

**QUESTIONS TAKEN ON NOTICE – GENERAL PURPOSE STANDING
COMMITTEE NUMBER 1 - LEGISLATIVE COUNCIL
TREASURY**

26 November 2012

Question Number: 1

Question from: Hon Greg Donnelly

Question:

What are the latest figures for the number and value of 3 year Fixed Rate Waratah Bonds issued? Please provide monthly figures for both the number and value of bonds issued to date.

Answer: New South Wales Treasury Corporation (TCorp) reports the value of Waratah Bonds on issue each year in its annual report.

Question Number: 2

Question from: Hon Greg Donnelly

Question:

What are the latest figures for the number and value of 10 year Fixed Rate Waratah Bonds issued? Please provide monthly figures for both the number and value of bonds issued to date.

Answer: See response to Question 1.

Question Number: 3

Question from: Hon Greg Donnelly

Question:

What are the latest figures for the number and value of Series 1 Annuity Waratah Bonds issued? Please provide monthly figures for both the number and value of bonds issued to date.

Answer: See response to Question 1.

Question Number: 4

Question from: Hon Greg Donnelly

Question:

What are the latest figures for the number and value of Series 2 Annuity Waratah Bonds issued? Please provide monthly figures for both the number and value of bonds issued to date.

Answer: See response to Question 1.

Question Number: 5

Question from: Hon Greg Donnelly

Question:

What are the latest figures for the number and value of Series 3 Annuity Waratah Bonds issued? Please provide monthly figures for both the number and value of bonds issued to date.

Answer: See response to Question 1.

Question Number: 6

Question from: Hon Greg Donnelly

Question:

What are the latest figures for the number and value of 4 year Designated Investment Waratah Bonds issued? Please provide monthly figures for both the number and value of bonds issued to date.

Answer: See response to Question 1.

Question Number: 7

Question from: Hon Greg Donnelly

Question:

Is the Waratah Bonds issuance program the lowest cost way to raise funds for New South Wales taxpayers?

Answer: Waratah Bonds are planned to cost approximately the same as NSW Treasury Corporation's wholesale borrowing programme.

Question Number: 8

Question from: Hon Greg Donnelly

Question:

Will the Government be publishing a monthly or quarterly update on the number, size and value of applications for the Waratah Bonds program?

Answer: See response to Question 1.

Question Number: 9

Question from: Hon Greg Donnelly

Question:

What is the latest overall borrowing target for the Waratah Bonds program?

Answer: As stated to the Committee in the 2011-12 Budget Estimates hearing, our expectation for the term is that Waratah Bonds will raise between \$200 million and \$300 million to help fund the infrastructure backlog across the State.

Question Number: 10

Question from: Hon Greg Donnelly

Question:

What is the total advertising budget for the Waratah Bonds program?

Answer: See response to Question on Notice 1699.

Question Number: 11

Question from: Hon Greg Donnelly

Question:

What is the total advertising spending to date for the Waratah Bonds program?

Answer: See response to Question on Notice 1699.

Question Number: 12

Question from: Hon Greg Donnelly

Question:

How much did NSW Treasury Corporation spend on the following advertising costs for the Waratah Bond Programme in 2011-12 for:

- a. Print advertising;
- b. Newspaper advertising;
- c. Publicity materials and prospectus issue documents;
- d. Internet advertising and pop-up ads;
- e. Billboard advertising;
- f. Radio advertising; and
- g. Television advertising?

Answer: See response to Question on Notice 1699.

Question Number: 13

Question from: Hon Greg Donnelly

Question:

How much did NSW Treasury Corporation spend on the following advertising costs for the Waratah Bond Programme in 2012-12 for:

- a. Print advertising;
- b. Newspaper advertising;
- c. Publicity materials and prospectus issue documents;
- d. Internet advertising and pop-up ads;
- e. Billboard advertising;
- f. Radio advertising;
- g. Television advertising;
- h. Functions and events; and
- i. Other?

Answer: See response to Question on Notice 1699.

Question Number: 14

Question from: Hon Greg Donnelly

Question:

Is the Government or NSW Treasury Corporation promoting the Waratah Bonds program overseas?

- a. If so, in which countries have promotions taken place?
- b. How much has this cost to date?

Answer:

This question should be directed to the Deputy Premier and Minister for Trade and Investment the Hon Andrew Stoner MP.

Question Number: 15

Question from: Hon Greg Donnelly

Question:

Where and in what jurisdictions have promotions taken place?

Answer: Not applicable in respect to New South Wales Treasury Corporation

Question Number: 16

Question from: Hon Greg Donnelly

Question:

How much money has the Government, Treasury and Treasury Corporation spent on the Waratah Bonds program?

