

## Budget Estimates: Questions on Notice

Treasurer

Hearing: 5 March 2025

#	Transcript p#	Questions and responses
1	3	<p>The Hon. DAMIEN TUDEHOPE: Yes. Did you get a letter from the Commonwealth Grants Commission on 28 February?</p> <p>The Hon. DANIEL MOOKHEY: Which was what? Last week?</p> <p>The Hon. DAMIEN TUDEHOPE: Yes.</p> <p>The Hon. DANIEL MOOKHEY: I'll find out. We'll find out whether or not. I personally got a letter? Or the Treasury got a letter?</p>
		<p><b>Response</b></p> <p>I am advised:</p> <p>There was no letter from the Commonwealth Grants Commission (CGC) to NSW Treasury or the Treasurer.</p> <p>Treasury received a message from the CGC to advise that the embargoed report was available via secure website and that Treasury could download the embargoed report.</p>
2	10	<p>Ms ABIGAIL BOYD: Wait, I haven't finished. I haven't got to my question. But, in a similar vein, we helped you pass the changes that allowed you to bring the private health insurers back to the table. I'm really pleased that that worked and that you've got an extra \$490 million so far in the half-yearly review that you've added to the budget. Why on earth can the nurses not get the benefit of that because of some arbitrary mutual gains bargaining framework in the same way the police got the benefit from the changes we passed for them?</p> <p>The Hon. DANIEL MOOKHEY: Ms Boyd, firstly you are right to say — and, again, I do appreciate the fact that you and other members of the Committee did support those changes to the health insurance levy. It was the</p>

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		right thing to do. I have got some additional information on the amount of money we collected on that since the changes have been introduced in January, which I can provide you now or later. But, to get to the guts of your question, that additional revenue that is coming from the health insurance levy is going to the health workforce. It's not just nurses. Nurses are half of the health workforce. There is a whole complete other half. That is part of the reasons why we are in a position to, without requiring any trade-offs, make the best offer to nurses and to other healthcare workers for the three-year round that we did.
		<p><b>Response</b></p> <p>I am advised:</p> <p>Revenues relating to the agreement by private health insurers to pay the single room rate are collected by the Ministry of Health.</p>
3	14	<p>The Hon. MARK LATHAM: Can I come to what you mentioned earlier about the teacher pay increase? Why, in that arrangement, have you classified people over the age of 55 as requiring self-care in the same categories as those with a disability, and those teachers over 55 can take self-care days off work? Isn't the lesson of an ageing society that people need to be more active and work longer and productively, instead of this incredibly generous arrangement where over-55 teachers are classified as "self-care" in a form of weird Teachers Federation concession that is, in fact, ageism?</p> <p>The Hon. DANIEL MOOKHEY: Did you say 55?</p> <p>The Hon. MARK LATHAM: Yes.</p> <p>The Hon. DANIEL MOOKHEY: Out of a workforce of 80,000?</p> <p>The Hon. MARK LATHAM: It's an aged workforce in teaching. Over-55s are classified as "self-care". Why?</p> <p>The Hon. DANIEL MOOKHEY: Or over 100,000 workforce — I don't know, Mr Latham. Let me take that on notice and get some detail. You are right to point out that our teaching workforce is ageing and that we need to attract more people into the profession. One of the upsides of the agreement that we reached with New South Wales teachers is that we now have record enrolments in teaching degrees in our universities,</p>

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		which is a good thing in terms of responding to the demographic challenges to the teaching workforce. To answer your specific question, this will be the first question I'm taking on notice. I'll take it on notice.
		<b>Response</b> I am advised: Please refer to the response provided by the Treasurer on page 27 of the transcript.
4	24	<p>The Hon. MARK LATHAM: Upon my excellent suggestion, he agreed with it. You're responsible for the productivity commission. Wouldn't that be a very good idea over the next 12 months – to fully review red tape and compliance costs for small business in New South Wales, again trying to get away from a public sector employment growth economy to one that's sustainable with private sector growth?</p> <p>The Hon. DANIEL MOOKHEY: I always look to see if we can eliminate red tape. I again go back to the point I was making in the earlier session: A lot of the red tape is to do with land use planning. That is absolutely an issue with small business, as it is with medium business, as it is with large business. That is something that we are going to need to look at, yes. So far as whether the NSW Productivity and Equality Commissioner should be looking at it, that is something which I will take on notice.</p>
		<b>Response</b> I am advised: Minister Kamper undertook in his hearing to properly understand the impacts of regulations on small businesses. The NSW Productivity and Equality Commission (PEC) could be one approach to do this and I am happy to discuss this with the Minister.
5	25	<p>The Hon. MARK LATHAM: What about detached dwellings?</p> <p>The Hon. DANIEL MOOKHEY: Detached dwelling is a different category. I think the Urban Taskforce point is more about the high-rise.</p>

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		<p>The Hon. MARK LATHAM: No, they've got data about detached dwellings, which are still pretty important — the great Australian dream.</p> <p>The Hon. DANIEL MOOKHEY: You mean about the urban fringe components of it. We'll check on whether or not there's a difference in the data between that component and that. Again, you're talking about the TOD policy. The TOD policy is in a different category because it's the infill component. Those were the comments from business leaders on the weekend, which were more to do with the infill component than necessarily the greenfield component. I refer you to the fact that these claims are obviously contested, and I'd make the point that obviously property developers want to pay less in charges. That's a given. That's the reason why we have a Productivity and Equality Commissioner — to look at these issues.</p>
		<p><b>Response</b></p> <p>I am advised:</p> <p>The following estimates are from the <i>Review of housing supply challenges and policy options for New South Wales</i> (the Review) released by the NSW Productivity and Equality Commission in August 2024.</p> <ul style="list-style-type: none"> <li>For a mid-rise infill apartment in Sydney in 2023, state and local infrastructure contributions represent about 2.5% of the total costs of development. This figure rises to 3.8% when including land tax and stamp duty.</li> </ul> <p>For a detached greenfield house in Sydney in 2023, state and local infrastructure contributions represent about 8.2% of the total costs of development. This figure rises to 8.8% when including land tax and stamp duty.</p>
6	29	<p>The Hon. CHRIS RATH: In particular I'd suggest that you undertake to do a review of funding arrangements or grants received by signatories to the United Muslim Community, in particular in reference to their statement — as signatories to their statement.</p> <p>The Hon. DANIEL MOOKHEY: Sorry, which group?</p>

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		<p>The Hon. CHRIS RATH: United Muslim Community and the signatories to their statement. You made some comments about it in the House.</p> <p>The Hon. DANIEL MOOKHEY: Okay, you're referring to that statement. I can give you some further information. I said we would have a look into it. As I understand it, there has been a \$6 million grant to the Lebanese Muslim Association for aged-care services. That was announced by Mark Coure in 2019</p>
		<p><b>Response</b></p> <p>I am advised:</p> <p>This question is more appropriately directed to the Minister for Multiculturalism.</p>
7	30	<p>The Hon. DAMIEN TUDEHOPE: I'm looking under "Minister for Transport John Graham said".</p> <p>The Hon. DANIEL MOOKHEY: Yes, "The complex extension of Sydney Metro services from Sydenham to Bankstown will be completed in 2026."</p> <p>The Hon. DAMIEN TUDEHOPE: You're not reading from the statement he issued.</p> <p>The Hon. DANIEL MOOKHEY: I'm fairly positive I am. Let me double-check. That's the best information we have available to us, but I'll double-check for you in respect to that. But I think you're right to say that there are obviously delays as a result of the industrial action, and it is 130 days.</p>
		<p><b>Response</b></p> <p>I am advised:</p> <p>The Transport Minister's media release is publicly available on the NSW Government website at <a href="https://www.nsw.gov.au/ministerial-releases/south-west-metro-conversion-period-to-be-extended-into-2026">https://www.nsw.gov.au/ministerial-releases/south-west-metro-conversion-period-to-be-extended-into-2026</a>.</p>
8	31	<p>The Hon. DAMIEN TUDEHOPE: Are you aware of whether any action has been taken by Sydney Metro to mitigate the industrial action taken by the ETU by an application in the Fair Work Commission?</p>

