



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 1

BUDGET ESTIMATES 2010-2011

QUESTIONS ON NOTICE

General Purpose Standing Committee No. 1

Treasury, Special Minister of State and State and Regional Development

Tuesday 14 September 2010

Answers to be lodged by: Friday 8 October 2010

Budget Estimates Secretariat
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Hearing date	Portfolio	Answer to be lodged by
13 September 2010	Tourism	7 October 2010 [21 days]
13 September 2010	Hunter	7 October 2010 [21 days]
13 September 2010	Science and Medical Research	7 October 2010 [21 days]
13 September 2010	Women	7 October 2010 [21 days]
13 September 2010	Ports and Waterways	7 October 2010 [21 days]
13 September 2010	Illawarra	7 October 2010 [21 days]
14 September 2010	Treasury	8 October 2010 [21 days]
14 September 2010	Special Minister of State	8 October 2010 [21 days]
14 September 2010	State and Regional Development	8 October 2010 [21 days]
14 September 2010	Premier	8 October 2010 [21 days]
14 September 2010	Redfern Waterloo	8 October 2010 [21 days]

Questions relating to the portfolio of Treasury

14 September 2010, 9:15 am – 1:00 pm

Questions from Mr Mason-Cox

Reliance Rail

1. In light of Downer EDI announcing close to \$400 million in cost over runs for the Reliance Rail project –
 - a) how much has the State provided for in its accounts?
 - b) have you had any discussions or claims from Downer concerning this potential claim on the State?
2. What would be the impact to Reliance Rail if an event of default was proven (through legal representation by the banks) for their undrawn \$357 million facility?
3. Have the banks issued legal letters reserving their legal rights in relation to the transaction?
 - c) If they have will the State need to raise a provision and if so what would be the amount?
4. What has been your personal involvement / response to this financial crisis as Treasurer?
5. Will you categorically rule out any further liabilities for the State as a result of the Reliance Rail project?

Electricity Sale

6. Why was Frontier Economics appointed without tender in 2007?
7. How much has been paid to Frontier to this date?
8. How much has been spent on this transaction to date?
9. How can you justify increasing electricity prices to pay for the sale?
10. Will the Treasurer confirm that the gentrader structure is limiting capital available to bid thus diluting the price?
11. Given that banks must lend against their own balance sheets and not these assets - have you modelled the reduced value that results from your structure?
12. What comments do you make on this advisors view "nobody wants an asset that u pay upfront for but doesn't go on your balance sheet and which u can't finance or operate"?
13. What protection measures do you have in place to ensure that bidders don't put in a token bid for the gentraders but real bids for the retailers?
14. What is the loss of value to the State of pursuing a gentrader sale option versus a clean sale?
15. COAG meeting and resulting Federal Health Agreement

COAG meeting and resulting Federal Health Agreement:

16. How much advice were you given in the lead up to the COAG meeting on 19 and 20 April which resulted in the Federal Health Agreement?
17. What were the top ten risks highlighted by the NSW Treasury if NSW signed the COAG federal health agreement?
18. What were the top ten risks highlighted by the NSW Treasury if NSW did not sign the COAG federal health agreement?
19. Given the Productivity Commission have indicated that public hospitals are 10-20% inefficient, and that the Commonwealth under the Federal Health Agreement will fund 60% of the efficient price of a procedure, what is the inefficient financial exposure of NSW in dollar terms each year over the next four years? What are the underlying efficiency assumptions for your analysis?
20. Given the amount of GST quarantined under Federal Health Agreement will only be agreed on an annual basis, broken down by year over the next four years, what is the upper and lower range of GST that NSW estimates it needs to quarantine for health?

21. How many reviews or reports has the NSW Treasury performed or commissioned regarding the performance of the NSW Department of Health in the last 12 months? How many of these involved external consultancies?
22. How many reviews or reports is the NSW Treasury planning regarding the performance of the NSW Department of Health for the next 12 months? How many of these will involve external consultancies?