Answer: See response to Question on Notice 1699.

Question Number: 17

Question from: Hon Greg Donnelly

Question:

How many people have lodged applications for the Waratah Bonds program?

Answer: See response to Question 1.

Question Number: 18

Question from: Hon Greg Donnelly MLC

Question: What payments have been authorised to be made from Restart NSW?

Answer: See response to Question on Notice 3076.

Question Number: 19

Question from: Hon Greg Donnelly MLC

Question: What payments have been made from Restart NSW?

Answer: See response to Question on Notice 3076.

Question Number: 20

Question from: Hon Greg Donnelly MLC

Question: What projects are being funded, in part or in full, from Restart NSW?

Answer: See response to Question on Notice 3076.

Question: 21

Question from: The Hon Greg Donnelly MLC

Question:

How much has been spent on consultants, contractors and external experts including investment banks, accounting advisors, auditors, legal advisors and other consultants in relation to the following transactions:

- a. Sydney Desalination Plant;
- b. Port Botany;
- c. Port Kembla;
- d. NSW Lotteries Securitisation; and
- e. Electricity Generators?

Answer: See response to Question on Notice 19 after the 2012-13 Budget Estimates hearing.

Question Number: 22

Question from: The Hon Greg Donnelly MLC

Question: What are the latest figures for costs and expenditure relating to phase one of the Electricity Generation Transaction Project?

Answer: See response to Questions on page 21 and 22 of the transcript from the 2012-13 Budget Estimates hearing.

Question: 23

Question from: The Hon Greg Donnelly MLC

Question: What is the total expected or budgeted cost for all phases of the Electricity Generation Transaction Project?

Answer:

Total costs for the electricity transaction project are expected to be 1-2 per cent of proceeds.

Question Number: 24

Question From: Hon Greg Donnelly MLC

Question: What is the number of full time equivalent staff for each cluster, agency and service group for the 2011-12 and 2012-13 year?

Answer: Size of workforce full time equivalent (FTE) at census period 2010 and 2011 by cluster is available in The NSW Public Sector Workforce: A 2011 Snapshot

and Tables available on the Public Service Commission website at www.psc.nsw.gov.au.

Question Number: 25

Question from: Hon Greg Donnelly MLC

Question: How many staff have been hired by NSW Treasury since April 2011?

Answer:

Treasury recruitment can fluctuate to meet peak workload periods such as the Budget but is within the labour expense cap allocated to the cluster.

Question Number: 26

Question from: Hon Greg Donnelly MLC

Question: How many new roles have been created in NSW Treasury since April 2011?

Answer: See response to Question 25.

Question Number: 27

Question from: Hon Greg Donnelly MLC

Question: How much have your departments spent on contractors in the 2011-12?

Answer: See response to Question on Notice 72 after the 2012-13 Budget Estimates hearing.

Question Number: 28

Question from: Hon Greg Donnelly MLC

Question:

In regards to the 'specialised unit to investigate and restructure for the lease or sale of assets and businesses' recommended in the Interim Schott Report:

- a. Has this Unit been established?
- b. When was the Unit established?
- c. What are the terms of reference for the Unit?
- d. Have any assets been excluded from consideration by the Unit?
- e. Is this the same as the Property Asset Utilisation Taskforce?

- f. Which agency is the Unit located in?
- g. Which agency does the Unit report to?
- h. Which Ministers are responsible for the Unit?
- i. Who is the head of the Unit?
- j. What is their total remuneration?
- k. How many staff are working in or allocated to the Unit?
- l. What is the total cost for these staff?
- m. What is the number of staff seconded from agencies?
- n. What agencies are these staff from?
- o. What is the total budget for the Unit?
- p. How much has been spent on external consultants, contractors and advisors?
- q. When is the unit due to report to the Minister?
- r. How often have you met with the unit?

Answer: See response to Question on Notice 18 after the 2012-13 Budget Estimates hearing.

Question Number: 29

Question from: Hon Greg Donnelly

Question:

What portion of the 'other transaction costs' identified in the NSW Treasury Corporation annual report relate to Waratah Bonds?

Answer: All costs in respect of the Waratah Bonds programme are incurred by NSW Treasury Corporation (TCorp).

Question Number: 30

Question from: Hon Greg Donnelly

Question:

What is the estimated value of the contract with Colonial First State relating to Waratah Bonds?

Answer: See response to Question on Notice 12 after the 2012-13 Budget Estimates hearing.

