

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr. Higgins to the Treasurer

Government Guarantees

1. Please detail what government guarantees are currently in place?
 2. How many major projects have, have had or will have a government guarantee?
 3. Please detail the nature and structure of the government guarantees that are currently in place?
 4. If any government guarantees are in place when was the decision to offer a guarantee taken?
 5. Who was consulted prior to the offer of a government guarantee being made?
 6. What impact do government guarantees have on government issued debt?
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Answers

1. The Territory currently has guarantees in place related to:
 - a) facilitating specific land release projects through the Land Development Corporation
 - b) supporting the Adelaide to Darwin railway project
 - c) the Master Builders Fidelity Fund and
 - d) the Darwin Turf Club for construction of the Silks Club.
2. Refer to Question 1.
3. The nature and structure of the guarantees in place are:
 - a) The Territory through the Land Development Corporation, has provided a guarantee under which land the Territory owns is used as security to support loans for the development of strategic land release projects.

- b) The Northern Territory and the South Australian Government entered into an agreement to facilitate the financing, design, construction, operation and maintenance of a railway between Darwin and Alice Springs and the operation and maintenance of the existing railway between Tarcoola and Alice Springs by the private sector. This arrangement includes a guarantee in respect of a loan.
 - c) The Territory provided a guarantee to the Master Builders Fidelity Fund in the event that the reserves of the fund are not sufficient to meet claims on certificates issued by the fund.
 - d) Refer to the responses for Written Question 469 relating to the Darwin Turf Club Guarantee.
4. The date relevant to each current guarantee is as follows.
- a) The guarantee provided by the Land Development Corporation has existed in various iterations. The current guarantee was approved in March 2018.
 - b) The guarantee in relation to the Adelaide to Darwin railway was provided in 2001.
 - c) The guarantee to the Master Builders Fidelity Fund has existed since establishment of the Fund in January 2013.
 - d) The original guarantee in favour of the Darwin Turf Club was provided in 2007. The current extension was provided in July 2018.
5. Various parties as per normal practice would have been consulted when the various different guarantees were being considered. Prior to any government decisions and approval by the Treasurer under s34 of the *Financial Management Act* formal assessment under Treasurer's Direction G2.5 is required.
6. Government guarantees are accounted for as contingent liabilities, and have no impact on government issued debt, unless they are called upon.