Questions from Mr Khan

23. Has the State Government provided any funds, for any purposes, to Hardie Holdings in 2009-10? If so, how much and for what purposes?
24. Has the State Government provided any funds to the troubled Hunter Economic Zone in 2009-10? If so, how much and for what purposes
25. Has the State Government budgeted to provided any funds, for any purposes, to Hardie Holdings in 2010-11. If so, how much and for what purposes?
26. Has the State Government budgeted to provided any funds, for any purposes to the troubled Hunter Economic Zone in 2010-11? If so, how much and for what purposes

Questions relating to the portfolio of Special Minister of State

14 September 2010, 9:15 am – 1:00 pm

Questions from Mr Mason-Cox

1. On what date did you receive a final draft from producers for the "Be Aware, Take Care" advertising campaign?
2. On what date did you provide final approval for the advertising campaign?
3. Between which dates did the campaign run on NSW television?
4. What was the total cost of the advertising campaign?
5. Did any of your staff have personal involvement in the development of the campaign?
6. Have any of your current Ministerial staff ever worked for any of the advertising or marketing companies responsible for the campaign?
7. Who at WorkCover NSW approved the advertising campaign?
8. Who at WorkCover NSW agreed that the campaign should be funded by Treasury and not WorkCover NSW?
9. With reference to one email obtained under Freedom of Information included the line from a WorkCover bureaucrat stating: "We have just had a meeting with the Treasurer this morning and he would like a totally different approach with the creative and the campaign strategy so we are back to the drawing board... I will be in touch again as soon as we have new creative that has been tested and the Treasurer is happy with."
 - a) What didn't you like about the first draft?
10. Did you have any discussions with the Labor Party Secretariat, NSW Labor Campaign Team, National Labor Campaign team or any Federal Labor Minister, Member or Candidate about the possibility of running the "Be Aware, Take Care" campaign prior to its development?
11. Did you speak to Mark Arbib about the possibility of running the "Be Aware, Take Care" campaign prior to its development?
12. Did you speak to anyone from John Della Bosca's office about the possibility of running the "Be Aware, Take Care" campaign prior to its development?
13. After spending approximately \$2.5 million on the advertising campaign, why has the Government now shut down the website supporting the campaign?

Questions relating to the portfolio of State and Regional Development

14 September 2010, 9:15 am – 1:00 pm

Questions from Dr Kaye

Expenses

1. What were the lunch expenses for the former and current Ministers for State and Regional Development for the years
 - a) 2008-2009
 - b) 2009-2010,
and the projected expenses for:
 - c) 2010-2011?
2. What were the airfare expenses for former and current Ministers for State and Regional Development for the years
 - a) 2008-2009
 - b) 2009-2010,
and the projected expenses for:
 - c) 2010-2011?
3. What were the Ministerial car expenses for former and current Ministers for State and Regional Development for the years
 - a) 2008-2009
 - b) 2009-2010,
and the projected expenses for:
 - c) 2010-2011?
4. What are the functions and events expenses for former and current Ministers for State and Regional Development for the years
 - a) 2008-2009
 - b) 2009-2010,
and the projected expenses for:
 - c) 2010-2011?
5. Since your appointment as Minister for State Development, how many overseas trips have you taken so far?
 - a) Where did you go on those trips?
 - b) What were the costs for staff and costs that were incurred on those trips?

Repco Rally

6. Is the Minister aware that many in the community on the North Coast of New South Wales will again oppose the Repco Rally imposed upon them by your government?. Will the government now repeal the section of the Act that prevents citizens making legal challenges to this rally?
7. Regional development
8. While your government has various schemes of assistance to businesses that will create employment in the regions of NSW, does your government have any overall strategic plan for regional development for NSW?
 - a) Is the Minister aware that regional development programs in the other states of Australia were introduced in the 1990s?
 - b) Has NSW had a regional development agenda since the 1970s when Albury-Wodonga and Bathurst were the subject of a policy intervention?

- c) Will the NSW government follow the Victorian Government approach of actively pursuing a decentralisation policy?
 - i. What is NSW doing in this regard, if anything?
- 9. Is the Minister aware that the Victorian government has upgraded regional rail in order to encourage decentralisation?
- 10. Would NSW consider adopting the Victorian approach of targeting first home owner grants to homes in regional areas?
- 11. Will your department be involved in any future Very Fast Rail feasibility study?

Coffs Harbour and Port Macquarie

- 12. Given the growing populations of towns such as Coffs Harbour and Port Macquarie, has the Minister looked into what are the future infrastructure needs that require planning now for these growing communities?
- 13. Why did your government reject a submission from Coffs Harbour Council about exploring a local light rail or train network for the Coffs Coast?

