



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEES

BUDGET ESTIMATES 2021-2022 Supplementary Questions

Portfolio Committee No. 1 – Premier and Finance

TREASURY

Hearing: Friday 20 August 2021

Answers due by: Friday 17 September 2021

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TREASURY

Questions from the Hon Mark Buttigieg MLC (on behalf of the Opposition)

NSW Generations Fund

1. Did the Treasurer deposit any windfall tax revenue into the NSW Generations Fund (Debt Retirement Fund) in FY 20/21?
 - (a) If so, what was the size of the deposit?
2. Did the NSW Generations Fund (Debt Retirement Fund) receive any distributions in FY 20/21?
 - (a) If so, how much did the fund receive?
 - (b) Was this distribution paid by Roads Retained Interest Pty Ltd?
 - (c) If not, who paid the distribution?
3. Which agencies or departments had a cash surplus at the end of financial year 20/21?
 - (a) Is the Government depositing these agencies cash surplus into the NSW Generations Fund (Debt Retirement Fund)?
4. For the NSW Generations Fund (Debt Retirement Fund), what are the current strategic assets allocations in:
 - (a) Australian shares?
 - (b) International shares?
 - (c) Emerging Market Shares?
 - (d) Alternatives?
 - (e) Unlisted property and infrastructure?
 - (f) Opportunistic?
 - (g) Emerging market debt?
 - (h) Bank loans?
 - (i) High yield?
 - (j) Cash?
5. As of budget day, how much was the government intending to contribute to the NSW Generations Fund (Debt Retirement Fund) in each year of the forward estimates?
6. Who are the members of the NSW Treasury's Assets and Liability Committee?

7. Does the NSW Generations Fund (Debt Retirement Fund) have an investment mandate?
 - (a) If so, can you provide?
 - (b) When was it determined?
 - (c) When was the last time it was updated?
 - (d) If not, why not?

8. Does T-Corp invest the monies contained in the NSW Generations Fund (Debt Retirement Fund) using other firms or managers?
 - (a) If so, please list the managers by each asset class referred to in question four?
 - (b) How are these managers selected?
 - (c) Who assesses their performance, and how often are their performances assessed?
 - (d) Has T-Corp terminated any manager since the fund was created?
 - i. If so, who was terminated?
 - ii. What were the reasons for termination?
 - (e) How are assets managers remunerated?
 - (f) Has T-Corp imposed any key performance indicators on any asset manager?
 - i. If so, what are they?
 - ii. How were these KPIs determined?

9. Referring to page A1-9 of the budget, what is the definition of?
 - (a) Cash flows from investments in non-financial assets?
 - (b) Cash flows from investments in Financial assets for policy purposes?
 - (c) Cash flows from investments in financial assets for liquidity purposes
 - (d) Regarding the line item. 'Net cash flows from investments in financial assets for liquidity purposes, please list investment by fund or agency for each year of the forward estimates?

Government Debt

10. How much NSW Government debt is currently owned by the Reserve Bank of Australia?
 - (a) How much has the NSW Government paid to the RBA in interest in each year for the last two years?

11. Please list NSW's top 10 creditors, and the amount NSW owes each of them?

Housing affordability

12. Has NSW Treasury undertaken any modelling on the impact of the last decade of NSW Government policy on housing prices?
 - (a) If so, what did this modelling conclude?
 - (b) Has it been published?
 - (c) If not, why not?
13. Has NSW Treasury modelled or estimated the number of dwellings that would need to be constructed each year to reduce annual property price increases to at or near zero?
 - (a) If so, how many dwellings would be required?
14. The 2021-22 NSW Intergenerational Report notes that strong housing price growth has been driven by declining interest rates and a supply-constrained housing market, what does NSW Treasury consider to be the largest contributors to the supply constraints on the housing market?
15. The 2021-22 NSW Intergenerational Report notes that achieving the construction of the projected 1.7 million new homes by 2060-61 will "...be a significant challenge". What are the key challenges that need to be addressed to meet this home building challenge?
16. How much are housing prices likely to rise as a result of supply chain constraints on building materials?

