

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 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 will cease on completion or termination of the National Partnership, including the acceptance of final performance reporting and processing of final payments against milestones.
- B6. This Schedule may be varied by written agreement between the Commonwealth and New South Wales in accordance with clause 38 of the National Partnership.
 - (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.
- B7. Tables B1 and B2 includes the Regional Road Freight Corridor program, which is not envisaged, at the time of signing this Schedule, to be fully funded through the proceeds of long-term asset leases or divestments. If the amounts to be re-invested in other projects and programs in Table B1 decreases, New South Wales may seek to use these unutilised proceeds to fund constituent projects in the Regional Road Freight Corridor program, subject to:

- (a) the necessary variations to the Schedule being agreed in writing by the Commonwealth and New South Wales' Treasurers, in accordance with clauses 40 and 41 of the National Partnership; and
 - (b) both parties otherwise meeting the terms and conditions of the National Partnership and this Schedule.
- B8. The inclusion of the Regional Road Freight Corridor program in Tables B1 and B2, nor the operation of clause B7 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/PROGRAMS

TABLE B1: FINANCIAL DETAILS¹

Assets to be divested	Infrastructure investment to be funded with proceeds	Estimated proceeds from sale of net asset(s) (\$m) (A)	Proportion of sale proceeds of net asset(s) to be reinvested in agreed infrastructure investment (%) (B)	Estimated value of proceeds to be reinvested into agreed infrastructure investment Amount (\$m) (C = A x B)	Actual proceeds from sale of net asset(s) (\$m) ² (D)	Initial Commonwealth payment – Milestone 1 (\$m) (E = C x 50% x 15%)	Final Commonwealth payment – Milestone 2 (\$m) ² (F = G - E)	Total Commonwealth contribution (\$) ² (G = D x 15%)	Total State contribution (\$m) (H)	Total private sector contribution (\$m) (I)
Long-term Leases and Other Divestments										
TransGrid 100%	<i>All proceeds to be invested into projects and programs, as specified below.³</i>	██████	██████	██████	██████	██████	██████	██████	██████	0.0
Ausgrid 50.4%		██████	██████	██████	██████	██████	██████	██████	██████	0.0
Endeavour Energy 50.4%		██████	██████	██████	██████	██████	██████	██████	██████	0.0
Government Property NSW holdings ██████		██████	100%	██████	TBD	██████	██████	██████	██████	0.0
UrbanGrowth NSW land holdings		██████	100%	██████	TBD	██████	██████	██████	██████	0.0

National Partnership Agreement on Asset Recycling Schedule B – New South Wales Asset Divestments and Projects

Assets to be divested	Infrastructure investment to be funded with proceeds	Estimated proceeds from sale of net asset(s) (\$m) (A)	Proportion of sale proceeds of net asset(s) to be reinvested in agreed infrastructure investment (%) (B)	Estimated value of proceeds to be reinvested into agreed infrastructure investment Amount (\$m) (C = A x B)	Actual proceeds from sale of net asset(s) (\$m) ² (D)	Initial Commonwealth payment – Milestone 1 (\$m) (E = C x 50% x 15%)	Final Commonwealth payment – Milestone 2 (\$m) ² (F = G - E)	Total Commonwealth contribution (\$)² (G = D x 15%)	Total State contribution (\$m) (H)	Total private sector contribution (\$m) (I)
Pillar		██████	██████	██████	██████	██████	██████	██████	██████	0.0
Land and Property Information ⁵		██████	██████	██████	██████	██████	██████	██████	██████	0.0
Total		██████		██████	██████	██████	██████	██████	██████	0.0
Projects and Programs										
	Sydney Metro – City and Southwest (Project) ██████			11,303.5		847.7	847.8	1,695.5	TBD	TBD
	Sydney's Rail Future – 2018 Timetable (Project) ██████			655.7		49.2	49.2	98.4	TBD	TBD

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	Parramatta Light Rail project [REDACTED]			522.0		39.2	39.1	78.3	TBD	TBD
	Pinch Points and Clearways (Program) [REDACTED]			347.8		26.1	26.1	52.2	TBD	TBD
	Smart Motorways (Program) [REDACTED]			400.0		30.0	30.0	60.0	TBD	TBD
	Gateway to the South (Project) [REDACTED]			260.9		19.5	19.6	39.1	TBD	TBD
	Regional Road Freight Corridor – New England Highway ⁵ (Program) [REDACTED]			202.0		15.1	15.2	30.3	TBD	TBD
	Regional Road Freight Corridor – Princes Highway ⁵ (Program) [REDACTED]			350.0		26.2	26.3	52.5	TBD	TBD