Pacific Highway

- 14. Given the number of fatalities, what is your understanding of the urgency of the time line on the upgrading of the Pacific Highway from Coffs Harbour to Maclean to full dual carriageway for the whole stretch?

Regions and renewable energy

- 15. Does your government have a regional strategy for renewable energy industries?
 - a) If not, why not?
- 16. Which if any local government areas have approached you about hosting possible new solar thermal power plants?
- 17. What happened to the proposed solar tower project slated for Buronga?

Unemployment

- 18. Is the Minister aware that there are some regional areas with unemployment rates higher than the state average (which is 6.1%), for example, Richmond-Tweed and Mid-North Coast regions recorded a combined rate of 7%, whereas Murrumbidgee-Murray's unemployment rate of 5% is actually less than the statewide average?
 - b) What is your department doing in terms of state strategy to address this disparity of employment opportunities throughout NSW?

Questions from Mr Gay

- 19. In the 2008-09 Mini-Budget, the Government identified that savings of \$777,000 could be made during 2009-10 in the Department of State and Regional Development budget by reducing overlapping programs and achieving efficiencies in program delivery.
 - a) Was the saving of \$777,000 made?
 - b) If not, how much was saved?
 - c) Which programs were determined to be overlapping, and which programs were cancelled or limited as a result?
 - d) The Government also identified that savings of \$420,000 could be made over 2010-11. What programs and/or systems do you have in place to achieve this?
- 20. In June 2010, a Freedom of Information request was made for documents held relating to international trips taken during the period 1 April 2009 to 31 March 2010. 10 international trips were taken during the period by Forests NSW at a cost of over \$40,000. Three of these trips

involved Forests NSW attending Radiata Pine Breeding Company board meetings at a cost of over \$5,000.

- a) Could these meetings not have been conducted via teleconference and video link?
- b) What was the outcome of these meetings?
- c) Are the minutes of these meetings available?

21. Three Forests NSW employees were sent together on a study trip to Chile and Uruguay, at a total cost of \$25,000 to the taxpayer.
- a) What was the precise nature of this trip?
 - b) Why was it necessary to send three employees on the same trip?
 - c) On what basis could this be regarded as providing benefits for the NSW taxpayer?
 - d) Did these three staff complete a report on the trip, and is it available?
 - e) Have any of the lessons of this trip resulted in any changes in procedure or implementation of new techniques by Forests NSW?
22. Two Forests NSW staff went on a study trip to New Zealand to study “roading engineering techniques” and to make recommendations on future directions, at a total cost of \$7,900.
- a) Why was it necessary to send two employees on the same trip?
 - b) Have the employees made the recommendations yet, and are they available?
23. \$15,800 was spent sending Director-General Richard Sheldrake to Japan and China, funded wholly by Industry & Investment NSW for 10 days, to promote trade and investment opportunities in NSW.
- a) What industries and investment opportunities was the Director-General seeking to promote?
 - b) Which organisations and individuals did the Director-General meet with during the course of his trip?
 - c) Have any of those meetings resulted in any commitment by the organisations or individuals to establish trade or investment links with NSW businesses?
24. \$12,000 was spent to send Director of Primex Christine Wang to China, funded wholly by Industry & Investment NSW for 20 days, to attend the China Mining Conference 2009 to promote investment opportunities in the NSW resources sector.
- a) What investment opportunities in the NSW resources sector was Ms. Wang seeking to promote?
 - b) Which organisations and individuals did Ms. Wang meet with during the course of her trip?
 - c) Have any of those meetings resulted in any commitment by the organisations or individuals to establish trade or investment links with NSW businesses?
25. \$14,100 was spent to send Deputy Director-General George Davey to the UAE and India, funded wholly by Industry & Investment NSW for 8 days, to attend meetings with NSW trade and investment clients and potential investors.
- a) What was the nature of the meetings with the existing NSW trade and investment clients?
 - b) Did the meetings result in any increased or renewed investment from these existing clients?
 - c) Which organisations did the Deputy Director-General meet with to establish new investment links, and what was the outcome of these meetings?
26. Why were NSW Food Authority employees sent to New Zealand, at a cost of \$4,500 to the NSW taxpayer to have a Memorandum of Understanding with New Zealand Food Safety Authority?
- a) Could this not have been done by post, which would have saved the taxpayer thousands of dollars?
 - b) If not, why not?

