

25 JUNE 2001

(General Purpose Standing Committee No. 1

Portfolio

TREASURY, AND STATE DEVELOPMENT

QUESTIONS TAKEN ON NOTICE

- 1. Mr Jobling asked the Treasurer and Minister for State Development, the Hon Michael Egan, MLC—**

(Relevant area in Hansard: p 5, top)

With the abolition of performance bonus payments for senior officers what sum of money has been saved for Treasury?

Answer:

Performance bonus payments provided under the 1999 SOORT Determination were paid to SES Officers within Treasury during 1999-2000. Bonus payments totaling \$127,500 were paid to Treasury SES Officers during that year. The 2000 SOORT Determination withdrew the provision to pay bonuses in 2000-2001. No budget provision was made for the payment of SES bonuses during 2000-2001.

- 2. Mr Jobling asked the Treasurer and Minister for State Development, the Hon Michael Egan, MLC—**

(Relevant area in Hansard: p 5, middle)

In establishing the salary of senior officers in your Department, is consideration given to performance and other conditions?

Answer:

Yes. In accordance with the 2000 Statutory and Other Officers Remuneration Tribunal Determination and Premier's Department guidelines regarding remuneration for senior executive officers.

- 3. Rev Nile asked the Treasurer and Minister for State Development, the Hon Michael Egan, MLC—**

(Relevant area in Hansard: p 8, middle)

What is the total number of employers, in each of the past five budget years, that are liable to pay payroll tax in those years?

Answer:

The number of employers liable for Pay-roll Tax fluctuates throughout the year as the circumstances of each particular employer changes. The total number of employers who were issued with Pay-roll Tax Return Booklets in each of the last five financial years was as follows:-

1996-1997	20,636
1997-1998	21,747
1998-1999	23,107
1999-2000	23,391
2000-2001	23,833

4. Rev Nile asked the Treasurer and Minister for State Development, the Hon Michael Egan, MLC—

(Relevant area in Hansard: p 10, middle)

What impact will the poker machine freeze have on tax revenue in New South Wales?

Answer:

It is difficult to estimate the effect of the freeze, and the measures announced subsequently, on gaming machine duty. Growth in revenue will certainly slow, may plateau and could decline somewhat.

5. Miss Gardiner asked the Treasurer and Minister for State Development, the Hon Michael Egan, MLC—

(Relevant area in Hansard: p 13, top)

What is the Treasury's estimate of the benefit to the State's revenue of threshold creep from payroll tax in 2000-2001 and 2001-2002?

Answer:

Historically, payroll tax has grown more strongly than wages, abstracting from the impact of employment growth. Payroll tax growth in excess of wages growth would largely reflect increasing tax liabilities for companies close to the threshold for payroll tax (including those below the threshold that become liable for the tax for the first time and those above the threshold for which wages growth results in a significantly larger proportion of their payroll being subject to tax). This factor is estimated to account for around \$20 million per annum in 2000-01 and 2001-02.

6. Mr Jobling asked the Treasurer and Minister for State Development, the Hon Michael Egan, MLC—

(Relevant area in Hansard: p 15, top)

- (1) Where in the budget do you identify if the New South Wales Government has paid land tax since 1995?
- (2) How much has the New South Wales Government paid to itself in land tax?

Answer:

- (1) The Budget papers do not hold this information.
- (2) The public trading enterprise sector paid \$37,235,149.34 land tax for the 2000 land tax year.

7. Rev Nile asked the Treasurer and Minister for State Development, the Hon Michael Egan, MLC—

(Relevant area in Hansard: p 16, middle)

- (1) How much business investment has come to New South Wales as a result of the Olympic Games?
- (2) How much business investment is anticipated to come to New South Wales as a result of the Olympic Games?
- (3) What has been the increase in tourism in New South Wales following the-Olympics?

Answer:

- (1) The Olympic Games widely influenced the understanding and perception the international business community has of the investment potential of New South Wales. The Department of State and Regional Development reports that the Sydney 2000 Olympic Games has created more than \$1.1 billion in new trade and investment and created 2,500 new jobs, including 300 in regional areas.
- (2) It is difficult to put a figure on how much investment will ultimately come to New South Wales as a result of the Olympic Games. It is clear, however that potential investors are now aware of the excellent business environment in New South Wales and which provides ready access to markets in the Asia Pacific.

Since the Games, the New South Wales Government has followed up contact with 600 international business executives, including 165 high profile Chief Executives, and undertaken a substantial Trade mission program to reinforce the international profile of New South Wales following the Games.

The Olympics have had a positive influence on attracting conferences and exhibitions. The Sydney Convention & Visitors Bureau advises bookings for \$630 million worth of International business conferences and meetings have been made. In the last 10 months alone, 26 national and international business conferences and events worth \$55.5 million have been booked.

It is expected that the Olympic Games publicity will be a factor in winning investment projects for the State for a number of years.

- (3) The Minister for Tourism will need to provide this information.

8. Miss Gardiner asked the Treasurer and Minister for State Development, the Hon Michael Egan, MLC—

(Relevant area in Hansard: p 24, middle)

In relation to the projected Lithgow aluminium smelter when did the Government become aware that Queensland had won the project over New South Wales?