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		<p>The Hon. DANIEL MOOKHEY: The first point is that's not what I said — to the first claim that you made. The second point is that actions to mitigate the industrial action have been taken by Sydney Trains as the employer who is party to the industrial agreement from which the agreement arose. This was a key component of multiple actions that the Government has taken in the Fair Work Commission, including the recent action we took which saw the successful grant of a 425 application.</p> <p>The Hon. DAMIEN TUDEHOPE: That was not in relation to the ETU's ongoing —</p> <p>The Hon. DANIEL MOOKHEY: Yes, it was.</p> <p>The Hon. DAMIEN TUDEHOPE: No, it wasn't.</p> <p>The Hon. DANIEL MOOKHEY: Yes, it was.</p> <p>The Hon. DAMIEN TUDEHOPE: The protected industrial action which has been taken by the ETU in relation to work stoppages, was that —</p> <p>The Hon. DANIEL MOOKHEY: That was part of the application that we made to the CRU, of which the ETU are members. The ETU has now lodged an appeal so, yes, it was. The fact that the ETU is appealing it is also a pretty strong indication that that was the action.</p> <p>The Hon. DAMIEN TUDEHOPE: So it is your view that the decision under section 425 prevents the ETU from continuing protected industrial action? The Hon. DANIEL MOOKHEY: Insofar as the actions that they were taking on the metro were authorised by that protected action ballot and application. The Hon. DAMIEN TUDEHOPE: Are there any which are not?</p> <p>The Hon. DANIEL MOOKHEY: Again, we can take that on notice and take advice to see whether there is any other industrial action that has been taken by the ETU elsewhere that is impacting on the metro, but that is the main one that has.</p> <p>The Hon. DAMIEN TUDEHOPE: Are you sure that's the case?</p> <p>The Hon. DANIEL MOOKHEY: To the best of my knowledge, yes.</p> <p>The Hon. DAMIEN TUDEHOPE: I'm glad you've taken it on notice.</p>

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		<p><b>Response</b></p> <p>I am advised this question is more appropriately directed to the Minister for Transport.</p>
9	34	<p>Ms ABIGAIL BOYD: SafeWork has only just released its strategy for reducing those psychological injuries within the public sector. It's got a two-year time frame to it. Are you prioritising prevention or are we going to be faced with —</p> <p>The Hon. DANIEL MOOKHEY: Yes, we are going to need to, absolutely. You will see in the reforms we outline that we do need to equip the public sector with more tools, but we also have to install more mechanisms that hold the public sector to account as well. You're absolutely right. This is the point: The system needs modernisation. You're absolutely right to say that we need to invest more in prevention; you're absolutely right to say that we need structures that hold the public sector, as the employer, accountable to workers. There's no disagreement whatsoever. But that is not happening under the status quo. The status quo is diverting a lot of resources to the wrong end of the spectrum for intervention. That redirection does need to take place for the public sector. But I'd also make the point, which the Premier made too, that that's also a big reason why there are premium pressures on the private sector. The Premier's comments, in context, were to do with that component of it.</p> <p>Ms ABIGAIL BOYD: But where is the evidence then that, from the Nominal Insurer perspective, we've got —</p> <p>The Hon. DANIEL MOOKHEY: I can tell you the claim numbers. We can show you that the claims growth from the Nominal Insurer is exponential as well.</p> <p>Ms ABIGAIL BOYD: It is, but I'm yet to see evidence that the Nominal Insurer is having a huge exponential growth that isn't tapering off when it comes to particularly young people claiming psychological injury.</p> <p>The Hon. DANIEL MOOKHEY: To the cohort analysis, I can accept that we'll get you some more detail on what's happening with the Nominal Insurer when it comes to age. If you look at the liability reports that come out from the Nominal Insurer and are published every six months, it does show that there's a huge spike in workers compensation claims.</p>
		<p><b>Response</b></p>

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		<p>I am advised:</p> <p>icare claims data records the proportion of workers compensation claims for psychological injuries in workers under 40 years old has increased by 90% from 2020 to 2024.</p>
10	36	<p>The CHAIR: There's an inquiry underway at the moment. There have been some questions raised about the integrity of the system, with the Northern Territory racing commission having a lot of —</p> <p>The Hon. DANIEL MOOKHEY: Which inquiry are you referring to?</p> <p>The CHAIR: There's a Federal inquiry at the moment. Do you commit to look into that issue of the integrity of the reporting?</p> <p>The Hon. DANIEL MOOKHEY: Yes. The CHAIR: So Liquor and Gaming have significant powers in that area?</p> <p>The Hon. DANIEL MOOKHEY: Yes, they do. But, yes, I will happily commit to having a look into it and provide you with further information.</p> <p>The CHAIR: Do Liquor and Gaming report those audits or those investigations of online gaming companies?</p> <p>The Hon. DANIEL MOOKHEY: I don't know. I'll have to take that on notice as to what they report.</p>
		<p><b>Response</b></p> <p>I am advised:</p> <p>Questions regarding Liquor and Gaming NSW's auditing, enforcement and reporting are more appropriately directed to the Minister for Gaming and Racing.</p>
11	36- 37	<p>The Hon. MARK LATHAM: Treasurer, what assessment has the Treasury made of the productivity impact of work from home?</p> <p>The Hon. DANIEL MOOKHEY: I'll invite the secretary.</p> <p>MICHAEL COUTTS-TROTTER: Mr Latham, really, the only serious work that was done on that was done in 2022, from memory. The conclusion then, at a point in time, was that it could be potentially slightly</p>



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		<p>productivity enhancing, but there was a big caveat to that — that while it may enhance productivity in the short run, it may not in the longer term. There could be some immediate benefits that —</p> <p>The Hon. MARK LATHAM: Well, we've got to the medium term now, three years on. Isn't it time to update the research and take account of what I think is now the conventional wisdom, probably in the public sector as well as the private sector, that it's reducing productivity and we're missing out on the impact of collaboration, cooperation and association with other employees in the workplace? Can you update the research?</p> <p>MICHAEL COUTTS-TROTTER: I'll take that on notice. There could be people looking to do that already. Obviously the Government — through the Premier and the head of his department — in requiring all of us to work principally in a public sector workplace, is recognising precisely the issues you raise. There's a cost —</p> <p>The Hon. MARK LATHAM: Will you take account of exploitation of the system? I've got a confirmed case of someone who has been to her workplace three times in the past five years. One of the ways she avoids it is not go to the Parramatta office by telling them she's traumatised in going to Parramatta because her grandmother passed away at Westmead Hospital.</p> <p>MICHAEL COUTTS-TROTTER: Right.</p> <p>The Hon. MARK LATHAM: There are examples like that which just demonstrate, under the banner of flexible work arrangements — it's a standing joke in the community, the amount of taxpayers' money that's being wasted here and fraudulent claims that are being made where people stay at home and don't do a lot of work.</p> <p>The Hon. DANIEL MOOKHEY: Insofar as, I guess, the request as to whether Treasury can update its research, we'll take that on notice to see if we can, just to be clear —</p> <p>MICHAEL COUTTS-TROTTER: We'll take it on notice.</p> <p>The Hon. MARK LATHAM: Have you got data on the extent of abuse and exploitation of this system?</p> <p>The Hon. DANIEL MOOKHEY: Are you talking about the public sector or the private sector or both?</p> <p>The Hon. MARK LATHAM: The public sector is what you're responsible for.</p>

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		The Hon. DANIEL MOOKHEY: We'll find out what we have. We'll strive to see what we can give you in terms of, I guess, allegations of abuse of the policies that are in place. I do make the point that the Government has updated the requirements that you are actually at work. In large part, it's because we do agree that there are the benefits of collaboration and there are the benefits of proximity that are appropriate for people to be at work. But we will absolutely see what further information we can provide you about allegations of abuse.
		<b>Response</b> I am advised: NSW Treasury has implemented the Premiers circular C2024-03 on NSW Government Workplace Presence.
12	37	The Hon. MARK LATHAM: How much money have you recovered that was unspent? The Hon. DANIEL MOOKHEY: I don't believe any of the money was unspent. The Hon. MARK LATHAM: I can give you an example. Bathurst race club received a grant of \$3.7 million — and I itemised this yesterday with the Racing Minister — where they only spent \$1 million. That's \$2.7 million there that was unspent. Are you saying that you can't find a single example of recovering unspent money such as this \$2.7 million? The Hon. DANIEL MOOKHEY: We're happy to look into it. But, bear in mind, without knowing the actual contract term for that \$3.7 million, we don't — I'll double-check to see when it was all meant to be spent by as well, which is the other aspect of the grant programs that we are still acquitting.
		<b>Response:</b> I am advised: This question is more appropriately directed to the Minister for Lands and Property as this grant was provided under the Crown Lands COVID Stimulus program.
13	38	The Hon. MARK LATHAM: You charge stamp duty on one dollar?