Question Number: 31

Question from: Hon Greg Donnelly

Question:

In relation to the Colonial First State's agreement to include Waratah Bonds on its FirstWrap platform:

- a. Is there a provision for commission style payments?
- b. Is there a provision for management fees?

Answer: See response to Question on Notice 12 after the 2012-13 Budget Estimates hearing.

Question Number: 32

Question from: The Hon Greg Donnelly MLC

Question: What was the cost of interest charges on government debt in 2011-12?

Answer: This information is publicly available in the Budget papers.

Question Number: 33

Question from: The Hon Greg Donnelly MLC

Question: What is the estimated cost of interest on government debt in 2012-13?

Answer: This information is publicly available in the Budget papers.

Question Number: 34

Question from: The Hon Greg Donnelly MLC

Question: What is the forecast cost of interest on government debt in 2013-14?

Answer: This information is publicly available in the Budget papers.

Question Number: 35

Question from: The Hon Greg Donnelly MLC

Question: What is the forecast cost of interest on government debt in 2015-16?

Answer: This information is publicly available in the Budget papers.

Question Number: 36

Question from: The Hon Greg Donnelly MLC

Question: What is the forecast cost of interest on government debt in 2016-17?

Answer: This information is publicly available in the Budget papers.

Question Number: 37

Question from: The Hon Greg Donnelly MLC

Question: What is the schedule of rates and charges for the engagement of the Auditor General as outlined in the Treasurer's media release of 6 November 2012?

Answer: The Audit office maintains its Terms of Engagement on the Audit Office website at: <http://www.audit.nsw.gov.au/Publications/Client-Service-Resource>

Question Number: 38

Question from: The Hon Greg Donnelly MLC

Question: What is the estimated total cost of the Auditor General's review as outlined in the Treasurer's media release of 6 November 2012, specifically the cost of the:

- a. Review of the basis for the estimates and forecasts in both the coming Half Year Review and 2013-14 NSW Budget; and
- b. Review of the past performance of all Government agencies and identify weaknesses in financial management?

Answer: The cost will be met within the existing Budget, as stated during the hearing.

Question Number: 39

Question from: Hon Greg Donnelly MLC

Question:

What action has been taken to recoup the costs of the \$4.4 million luxury fit-out of Treasury Corporation's office in Governor Phillip Tower?

Answer:

T-Corp is self-funded so it does not draw on the State Budget, however TCorp has been asked to consider a special dividend to recoup the costs of this refurbishment.

Question Number: 40

Question from: Hon Greg Donnelly

Question:

In regards to NSW Treasury Corporation's lease of Governor Phillip Tower:

- a. How many square metres of space is being leased?
- b. What is the cost per square metre?
- c. What is the total annual cost of the lease?
- d. When does the lease expire?
- e. Was the lease extended this year? If so, what was the original expiry date?
- f. Are there any options for extension?
- g. Has any action been taken for Treasury Corporation to relocate to cheaper premises?

Answer:

(a-e)

Details on the lease are available in the "Contractual Commitments" note in the annual financial statements of New South Wales Treasury Corporation.

(f) The current lease will not be extended.

(g) See response to Question 39.

Question Number: 41

Question from: the Hon Greg Donnelly MLC

Question: How many board appointments have been made since March 2011?

Answer:

Since 1 April 2011, there have been 42 appointments made to the Boards of State Owned Corporations, as at 7 December 2012.

Question Number: 42

Question from: the Hon Greg Donnelly MLC

Question: When was the selection panel overseeing board appointments established?

Answer:

On coming to Government, the process for appointing candidates to the Boards of State Owned Corporations was improved, with all appointments now merit-based and approved by Cabinet.

Question Number: 43

Question from: the Hon Greg Donnelly MLC

Question: Who are the members of the board member selection panel?

Answer: See response to Question 42.

Question Number: 44

Question from: the Hon Greg Donnelly MLC

Question: How many appointments nominated by the selection panel have not been accepted by the shareholding ministers?

Answer: See response to Question 42.

Question Number: 45

Question from: the Hon Greg Donnelly MLC

Question: How many times have candidates been put forward to the selection panel by:

- a. The Premier;
- b. The Treasurer;
- c. Another shareholding Minister;
- d. The Portfolio Minister;
- e. Any other Minister; and
- f. A member of Parliament?

Answer: See response to Question 42.

Question Number: 46

Question from: the Hon Greg Donnelly MLC

Question: How many board appointments have been subject to the selection panel process circulated by Acting Secretary, Mr Michael Lambert?

Answer: See response to Question 42.

Question Number: 47

Question from: the Hon Greg Donnelly MLC

Question: How many board appointments have not been subject to the selection panel since the process was enacted by circular by Acting Secretary, Mr Michael Lambert?