Answer:

In a letter dated 30 January 2001, to the Director General of Premier's Department, Karl Stewart of Austpac Aluminium Pty. Limited discussed power negotiations relating to the Company's aluminium smelter project and stated that his Company would attempt to engage in ongoing dialogue on power prices with NSW generators.

The following day, Aldoga Aluminium Smelter Pty Ltd announced by way of a news release its intention to establish a smelter in Gladstone, Queensland. Mr Karl Stewart is chairman of the Aldoga Group.

There was no indication in Mr Stewart's letter of 30th January 2001, of the possibility of the investment being located anywhere other than Lithgow.

ADDITIONAL QUESTIONS ON NOTICE

9. Dr Wong asked the Treasurer, Minister for State Development and Vice President of the Executive Council, the Hon Michael Egan MLC—

NSW government revenue from club and hotel gaming machines is projected to increase by 20% from \$748 million in 2001-2002 to \$907 million in 2004-2005.

- (a) How will this be achieved without increasing the number of gaming machines in NSW?
- (b) How will this be achieved without creating more problem gambling in NSW?

Note: for the above figures, I refer to Budget Paper No.2, page 3-9, Table 3.3: *Taxation Revenue*. Under the heading *Gambling and Betting*, the 2001-2002 budget for revenue from Club Gaming Devices is \$427 million, and Hotel Gaming Devices is \$321 million, for a total of \$748 million. Estimates for 2004-2005 are \$515 million for Club Gaming Devices and \$392 million for Hotel Gaming Devices, for a total of \$907 million. This is an increase of 20%.

Answer:

- (a) The revenue growth arises from expected growth in household disposable income.
- (b) The revenue increase is projected to occur without any change in the propensity of New South Wales residents to gamble. The share of disposable income being allocated to gambling is expected to remain constant.

10. Ms Gardiner asked the Treasurer, Minister for State Development and Vice President of the Executive Council, the Hon Michael Egan MLC—

In relation to the Department of State and Regional Development:

- (1)
 - (a) Can you explain why net cash flows from Government to the Department of State and Regional Development was \$95,475,000 but revised to \$87,125,000 – a difference of \$8,350,000? (19-82 Budget Paper No 3 – Vol 2)?
 - (b) Can you assure the Committee that the reduced net cash flows had no adverse effect on Department's promotion of projects and investments in rural and regional NSW?
 - (c) Why wasn't this money spent on promoting projects in rural and regional NSW?
- (2)
 - (a) Given that you forecast in the Budget (Budget Paper 3, Vol 2, 19-85) that you will facilitate or financially assist 40 projects in metropolitan areas in the coming year could you please list these, their location and individual values?
 - (b) Did any senior departmental bureaucrats receive a performance bonus in the 2000/01 financial year? If so, please detail the recipients, the amounts and the criteria on which they were paid these bonuses?
 - (c) How much do you expect to expend on bonus payments in the coming financial year?

- (3)
 - (a) How much was spent by the Department on travel domestically and internationally in 2000/01? In relation to international travel please list the destination and reason for the journey?
 - (b) How much do you expect to spend on domestic travel this financial year?
 - (c) How much do you expect to spend on international travel this year?
- (4)
 - (a) Does the Department of State Development use media monitoring services?
 - (b) If so, how much was expended this financial year?
 - (c) How much do you expect to spend on these services next year?
 - (d) Please outline the scope of the monitoring.
 - (e) Who in the Department or your office is authorised to order monitoring?
 - (f) How many staff are employed in the Department's media relations unit?
 - (g) What is the cost this financial year of operating the Department's media relations unit?
 - (h) What is the forecast cost of this unit in the coming financial year?

In relation to the Beyond 2000 booklet produced by the Department of State and Regional Development in November last year:

- (5)
 - (a) How much did the booklet cost to produce – both design and printing costs?
 - (b) How many were produced?
 - (c) Who designed and produced the booklet?
 - (d) How many have been distributed?
 - (e) Where have they been distributed?
 - (e) Why have you placed a small print disclaimer in the back of the document in an attempt to absolve the Department and Government of any responsibility for the document's contents?
 - (f) Is this disclaimer a sign that the Department and Government lack confidence in the document's contents?
 - (g) Are all of the developments nominated in the brochure going to schedule in terms of value, timing and jobs created?

In relation to the Beyond 2000 booklet's claim that 50,000 jobs will be created across regional NSW:

- (6)
 - (a) What is the Government's total contribution in financial terms to the projects that will create these 50,000 jobs?
 - (b) How are NSW businesses expected to compete with competitors in other States when the NSW payroll tax rate stands at 6.2 per cent, compared to Queensland businesses which pay just 4.9 per cent in payroll tax?

Answer:

- (1)
 - (a) The revised cash flow from Government of \$87,125,000 results from a review of forecast expenditure for the Department's various project and program activities for the 2000/2001 financial year and an adjustment for appropriations relating to the 1999/2000 financial year. The variation in program and project activities is due to timing differences in cash flow requirements.
 - (b) The revised net cash from Government does not adversely affect the Department's promotion of projects and investments in rural and regional NSW.
 - (c) The 2000/2001 revised net cash flow from Government includes programs and activities that promote rural and regional NSW.