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		<p>The Hon. DAMIEN TUDEHOPE: No, you charge it on the value.</p> <p>The Hon. DANIEL MOOKHEY: No, you wouldn't charge it on a dollar because I'm fairly positive there's a threshold.</p> <p>The Hon. MARK LATHAM: What is your answer, Treasurer?</p> <p>The Hon. DANIEL MOOKHEY: Again, I'm not here to give tax advice, but I presume each event of purchase and sale — presumably, there are two parties to the first purchase; there is a seller and a buyer in the first purchase. The stamp duty is levied in accordance with stamp duty law in each transaction event.</p> <p>The Hon. MARK LATHAM: What was your expectation for the second transaction selling for a dollar? What would be the stamp duty on that?</p> <p>The Hon. DANIEL MOOKHEY: I believe, unless there are any exceptions, it's probably below the threshold, off the top of my head. It would be well below the threshold.</p> <p>The Hon. MARK LATHAM: So you think there's no stamp duty paid on it?</p> <p>The Hon. DANIEL MOOKHEY: It depends on the type of land. Have you got further details on the type of land you are asking about?</p> <p>The Hon. MARK LATHAM: I can provide those to you.</p> <p>The Hon. DANIEL MOOKHEY: Happy to look.</p>
		<p><b>Response</b></p> <p>I am advised:</p> <p>The transfer duty thresholds can be found on the Revenue NSW website.</p>
14	38	<p>The Hon. DAMIEN TUDEHOPE: Treasurer, how much is currently invested in the NSW Master Fund?</p> <p>The Hon. DANIEL MOOKHEY: The TCorp master funds? Which master fund are you talking about? There is a series of them.</p>

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		<p>The Hon. DAMIEN TUDEHOPE: The TCorp master fund. The one we recently legislated. The Hon. DANIEL MOOKHEY: You mean OneFund.</p> <p>The Hon. DAMIEN TUDEHOPE: It's called master fund in the legislation.</p> <p>The Hon. DANIEL MOOKHEY: Yes, in the legislation it is. We can get you the number. Mr Deverall will be here this afternoon as well. He can give you more update-to-date information about the changes.</p> <p>The Hon. DAMIEN TUDEHOPE: Of those funds, how much is attributable to icare and their statutory responsibilities?</p> <p>The Hon. DANIEL MOOKHEY: Again, we can take that on notice and give you some more detail. Just on that question, you said under their statutory responsibilities. We'll provide you the TMF, just to let you know, as well, because that's part of it.</p> <p>The Hon. DAMIEN TUDEHOPE: I was coming to the next question, which was the TMF.</p> <p>The Hon. DANIEL MOOKHEY: We can get you balance updates, if you wish. We'll get you balance updates that have been provided as of the TSSA.</p>
		<p><b>Response</b></p> <p>I am advised:</p> <p>Please refer to the response provided by Mr Deverall on page 63 of the transcript.</p>
15	41	<p>The Hon. DAMIEN TUDEHOPE: So the net asset holding policy remains in place so you can get reinsurance?</p> <p>The Hon. DANIEL MOOKHEY: With insurance, you separate assets from liabilities. You reinsure your liabilities, not your assets. So long as you can legally separate your liabilities from your assets, you can get reinsurance for them.</p> <p>The Hon. DAMIEN TUDEHOPE: And you've sought that reinsurance, have you, under this new model?</p> <p>The Hon. DANIEL MOOKHEY: I'm sure we can find out where we are with the reinsurance, but that's not disturbed by the formation of OneFund.</p>

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		<p><b>Response</b></p> <p>I am advised:</p> <p>icare has advised that the Treasury Managed Fund reinsurance arrangements are placed in accordance with the <i>NSW Self-Insurance Principles</i> and the <i>iCare Reinsurance Management Strategy</i>.</p>
16	41-42	<p>The Hon. DAMIEN TUDEHOPE: Treasurer, the half-yearly review revised total employee expenses, including superannuation expenses, up a further \$3 billion over four years to \$228 billion.</p> <p>The Hon. DANIEL MOOKHEY: That's picking up higher liability claims on our workers compensation scheme. That's the issue Ms Boyd was asking me about. That's how it's reported. So you'll see —</p> <p>The Hon. DAMIEN TUDEHOPE: Total employee expenses?</p> <p>The Hon. DANIEL MOOKHEY: Yes, that's reported under employee expenses. If you look at the half-year review expense outlook, table 3.5, you will see that the actual revision is from 3.2 per cent projected growth at the budget to 3.4 per cent at half-year review, so it's a 0.2 per cent variation. That is stemming from the fact that the latest valuation of the State's outstanding liabilities in the TMF is reflected in that budget line.</p> <p>The Hon. DAMIEN TUDEHOPE: So it doesn't include any additional employee expenses in relation to wage increases?</p> <p>The Hon. DANIEL MOOKHEY: The incremental change?</p> <p>The Hon. DAMIEN TUDEHOPE: Yes, the incremental.</p> <p>The Hon. DANIEL MOOKHEY: So the variance? The variance is overwhelmingly attributed to the change in workers compensation, which is mentioned. Let me find out as to whether or not it's picking up anything else, smaller changes. I suspect it is going to pick up the additional incremental costs we paid in respect to the agreement we reached with the Public Service Association.</p>
		<p><b>Response</b></p> <p>I am advised:</p>

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		The Half Year Review and 2024-25 Budget both note that the forward estimates remain subject to the outcome of ongoing negotiations where final agreements are yet to be made.
17	44-45	<p>The CHAIR: Treasurer, online gaming companies that are licensed in New South Wales — how do they establish where wagerers are making their bets from?</p> <p>The Hon. DANIEL MOOKHEY: I don't know.</p> <p>MICHAEL COUTTS-TROTTER: I don't know either, but we can tell you this afternoon.</p> <p>The Hon. DANIEL MOOKHEY: We'll find out for you.</p> <p>The CHAIR: I'm registered with an online gambling company and you don't have to provide any evidence of where you live, other than filling in an address.</p> <p>The Hon. DANIEL MOOKHEY: I think my understanding of the POCT — it takes into account where the bet is made, but also the location of the event that you're betting on as well, I'm fairly positive, under the point of consumption changes. Let me come back to you on that.</p> <p>The CHAIR: Sorry, what was that? Where the event —</p> <p>The Hon. DANIEL MOOKHEY: As in the event that you are betting on, if that's taking place in a jurisdiction — I'm sure that's a factor as well. That is, if there's a rugby league game that's being played in New South Wales — they have to reconcile the two, but I don't want to speak —</p> <p>MICHAEL COUTTS-TROTTER: Yes, we'll give you good information this afternoon. The CHAIR: The reason I raise it is because there's a possibility that if you were a major gambler and you were registering with a gambling agency, it's no skin off your nose to move your operation to WA or have an address in WA that you can rely on, and then the company avoids a massive amount of tax.</p> <p>The Hon. DANIEL MOOKHEY: As in a person who is betting would set up —</p> <p>The CHAIR: Yes.</p> <p>The Hon. DANIEL MOOKHEY: Yes, I guess that's theoretically possible. I think it's theoretically possible.</p>

