

1 September 2002

(General Purpose Standing Committee No. 1)

Portfolio

Treasury and State Development

QUESTIONS TAKEN ON NOTICE DURING HEARING

1. Ms Forsythe asked the Treasurer and Minister for State Development, the Hon Michael Egan MLC—

- (a) How much was spent by the Treasury and the Department of State and Regional Development on media monitoring from Reame Australia monitoring services in 2002-03, as outlined in Premier's Department circular 2002/22?
- (b) What is the estimated expenditure for 2003-04? (Hansard, p.1)
- (c) Does the Office of State Revenue subscribe to Reame Australia monitoring services?
- (d) How much was spent in 2002-03?
- (e) What is the estimated expenditure for 2003-04? (Hansard, p.1)
- (f) How much does your office spend on media monitoring from Reame Australia monitoring services in 2002-03, as outlined in the Premier's Department circular 2002/22?
- (g) What is the estimated expenditure for 2003-04? (Hansard, p.1)

ANSWER

All costs incurred were appropriate to the needs identified.

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

- (a) What is the cost of those people employed in the corporate communications group in the Department of State and Regional Development?
- (b) What is the cost of the communications unit in the Office of State Revenue? (Hansard, p.2)

ANSWER

- (a) Public authorities conduct a range of extension activities aimed at communicating to the public a range of regulatory, advisory, research and general information.

The question posed is too broad a topic to identify an actual cost.

- (b) Refer to (a)

3. **Ms Forsythe asked the Treasurer and Minister for State Development, the Hon Michael Egan MLC—**

What is Jim Maher's salary level? (Hansard, p.2)

ANSWER

Ministerial staff are employed by the Director General of the Premier's Department in accordance with the provisions of the Public Sector Employment and Management Act 2002.

Remuneration for Ministerial staff is determined by the Director General of the Premier's Department.

4. **Ms Gardiner asked the Treasurer and Minister for State Development, the Hon Michael Egan MLC—**

In the costing for the building of a new school in Wollondilly, between Bowral and Picton:

- (a) Who made the assumption that there would be pupil intake in addition to current enrolments, rather than transfers from other public schools?
- (b) What was the basis of this assumption? (Hansard, p.4)

ANSWER

- (a) The Department of Education and Training.
- (b) A general assumption made when planning for the provision of new high school facilities is that a sustainable enrolment would be generated over a period of years. New schools are constructed to cater for long term enrolments in the order of at least 15-20 years.

5. **Ms Rhiannon asked the Treasurer and Minister for State Development, the Hon Michael Egan MLC—**

- (a) What percentage of State tax revenue will come from gambling-related taxes this year?
- (b) What percentage of State revenue will come from gambling-related taxes in 2010, when the most recent tax increases will take full affect? (Hansard, p.5)

ANSWER

- (a) Gambling and betting taxes are estimated to account for 9.2 per cent of State taxation revenue in 2003-04.
- (b) The percentage of State taxation revenue that will come from gambling and betting taxes in 2010-11 is not known, as State taxation revenue forecasts are available only up to 2006-07.

Gambling and betting taxes are estimated to account for 9.8 per cent of State taxation revenue in 2006-07.

6. **Ms Gardiner asked the Treasurer and Minister for State Development, the Hon Michael Egan MLC—**

- (a) What data does Treasury have on the transfer of residential properties in 2002-03?
- (b) What data does Treasury have on the transfer of commercial properties in the same period?
- (c) How much has the Government budget raised from transfers in both of those categories in 2002-03? (Hansard, p.13)

ANSWER

(a)&(b)OSR did not collect data to identify duty from residential or commercial transfers in 2002/03.

- (c) The total combined revenue for residential and commercial for 02/03 was \$3.34b.

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

In relation to Pacific Power, what is the current estimate of the expected liability to the Government as a result of Pacific Power's contract to design and build two power stations in Queensland? (Hansard, p.14)

ANSWER

The Pacific Power (Subsidiary No.1) Pty Ltd's annual report will be tabled by the end of the calendar year.

One of the reasons the Government sold PPI to the private sector in February this year was that it was not prepared to support PPI writing contracts for the design and construction of power stations outside NSW. This is because these contracts typically required PPI to assume large financial risks that are ultimately borne by the taxpayers of NSW.