- (2) (a) The 2001/2002 output data of “40 metropolitan projects facilitated or financially assisted” is the target figure for the financial year based on projects in the pipeline, leads and previous activity.
- (b) On 28 August 2001 Premier's Memorandum 2000-21 was issued indicating that performance pay was not to be made available to members of the Chief and Senior Executive Services.
- In August 2000 details of performance payments were published in the Sydney media relating to a range of performance payments made in 2000.
- (c) Cabinet has determined that performance pay will not be available to members of the Senior and Chief Executive Services.
- (3) (a) Domestic and international travel by public servants was undertaken in accordance with the appropriate guidelines.
- Details regarding overseas visits are included in the Annual Report.
- (b) This will depend on the particular issue identified as requiring travel.
- (c) This will depend on the particular issues identified as requiring travel overseas.
- (4) (a) As was the case under the former Coalition Government all agencies undertake a range of media monitoring activities. Monitoring is undertaken in accordance with appropriate delegations.
- (b) Expenditure on media monitoring was in accordance with normal approvals.
- (c) This will depend on the range and extent of any monitoring required.
- (d) Monitoring is provided on issues specific to the agency.
- (e) Appropriately delegated officers exercise authority to monitor in accordance with individual agency requirements.
- (f) Staff numbers will vary from time to time depending on leave or peak periods.
- (g) See previous answers.
- (h) This will depend on the range and extent of any monitoring required.
- (5) (a) The Regional Beyond 2000 publication produced in November 2000 cost \$80,954.17 to produce. This cost is exclusive of GST.
- (b) 10 000 copies.
- (c) Hungerford Design Associates.
- (d) Over 9500 copies of the publication have been distributed.
- (e) The publication has been widely distributed including:
- Department of State and Regional Development – Head Office and Regional Offices;
 - Members of Parliament;
 - Construction and Infrastructure companies;
 - Small to medium enterprises;
 - Shire Councils;
 - Regional Development Boards;
 - Economic Development Boards;
 - Business Enterprise Centres;
 - Media outlets; and

- Political parties

- (f) A disclaimer is included in the document because the information is accurate at the time of printing and is subject to change without notice. Information is provided to the Department and Government from a variety of different sources and therefore the Government and the Department relies on the accuracy of information provided to it.
- (g) No.
- (h) The Department continually monitors the progress of projects. Of the 73 projects in the publication 55 projects (75%) are on track, 14 projects (18%) are behind schedule and 4 projects (5%) are complete.
- (6) (a) The Government's financial contribution to these projects is \$5.04 billion.
- (b) Tax rates are only one factor that a business considers when making investment decisions. More important factors include access to markets, raw materials, low cost skilled labour and a well developed infrastructure

In the current NSW Budget, the Government has taken further steps to reduce the cost of doing business in the State. For instance, the Electricity Distributors Levy was suspended 1 July 2001. NSW electricity prices are already the lowest in mainland Australia, and are among the lowest in the world.

11. Mr Jobling asked the Treasurer, Minister for State Development and Vice President of the Executive Council, the Hon Michael Egan MLC—

In relation to the Olympics and Paralympics (Budget Paper No 3 Vol.2 pp. 19-9 to 19-14):

- (1) For each of the following during the Olympics and Paralympics, can you please provide by day and event, who attended, and the reason for their attendance:
- (a) the State Government double suite at the Olympic Stadium?
 - (b) each of the two State Government suites at the Superdome?
 - (c) the Energy Australia suite at the Olympic Stadium?
 - (d) the Tourism New South Wales suite at the Olympic Stadium?
 - (e) each of the two SOCOG suites at the Olympic Stadium?
 - (f) the SOCOG suite at the Superdome?
- (2) Did SOCOG, or any State Government authority or corporation, purchase or hire a corporate suite, other than those listed above in 1(a) to (f)? If so, could you please provide further details, and provide a list by day and event, who attended, and the reason for their attendance?
- (3) Of the suites identified in questions (1) and (2) above, does the State Government still have access to these suites? If so, could you please provide further details, and provide a list by day, and events since the Olympics, who attended and the reason for their attendance?
- (4) What was the total cost to the State Government of the suites identified in questions (1) and (2) above?
- (5) What benefit did the State Government derive from the expenditure identified in question (4) above?
- (6) In relation to corporate suites at the Superdome:
- (a) How many were there?
 - (b) How many were hired by corporations?
 - (c) How many were not used?

- (d) What was the value of revenue foregone because corporate suites were not used?
- (e) Why were there empty corporate boxes?
- (f) Why were the seats in the corporate boxes not made available to the public?
- (7) (a) Can you please provide a list of all Australian individuals who received accreditation to the Olympics and Paralympics?
- (b) Can you please provide details of their level accreditation, and the reason for their accreditation?

In relation to the Department of Treasury:

- (8) How much has your Department spent on the following forms of stress relief for Treasury officers? :
 - (a) Counselling
 - (b) Stress management courses
 - (c) In-house therapeutic massages
 - (d) Outside therapeutic massages
 - (e) Alternative stress relief
- (9) How many staff were recipients of each of the above forms of stress relief?
- (10) How many staff went on stress leave during the year 2000?
- (11) How many person-days were lost as a result of a stress leave?