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		<p>The Hon. MARK LATHAM: But you give an address when you register with the betting agency, and that can be —</p> <p>The CHAIR: That can be anywhere. It could be a post-office box.</p> <p>The Hon. MARK LATHAM: But it can also be checked against the electoral roll and other documents.</p> <p>The CHAIR: But is it?</p> <p>The Hon. DANIEL MOOKHEY: I haven't had reports of that being a mass problem, but I'll check.</p> <p>MICHAEL COUTTS-TROTTER: I don't know.</p> <p>The Hon. MARK LATHAM: Let's find out.</p> <p>The CHAIR: This is the thing. Could you come back to me with some information on how that is established?</p> <p>The Hon. DANIEL MOOKHEY: Sure.</p> <p>MICHAEL COUTTS-TROTTER: We will.</p> <p>The CHAIR: I'd really appreciate that.</p>
		<p><b>Response</b></p> <p>I am advised:</p> <p>The Point of Consumption Tax applies to bets that a made by a person who is located in New South Wales when the bet is made.</p> <p>The <i>Betting Tax Act 2001</i> specifies that a betting operator must take reasonable steps to identify the location of the person making the bet, and also that a betting operator may rely on an address given to the betting operator as their residential address (or for a corporation, a corporation's principal place of business) for identifying the location of the person making the bet.</p>

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		Liquor and Gaming NSW is responsible for compliance with the Point of Consumption Tax. Questions regarding auditing, enforcement and reporting are more appropriately directed to the Minister for Gaming and Racing.
18	51	<p>The Hon. NATALIE WARD: Thank you for coming today and for your service. My questions, I think, are to Ms Awad, but correct me if there's somebody else you'd like to refer them to. Ms Awad, what is Allan Fels' current salary or estimated amount payable under his current contract?</p> <p>DONNA AWAD: Allan Fels and Dr David Cousins were engaged by Treasury for the Independent Toll Review, which concluded last July, so his total costs have now been paid. The total costs paid to Professor Fels in terms of both remuneration and expenses —</p> <p>The Hon. NATALIE WARD: Sorry, I understand he is still retained.</p> <p>MICHAEL COUTTS-TROTTER: He is.</p> <p>The Hon. NATALIE WARD: I'd like to understand his current salary and his current amount payable.</p> <p>MICHAEL COUTTS-TROTTER: He is not engaged by Treasury. He is engaged by Transport for NSW.</p> <p>The Hon. NATALIE WARD: Sure. Do you have that amount or the current contract amount payable?</p> <p>MICHAEL COUTTS-TROTTER: No. I'm not aware —</p> <p>DONNA AWAD: That is a question for Transport.</p> <p>The Hon. NATALIE WARD: Are you able to take that on notice?</p> <p>MICHAEL COUTTS-TROTTER: We can, of course, Ms Ward, but we'd be referring it to our colleagues from Transport.</p> <p>The Hon. NATALIE WARD: Certainly. If you would, I'd be appreciative.</p> <p>MICHAEL COUTTS-TROTTER: No problem.</p> <p>The Hon. NATALIE WARD: Thank you. What is his specific role currently?</p> <p>MICHAEL COUTTS-TROTTER: Again, we'd need to take that on notice.</p>



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		<p><b>Response</b></p> <p>This a matter for Transport for NSW and was answered in the Roads portfolio Budget Estimates hearing.</p>
19	54	<p>The Hon. NATALIE WARD: In relation to the toll reform and direct dealings, I understand the Government in New South Wales and the concessionaires have started negotiations under the direct deal framework.</p> <p>DONNA AWAD: That's right.</p> <p>The Hon. NATALIE WARD: Under that, does the Government have a record of justification for direct dealings as required by the direct deal framework? DONNA AWAD: Yes, it does.</p> <p>MICHAEL COUTTS-TROTTER: Yes, it does.</p> <p>The Hon. NATALIE WARD: Can you provide that to us?</p> <p>MICHAEL COUTTS-TROTTER: That was advice to Cabinet, so we will need to take that on notice, Ms Ward.</p> <p>The Hon. NATALIE WARD: I'm not asking for the advice in relation to that specific deal. I'm asking about the record of justification for direct dealings — that is, the governance framework around it, which is required under the direct deal framework. I'm wondering if you can provide that to the Committee so we understand the framework. I'm not looking for the details of the direct negotiation.</p> <p>MICHAEL COUTTS-TROTTER: No, I understand that, but the justification, as is required under policy, was prepared and was provided to Cabinet. That's advice to Cabinet, so we'd need to take on notice what, if anything, we could provide to the Committee. Just to confirm, that justification —</p> <p>The Hon. NATALIE WARD: What can you provide?</p> <p>MICHAEL COUTTS-TROTTER: I'd take it on notice and take advice, if that's okay.</p> <p>The Hon. NATALIE WARD: All right. As at today there would be a governance framework that is required, as set out.</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p>

#	Transcript p#	Questions and responses
		<p>The Hon. NATALIE WARD: It's not controversial. Are you able to provide that to the Committee in whatever form?</p> <p>MICHAEL COUTTS-TROTTER: As I said, the complication is that we provided it in the form of formal advice to Cabinet.</p> <p>The Hon. NATALIE WARD: There might be a way in which you could —</p> <p>MICHAEL COUTTS-TROTTER: There might be.</p> <p>The Hon. NATALIE WARD: — take out any particular specifics but provide what is the framework that exists for it.</p> <p>MICHAEL COUTTS-TROTTER: Sure.</p>
		<p><b>Response</b></p> <p>Per the Direct Dealing Guidelines, agencies must obtain approval from the appropriate approval authority (such as an agency senior executive or the relevant portfolio Minister) of the justification for direct dealing. The ICAC guidelines set out some of the circumstances that could justify direct dealing including where a counterparty is in a unique position to offer a solution that cannot be offered by competitors.</p>
20	54	<p>The Hon. NATALIE WARD: Thank you. Does the Government have a robust and fit-for-purpose governance framework, including a risk assessment and risk management strategy?</p> <p>MICHAEL COUTTS-TROTTER: Yes, we do.</p> <p>DONNA AWAD: Yes.</p> <p>The Hon. NATALIE WARD: Will you take on notice to provide that robust and fit-for-purpose governance framework?</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p>
		<p><b>Response</b></p>

#	Transcript p#	Questions and responses
		The Governance Plan is Cabinet-in-confidence.
21	55	<p>The Hon. NATALIE WARD: Who is the chair of the steering committee under the direct dealing framework?</p> <p>SONYA CAMPBELL: I am a co-chair with my colleague Deputy Secretary Trudy Mares in Transport.</p> <p>The Hon. NATALIE WARD: So you're co-chairs?</p> <p>SONYA CAMPBELL: Yes.</p> <p>The Hon. NATALIE WARD: Terrific — two women driving it. Under that, who are the members of the committee for the direct dealing negotiations with Transurban?</p> <p>SONYA CAMPBELL: The other members are Secretary Coutts-Trotter; Camilla Drover, who is a deputy secretary in Transport; and Marcus Ray, who is a deputy secretary in the Cabinet Office.</p> <p>The Hon. NATALIE WARD: So it's those three and you and Ms Mares?</p> <p>SONYA CAMPBELL: That's correct.</p> <p>The Hon. NATALIE WARD: So it's five. Does that body have terms of reference?</p> <p>SONYA CAMPBELL: It does.</p> <p>The Hon. NATALIE WARD: Can you take on notice to provide the terms of reference?</p> <p>SONYA CAMPBELL: I can.</p>
		<p><b>Response</b></p> <p>Please refer to Attachment A.</p>
22	55	<p>The Hon. NATALIE WARD: How many times has the steering committee met this year specifically on the direct deal?</p> <p>MICHAEL COUTTS-TROTTER: It seems like an awful lot. We'll take it on notice and give you the exact number.</p>

