

**Legislative Council Question arising from
Estimates Committee – Treasury
14 October 2008**

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Chair: You said there was a package for the generation employees in round terms. What was that package?

Mr Pierce: I think it got to a maximum level of something like 30 weeks. I will have to check the actual figure.

ANSWER

I am advised:

Under the previous strategy, generation employees who were transferred to the private sector would have received a transfer payment, the size of which was dependent on their length of service and their rate of pay.

The Transfer Payment was to have been calculated as follows:

CONTINUOUS LENGTH OF SERVICE	TRANSFER PAYMENT (WEEKS OF PAY)
One year or more but less than two years	7.5 weeks
Two years or more but less than three years	13.125 weeks
Three years or more but less than four years	18.75 weeks
Four years or more but less than five years	22.5 weeks
Five years or more but less than six years	26.25 weeks
Six years or more	30 weeks

The following additional employment protections would also have applied:

Superannuation

There would have been no change to superannuation arrangements. Employees would have continued to be able to participate under the same scheme as currently.

Employment Guarantee

Award or Enterprise Agreement employees were to be provided with a five year employment guarantee at their current location, whilst employees on individual contracts (mainly senior employees) would have retained the protection of their contracts.

Terms and Conditions of employment

Award and Enterprise Agreement conditions were to be maintained to the maximum extent possible for the five year period of guaranteed employment.

Leave Provisions

Employees would have had the following choices in relation to their leave entitlements:

- accrued annual leave and long service leave entitlements could have been transferred or cashed out, or a combination of both on transfer to the new employer; and
- Accrued sick leave balances would have been transferred to the new employer.

Prior service would also have continued to be recognised for the purpose of future leave entitlements (e.g. accrual of long service leave).

**HON ERIC ROOZENDAAL MLC
TREASURER**

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The Hon Greg Pearce: Did TCorp ever seek external advice regarding investing in CDOs?

ANSWER

I am advised:

TCorp did not seek external advice regarding investing in CDOs.

**HON ERIC ROOZENDAAL MLC
TREASURER**

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Dr John Kaye: Is it not true that both rating agencies used in New South Wales, Standard & Poor's and Moody's, gave a large number of CDOs a triple-A rating? Are you not aware of that?

How much do we pay each year to Standard and Poor's and Moody's?

ANSWER

I am advised:

Standard & Poor's and Moody's have previously given a number of CDOs a triple-A rating.

Payments to Standard and Poor's in 07/08 amounted to \$A184,593 and payments to Moody's Investment Services amounted to \$A214,400.

**HON ERIC ROOZENDAAL MLC
TREASURER**

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Dr John Kaye: Did your office receive a memorandum from the Treasury Secretary correcting the \$500 million a year figure on the cost of credit downgrade?

ANSWER

Treasury provided advice that if the State was to lose the triple-A credit rating, interest costs would rise. It is estimated that interest rates would rise by 20-25 basis points for a one notch downgrade to the rating. This would lead to an increase in interest payments of over \$100 million per year. Over time the cost would exceed \$500 million.

I have conveyed this information publicly on numerous occasions including in parliament.

**HON ERIC ROOZENDAAL MLC
TREASURER**

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The Hon Matthew Mason-Cox: What was the consumer price index for Sydney for the June quarter 2007 to the June quarter 2008?

ANSWER

I am advised:

The consumer price index in the June quarter 2008 for Sydney was 4.3 per cent higher than the corresponding quarter in 2007.

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The Hon Matthew Mason Cox: Treasurer, we are all aware that you have been extensively briefed by the Treasury for the hearing. So I thought I Might ask you a few basic questions to warm you up. What is the size of the New South Wales economy?

The Hon Eric Roozendaal: Well over \$300 billion.

The Hon Matthew Mason-Cox: Can you give me a more precise figure?

The Hon Eric Roozendaal: I will come back to you with the exact number if you like.

ANSWER

The latest available estimate from the Australian Bureau of Statistics of Gross State Product for New South Wales is \$335,144 million (current prices) for the 2006-07 financial year.

**HON ERIC ROOZENDAAL MLC
TREASURER**