Test and Isolate support payments

17. What is the estimated cost of the NSW Government's "Test and Isolate" Support Payment?
18. Was NSW Treasury asked to estimate the cost of extending "Test and Isolate" Support Payments to residents of the Wollongong local government area?
 - (a) If so, what was the estimated cost?
19. Was NSW Treasury asked to estimate the cost of extending "Test and Isolate" Support Payments to areas of Greater Sydney beyond the local government areas of concern?
 - (a) If so, what was the estimated cost?

20. Did NSW Treasury provide advice that eligibility for the “Test and Isolate” Support Payments should be limited to a specific geographic region?
- (a) Was NSW Treasury consulted on the decision to limit the payment by geography rather than for health reasons?

Women in leadership

21. How many SES positions are employed in Treasury?
- (a) How many SES positions in Treasury are filled by women?

Efficiency dividend

22. Since the 2018-19 NSW Budget, there has been 4 years of 3% efficiency dividends required by each agency.
- (a) How has Treasury met the efficiency dividend requirements over the last 4 years?
- (b) How many positions in Treasury have been required to be made redundant in the last 4 years?
- i. What position levels were made redundant?
- ii. What location/s were these positions originally based in?
- (c) What services have been cut by Treasury to comply with the efficiency dividend requirements over the last 4 years?

icare

23. How many roles are being cut from icare in the whole of icare restructure?
- (a) What are the gradings of the roles being cut?
24. What assurances will you make to the vulnerable injured people under workers compensation, life time care and support, and dust diseases, that the cuts to staff will not reduce service and service times?

Treasury Managed Fund

25. With the projected average cost of a psychological claim in the Treasury Managed Fund sitting at \$199,000, and many injured public servants waiting for months for access to support, what measures are you taking to improve support and access to return to work in NSW Government agencies who are part of the TMF?

26. Given the Treasury Managed Fund required \$2 billion in funding to prevent it from going in to deficit, what assurances can you give the hard working essential workers in the current COVID pandemic that they will not have their workers compensation entitlements reduced?

Expenses

27. For each department, agency, State-owned corporation or other body, and for each division of those bodies, if any, in your portfolio/cluster in FY 20/21 what was the total amount spent on each of the following categories?
- (a) Indoor plants
 - (b) coffee and tea
 - (c) crockery
 - (d) kettles, sandwich presses and toasters
 - (e) alcohol
 - (f) cakes, muffins and pastries
 - (g) computers, computer monitors and office chairs
 - (h) office renovations and fit-outs
 - (i) taxi and rideshare expenses
 - (j) office equipment
 - (k) office renovations or upgrades
 - (l) hospitality
 - (m) conferences
 - (n) travel
 - (o) accommodation
 - (p) employee development and training activities
 - (q) study assistance
 - (r) travelling and meal expenses
 - (s) temporary accommodation benefits - commercial and private
 - (t) removal and storage expenses
 - (u) education of children
 - (v) reimbursement of transaction expenses (includes stamp duty, real estate costs for employee who is moving)
 - (w) reimbursement of incidental costs (includes gas, electricity)
 - (x) additional benefits

28. For each department, agency, State-owned corporation or other body, and for each division of those bodies, if any, in your portfolio/cluster, from FY 20/21 what are details (specific item, and total cost) of the top five most expensive occurrences of spending on each of the following categories?
- (a) indoor plants
 - (b) coffee and tea
 - (c) crockery
 - (d) kettles, sandwich presses and toasters
 - (e) alcohol
 - (f) cakes, muffins and pastries
 - (g) computers, computer monitors and office chairs
 - (h) office renovations and fit-outs
 - (i) taxi and rideshare expenses
 - (j) office equipment
 - (k) office renovations or upgrades
 - (l) hospitality
 - (m) conferences
 - (n) travel
 - (o) accommodation
 - (p) employee development and training activities
 - (q) study assistance
 - (r) travelling and meal expenses
 - (s) temporary accommodation benefits - commercial and private
 - (t) removal and storage expenses
 - (u) education of children
 - (v) reimbursement of transaction expenses (includes stamp duty, real estate costs for employee who is moving)
 - (w) reimbursement of incidental costs (includes gas, electricity)
 - (x) additional benefits