In relation to each of your portfolio agencies (relevant area in the Budget Papers: Budget Paper No 3 Vol 2 pp. 19-1 & 19-2):

- (12) (a) For each of your portfolio agencies, how much money was spent on advertising in 2000/01?
- (b) Can you please provide a list of each campaign and cost?
- (13) (a) For each of your portfolio agencies, what is the estimate of money to be spent on advertising in 2001-02?
- (b) Can you please provide a list of each campaign and estimated cost?
- (14) (a) For each of your portfolio agencies, how much was spent on consultants in 2000-01?
- (b) Can you please provide a list of each consultant, project and amount for each contract, including those under \$30,000?
- (15) (a) For each of your portfolio agencies, how much funding has been set aside to cover the cost of consultants in 2000-02?
- (b) Can you please provide a list of each consultant, project and estimated amount for each contract, including those under \$30,000?
- (16) (a) For each of the portfolio agencies, how much was spent on overseas trips in 2000-01 by officials?
- (b) Can you please provide a list of each trip, purpose and cost?
- (17) (a) For each of your portfolio agencies, what is the estimate of money to be spent on overseas trips in 2001-02 by officials?
- (b) Can you please provide a list of each trip, purpose and cost?
- (18) (a) What is the total cost of your overseas trips in 2000-01?

- (b) Can you please provide a list of each trip, purpose and cost? For each trip can you provide a breakdown in airfare costs, hotel costs, car hire, and accompanying staff and officials?
- (19) (a) What is the estimate of money to be spent on your overseas trips in 2001-02?
- (b) Can you please provide a list of each trip, purpose and cost? For each trip, can you please provide a breakdown in airfare costs, hotel costs, car hire and accompanying staff and officials?
- (20) (a) For each of your portfolio agencies, how much was spent on interstate trips in 2000-01 by officials?
- (b) Can you please provide a list of each trip, purpose and cost?
- (21) (a) For each of your portfolio agencies, what is the estimate of money to be spent on interstate trips in 2001-02 by officials?
- (b) Can you please provide a list of each trip, purpose and cost?
- (22) (a) What is the total cost of your interstate trips in 2000-01?
- (b) Can you please provide a list of each trip, purpose and cost? For each trip, can you please provide a breakdown in airfare costs, hotel costs, car hire, and accompanying staff and officials?
- (23) (a) What is the estimate of money to be spent on your interstate trips in 2001-02?
- (b) Can you please provide a list of each trip, purpose and cost? For each trip, can you please provide a breakdown in airfare costs, hotel costs, car hire and accompanying staff and officials?
- (24) (a) For each of your portfolio agencies, how much money in total was spent on Olympic-related costs?
- (b) Of this amount, how much was reimbursed by additional appropriations or by assistance from Olympic agencies?
- (25) (a) For each of your portfolio agencies, how much was spent on performance pay for public servants in 1999-00 and 2000-01?
- (b) Did you personally approve these bonus payments?
- (26) For each of your portfolio agencies, how many matters were referred for independent investigation to ICAC in 2000-01? Can you please provide a breakdown of these referrals?
- (27) (a) In 2000-01, how much was spent on your ministerial expenses? Can you please provide a breakdown by expense, for example hotel expenses, office refurbishments et cetera?
- (b) What is the forecast amount to be spent in 2001-02?
- (28) (a) For each of your portfolio agencies, how much money was spent for entertainment purposes in 2000-01?
- (b) What was the breakdown by cost and nature of these functions?
- (c) What is the forecast to be spent on entertainment in 2001-02?
- (29) (a) In 2000-01, how many board appointments were made by you or by your portfolio agencies?
- (b) Of these appointments, how many were women?
- (c) Of these appointments, how many were of people from a non-English speaking background?
- (d) Of these appointments, how many were of people with a disability?
- (e) Of these appointments, how many were Aboriginal Torres Strait Islanders?
- (f) Of these appointments, how many were young people?