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

(a) What is the total value of redundancies that have been offered to former Pacific Power employees in 2002-03? (Hansard, p.14)

(b) What is the estimated total value of redundancies that will be offered to Pacific Power employees in 2003-04? (Hansard, p.14)

ANSWER

(a) Information on total employee expenses, which includes redundancies, will be in Pacific Power's annual report which will be tabled by the end of the calendar year.

(b) Pacific Power ceased to exist at the end of June 2003. All remaining staff of the former Pacific Power are now employed by the Residual Business Management Corporation.

The actual total payment will depend on the number of employees who accept the voluntary redundancy offer.

9. Ms Rhiannon asked the Treasurer and Minister for State Development, the Hon Michael Egan MLC—

(a) Do you use consultants in your office or in Treasury?

(b) If so, how much has been spent on consultants? (Hansard, p.17)

ANSWER

(a) & (b) Expenditure on consultancies is reported in Annual Reports. All expenditure is in accordance with the appropriate guidelines.

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

(a) Was Frontier Economics employed by Treasury in any capacity in 2002-03? (Hansard, p.21)

(b) Can you advise what Frontier Economics did for Treasury in 2002-03?

(c) How much was paid for that work? (Hansard, p. 21)

(d) What was the total amount provided by the New South Wales Government to Frontier Economics over the past four years? (Hansard, p.21)

ANSWER

- (a) Yes.
- (b) In November 1999 Frontier Economics was engaged to provide services to Treasury's Market Implementation Group. It was engaged to complete a set of strategic projects to deliver both a well-functioning market and prudent management of the risks of the NSW Government's ownership of electricity businesses.

Many of the projects Frontier Economics was engaged to deliver have now been completed for example: full retail contestability has commenced; there was a merger to form Country Energy; and Eraring Energy was established.

During 2002-03 Frontier Economics provided advice and services to Treasury in three main areas:

- the windup of Pacific Power;
 - options for the management of energy trading risks; and
 - general ownership monitoring activities.
- (c) Treasury paid Frontier Economics \$2,837,122 in 2002-03.
- (d) During the Estimates hearing, the Treasurer indicated the amount was about \$15 million. The exact figure paid by Treasury, Industry and the Crown is \$15,280,927. The Minister for Energy and Utilities paid Frontier a total of \$1,423,000 for advice on the establishment of New South Wales greenhouse benchmark scheme, national energy market reforms and the initial development of New South Wales' Statement of System Opportunities.

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

The market implementation group had employee-related expenditure of zero dollars in 2001-02. Can you explain why that is so? (Hansard, p.21)

ANSWER

The Market Implementation Group had employee-related expenditure of zero dollars in 2001-02 because the expenditure for employee-related costs was classified under Resource Allocation.

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

- (a) What was the market implementation group's employee-related expenditure in 2002-03?
- (b) What is the budget for the same item in 2003-04? (Hansard, p.22)

ANSWER

- (a) The Market Implementation Group's roles and responsibilities have been absorbed within Treasury's energy area. Employee related expenditure form part of the overall employee costs within the Resource Allocation structure.
- (c) As above

13. Ms Forsythe asked the Treasurer and Minister for State Development, the Hon Michael Egan MLC—

- (a) What is the budget of your ministerial office for 2003-04? (Hansard, p.20)
- (b) What have you spent in your ministerial office over the past year? (Hansard, p.21)

ANSWER

- (a) The budget for the Ministerial Office was determined by Budget Committee of Cabinet.
- (b) Expenditure is approved by Ministerial staff in accordance with financial delegations approved in accordance with the provisions of the Public Finance and Audit Act.

14. Ms Rhiannon asked the Treasurer and Minister for State Development, the Hon Michael Egan MLC—

How many ministerial staff do you have? (Hansard, p.23)

ANSWER

Ministerial staff are employed by the Director General of the Premier's Department in accordance with the provisions of the Public Sector Employment and Management Act 2002.

Each Ministerial Office has a number of Departmental Liaison Officers attached to the office, depending on the size and complexity of the portfolio. These arrangements mirror the same circumstances that occurred during the Greiner/Fahey Governments.