



Treasury

Chair
Public Accountability Committee
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Chair,

Public Accountability Committee inquiry into the Transport Asset Holding Entity (TAHE) – 1 October 2021

I write to advise of a clarification to the evidence provided by NSW Treasury at the Public Accountability Committee inquiry into the Transport Asset Holding Entity (TAHE), held on 1 October 2021.

Please find attached reference to the sections of the transcript to which the clarifications apply.

Yours sincerely

Michael Pratt AM
Secretary

2 / 11 / 2021

Corrections and clarifications

As noted in p46 of the transcript, regarding all questions on the equity treatment of funding provided to RailCorp and TAHE, Mr Midha undertook to, “check and come back to you—we will take it on notice and come back and clarify that.”

Treasury seeks therefore to provide a response to all questions from both Ms Boyd and Mr Mookhey regarding the fiscal impact of equity and grants to RailCorp and TAHE.

When asked about the impact of TAHE on the State’s overall fiscal position Treasury understood the question to pertain to the impact at the total state sector level, which is broadly zero. This is consistent with our response to the Committee. Treasury reaffirms that the conversion of RailCorp to TAHE did not have any material impact at the NSW total state sector level or on the budget’s net debt metric.

On reviewing the transcript, we note that the Committee may have been referring specifically to the presentational budget result impact of TAHE in the State Budget. If the Committee was strictly referring to the impact of TAHE on the General Government sector budget result metric, then Treasury seeks to clarify that in the 2015-16 State Budget there was a positive impact from the conversion of RailCorp to TAHE, as funding to RailCorp for heavy rail capital expenditure was classified as equity instead of grants.

The conversion of RailCorp to TAHE had the following impacts in 2015-16:

- No change to total state sector net operating balance or net debt
- No change to General Government sector net debt
- Improvement to the General Government sector budget result