#	Transcript p#	Questions and responses
		<p>DONNA AWAD: It was meeting fortnightly last year but it's currently meeting monthly.</p> <p>The Hon. NATALIE WARD: So this year, we're in March. You've met twice?</p> <p>DONNA AWAD: Twice, yes.</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p> <p>The Hon. NATALIE WARD: Can you provide the dates?</p> <p>MICHAEL COUTTS-TROTTER: Yes, we can.</p> <p>SONYA CAMPBELL: Yes, we can.</p> <p>DONNA AWAD: Yes.</p>
		<p><b>Response</b></p> <p>The Toll Reform Steering Committee meets regularly.</p>
23	55	<p>The Hon. NATALIE WARD: Has the steering committee been presented with modelling concerning tolling road concession extensions?</p> <p>SONYA CAMPBELL: It would have been presented, at least with summaries of modelling but perhaps not the detailed modelling that sits underneath it.</p> <p>The Hon. NATALIE WARD: Why wouldn't the detailed modelling be provided to Treasury, which is the steering committee?</p> <p>SONYA CAMPBELL: Because that's very extensive. But there have been workshops facilitated for steering committee members to do deep dives into that modelling.</p> <p>The Hon. NATALIE WARD: Have all committee members attended those deep dives?</p> <p>SONYA CAMPBELL: I would have to take that on notice, as to which committee members have.</p> <p>The Hon. NATALIE WARD: If you would, that would be helpful — and when that happened.</p> <p>SONYA CAMPBELL: Yes.</p>

#	Transcript p#	Questions and responses
		<p><b>Response</b></p> <p>The Independent Toll Review SteerCo considers a range of information relevant to the Government's policy to deliver a fairer, simpler and more transparent toll network.</p>
24	55-56	<p>The Hon. NATALIE WARD: On how many occasions this year has that negotiation team formally met with Transurban to discuss the toll reform?</p> <p>DONNA AWAD: I'd have to take that on notice. We do meet regularly, like, probably about fortnightly, but I'll have to count the number of meetings and get back to you on the number.</p> <p>The Hon. NATALIE WARD: You don't know for this year?</p> <p>DONNA AWAD: We've been meeting, obviously, since last year, but as of this year I can give you the number. I can take that on notice.</p> <p>The Hon. NATALIE WARD: Sure. Once or twice? Is that also monthly or is it fortnightly or —</p> <p>DONNA AWAD: No, it's fortnightly. There has often been other meetings that are a smaller team meeting if it's specific issues that needed to be addressed, like traffic modelling, for example.</p> <p>The Hon. NATALIE WARD: If you could outline those and the committee — I'm just looking for the governance here of what the process is and who has been meeting. If there have been meetings outside of that steering committee for those deep dive briefings or for understanding particular modelling aspects, that would be helpful as well, if you're able to provide that. How long do those meetings go for?</p> <p>DONNA AWAD: We generally schedule them for two hours. It just depends on whether we fill that time or not, depending on the agenda for that day.</p>
		<p><b>Response</b></p> <p>As of 30 March 2025, the negotiation team has met regularly with the toll road concessionaires.</p>
25	56	<p>The Hon. NATALIE WARD: On how many occasions has the steering committee provided formal advice to the Government this year?</p>

#	Transcript p#	Questions and responses
		<p>MICHAEL COUTTS-TROTTER: This year; we'd need to take that on notice. Formal advice —</p> <p>The Hon. NATALIE WARD: Off the top of your head? Once or twice?</p> <p>SONYA CAMPBELL: Is the question to a committee of Cabinet?</p> <p>The Hon. NATALIE WARD: Two-hour meetings and there's only been five of them.</p> <p>MICHAEL COUTTS-TROTTER: There are advices to the two relevant Ministers, Minister Graham and the Treasurer. Then there are advices to Cabinet and/or its subcommittees. We'd need to take that on notice.</p> <p>DONNA AWAD: I don't think there has been any advice to Cabinet this year, but there may have been to Minister Graham and the Treasurer.</p>
		<p><b>Response</b></p> <p>Treasury and Transport executives meet with the Treasurer, Minister Graham and their offices on a regular basis.</p>
26	56	<p>The Hon. NATALIE WARD: Of those meetings — it seems that it's not moving particularly quickly. But some advice might have been provided or there might be more opportunity for advice once some work is done?</p> <p>MICHAEL COUTTS-TROTTER: Happy to take it on notice. I wouldn't agree with the characterisation that things aren't moving particularly quickly. I think things are moving as rapidly as something as complex as dealing with 10 counterparties across legal contracts running to over 10,000 pages can move.</p> <p>The Hon. NATALIE WARD: But it seems that there have been two-hourly meetings on five occasions. That's 10 hours of negotiation this year.</p> <p>MICHAEL COUTTS-TROTTER: Yes, but there are, as my colleagues were describing, workshops outside of that. But we're happy to respond on notice as we've agreed to.</p>
		<p><b>Response</b></p> <p>The complex nature of this direct dealing requires the State's project teams and the advisers to complete thorough due diligence.</p>

#	Transcript p#	Questions and responses
27	58	<p>The Hon. NATALIE WARD: Who are the independent parties that would be on that evaluation panel?</p> <p>SONYA CAMPBELL: Typically, the Cabinet Office provides an independent central agency view on these types of processes.</p> <p>The Hon. NATALIE WARD: So who was on the previous one?</p> <p>SONYA CAMPBELL: We'd have to take that on notice, I think.</p>
		<p><b>Response</b></p> <p>A representative from the Cabinet Office was on the evaluation panel. Additionally, O'Connor Marsden and Associates, who are the Probity Advisor for the direct dealing with the toll road concessionaires, attended all Evaluation Panel meetings.</p> <p>The Probity Advisor's role was to monitor and report on probity processes including management of conflicts of interest, confidentiality, and probity issues as they arose.</p>
28	59	<p>Ms ABIGAIL BOYD: RBC has worked with Transurban as well. They recently were part of a group of refinancers. How did that conflict of interest work? Was it just because they hadn't been doing the advisory work with Transurban?</p> <p>DONNA AWAD: My understanding was they were working for a party — not Transurban. We did do our conflict check. Our understanding was they weren't advising Transurban, but I'm happy to go away and check that.</p>
		<p><b>Response</b></p> <p>RBC does not have a conflict of interest between Transurban and the work currently being undertaken for the State.</p>

#	Transcript p#	Questions and responses
29	60	<p>Ms ABIGAIL BOYD: The Treasurer was saying earlier that we're better than the other States and Territories in foundational supports, and that we're quite well developed in foundational supports. To your understanding —</p> <p>MICHAEL COUTTS-TROTTER: Foundational supports, as they are described in the agreement coming out of National Cabinet, anticipate a set of changes to the NDIS that mean some participants will get less or no support from the scheme at some point in time, and then it's the foundational support services that are available to those in the first instance, children and families, that we're talking about. But, at the same time, I think the Treasurer was describing a lot of the services that are already provided within mainstream health, education and other public services that attempt to meet the needs of people who aren't eligible for the NDIS. Of course, as you know well, that's 90 per cent of people with disability.</p> <p>Ms ABIGAIL BOYD: We are actually just guessing at this point, but is it things like OTs? Is it everything from those kinds of specialist services — you mentioned autism before — that you might have for a person with autism, like speech therapy, as well as advocacy services and other things?</p> <p>MICHAEL COUTTS-TROTTER: I would have assumptions about that, but knowing how closely advocates, families and others follow the detail of this, I shouldn't just give you my view.</p> <p>Ms ABIGAIL BOYD: Fair enough.</p> <p>MICHAEL COUTTS-TROTTER: I'm happy to take it on notice and seek from colleagues any kind of update that they can provide on that.</p> <p>Ms ABIGAIL BOYD: Could you take on notice what the Commonwealth's agreement defines foundational support as?</p> <p>MICHAEL COUTTS-TROTTER: It really doesn't in any level of — if you were a family thinking about the service you may receive, reading the agreement will give you no clarity at all. The work has to be done.</p>
		<p><b>Response</b></p> <p>The 2023 National Cabinet Agreement does not define Foundational Supports.</p>



