

PUBLIC WORKS COMMITTEE

INQUIRY INTO IMPACT OF PORT OF NEWCASTLE SALE ARRANGEMENTS ON PUBLIC WORKS EXPENDITURE IN NEW SOUTH WALES

LEGISLATIVE COUNCIL

Responses to Questions on Notice

Question 1

The Hon. JOHN GRAHAM: Mr Rumble, the ACCC has been absolutely scathing about this deal; it has called it anti-competitive and illegal. That is an extraordinary statement from a very serious body. When was the last time the ACCC took court action as a result of a privatisation exercise undertaken by the New South Wales Government? Can you recall another instance in which it has intervened in this way?

Mr RUMBLE: I cannot recall; I would need to check that. Again, as our submission makes clear, there was significant consultation with the ACCC throughout 2012-13.

Answer

Commencement of legal proceedings are a matter for the ACCC. The ACCC would be best placed to advise on this issue.

Question 2

The Hon. JOHN GRAHAM: Mr Rumble, there was a price premium paid for the arrangements that were put in place. That is understood. What was the modelling done by Treasury to say how much more the State got as a result of putting these restrictions in place in that privatisation deal?

Mr RUMBLE: I would need to take that on notice and come back to you. Again, what I will say about arrangements like the port commitment deeds is it is quite common in relation to major infrastructure transactions like this for bidders to look for arrangements that reflect government policy and provide investment certainty going forward. It is not just a question of value. We have seen, in the terms of the Government submission, that the significant \$2 billion plus infrastructure investments since these arrangements—

The Hon. JOHN GRAHAM: I am happy for you to take that on notice. Can you confirm that Treasury did model the price premium that would have occurred as a result of the restrictions at the time?

Mr RUMBLE: I will need to take that on notice and speak to people within the team involved at the time.

Answer

Treasury did not undertake modelling on price premiums.

Question 3

The Hon. JOHN GRAHAM: These restrictions, the port commitment deeds that were signed up. Why was not the public aware? You made it clear that everyone knew except for the public.

Mr STAPLES: Let us be very clear, the policy around our priority for Port Botany and then Port Kembla was in the public domain. There is no question around that.

The Hon. JOHN GRAHAM: Why was the public not allowed to know about the restrictions?

Mr STAPLES: I cannot comment on the specifics of the transaction. I am happy to take on notice any issue around that. The critical point is that we are very transparent about our priority for community and industry and the supply chain, which is a critical part of this whole conversation. It is not just the port, it is waterside supply chain and landside supply chain.

Answer

The NSW Government's draft Freight & Ports Strategy was made public in 2012. The Port Commitment Deeds reflected the Government's policy settings and were available to bidders to inform commercial advice and negotiations. The specific terms of the Deeds are commercial in confidence.

Question 4

The Hon. LYNDA VOLTZ: Who signed the deed of commitment on behalf of the New South Wales Government?

Mr RUMBLE: I would need to check and confirm that.

The Hon. LYNDA VOLTZ: You will take that on notice and come back with who actually signed it?

Mr RUMBLE: Yes, I will take that on notice.

The Hon. JOHN GRAHAM: I thank the witnesses and Mr Rumble in particular for taking on notice some of those questions. I want to be specific about what the Committee is asking to be taken on notice. Who signed the commitment deeds and in what capacity did they sign in relation to both deeds?

Answer

The NSW Treasurer signed the Port Commitment Deeds on behalf of the State of NSW.
