17, 17/18 and 18/19?
8. Did the Government do any cost benefit analysis before awarding a government guarantee to the Darwin Turf Club?
9. What due diligence did the Government undertake before awarding a government guarantee facility to the Darwin Turf Club?
10. Did the Darwin Turf Club approach Government with a business case and request a government guarantee or another form of funding for the recently announced Silks project? If so please provide the details.
11. Did the Darwin Major Business Group support government funding for the 2018 Darwin Turf Club project. If so how much was involved and what was your decision and the reasons?

Answers

1. In 2007, the NT Government provided the Darwin Turf Club with a guarantee (limited to \$3.5 million) to facilitate the construction of the Brett Dixon House.
2. The guarantee helped the Turf Club secure a loan to construct the Brett Dixon House, as mentioned above.
3. In July 2018, government extended the guarantee (limited to original \$3.5 million) to facilitate the construction of the Silks Club.

4. Refer to response to Question 3.
5. Yes, as Treasurer I approved the extension of the existing guarantee, limited to \$3 500 000, under s34 of the *Financial Management Act*, following advice from the Attorney-General.
6. As Treasurer I have a declared related party disclosure in relation to a close family member that is on the Board of the Turf Club. This annual declaration is made under accounting standard requirements as part of the audit by the Auditor-General on the Treasurer's Annual Financial Statements.
7. The Department of Attorney-General and Justice (AGD) advises that no payments were made to the Darwin Turf Club in these financial years. However, Thoroughbred Racing NT received grant funding from the Northern Territory Government as follows:
 - 2016-17: \$10.46 million
 - 2017-18: \$12.65 million
 - 2018-19: \$8.94 million to December 2018 (full year budget \$11.65 million).
8. As part of the process to endorse the extension of the existing guarantee the Attorney-General was required to consider whether extending the existing guarantee was of benefit to the Territory. This included consideration of economic benefits, such as job creation and the promotion of horse racing, including associated benefits to tourism in the Northern Territory. In terms of risk, AGD advises that information was obtained from Darwin Turf Club's financier on the project, including total borrowings proportionate to the extension of the existing guarantee.
9. AGD checked Darwin Turf Club's status under the *Associations Act*, including confirming current compliance with the Act. This included obtaining copies of Darwin Turf Club's constitution and copies of Darwin Turf Club's most recently lodged financial report and financial return.
10. As advised previously the guarantee renewal was specifically in relation to the Silks Club construction.
11. The Departments of Treasury and Finance, Attorney-General and Justice and Trade, Business and Innovation are not aware of any support or submission from the Darwin Major Business Group in relation to the 2018 Darwin Turf Club project.