#	Transcript p#	Questions and responses
30	60	<p>The Hon. MARK LATHAM: Secretary, in light of the Treasurer's comment this morning that it's not realistic to achieve the 30 per cent EV take-up rate, what is the amount that Treasury would realistically model and expect over the next five years?</p> <p>MICHAEL COUTTS-TROTTER: That's a really good question, and I think we would be updating those forecasts for the 2025-26 budget. I don't think they've been updated since we last published. The 2027-28 financial year, which is the first year of the road user charge anticipated to come in in New South Wales, is getting closer and closer. That's a longwinded way of saying I'd have to take that on notice.</p>
		<p><b>Response</b></p> <p>As part of the 2025-26 Budget process, Treasury will assess all available information and revise estimates as appropriate.</p>
31	60	<p>The Hon. MARK LATHAM: Is it possible, any time in the next five years, to get over 10 per cent? These are just Australian realities, aren't they, that we have the highest take-up rate in the world of rooftop solar, but a reluctance to go into EVs for a range of reasons?</p> <p>MICHAEL COUTTS-TROTTER: To the points raised by the Treasurer, obviously people's concerns about whether there's a charging facility available to them is a big impediment to take-up — also pricing. But, of course, when you've got a 110 per cent tariff in the US on Chinese-produced vehicles, they're looking for alternative markets and we're starting to see the price of new EVs and, of course, the secondary market price of EVs fall as Chinese production goes looking for a market.</p> <p>The Hon. MARK LATHAM: Sure. But do you think it's realistic to get over 10 per cent some time in the next five years?</p> <p>MICHAEL COUTTS-TROTTER: I'd be talking beyond my competence, so —</p> <p>The Hon. MARK LATHAM: You'll take that on notice and give us some updated projections?</p> <p>MICHAEL COUTTS-TROTTER: I'll take it on notice, Mr Latham.</p>
		<p><b>Response</b></p>

#	Transcript p#	Questions and responses
		As part of the 2025-26 Budget process, Treasury will assess all available information and revise estimates of take-up as appropriate.
32	61	<p>The Hon. MARK LATHAM: On the other matter that the Treasurer raised this morning – the gender impact assessments on 30-odd projects, plus some of the lingering Matt Kean gender statement initiatives from his last budget – has the Treasury got some projections or real-life data on the impact that has had on female labour force participation rates in New South Wales?</p> <p>MICHAEL COUTTS-TROTTER: I think it'd be way too early to draw that link. Female participation rates are at all-time highs and have risen pretty significantly in the last couple of years. The link between projects that filled in a gender impact assessment and female participation is unclear, but I'm happy to take that on notice.</p> <p>The Hon. MARK LATHAM: One would expect, in a cost-of-living crisis with near full employment in New South Wales, that's the reason why female labour force participation rates have gone up. Are you able to strip those out to give us an assessment of the impact of those State government initiatives, past and current?</p> <p>MICHAEL COUTTS-TROTTER: We'd be looking at that. Many of them have evaluation attached to them at the time they were funded and are being implemented. I'm happy to take on notice what will be subject to formal evaluations that we would, in due course, publish.</p> <p>The Hon. MARK LATHAM: My memory of the 2022 budget forecasts was that it was a very small impact. If you can update that in terms of reality –</p> <p>MICHAEL COUTTS-TROTTER: Sure.</p>
		<p><b>Response</b></p> <p>Gender impact assessments (GIAs) are prepared to support the development of new policy proposals by considering the impacts on people of different genders.</p>

#	Transcript p#	Questions and responses
33	65	<p>The Hon. DAMIEN TUDEHOPE: That's true — under Mr Deverall's wise guidance, no doubt — but in terms of the creation of the fund, which it had a particular object to achieve, surely those objects remain in place, do they not?</p> <p>MARINA van der WALT: The objects and the purpose of the funds do remain in place, but the investment objectives themselves have changed, and that was not legislated.</p> <p>The Hon. DAMIEN TUDEHOPE: Yes, I understand. This is the question I'm putting to you: If you transfer funds out of one fund to another fund, how do you ensure that the objects of the fund remain intact?</p> <p>MARINA van der WALT: I'll be able to provide more details once government has approved the framework, Mr Tudehope.</p>
		<p><b>Response</b></p> <p>I refer you to the comments of Ms van der Walt during the hearing.</p>
34	65	<p>The Hon. DAMIEN TUDEHOPE: This morning it was suggested that — this is reasonably technical and complex — reinsurers in the commercial market are only interested in the liability side of the TMF. Is that true?</p> <p>MICHAEL COUTTS-TROTTER: I see — in terms of assessing whether they want to take the risk on and the price they want to put on that risk?</p> <p>The Hon. DAMIEN TUDEHOPE: Correct.</p> <p>MICHAEL COUTTS-TROTTER: Given that we're a triple-A, double-A-plus counterparty — we stand behind that fund — I think that would make sense. They would presumably take the view that the TMF is a triple-A fund.</p> <p>The Hon. DAMIEN TUDEHOPE: And, on that basis, they would say that it's only the extent of liabilities that they would need to be concerned about.</p> <p>MICHAEL COUTTS-TROTTER: That would be my assumption, but I'm happy to take on notice and come back to you if I'm wrong in that view.</p>

#	Transcript p#	Questions and responses
		<p><b>Response</b></p> <p>The Treasury Managed Fund (TMF) reinsurance program does not provide a financial guarantee over the overall TMF performance. Reinsurers assess and price their cover based on the NSW exposures, claims history, risk mitigation strategies and icare's claims management expertise, rather than the capital management strategies of the TMF.</p>
35	66	<p>The Hon. DAMIEN TUDEHOPE: What is Treasury's estimate of the annual cost to the budget of the wages deal done with the police?</p> <p>MICHAEL COUTTS-TROTTER: There's a gross cost, and then there's a net cost, which takes account of the impact of the abolition of the Police Blue Ribbon Insurance scheme and the actuarially valued both savings and avoided cost. But the key for the mutual gains approach with the police association was the actual savings associated with the change.</p> <p>The Hon. DAMIEN TUDEHOPE: That's the premium, is it not?</p> <p>MICHAEL COUTTS-TROTTER: I'm happy to take on notice the gross cost, but the net cost is zero, based on those actuarial valuations.</p>
		<p><b>Response</b></p> <p>I am advised this question is more appropriately referred to the Minister for Police.</p>
36	67	<p>Ms ABIGAIL BOYD: Looking at eTendering again, as I love to do, I see about \$3 million worth of contracts for advice in relation to that — so KPMG, Ashurst, HWL Ebsworth, and H &amp; L Vickers as well. Is that for something else?</p> <p>MICHAEL COUTTS-TROTTER: That's an individual, who's a former general counsel of — I think she was most recently general counsel at Transport for NSW, or Transport as it probably then was. We have a relatively small internal legal team that, for major projects, has to be enlarged. One mechanism is to hire external firms, but we have a recourse to a couple of key individuals who have deep experience of government legal work, Ms Vickers being one of them.</p>

#	Transcript p#	Questions and responses
		<p>Ms ABIGAIL BOYD: Thank you. That's useful. What is phase one, then, versus the other phases?</p> <p>MICHAEL COUTTS-TROTTER: Stage one is all of the major services we get from our banking partners. Fundamentally, in commercial terms, one of the key issues for us is the premium above a market rate that we get paid for our cash at bank. That's the core commercial element. But for the provision of payment cards and credit cards, I'm happy to take that on notice and provide a full list of services within the core contract.</p> <p>Ms ABIGAIL BOYD: So it's basically retail banking.</p> <p>MICHAEL COUTTS-TROTTER: It's basically retail banking, yes.</p>
		<p><b>Response</b></p> <p>There are six key areas of product services covered under the contract:</p> <ol style="list-style-type: none"> <li>1. Liquidity Management – Management of government bank accounts and the funds held with banks.</li> <li>2. Transactional Banking – Payment services, including Direct Entry transactions and cheque processing.</li> <li>3. Merchant Acquiring – Capability to accept and process card payments.</li> <li>4. Foreign Exchange (FX) – Capability to support processing foreign currency payments.</li> <li>5. Commercial Cards – Government purchasing through corporate cards, and ability to support cards to provide citizens with money in emergency conditions.</li> <li>6. Transit Payments – Support for payment processing across the state's transport network.</li> </ol>
37	69	<p>Ms ABIGAIL BOYD: Just on that, you've reminded me of one of the issues that was discussed in the merchant fees SO 52. As I say, I learnt a lot from it. It was in relation to the rate of surcharge and, again, when you talked about New South Wales being so large, you would expect that we would get some sort of better deal on that. Is that going to be a phase two project?</p>