- (30) (a) For each of your portfolio agencies in 2000-01, what fees and fines were increased, and by how much?
- (b) In 2001-02, what is the forecast for fees and fines to be increased and by how much?
- (31) (a) In 2000-01, for each of your portfolio agencies, how many media or public relations advisers were employed?
- (b) What is the total cost of this?
- (c) What is the forecast for 2001-02 for the number of media or public relations advisers to be employed, and their total cost?
- (32) (a) For each of your portfolio agencies in 2000-01, how much was spent on public opinion surveys?
- (b) What was the breakdown for the cost of these surveys?
- (33) (a) For each of your portfolio agencies, in 2000-01, how much was spent on legal expenses?
- (b) What was the breakdown for these expenses?
- (34) In 2000-01, how much did you spend on legal expenses?
- (35) (a) How many Ministerial Staff are currently employed by you?
- (b) What is the total salary cost of these staff?
- (36) (a) For each of your portfolio agencies in 2000-01, how much was spent on office fitouts and refurbishments?
- (b) What is the estimated cost for 2001-02?
- (37) (a) For each of your portfolio agencies in 2000-01, how much was spent on the cost of leases in the Sydney CBD?
- (b) What is the estimated cost for 2001-02?
- (38) (a) For each of your portfolio agencies in 2000-01, was there any vacant or under-utilised office space?
- (b) If so, how much did this cost?
- (39) (a) For each of your portfolio agencies in 2000-01, how much was spent on the salary packages for Senior Executive Service?
- (b) What is the estimated cost for 2001-02?
- (40) What was the value of the average Chief Executive Officer (CES CEO) salary in 1995?
- (41) What was the value of the average Senior Executive Service (SES) salary in 1995?
- (42) (a) Did you seek or receive reimbursement, or did your government agency pay or is in the process of paying, for an 'out of pocket' expense, incurred by you, as outlined in Ministerial Memorandum No.99-24, in 2000-01?
- (b) If so, what was the breakdown of these expenses?
- (c) What is the forecast amount to be spent in 2001-02?
- (43) (a) Does your Ministerial Office have a discretionary allowance?
- (b) How was it expended during 2000-01?
- (c) What is the forecast for expenditure in 2001-02?

- (44) (a) What was the breakdown of expenditure for the day-to-day running of your Ministerial Office in 2000-01?
- (b) What is the forecast for expenditure in 2001-02?
- (45) (a) What is the breakdown of expenditure, as authorised by your Chief of Staff and outlined in Ministerial Memorandum No. 96-28, for 2000-01?
- (b) What is the forecast for expenditure in 2001-02?
- (46) What was the total cost of salaries for your ministerial staff in 2000-01?
- (47) What was the total cost of ministerial motor vehicle expenses in 2000-01?
- (48) For each agency in your portfolio, what was spent in 2000-01 on media services?

In relation to Private Sector Infrastructure partnerships (PFI)

- (49) Why has the NSW Government hesitated to implement policy relating to PFIs when States such as Victoria have been utilising them for some time and key industry stakeholder AusCID's spokesperson Dennis O'Neill claims "It is widely accepted in the construction industry that NSW has the slowest project approvals processes in the country"?
- (50) What advice has Treasury provided on PFI? Is it positive? Has Treasury expressed any concerns?
- (51) What is the Government doing towards implementing PFIs since the close of submissions of the "*Working with Government: Private Financing of Infrastructure and Certain Government Services in NSW, A discussion Paper*" on 28th February 2001?
- (52) What targets have been set for PFI projects in 2001/2002? Will they be additional to the projects in the Budget? If so, what is the estimated value of the projects and cost to the Government?
- (53) Which Government agencies will take advantage of PFI?
- (54) Is the Government being influenced by the sentiments of the NSW union movement regarding PFIs?
- (55) What discussions have taken place with unions?
- (56) Do the Government and the union movement have a shared position of the future of PFIs in NSW? If so, what is it?
- (57) Has the Government conducted 'issues' workshops to support the development of a new PFI policy? If not, why not and when do they intend to do so?
- (58) How much money has the Government estimated this process to cost in 2001-02 and in future years?

In relation to the Budget Statement (Budget Paper No. 2 p1-35):

- (59) Why does the current estimate predict employment to decrease from 2 to $\frac{3}{4}$ per cent?
- (60) Why is the Gross State Product (GSP) estimated to increase substantially from 3 $\frac{3}{4}$ per cent to 2 per cent for 2001-02?
- (61) On what basis has the Treasurer determined a cut in wage increases from 4 to 3 $\frac{3}{4}$ per cent?

In relation to estimated revenues and expenditure:

- (62) How do you account for Treasury's consistent underestimate of revenue figures since 1995/96 (for example, in 199-2000 the Government estimated they would receive \$1.,757m in 'Contracts & Conveyancing' stamp duties, when in fact they actually received \$2.249m)?
- (63) How do you account for agencies' consistent over-expenditure compared with budget forecasts (for example, total General Government Sector expenses were \$4.248b above estimates in 2000-01)?

- (64) What discussions have taken place with agencies about over-expenditure (for example, Treasury advised DoCS a few years ago they would not continue to advance over-expenditure payments resulting in a disastrous attempt to force the sale of DoCS Group Homes)?
- (65) Has Treasury made similar demands of other agencies?
- (66) Is the Treasurer concerned to either improve the reporting of agencies, or to bring expenditure within budget forecasts?
- (67) Are any programs of redundancy planned for the coming year? For the future year?
- (68) Does Treasury have a target for “efficiency gains”, either in individual agencies or on a whole-of-government basis?
- (69) If so, how much has Treasury estimated will be paid in redundancy payments in 2001-02? For future years?

In relation to capital works expenditure

- (70) How much of the \$5,581 million in capital works expenditure promised in this year’s Budget for the coming year will actually be spent?
- (71) Previous budget papers, show that in each year except 99/00, the pre-Olympic year, the Carr Government has underspent compared to its capital works promises.

For example:

- (a) in the 2000-01 year, promised capital works spending was \$5284 million; actual expenditure will be \$5004 million.
- (b) in the 98-99 year you promised \$4,993 million but spent \$4,776 million.

Is this under-spending or over-promising?