Questions from the Hon Mark Latham MLC

29. In his 4 years as Secretary why has Mr Pratt allowed Treasury to be turned into a political agency, especially with its emphasis on de-gendered language, sexuality politics, Rainbow flags, Rainbow cakes, unconscious bias training, affirmative action, Indigenous employment, expensive Indigenous art works in the tea-room and 'acknowledgement of country' even on Zoom calls?
30. What use have the political programs in (29) above been to the people of NSW during the health and economic crisis now facing the State?
31. As Deputy Secretary, Economic Strategy and Productivity, what have been Ms Wilkie's achievements in
 - (a) economic strategy?
 - (b) productivity?
32. Due to Ms Wilkie's preoccupation with political programs rather than economic productivity, isn't this the reason why NSW Treasury has had to establish a separate Productivity Commissioner and White Paper process, to do the work Ms Wilkie has been distracted from with her political activism?
33. Has Treasury staff ever been surveyed on whether they want to be a political agency rather than a conventional Treasury working on economics? If so, what did the survey results show?
34. Why would any rational, properly-qualified economist want to work in the NSW Treasury given the self-indulgent internal focus on the identity politics of senior management, rather than delivering economic efficiency and value-for-money for the people of NSW?
35. Why has Treasury narrowed the pool of people wanting to work for the agency by effectively excluding economic rationalists and libertarians as per (34) above? What evidence can Mr Pratt produce showing that the talent pool has not narrowed?
36. With Treasury's big emphasis on Reconciliation Strategies and activities, how many Treasury staff are unreconciled to Indigenous Australia? Who are they and what went wrong?

37. When did the NSW Treasury shift from an assessment of equity defined by socio-economic disadvantage to one based on identity politics and the personal characteristics of race, gender and sexuality? Why was this change made?
38. Why has Treasury failed to cut the appropriation for NSW Parliament House given the extraordinarily wasteful expenditure on bollards, the Speaker's courtyard, dining room renovations, frosted bar doors, ceiling replacements and identity-based employment positions?
39. How many government grant a) programs and b) allocations within those programs have been identified by Treasury as unjustified on economic and productivity grounds? What are the details?
40. For each of the past three budgets which government grant a) programs and b) allocations within those programs provided money to privately-owned businesses for
 - (i) capital works?
 - (ii) building extensions?
 - (iii) vehicle safety measures?
 - (iv) subsidising the input material goods and services of the business?
41. What is the Benefit Cost Ratio for each of the 145 new material Budget expenditures listed in Budget Paper No.1?
42. What is the expected productivity impact of the Treasurer's spending program encouraging people to have lunch in the Sydney CBD on Fridays?
43. Which cluster portfolios brought forward spending reduction proposals to the ERC process for the 2021/22 Budget?
44. What was the budgetary outcome for the proposals in (43) above?
45. I refer Mr Pratt to the advice Treasury gave the Treasurer in answer to my Supplementary Question at the March 2021 estimates on the failure of the 10 Treasury Indigenous staff to travel to disadvantaged Indigenous communities in Western NSW, and ask:
 - (a) Have they travelled there since March? Why not?
 - (b) How can Covid be a reason for not travelling when for large parts of the past 18 months NSW has not had Covid-related travel restrictions?