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	Regional Road Freight Corridor – Mitchell Highway ⁵ (Program) ██████████			37.4		2.8	2.8	5.6	TBD	TBD
	Regional Road Freight Corridor – Newell Highway ⁵ (Program) ██████████			525.0		39.4	39.4	78.8	TBD	TBD
Total				14,604.3		1,095.2	1,095.5	2,190.9	TBD	TBD

- (1) All amounts are estimates in \$millions unless otherwise stated, and are subject to rounding.
- (2) The total Commonwealth contribution is \$2,190.9 million. 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) Proceeds from asset divestments can be invested into any fully or partly funded projects/programs listed in Table B1. Once an asset divestment meets the criteria for milestone 1 in accordance with clause 20(a) of the National Partnership, the initial payment will be made as projects/programs also meet the criteria in accordance with clause 20(a). Once an asset divestment meets the criteria for milestone 2 in accordance with clause 20(b) of the National Partnership, the final payment will be made as projects/programs also meet the criteria in clause 20(b). This final payment will be based on the actual proceeds from the asset lease or divestment that are invested in the projects/programs 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 divestment of an asset results in a direct cost to the Commonwealth.
- (4) This figure is an estimate of the value of all of the assets intended to be leased or divested, as agreed with the Commonwealth in accordance with clause 21 of the National Partnership.
- (5) Subject to clauses B7 and B8.

Table B2: specific details of asset sales, infrastructure projects and performance milestones^{1,2}

Assets to be divested	Infrastructure investment to be funded with divestment 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
Long-term Leases and Other Divestments			
TransGrid 100%	All proceeds to be invested into projects and programs, 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.
Government Property NSW holdings ██████		██████	██████

National Partnership Agreement on Asset Recycling Schedule B – New South Wales Asset Divestments and Projects

Assets to be divested	Infrastructure investment to be funded with divestment 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
UrbanGrowth NSW land holdings		NP 20 (a) (i) Commencement of tender process to sell the assets. NP 20 (a) (ii) Commencement of other government processes ahead of sale: <ul style="list-style-type: none"> • Section 15 of the <i>Landcom Corporation Act 2001</i> stipulates that approval is required from shareholder ministers for disposal of any asset with a value exceeding \$30 million. 	NP 20(b) (i) Completion of the sale of the assets.
Pillar ³		NP 20 (a) (i) Release of expression of interest for the transaction. NP 20 (a) (ii) Commencement of other government processes ahead of sale: <ul style="list-style-type: none"> • Public announcement of New South Wales' intention for the asset; and • Passage of enabling legislation to Parliament. 	NP 20(b) (i) Financial close of the transaction.
Land and Property Information ³		NP 20 (a) (i) Release of expression of interest for the transaction. NP 20 (a) (ii) Commencement of other government processes ahead of sale: <ul style="list-style-type: none"> • Public announcement of New South Wales' intentions for the asset; and • Passage of enabling legislation to Parliament. 	NP 20(b) (i) Financial close of the transaction.
Projects and Programs			
	Sydney Metro – City and Southwest (Project)	NP 20 (a) (iii) Commencement of planning and other approvals for the SYDNEY METRO PROJECT, which includes: <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 <i>NSW Environmental Planning and Assessment Act 1973</i> and related legislation and regulations; or b) notification of works under the <i>NSW Environmental 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 METRO PROJECT which includes: <ul style="list-style-type: none"> • a completed assessment of the project by Infrastructure Australia; and • commencement of construction of the project. (This is expected in [REDACTED].)

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Assets to be divested	Infrastructure investment to be funded with divestment 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
	Sydney's Rail Future – 2018 Timetable (Project)	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the SYDNEY'S RAIL FUTURE – 2018 TIMETABLE 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 <i>NSW Environmental Planning and Assessment Act 1973</i> and related legislation and regulations; or b) notification of works under the <i>NSW Environmental 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]. 	<p>NP 20 (b)(ii) Commencement of construction of the SYDNEY'S RAIL FUTURE – 2018 TIMETABLE PROJECT. (This is expected in [REDACTED].)</p>
	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; 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]. 	<p>NP 20 (b)(ii) Commencement of construction of the PARRAMATTA LIGHT RAIL PROJECT which includes:</p> <ul style="list-style-type: none"> • a completed assessment of the project by Infrastructure Australia; and • commencement of construction of the project.