Answers:

- (1)
 - (a) The Government had the use of two corporate suites at Stadium Australia. Guests were invited from a range of business, protocol, community and government sectors.
 - (b) The Government had the use of one suite at the Superdome. Guests were invited from a range of business, protocol, community and government sectors.
 - (c) All guests were invited from a range of business, protocol, community and the government sectors.
 - (d) All guests were invited from a range of business, protocol, community and government sectors.
 - (e) The management of the suites was the responsibility of SOCOG.
 - (f) The management of the suites was the responsibility of SOCOG.
- (2) The State Government facilities were held for the duration of the Olympics and Paralympics.
- (3) The State Government facilities were held for the duration of the Olympics and Paralympics.
- (4) All costs were in accordance with the charges levied in respect of the suites.
- (5) A range of business, diplomatic and related benefits accrued from the use of the sites.
- (6) Answer (a) to (f)

Answers have been provided elsewhere in Estimates Questions on Notice in relation to corporate suites used by the State Government during both the Olympic and Paralympic Games. The management of all corporate suites, including those hosted by State Government agencies during the Olympic and Paralympic Games, was the responsibility of SOCOG and the Sydney Paralympic Organising Committee (SPOC).

- (7) Answer (a and b) To provide a complete list of every single Australian individual who was accredited to attend the Games, the levels of accreditation and reasons for accreditation, would involve an unjustifiable use of taxpayers' resources.
- (8) Answers (a) to (e)
- The NSW Government recognises that its employees are its most significant asset and is committed to providing a safe working environment in accord with the Occupational Health and Safety Act 1983. Our goal is prevention of work related incidents, as opposed to cure.
- Obviously any decision as to the appropriate treatment for an individual will be a matter for the approved treating practitioner based upon the individual needs under the Workers Compensation Scheme.
- (9) The lack of definition of stress relief does not allow for this question to be answered.
- (10) Sick leave is managed in accordance with the provisions governing the management of sick leave in the public sector.
- (11) All sick leave is managed in accordance with the provisions governing the management of sick leave in the public sector.
- (12) (a) All advertising was undertaken in accordance with government guidelines for advertising.
(b) See previous answer.
- (13) (a) The exact cost will depend on the nature and scope of advertising identified in 2001-02.
(b) This will depend on the nature and scope of advertising identified for 2001-02.
- (14) (a) The cost of consultants is reflected in the Annual Report.
(b) The total costs for consultancies under \$30 000 is included in the Annual Report.
- (15) (a) Payments are made out of operating expenses.
(b) It is not possible to answer this question at this stage of the financial year. Expenditure will depend on the need for consultancy services throughout the year.
- (16) (a) Details regarding all overseas travel is included in the Annual Report and is in accordance with the appropriate guidelines.
(b) All official overseas travel is included in the Annual Report.
- (17) (a) International travel by public servants is undertaken in accordance with appropriate guidelines. Expenditure in 2001-2002 will depend on the particular issues requiring overseas travel.
(b) It is too early to provide an estimate at this stage of the financial year. However, the Annual Report for 2001/02 will contain the full list.
- (18) (a) Official travel is undertaken in accordance with appropriate guidelines.
(b) Costs incurred during official overseas travel were in accordance with the appropriate guidelines.
- (19) (a) This will depend on the nature and scope of any travel undertaken in 2001-02.
(b) Costs incurred during official overseas travel will be in accordance with the appropriate guidelines.
- (20) (a) Interstate travel by portfolio agencies was undertaken in accordance with appropriate guidelines.
(b) Costs incurred during interstate travel was in accordance with appropriate guidelines.
- (21) (a) This will depend on the nature and scope of any travel undertaken in 2001-02.

- (b) Costs incurred during official interstate travel will be in accordance with appropriate guidelines.
- (22) (a) Official travel was undertaken in accordance with guidelines and within cost expectations.
- (b) Official travel was undertaken in accordance with appropriate guidelines and in a cost effective manner.
- (23) (a) It is too early to provide an estimate at this stage of the financial year. However, expenditure will depend on the nature and scope of any travel in 2001-02.
- (b) See previous answer.
- (24) (a) Expenditure was in accordance with Olympic-related priorities.
- (b) Expenditure was in accordance with agency requirements.
- (25) (a) On 28 August 2000 Premier's Memorandum 2000-21 was issued indicating that performance pay was not to be made available to members of the Chief and Senior Executive Services. In August 2000 details of performance payments were published in the Sydney media relating to a range of performance payments made in 2000.
- (b) Approvals for performance payments as well as all other remuneration to members of the Senior Executive Service were made by the respective Chief Executive Officers.
- (26) It is not appropriate to canvass issues that may be the subject of an ICAC investigation.
- (27) (a) Expenditure was in accordance with the relevant approvals and guidelines.
- (b) This will depend on the extent and nature of requirements.
- (28) (a) Expenditure was undertaken within the allocations to agencies.
- (b) See previous answer.
- (c) This will depend on the nature and extent of expenditure required. It is too early in the financial year to estimate a figure.
- (29) (a) The government provided a detailed response to Question 1312 in December 2000.
- (b) Refer to previous answers on the notice paper regarding this issue.
- (c) Refer to previous answers on the notice paper regarding this issue.
- (d) Refer to previous answers in the notice paper regarding this issue.
- (e) Refer to previous answers in the notice paper regarding this issue.
- (f) Refer to previous answers in the notice paper regarding this issue.
- (30) (a) Fee increases are originated within agencies on an annual or periodic basis and are referred to Parliament's Regulation Review Committee for consideration. Most increases fall within the Consumer Price Index (CPI). Fines are set under the relevant legislation and are usually subject to annual CPI adjustments.
- (b) See previous answer.
- (31) (a) Staff numbers will vary from time to time depending on leave or peak periods.
- (b) See previous answer.