#	Transcript p#	Questions and responses
		MICHAEL COUTTS-TROTTER: Through the payment platform process, yes, absolutely. As part of the core banking services contract, I think not, but I can take that on notice and confirm that for you.
		<b>Response</b> Treasury has negotiated improved rates by working with the payment schemes.
38	69	<p>Ms ABIGAIL BOYD: Previously I have asked how much in banking fees we've been paying each year. I think when I asked maybe four years ago, it was around \$40 million or something in terms of actual fees, without savings included et cetera.</p> <p>MICHAEL COUTTS-TROTTER: Yes. I don't have that figure to hand but, again, I'm happy to take that on notice and respond to you, Ms Boyd.</p> <p>Ms ABIGAIL BOYD: If you could take it on notice, that would be excellent. You've got five banking partners now.</p>
		<b>Response</b> Annual banking fees for standard services under the State Banking Agreements were \$43 million, excluding transit payments.
39	69	<p>The Hon. DAMIEN TUDEHOPE: If you can do this on notice for me, it might be helpful: the gross cost of the wages deal with the police for 2024-25; the cost of the Police Blue Ribbon Insurance scheme for 2023-24 — and I think there is a figure for that; and the cost determined for continuing in 2024-25, and what the then projected cost of the Enhanced Police Support Scheme for 2025-26 is. I won't hold you to a dollar value of zero, but —</p> <p>MICHAEL COUTTS-TROTTER: No, but we had a very close look at the actuarial work and the reforms meet the tests of the Government's wages policy. There is no doubt about it.</p> <p>*note this was not highlighted in the published QONs document, however Mr Tudehope sought this information on notice, so we have provided a response.</p>

#	Transcript p#	Questions and responses
		<b>Response</b> I am advised this question is more appropriately referred to the Minister for Police.
40	69	<p>The Hon. DAMIEN TUDEHOPE: I'm sure that's right. Can I just come to an issue of land tax? In relation to the changes to the land tax which were introduced in the 2023-24 budget under the rubric of correcting historical error in calculations by the Valuer General, is it true that this has resulted in an additional land tax of \$544 for every land taxpayer for the 2024 land tax year and \$752 for 2025?</p> <p>MICHAEL COUTTS-TROTTER: I'd have to take that on notice unless my colleague has that information. I don't know, but we're happy to respond on notice.</p>
		<b>Response</b> According to the 2023-24 Budget, the correction of the operation of the land tax thresholds system was expected to generate \$69 million in 2023-24 and \$59 million in 2024-25. Details of Revenue forecasts are contained in the budget papers.
41	69	<p>The Hon. DAMIEN TUDEHOPE: If that's not the case, can you also potentially take on notice what the additional amount of land tax per taxpayer for 2024 and 2025 is to correct that historical error?</p> <p>MICHAEL COUTTS-TROTTER: We'll take that on notice.</p>
		<b>Response</b> Please refer to response given above.
42	69 - 70	<p>The Hon. DAMIEN TUDEHOPE: You don't want to answer —</p> <p>MICHAEL COUTTS-TROTTER: No, I'm just separating — obviously land tax rises in line with rises in the value of land. You're looking to —</p>

#	Transcript p#	Questions and responses
		<p>The Hon. DAMIEN TUDEHOPE: Correct. In relation to the freezing of the land tax threshold, now the re-indexed 2024 rate — you're probably taking this —</p> <p>MICHAEL COUTTS-TROTTER: We'll take that on notice because we would have had an estimate at the time of the half-year review but it would have preceded that change.</p>
		<p><b>Response</b></p> <p>Please refer to response given above.</p>
43	70	<p>The Hon. DAMIEN TUDEHOPE: Would you agree that the indexing of the land tax threshold this year has added a further \$1,360 to each land tax bill for the 2025 land tax year? Again, that may be an average figure.</p> <p>MICHAEL COUTTS-TROTTER: That would be an average figure and I wouldn't agree with it on principle.</p> <p>The Hon. DAMIEN TUDEHOPE: You wouldn't agree with it. But, based on valuations and the like, which need to be taken into account — if not again, what would you say was the average land tax increase?</p> <p>MICHAEL COUTTS-TROTTER: We'll take that one on notice.</p>
		<p><b>Response</b></p> <p>Please refer to response given above.</p>
44	70	<p>The Hon. CHRIS RATH: Does Treasury do modelling on inflation forecasts for New South Wales or do you rely essentially on the Feds or Reserve Bank et cetera?</p> <p>MICHAEL COUTTS-TROTTER: We'd take our own view, but we consult widely, particularly with the Reserve Bank.</p> <p>JOANN WILKIE: That's correct.</p> <p>The Hon. CHRIS RATH: So do you do modelling per se, or you're informed more by the —</p>



#	Transcript p#	Questions and responses
		<p>JOANN WILKIE: No, we do our own modelling. Then we have a review board, essentially, that has Commonwealth Treasury, Reserve Bank and private sector financial market economists on it to test our forecasts.</p> <p>The Hon. CHRIS RATH: How have we been comparing to the other States on inflation for the last year or two?</p> <p>JOANN WILKIE: I'm not sure which other jurisdictions — obviously, apart from the Commonwealth — do their own inflation forecasts. I'd have to take that on notice. I'm therefore not sure what the accuracy would be. Not all jurisdictions forecast all of their own macro.</p> <p>MICHAEL COUTTS-TROTTER: Are you going to forecasting accuracy or actual outcomes?</p> <p>The Hon. CHRIS RATH: I'm more just interested to know where New South Wales sits with our inflation figures, I suppose both historically and in the future forecasting, in terms of comparison to the other States. Are we sort of middle of the pack? Are we much higher inflation, much lower? I take your point that the other States might not have the capacity to model as well as NSW Treasury does, but maybe if you take it on notice and provide some comparisons.</p> <p>JOANN WILKIE: I don't have the other jurisdictions, but I do have our forecasts relative to the Reserve Bank and Commonwealth Treasury. For example, on headline CPI, in the half-yearly review for the year ended June 2025, the NSW Treasury forecast was 2.9 for New South Wales. For Australia, it was 2.8, and then the RBA's forecast was 2.4.</p> <p>The Hon. CHRIS RATH: And are you able to provide anything on notice about comparisons to other States, to the extent that you might have it?</p> <p>JOANN WILKIE: Yes, we can provide that on notice.</p>
		<p><b>Response</b></p> <p>The Sydney CPI grew by 2.4 per cent over the year to the December quarter. This is in-line with the national average.</p>

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		<p>Historical inflation data for each capital city is available on the ABS website.</p> <p>Economic assumptions are contained in the budget papers.</p>
45	73	<p>The Hon. CHRIS RATH: I have some questions now on the Regional Growth Fund and the Working Regions Fund. Is there someone who can answer those?</p> <p>LIZ LIVINGSTONE: We'll see if we can answer or whether it's better directed to the Minister.</p> <p>The Hon. CHRIS RATH: Or take on notice if there are things you can't answer, because I know it's quite specific. In the 2023-24 budget, there was an announcement of \$250 million for the Working Regions Fund. Did that come out of the previous Government's Regional Growth Fund or was it a separate item?</p> <p>LIZ LIVINGSTONE: I can't recall which fund that might have been reallocated from, but we could take that on notice.</p> <p>MICHAEL COUTTS-TROTTER: We can take that on notice. We'll have to, I'm afraid.</p> <p>The Hon. CHRIS RATH: Has any additional funding been allocated to the Working Regions Fund since it was first announced?</p> <p>LIZ LIVINGSTONE: I don't think so, but, again, I'm happy to check.</p>
		<p><b>Response</b></p> <p>Please refer to Ms Livingstone's response on page 80 of the transcript.</p>
46	74	<p>The Hon. CHRIS RATH: Has the \$6 million that the Housing and Productivity Contribution raised from its inception in October 2023 to June 2024 been in accordance with the Government's projections?</p> <p>MICHAEL COUTTS-TROTTER: With the question about the first year, I am not sure. But the half-year review did downgrade, over the budget year and the forward years, the anticipated revenue from the Housing and Productivity Contribution. The reason for that, of course, is that a range of developments have been slow to get going, fundamentally because they have not been economic in the current environment. We reduced our</p>