Answer: See response to Question 42.

Question Number: 48

Question from: the Hon Greg Donnelly MLC

Question: What is the process for setting the remuneration of board members?

Answer:

The State Owned Corporations Act provides for remuneration to be determined by the Voting Shareholders.

Question Number: 49

Question from: the Hon Greg Donnelly MLC

Question: Were the following appointments subject to the selection panel process:

- a. Mr Roger Massy-Greene appointment as a board member and chair of Networks NSW, Ausgrid, Endeavour Energy and Essential Energy?
- b. Appointment of Mr Chum Darvall to the board of Transgrid?
- c. Appointment of Mr Maurice Newman to the board of Port Kembla?

Answer: See response to Question 42.

Question Number: 50

Question from: the Hon Greg Donnelly MLC

Question: Has an investigation been made into potential breaches of the Ministerial Code of Conduct by the Treasurer in relation to the appointment of Mr Massy-Greene as a board member and chairman of Networks NSW, Ausgrid, Endeavour Energy and Essential Energy.

Answer:

Any declarations are made as appropriate during the Cabinet process.

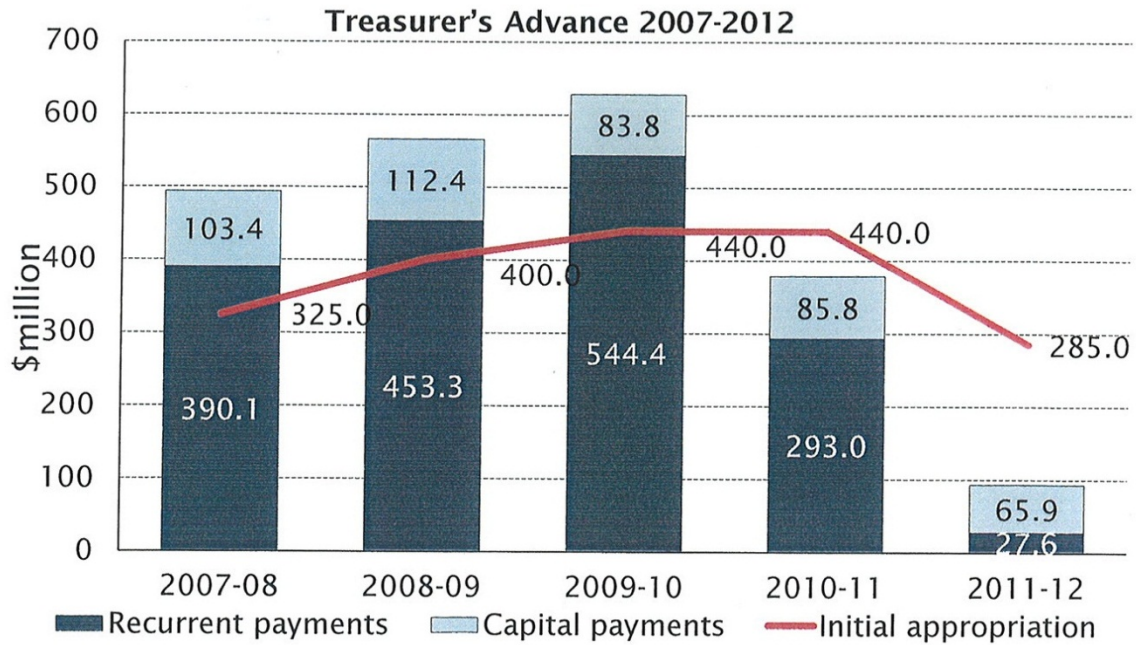
Question Number: 51

Question from: Hon Greg Donnelly MLC

Question: What is the expenditure to date from the Treasurer's advance?

- a. How much of this is for recurrent expenditure?

Answer: Information is provided in the table below:



Question Number: 52

Question from: Hon Greg Donnelly MLC

Question: How many media, public relations or communications staff are employed in your agencies?

Answer: No media staff but two communications staff across the cluster.

End of questions from the Hon Greg Donnelly MLC.

Start of questions from the Hon Sophie Costis MLC.

Question Number: 1

Question from: The Hon Sophie Costis MLC

Question: To be eligible to receive funding for the Local Infrastructure Renewal Scheme, local government councils were subjected to an independent financial assessment by NSW Treasury Corporation -

a. Of those deemed not eligible, can you please advise why?

Answer: Questions regarding the Local Infrastructure Renewal Scheme should be directed to the Minister for Local Government.