- (c) Staff numbers will vary from time to time depending on leave or peak periods.
- (32) (a) On 20 December 2000 Premier's Memorandum 2000-28 was issued indicating that under no circumstances should surveys of clients, other users of government services or citizens be used to elicit information of a political nature.
- (b) See previous answer.
- (33) (a) Expenditure on legal expenses followed appropriate review of the circumstances, the need for such expenditure and within appropriate guidelines. In the case of core work for public sector agencies the Crown Solicitor meets these costs.
- (b) See previous answer.
- (34) Expenditure on legal expenses followed appropriate review of the circumstances and the need for such expenditure.
- (35) (a) Ministerial staff are employed by the Director General of the Premier's Department in accordance with the provisions of the Public Sector Management Act 1988.
- (b) All costs were in accordance with the expenditure necessary to facilitate the effective functioning of the office and within allocations to Ministerial Offices.
- (36) (a) All expenditure was in accordance with guidelines and procedures for office fit-outs and refurbishment.
- (b) This will depend on the nature and extent of any changes to office fit-outs and refurbishment.
- (37) (a) Expenditure on lease of government office accommodation followed careful review of the particular circumstances and needs of agencies. The Government Asset Management Committee oversees policy of government accommodation.
- (b) This will depend on a range of factors and it is too early in the financial year to estimate expenditure. The Government Asset Management Committee will oversee leasing issues.
- (38) (a) The Government Asset Management Committee oversees all asset management in the NSW public sector. The GAMC ensures that all agencies adopt a strategic approach to property management.
- (b) See above.
- (39) (a) Salary packages for the Senior Executive Service are set by the Statutory and Other Offices Tribunal. Current bands for each level are:
 - Level 8\$258,000 to \$318,315
 - Level 7\$218,615 to \$276,135
 - Level 6\$181,960 to \$219,510
 - Level 5\$158,840 to \$194,770
 - Level 4\$145,350 to \$169,420
 - Level 3\$132,410 to \$155,575
 - Level 2\$118,675 to \$137,145
 - Level 1\$109,225 to \$127,130
- (b) This will depend on the number of SES officers employed and their current point within the particular range.

- (40) There was no central record of SES remuneration maintained by the former Government.
- (41) There was no central record of SES remuneration maintained by the former Government.
- (42) Answer (a) to (c)
- Ministerial Memorandum 99-24 provided guidelines on the policy for reimbursement of expenses related to general expenses. The expenditure must relate to expenditure on official government business.
- (43) (a) As there is no definition of discretionary allowance it is impossible to answer this question.
 (b) As per previous answer.
 (c) As per previous answer.
- (44) (a) Expenditure for Ministerial Offices is determined by the Budget Committee of Cabinet. Expenditure must be in accordance with the provisions of the Public Finance and Audit Act.
 (b) Expenditure for Ministerial Offices is determined by the Budget Committee of Cabinet. Expenditure must be in accordance with the provisions of the Public Finance and Audit Act.
- (45) (a) Approval of expenditure must be in accordance with delegations and in accordance with the Public Finance and Audit Act.
 (b) This will depend on the nature and extent of any expenditure in 2001-02.
- (46) Expenditure was in accordance with the remuneration levels determined by the Director General of Premier's Department as the employer of ministerial staff.
- (47) Motor vehicle management is undertaken within policies administered by State Fleet Services and the Department of Public Works and Services.
- (48) As there is no definition of media services this question is difficult to answer.
- As was the case under the former Coalition Government all agencies undertake a range of monitoring activities and monitoring is undertaken within appropriate delegations.
- (49) NSW has not hesitated to implement a policy towards PFI.
- (50) NSW Treasury is the principal advisor to Government on PFI projects.
- Treasury is positive about the prospects for successful PFI programs, but also has some concerns. These relate to ensuring that arrangements represent true value for money for the taxpayers of NSW and forward commitments to contract payments over long, sometimes 30 year, periods do not compromise Government's ability to achieve its long term fiscal strategy and goals.
- (51) Although the final date for response was to have been 28 February 2001, the Taskforce continued to receive submissions until May 2001.
- In the meantime, consultants have been appointed to advise Government on the feasibility and merits of using PFI for the delivery of certain education infrastructure. Shortlisted bidders for the \$400 million Cross City Tunnel project have been invited to submit final proposals to RTA and last week the initial request for expressions of interest for the Western Sydney Orbital road was released.
- (52) There is no target for PFI projects in 2001/02.
- (53) Details are contained in the Government's green paper on PFI.
- (54) One of the advantages of the Green Paper process is the scope to receive views from the broad community. Some unions responded, as did companies, representative organisations and individuals. The views of all are weighed and have an effect.
- (55) Government ministers are in discussion with unions on a range of topics on a regular basis.