- (c) What is the real reason for these staff not visiting disadvantaged Aboriginal communities in Western NSW?
 - (d) Looking at the current situation in Western NSW communities like Dubbo and Walgett, does Mr Pratt now regret this failure of staff to visit, given how the staff could have provided Covid Safe advice and vital assistance with vaccinations?
 - (e) Going forward, how can Treasury have specially appointed Indigenous staff who never visit Indigenous communities in need? What is Mr Pratt doing to correct this oversight?
46. Why has the Government failed to proceed with its stamp duty reforms? Is this because of
- (a) the loss of fiscal discipline in the budget meaning that the reforms are unaffordable?
 - (b) the government couldn't forego the 22% increase in transfer duty forecast in the 2021/22 budget?
47. Has Treasury studied the various Benefit-Cost Ratios for options to construct rail links to and from the new Second Sydney Airport at Badgerys Creek prior to the allocation of funding? What do the BCRs show?
48. Why has Ms Wilkie been in charge of the work on the Electric Vehicle funding plan? What does the Treasury modelling show about the productivity impact of this reform?
49. In the forward estimates, how much will be spent on EV charging stations? What does Treasury estimate will be the take up rate for using these stations, measured by the number of EVs using them on a daily basis in different regions of NSW?
50. What estimates has Treasury made of the impact in NSW of a) supply restrictions and b) increased prices from the EU carbon credits policy for EVs, by which European manufacturers keep their EV supply for sale in Europe to enjoy the credit financial benefits?
51. Prior to the current Sydney Covid lockdown, how many Treasury staff were working
- (a) from home?
 - (b) back in their regular workplace?
52. What communications has Treasury has with a) Julie Bishop, b) David Cameron and c) Lex Greensill concerning the Greensill Capital invoice financial model? What are the details?
53. On page 4-6 of Budget Paper No. 1 can Treasury please explain the reason for the listing of each of the 10 items in Table 4.3 as "new revenue measures"?

54. On page A5-5 of Budget Paper No.1 what are the nature of the new Treasury Cluster “social impact investments with a focus on women facing disadvantage and Indigenous youth”? How much is being spent on this measure, how and why?
55. What social impact investments is Treasury making for desperately poor people who are male and non-Indigenous?
56. Did Treasury object to the recent 2-week closure of the NSW construction industry and what was the nature of that objection? How much economic damage did the closure cause?
57. With regard to the report SCO932-2020, the review of State-Owned Corporations,
 - (a) why did Treasury undertake this review?
 - (b) which division of Treasury was involved in the conduct of the review?
 - (c) what action has Treasury taken in response to the findings of the review?

Questions from Ms Abigail Boyd MLC

Budget - Georges River Koala Habitat

58. What budget is set aside to manage and rehabilitate Crown Land that is prime Koala habitat along the Georges River that is currently being degraded by illegal 4 WD, trail bike and Mountain biking?

Budget - Funding for domestic violence sector

59. Is the NSW Government committed to a 50% increase in funding to the specialist domestic and family violence sector to ensure all victim-survivors, vulnerable children and their families receive immediate, effective, high quality specialist support? If not, why not?
60. Is the NSW Government committed to prioritising the funding of domestic and family violence prevention and early intervention programs, services and education campaigns to stop the violence before it begins, and to change the culture of gendered violence in NSW? If not, why not?

Budget - Funding for social and affordable housing

61. Is the NSW Government committed to investing in the construction of new social and affordable housing, at the equivalent of 5,000 social housing properties every year for the

next 10 years, and increasing funding for the Specialist Homelessness Services Program by 20% in 2022? If not, why not?

Budget transparency

62. To ensure transparency and accountability, will the NSW Treasury commit to clearly stated Budget line items in the 2022 Budget Papers to ensure spending on domestic and family violence prevention and response in New South Wales is transparent and can be tracked?

Bank fees

63. What was the gross amount of bank fees charged to the NSW Government and related entities in FY2020-21?

Stamp duty

64. Does the NSW Government have the legislative power to waive stamp duty on electric vehicles and plug-in vehicles, as proposed in the budget, without passing new legislation? If so, has that power, or will that power, be exercised prior to any new legislation coming into effect?
65. When will the NSW Government release a revised proposal for implementing a property tax in place of stamp duty on transfers of real estate?

Transport Asset Holding Entity

66. How is the Transport Asset Holding Entity (TAHE) treated under the ratings methodology of Standard & Poor's? How is it treated under Moody's methodology?
67. Would having TAHE as an on-balance sheet entity for accounting purposes impact on the State's credit ratings with Moody's and/or Standard & Poor's?
68. Under current accounting standards, is there a risk that TAHE's independence for accounting purposes (ie, to qualify the entity as off balance sheet) will be impacted by the nature of agreements TAHE enters into with the NSW Government and its related entities? How does Treasury ensure that TAHE's arrangements do not compromise its independence for accounting purposes?