Question Number: 2

Question from: The Hon Sophie Costis MLC

Question: The Minister for Local Government has previously advised that "the Division of Local Government constantly monitors councils' financial situation and at any one time there can be up to 20 to 25 councils that are being watched – you might say a credit watch almost". Can you please advise if -

a. NSW Treasury Corporation regularly receives this information?

b. Was this information used as part of the financial assessment of councils it undertook as part of the Local Infrastructure Renewal Scheme application process?

c. If so, will you advise which of the councils on the Division of Local Government "credit watch" were deemed by NSW Treasury Corporation to be eligible for funding under the Local Infrastructure Renewal Scheme and why?

Answer: See response to Question 1.

Question Number: 3

Question from: The Hon Sophie Costis MLC

Question: During Budget Estimates hearings on 11 October 2012, when discussing the current financial sustainability of local councils, the Minister for Local Government tabled a fiscal star list 2006-07 detailing the financial sustainability of NSW councils -

a. Does NSW Treasury Corporation also use the ratings list of fiscal star?

b. If so, can you release the fiscal star ratings lists for the financial years 2010-11 and 2011-12?

Answer: See response to Question 1.

Question Number: 4

Question from: The Hon Sophie Costis MLC

Question: The Local Government Independent Review Panel Chairman is reported as saying that the panel would "not hold back" in recommending amalgamations or significant boundary changes when it delivers its final report next year -

a. Will there be an amalgamation funding package for councils that are forced to amalgamate?

Answer: Questions regarding councils should be directed to the Minister for Local Government.

Question Number: 5

Question from: The Hon Sophie Costis MLC

Question: Does NSW Treasury Corporation conduct an analysis of each council's financial sustainability?

a. If so, can you release this information for the period 1 July 2011 to 30 June 2012.

Answer: See response to Question 4.

Question Number: 6

Question from: The Hon Sophie Costis MLC

Question: Approximately \$400 million of debt has been taken on by councils in round 1 of the Local Infrastructure Renewal Scheme. What arrangements has NSW Treasury Corporation put in place to monitor councils' capacity to service their loans if projects are delayed or there is a cost overrun?

Answer: See response to Question 1.

Question Number: 7

Question from: The Hon Sophie Costis MLC

Question: On 14 August 2012 the Minister for Local Government told 2UE Radio that "half the councils in NSW are struggling financially."

a. Does NSW Treasury Corporation have this information and if so, will the Treasurer provide a list of those councils?

b. Were any of those councils described by the Minister for Local Government as "struggling financially" successful in round 1 of the Local Infrastructure Renewal Scheme?

c. If so, will the Treasurer provide a list of those councils?

Answer: See response to Question 1.

Question Number: 8

Question from: The Hon Sophie Costis MLC

Question: In recent comments the Chair of the Independent Review Panel into local government is reported as saying that he won't hold back recommending amalgamations.

- a. has Treasury done any cost benefit modelling on the impact of council amalgamations? If so, will the Treasurer release this information?
- b. If not, will the Treasurer prepare this information for NSW ratepayers?

Answer: See response to Question 4.

Question Number: 9

Question from: The Hon Sophie Costis MLC

Question: Will the Treasurer rule out lifting rate-pegging? If not why not?

Answer: See response to Question 4.

Question Number: 10

Question from:

Question: Will the Treasurer release publicly any advice or modelling regarding the cost benefit of council amalgamations for

- a. Ratepayers
- b. Employees
- c. Pensioners, and
- d. small business.

Answer: See response to Question 4.

Question Number: 11

Question from: The Hon Sophie Costis MLC

Question: What will be the cost of amalgamation for individual councils?

Answer: See response to Question 4.

**QUESTIONS ARISING FROM THE TRANSCRIPT – GENERAL
PURPOSE STANDING COMMITTEE NUMBER 1 - LEGISLATIVE
COUNCIL
TREASURY**

26 November 2012

Transcript Page Reference: 19

Question: Do you or the Secretary of the Treasury have a list of the 37 errors which are reported in the Auditor-General's report? What are the 37 errors?

Question from: Hon Greg Donnelly MLC

Answer:

This information is publicly available at www.treasury.nsw.gov.au

Transcript Page Reference: 38

Question: Just following up on the inquiry we have been conducting into the Cronulla Fisheries Centre of Excellence, has the Treasury or any of its departments conducted a valuation of the site?

Question from: Hon Fred Nile

Answer: This question should be directed to the Minister for Primary Industries.

Transcript Page Reference: 34

Question: The fee that will be charged by the Auditor-General on behalf of his office, do we know how that is going to be reflected in the Auditor-General's accounts?

Question from: Hon Greg Donnelly MLC

Answer:

See response to Question 37.



MIKE BAIRD MP
Treasurer