Please advise on the outcomes achieved of the following international trips taken by State & Regional Development staff, and state the nature of the investment and trade relations forged:

27. John Angeles travelling to the UK at a cost of \$12,333 for the purpose of attending the UK Skills Expo & G'Day UK?
28. Susan Saretzki travelling to China at a cost of \$7,536 for the purpose of investment attraction?
29. Michael O'Sullivan travelling to Japan and China at a cost of \$16,926 for the purpose of investment attraction and export development?
30. Kylie Hargreaves travelling to Japan at a cost of \$11,741 for purpose of promoting the Women Going Global program?
31. Michael O'Sullivan travelling to China at a cost of \$9,504 for the purpose of investment attraction and export development?
32. Craig Pearce travelling to Hong Kong and China at a cost of \$5,231 for the purpose of promoting the NSW Wine Mission & Exhibition?
33. Eric Winton travelling to the UK at a cost of \$6,279 for the purpose of promoting the AISES business mission?
34. Linda Taylor travelling to India at a cost of \$4,726 for the purpose of investment attraction?
35. Michael O'Sullivan travelling to the USA at a cost of \$13,380 for the purpose of promoting G'Day USA?
36. Kylie Hargreaves travelling to the USA at a cost of \$12,117 for the purpose of various trade programs and investment appointments?
37. Michael O'Sullivan travelling to Canada at a cost of \$13,563 for the purpose of promoting the Global 2010+ trade mission?
38. Kathryn Matthews travelling to Germany at a cost of \$14,340 for the purpose of attending the CeBIT Conference Hanover?
39. Bryan Hardman travelling to Bahrain at a cost of \$11,521 for the purpose of attending V8 Supercar Events?
40. Tania Chambers travelling to the US at a cost of \$10,469 for the purpose of securing international film production in Sydney?
41. Ashley Luke and Megan Simpson Huberman travelling to the US and Canada at a cost of \$7,682 and \$7,377 respectively for the purpose of promoting the NSW Film Industry at the Toronto Film Festival and International Film Festival?
42. Paul de Carvalho travelling to the US and the UK at a cost of \$6,168 for the purpose of participating in AUSFILM missions and to promote NSW as a filming destination?

In relation to the Green Jobs Illawarra Project:

43. How many FTE jobs have been initiated by this project since April 2009?
44. How much money has been spent on this project since 2009?
45. How much money will be spent on this project in 2010-11, 2012-13 and 2013-14?
46. How many FTE jobs are expected to be initiated by this project in 2010-11, 2012-13 and 2013-14?

In relation to jobs cuts within Forests NSW:

47. Given earlier this year the NSW Labor Government called for up to 70 voluntary redundancies from within Forests NSW to address a budget hole of \$14.4 million as identified by the Auditor General in his April 2009 Report, can you detail what roles and which locations will be/are affected?
48. Will employees at the Forest NSW offices in Dubbo, Parkes and Forbes be affected?
 - a) If so, how many?
49. If yes, will any frontline positions be effected?

50. Is this latest round of redundancies a case of financial mismanagement on the Government's behalf?
b) If not, can you give reasons to justify this?

51. What is the total number of credit cards issued by the Department of State and Regional Development for:
a) 2008/2009
b) 2009/2010
c) Current financial year (to date)

In relation to job cuts within Industry & Investment NSW:

52. Given earlier this year the Government called for up to 185 voluntary redundancies from within the department, can you detail how many jobs will go?
53. Can you also detail from which sections of the department?
54. Will any of the DII redundancies take place in the Dubbo region?
a) If so, how many?
55. Is this latest round of redundancies a case of financial mismanagement on the Government's behalf?
a) If not, can you give reasons to justify this?

56. What is the total amount of money spent on catering by the Department of State and Regional Development for:
a) 2008/2009
b) 2009/2010
c) Current financial year (to date)

57. What is the total amount of money spent on catering by each International Office (listed separately) for:
a) 2008/2009
b) 2009/2010
c) Current financial year (to date)

58. What is the total amount of expenditure on food and beverages incurred on Departmental credit cards for:
a) 2008/2009
b) 2009/2010
c) Current financial year (to date)

59. Please provide a breakdown of the total food and beverage spent for individual Departmental credit cards on issue for the following financial years:
a) 2008-2009
b) 2009/2010
c) Current financial year (to date)