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		<p>anticipated revenue from the HAPC by \$314 million over four years to 2027-28. That is published in the half-year review.</p> <p>The Hon. CHRIS RATH: That is previous and forecast?</p> <p>MICHAEL COUTTS-TROTTER: I'm not sure about the 2023-24 year and whether we received less than, the same as or more than we were forecasting. I can take that on notice.</p>
		<p><b>Response</b></p> <p>Revenue forecasts are contained in budget papers.</p>
47	75	<p>The Hon. CHRIS RATH: How much of the \$520 million of infrastructure funding for TOD accelerated precincts will be funded by the Housing and Productivity Contribution, from Treasury's perspective?</p> <p>LIZ LIVINGSTONE: I'm not sure it's directly linked.</p> <p>MICHAEL COUTTS-TROTTER: I think that was Consolidated Fund.</p> <p>LIZ LIVINGSTONE: Yes. The funding that has already been allocated is just based on funding available to government from the Consolidated Fund.</p> <p>The Hon. CHRIS RATH: Is the \$520 million that's budgeted over the forward estimates already baked in?</p> <p>MICHAEL COUTTS-TROTTER: That's my recollection, yes.</p> <p>LIZ LIVINGSTONE: And mine. We can double-check, but I think that's right.</p> <p>The Hon. CHRIS RATH: Over what timeline will that funding be delivered?</p> <p>LIZ LIVINGSTONE: I'm not sure.</p> <p>MICHAEL COUTTS-TROTTER: We'll take it on notice. Mr Gellibrand is doing a puzzled face.</p> <p>TOM GELLIBRAND: Yes, it's also unclear to me, so it might be safest to take that one on notice.</p> <p>MICHAEL COUTTS-TROTTER: That's our best recollection, but we'll confirm on notice.</p>

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		<p><b>Response</b></p> <p>Funding for TODs is contained in the budget papers.</p>
48	75 - 76	<p>The Hon. DAMIEN TUDEHOPE: The purpose of the Snowy Hydro Legacy Fund, created under the Act, is as follows:</p> <ul style="list-style-type: none"> <li>(1) The purpose of the Fund is to improve economic development in regional New South Wales and, for that purpose, to fund infrastructure projects that primarily benefit regional New South Wales.</li> <li>(2) It is the intention of Parliament that the total payments from the Fund for approved regional infrastructure projects will be equivalent to the value of the proceeds of the sale by the State of its interest in Snowy Hydro Limited to the Commonwealth.</li> </ul> <p>I'm just reading from the Act, so you'll probably agree with me. There's another provision contained in that same Act of Parliament.</p> <p>It states: There is payable from the Fund the following —</p> <ul style="list-style-type: none"> <li>(a) any money required to fund all or any part of the cost of an approved regional infrastructure project,</li> <li>(b) any money required to meet administrative expenses related to the Fund,</li> <li>(c) any money directed or authorised to be paid from the Fund by or under this or any other Act or law.</li> </ul> <p>Am I led to believe that, pursuant to the Government Sector Finance Act, which we have passed, that money can be taken out of that fund for other than those purposes?</p> <p>MICHAEL COUTTS-TROTTER: Yes, it's a good question. I think we'd need to take that on notice and respond to you. It's a question that deserves a thoughtful response.</p> <p>The Hon. DAMIEN TUDEHOPE: Section 10 (3B) of the Government Sector Finance Act provides that:</p> <ul style="list-style-type: none"> <li>(2) This section has effect despite a provision of this Act or another Act or law placing limitations on payments into or out of a relevant fund.</li> </ul>

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		<p>Is it the case that the Treasurer will seek to rely on that provision to override the purposes of this Act and the payments out of the fund which was created pursuant to this Act?</p> <p>MICHAEL COUTTS-TROTTER: I can't anticipate what the Treasurer will or won't do, but I understand the point you're making, so we'll take on notice the question you've framed.</p>
		<p><b>Response</b></p> <p>Section 10.3B of the <i>Government Sector Finance Act</i> (GSF Act) only permits the Treasurer to transfer money between funds that are invested in the NSW Master Fund (OneFund), provided the Treasurer is satisfied the transfer promotes the objects of the GSF Act.</p>
49	76	<p>The Hon. DAMIEN TUDEHOPE: Can you provide a list of the technical and parameter adjustments for this year and forward years?</p> <p>MICHAEL COUTTS-TROTTER: Oh, my gosh. How many how many acres of forest do you want us to slay? There's a very, very —</p> <p>The Hon. DAMIEN TUDEHOPE: I've seen the sheets.</p> <p>MICHAEL COUTTS-TROTTER: I'm sure you have. They are advice to Cabinet, so we can take it on notice.</p>
		<p><b>Response</b></p> <p>This information is Cabinet-in-confidence.</p>
50	76	<p>The Hon. DAMIEN TUDEHOPE: Take it on notice. While you're taking it on notice, I also want to know what agencies have requested PTAs for 2024-25.</p> <p>LIZ LIVINGSTONE: You could almost say "all of them", but it would be close to that.</p>
		<p><b>Response</b></p> <p>This information is Cabinet-in-confidence.</p>

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51	78	<p>The Hon. DAMIEN TUDEHOPE: How many meetings have you had with the rating agencies?</p> <p>MICHAEL COUTTS-TROTTER: We, Treasury?</p> <p>The Hon. DAMIEN TUDEHOPE: Yes, Treasury.</p> <p>MICHAEL COUTTS-TROTTER: Since when? Since 1856?</p> <p>The Hon. DAMIEN TUDEHOPE: Prior to the last determination by Moody's, S&amp;P and Fitch.</p> <p>MICHAEL COUTTS-TROTTER: I would take that on notice because I've participated in some but not all of them. I'll take that on notice to give you an accurate answer.</p>
		<p><b>Response</b></p> <p>Treasury officials meet regularly with ratings agencies.</p> <p>Given the breadth of information the ratings agencies assess, these meetings sometime occur across multiple days and may require follow up meetings depending on the issues discussed.</p> <p>In addition to the Treasury meetings, there are Treasurer-level meetings with Moody's, Fitch and S&amp;P Global as part of the annual ratings review process.</p>
52	78-79	<p>The Hon. DAMIEN TUDEHOPE: Were there briefing notes provided or prepared for those discussions?</p> <p>MICHAEL COUTTS-TROTTER: Briefing notes provided for participants? Yes.</p> <p>The Hon. DAMIEN TUDEHOPE: Are those briefing notes available?</p> <p>MICHAEL COUTTS-TROTTER: Some of them have been obtained under a Standing Order 52 by one of your colleagues, so they're available. The Hon. DAMIEN TUDEHOPE: Are there documents that haven't been produced pursuant to that standing order?</p> <p>MICHAEL COUTTS-TROTTER: Almost certainly.</p> <p>The Hon. DAMIEN TUDEHOPE: Documents which haven't been provided — are you prepared to make those available?</p>

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		<p>MICHAEL COUTTS-TROTTER: I'll take that under advice and respond to you.</p> <p>The Hon. DAMIEN TUDEHOPE: Including the talking points which may have been made available for the Treasurer?</p> <p>MICHAEL COUTTS-TROTTER: I'll take that on notice. I'm pretty sure the documents that I've seen in a Standing Order 52 were of that nature.</p>
		<p><b>Response</b></p> <p>Information is usually provided to the Treasurer ahead of meetings with agencies.</p> <p>The brief and talking points may contain Commercial-in-confidence or Cabinet-in-confidence information. The recent standing order 52 provided that brief and talking points with any commercially and Cabinet sensitive information redacted.</p> <p>There are no specific briefing notes prepared for the Treasury's meetings with the ratings agencies.</p>