Assets to be divested	Infrastructure investment to be funded with divestment 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
	Pinch Points and Clearways (Program)	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the PINCH POINTS AND CLEARWAYS PROGRAM, 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 <i>NSW Environmental Planning and Assessment Act 1973</i> and related legislation and regulations; or b) notification of works under the <i>NSW Environmental 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]. 	<p>NP 20 (b)(ii) Commencement of construction of each constituent project in the PINCH POINTS AND CLEARWAYS PROGRAM. (This is expected in [REDACTED].)</p>
	Smart Motorways (Program)	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the SMART MOTORWAYS PROGRAM, 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 <i>NSW Environmental Planning and Assessment Act 1973</i> and related legislation and regulations; or b) notification of works under the <i>NSW Environmental 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]. 	<p>NP 20 (b)(ii) Commencement of construction of each constituent project in the SMART MOTORWAYS PROGRAM. (This is expected in [REDACTED].)</p>

Assets to be divested	Infrastructure investment to be funded with divestment 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
	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: <ul style="list-style-type: none"> a) development application under the <i>NSW Environmental Planning and Assessment Act 1973</i> and related legislation and regulations; or b) notification of works under the <i>NSW Environmental 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]. 	<p>NP 20 (b)(ii) Commencement of construction of the GATEWAY TO THE SOUTH PROJECT. (This is expected in [REDACTED].)</p>
	Regional Road Freight Corridor – New England Highway (Program) ⁴	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the REGIONAL ROAD FREIGHT CORRIDOR – NEW ENGLAND HIGHWAY PROGRAM, 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 <i>NSW Environmental Planning and Assessment Act 1973</i> and related legislation and regulations; or b) notification of works under the <i>NSW Environmental 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]. 	<p>NP 20 (b)(ii) Commencement of construction of each constituent project in the REGIONAL ROAD FREIGHT CORRIDOR – NEW ENGLAND HIGHWAY PROGRAM. (This is expected in [REDACTED].)</p>

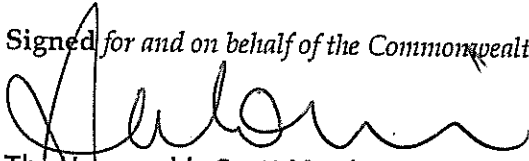
Assets to be divested	Infrastructure investment to be funded with divestment proceeds	Specific Details of Milestone 1 to be included in Statement of Assurance	Specific Details of Milestone 2 to be included in Statement of Assurance
	Regional Road Freight Corridor – Princes Highway (Program) ⁴	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the REGIONAL ROAD FREIGHT CORRIDOR – PRINCES HIGHWAY PROGRAM, 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 <i>NSW Environmental Planning and Assessment Act 1973</i> and related legislation and regulations; or b) notification of works under the <i>NSW Environmental 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]. 	<p>NP 20 (b)(ii) Commencement of construction of each constituent project in the REGIONAL ROAD FREIGHT CORRIDOR – PRINCES HIGHWAY PROGRAM. (This is expected in [REDACTED].)</p>
	Regional Road Freight Corridor – Mitchell Highway (Program) ⁴	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the REGIONAL ROAD FREIGHT CORRIDOR – MITCHELL HIGHWAY PROGRAM, 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 <i>NSW Environmental Planning and Assessment Act 1973</i> and related legislation and regulations; or b) notification of works under the <i>NSW Environmental 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]. 	<p>NP 20 (b)(ii) Commencement of construction of each constituent project in the REGIONAL ROAD FREIGHT CORRIDOR – MITCHELL HIGHWAY PROGRAM. (This is expected in [REDACTED].)</p>

Assets to be divested	Infrastructure investment to be funded with divestment 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
	Regional Road Freight Corridor – Newell Highway (Program) ⁴	<p>NP 20 (a) (iii) Commencement of planning and other approvals for the REGIONAL ROAD FREIGHT CORRIDOR – NEWELL HIGHWAY PROGRAM, 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 <i>Environmental Planning and Assessment Act 1973</i> and related legislation and regulations; or b) notification of works under the NSW <i>Environmental 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]. 	<p>NP 20 (b)(ii) Commencement of construction of each constituent project in the REGIONAL ROAD FREIGHT CORRIDOR – NEWELL HIGHWAY PROGRAM. (This is expected in [REDACTED].)</p>

- (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.
- (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 final government and legislative approvals.
- (4) Subject to clauses B7 and B8.

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

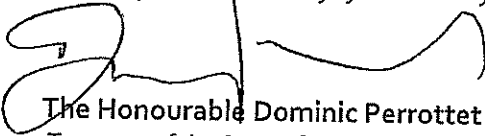
Signed for and on behalf of the Commonwealth of Australia by



The Honourable Scott Morrison MP
Treasurer of the Commonwealth of Australia

September 2017

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



The Honourable Dominic Perrottet MP
Treasurer of the State of New South Wales

September 2017