60. Please provide the total number of requests received from the Department of Premier and Cabinet in respect of committee reviews since June 2009 to date
For each review, please provide the following details:
a) Name of the Committee for which a review was sought
b) Timeframe for each review (including a response)
c) Decision
d) Any other related information

61. In relation to the Department of State and Regional Development (DSRD) and media monitoring, what is the expenditure incurred on media monitoring services for each financial year for:
 - a) 2009/2010
 - b) Current financial year to date
62. In relation to the lease agreements of DSRD international offices in China, what is the total cost (per month) for leasing office space in China in:
 - a) Guangzhou;
 - b) Shanghai

For each NSW Regional Office (listed separately), please provide the following information:

63. The number of people currently employed, broken down by the number of
 - a) FTE positions
 - b) Contractors
64. The total expenditure/budget allocation for
 - a) 2009/2010
 - b) Current financial year
65. The number of people that resigned in
 - a) 2009/2010
 - b) Current financial year to date
66. The number of people that were made redundant in
 - a) 2009/2010
 - b) Current financial year to date
67. The total estimated cost for the Department for redundancy pay-outs in
 - a) 2009/2010
 - b) Current financial year to date
68. The total actual cost incurred by the Department on redundancy pay-outs:
 - a) 2009/2010
 - b) Current financial year to date
69. The number of contracts and/or positions terminated in
 - a) 2009/2010
 - b) Current financial year to date
70. The number of people that went on long-service leave in
 - a) 2009/2010
 - b) Current financial year to date
71. The number of people that were on stress leave in
 - a) 2009/2010
 - b) Current financial year to date

For each International Office (listed separately), please provide the following information:

72. The number of people currently employed, broken down by the number of:
 - a) FTE positions
 - b) Contractors
73. The total expenditure/budget allocation for
 - a) 2009/2010
 - b) Current financial year
74. The number of people that resigned in
 - a) 2009/2010
 - b) Current financial year to date

75. The number of people that were made redundant in
 - a) 2009/2010
 - b) Current financial year to date
76. The total estimated cost for the Department for redundancy pay-outs for
 - a) 2009/2010
 - b) Current financial year to date
77. The total actual cost incurred by the Department for redundancy pay-outs in
 - a) 2009/2010
 - b) Current financial year to date
78. The number of contracts and/or positions terminated in
 - a) 2009/2010
 - b) Current financial year to date
79. The number of people that went on long-service leave in
 - a) 2009/2010
 - b) Current financial year to date
80. The number of people that were on stress leave in
 - a) 2009/2010
 - b) Current financial year to date

For the Sydney Office, please provide the following information:

81. The number of people currently employed in the office, broken down by the number of:
 - a) FTE positions
 - b) Contractors
82. The total expenditure/budget allocation for
 - a) 2009/2010
 - b) Current financial year
83. The number of people that resigned in
 - a) 2009/2010
 - b) Current financial year to date
84. The number of people that were made redundant in
 - a) 2009/2010
 - b) Current financial year to date
85. The total estimated cost for the Department for redundancy pay-outs for
 - a) 2009/2010
 - b) Current financial year to date
86. The total actual cost incurred by the Department on redundancy pay-outs in
 - a) 2009/2010
 - b) Current financial year to date
87. The number of contracts and/or positions terminated in
 - a) 2009/2010
 - b) Current financial year to date
88. The number of people that went on long-service leave in
 - a) 2009/2010
 - b) Current financial year to date
89. The number of people that were on stress leave in
 - a) 2009/2010
 - b) Current financial year to date

For the Tourism NSW Office, please provide the following information:

90. The number of people currently employed, broken down by the number of:
 - a) FTE positions
 - b) Contractors
91. The total expenditure/budget allocation for
 - a) 2009/2010
 - b) Current financial year
92. The number of people that resigned in
 - a) 2009/2010
 - b) Current financial year to date
93. The number of people that were made redundant in
 - a) 2009/2010
 - b) Current financial year to date
94. The total estimated cost for the Department for redundancy pay-outs for
 - a) 2009/2010
 - b) Current financial year to date
95. The total actual cost incurred by the Department on redundancy pay-outs in
 - a) 2009/2010
 - b) Current financial year to date
96. The number of contracts and/or positions terminated in
 - a) 2009/2010
 - b) Current financial year to date
97. The number of people that went on long-service leave in
 - a) 2009/2010
 - b) Current financial year to date
98. The number of people that were on stress leave in
 - a) 2009/2010
 - b) Current financial year to date