(56) Government will continue to consult as PFI is further explored in NSW.

(57) Yes. There were workshops on 5 separate days in May 2001 devoted respectively to:

- General Policy - attended by a wide cross section of those making submissions to the Green Paper.
- Business Environment - consideration of accounting, taxation and economic issues affecting BOOT/PFI arrangements.
- Risk Issues – identification of major categories of risks inherent in BOOT/PFI projects and methods of managing them.
- Public Sector Comparator - a technical discussion of the method of comparing the risk adjusted cost of public service delivery with competitively tendered bids from the private sector.
- Procedural Issues - discussions on planning and approval issues and the costs of bidding and probity in tendering.

(58) In the longer term the Government expects to save money by introducing PFI style programs selectively relative to mainstream capital works funding. Initially, as with any initiative there will be start up costs, chiefly investigations.

Treasury's budget has been increased by \$2.1 million to cover consultancy costs and a small increase in staff numbers to handle its responsibilities associated with an expanded PFI program.

(59) The table on p 1-35 shows that the predicted growth of employment in 2000-01 was reduced from 2 percent at the Half Yearly Review to 1¾ percent in the Budget. The actual figure for 2000-01 has since become available. Employment increased by 1.9 percent.

(60) The table on p 1-35 does not provide an estimate of GSP for 2001-02. It shows that predicted growth of GSP in 2000-01 was reduced from 3¾ percent at the Half Yearly Review to 2 percent in the Budget.

(61) The table on p 1-35 refers to estimated growth in 2000-01 in the Wage Cost Index (Australian Bureau of Statistics, Catalogue 6345.0). The last issue of that publication released before the Budget reported an average increase of 3.5 per cent in ordinary hourly wage costs in New South Wales in the twelve months ended March 2001. It therefore appeared unlikely that growth in wage costs in 2000-01 would reach the estimate of 4 per cent which Treasury had published in Half Yearly Review. Therefore Treasury revised the estimate to 3¾ per cent in the Budget.

(62) Contracts and conveyancing duty is the largest single component of stamp duty revenue, and represents the most volatile revenue source available to the State. In recent years, contracts and conveyancing duty has accounted for over half the variance in total tax revenue from Budget estimates.

Contracts and conveyancing duty revenue is influenced by a variety of factors, such as fluctuations in interest rates and property prices, prevailing national and international economic conditions, job security and employment growth, as well as changes to Commonwealth economic policies.

The Budget estimate for 1999-2000 for contracts and conveyances duty was \$1,747 million (including duty from the First Home Purchase Scheme). This estimate was premised on an expected easing in the property market, based on slowing economic activity, and the assumption of no GST (as the Senate had not passed the GST at the time the forecasts were prepared).

The outcome for 1999-2000 was \$2,406 million. The significantly higher outcome was due to substantially stronger economic and employment growth in 1999-2000 than was expected at Budget time, contributing to a more robust housing market, as well as the one-off shifting forward of some housing transactions to beat the GST.

(63) Full details of the \$4.248b increase in expenses against Budget in 2000-01 are contained in Appendix D of Budget Paper No.2, page D-5. The bulk of this increase was due to actuarial revision of superannuation, advances and receivables from Public Trading Enterprises forgiven, payments to the Australian Taxation Office for GST administration costs and HIH Insurance costs.

- (64) All agencies are expected to operate within their allocations . When Ministers are advised of their allocations it is made clear that supplementation of allocations will only be provided in the most exceptional circumstances.

Agencies should not incur liabilities that would result in a Consolidated Fund appropriation exceeding their allocations without the Treasurer's prior approval.

Treasury carefully monitors the financial performance of agencies throughout the year. Any projections of over-expenditure are fully investigated by Treasury and discussed as appropriate with each agency.

- (65) As indicated under (64), all agencies are expected to operate within their allocations and the financial position of all agencies is carefully monitored by Treasury.

- (66) As indicated under (64) and (65), the Government is concerned to maintain expenditure within budget forecasts. The Government is also committed to improving the financial reports provided by agencies.

As indicated in the 2001-02 Budget Papers (BP 3 Volume 2, page 19-3), Treasury issued the Financial Management Framework to agencies during 2000-01. The Framework is designed to provide mechanisms to improve financial management processes in the General Government Sector.

Treasury is working at a number of approaches which will result in continued improvement in financial reporting by agencies.

- (67) The Budget Papers made no specific agency-level provision for redundancies in 2001-02 or the forward years.

- (68) Treasury has no specific target for "efficiency gains", as such.

- (69) The Budget Papers made no specific agency-level provision for redundancies in 2001-02 or the forward years.

- (70) Actual results for the year ending 2001-02 will not be available until September 2002.

- (71) (a) Please refer to paragraphs 2.1 and 3.2 of the 2001-02 Budget Papers for an explanation of the variance.

- (b) Please refer to paragraph 1.3 of the 1999-2000 Budget Papers for an explanation of the variance.