

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

9 October 2012

Question Number: 1

Question from: Dr J Kaye

Question:

With respect to the Payroll Tax rebate scheme, Jobs Action Plan, when did the scheme begin and how many jobs have been created by this scheme to date?

Answer:

The Jobs Action Plan commenced from 1 July 2011. As at end of September 2012, 12,738 applications for payroll tax rebates have been received under the Jobs Action Plan. Under the O'Farrell Government, 44,400 jobs have been created in NSW.

Question Number: 2

Question from: Dr J Kaye

Question:

With respect to jobs created to date under the Payroll Tax rebate scheme, Jobs Action Plan, what modeling or analysis has been performed that demonstrates that those jobs would not have been created without the scheme in place. Please provide details.

Answer:

The 100,000 target for new jobs as part of the Jobs Action Plan is a policy formulated while in Opposition and now being delivered as per the Government's election commitment.

Given the large range of factors that can influence employment, it is difficult to accurately model aggregate employment responses and then disaggregate the response to changes in payroll tax.

Since the O'Farrell Government was appointed, 44,400 jobs have been created in NSW, 93 per cent of which are full-time.

Question: 3

Question from: Dr. J. Kaye

Question:

With respect to the empty-nesters stamp duty exemption passed by legislation in 2011, how much revenue has that initiative cost the NSW budget to date? What are the anticipated costs to future budgets?

Answer:

The 'empty nesters' stamp duty exemption was introduced on 1 July 2010 and provided stamp duty exemptions for new home buyers aged over 65 years purchasing a new home valued up to \$600,000. One of our election commitments was to extend this exemption to new home buyers aged over 55 years purchasing a new home valued up to \$600,000. This was implemented from 1 July 2011.

The exemption expired along with the Home Builders Bonus scheme from 1 July 2012.

I am advised that to date the scheme has cost a total of \$15.9 million. As the scheme has now expired there are no anticipated costs to future budgets.

Question Number: 4

Question from: Dr J Kaye

Question: With respect to the abolition of the ad valorem component of the Torrens assurance levy passed by legislation in 2011, how much revenue has that initiative cost the NSW budget to date?

Answer:

As per the NSW Government's election commitment, this tax on homebuyers was abolished from 1 July 2011 so forecasts were not required.

Question: 5 (Empty Nesters Stamp Duty Exemption)

Question from: Dr. J. Kaye

Question:

In relation to questions 3 and 4, for each of those schemes:

- a) For each of the years that they have operated please provide the total cost to the budget and the number of units provided (exemptions and transactions)
- b) For each of the budget forecast years, please provide the forecasted total cost to the budget and the number of units provided (exemptions and transactions).

Answer:

I am advised that for each of the years on which the 'empty nesters' scheme was available, the value and number of exemptions was as follows:

	2010-11	2011-12	2012-13	Total
Value	\$4.8 million	\$9.4 million	\$1.6 million	\$15.9 million
Number	361	640	102	1,103

The scheme expired from 30 June 2012 with applicants able to apply for the exemption up to three months after the transaction was made. The scheme has no budget costs beyond 2012-13.

Question Number: 5 (Abolition of the ad valorem component of the Torrens assurance levy)

Question from: Dr J Kaye

Question: In relation to questions 3 and 4, for each of those schemes:

- a) For each of the years that they have operated please provide the total cost to the budget and the number of units provided (exemptions and transactions),
- b) For each of the budget forecast years, please provide the forecasted total cost to the budget and the number of units provided (exemptions and transactions).

Answer:

As per the NSW Government's election commitment, this tax on homebuyers was abolished from 1 July 2011 so no forecasts were required.

Question Number: 6

Question from: Dr J Kaye

Question:

6. If the NSW Government is genuine in its attempts to make savings, why does it continue to subsidise the sale of native forest logs to the wholly Japanese owned chipmill at Eden, given that the relatively miniscule number of jobs involved can be transferred to plantations?

Answer:

This question would be more appropriately directed to the Minister for Primary Industries.

Question Number: 7

Question from: Dr J Kaye

Question:

With respect to the Eden chipmill:

- a) Please provide the total value of sub-economic cost sale of logs to the chipmill for the past 3 years and forecasted amounts for the next 4 years.
- b) Please provide an estimate of the number of jobs that are created or produced by the sub-economic sale of logs.
- c) Please provide an explanation as to why now economic loss can be justified in the context of a tight budget where cuts are being made to education and health?

Answer:

Refer to the answer to Question 6.

Question Number: 8

Question from: Dr John Kaye

Question:

Given this government's drastic cuts to make savings in a range of portfolios including education and health, has the government considered saving \$2.5 million annually by abolishing the Game Council of NSW?

- a) If not, why not?

Answer:

This question would be more appropriately directed to the Minister for Environment and Heritage.

Question Number: 9

Question from: Dr. J. Kaye

Question: Given that responses to earlier parliamentary questions on notice to the Treasurer relating to NSW government investment in tobacco have indicated that NSW fund managers have discretion to invest in anything including tobacco companies, can the Treasurer please outline the extent and size of all of its investments in the tobacco industry, including any indirect or passive tobacco investments made via fund managers? Please provide a breakdown by company.

- a) If the Treasurer is unable to provide this information, please explain why such records are not kept given the Health Minister's statement in Opposition condemning the former government's investments in the tobacco industry.

Answer:

TCorp, in its capacity as Trustee, appoints a number of fund managers to make investments on behalf of the Trusts. These fund managers select individual securities based on their expected risks and returns. TCorp is not involved in the selection process for individual Australian or international shares.

Hour-Glass Trusts may hold tobacco stocks where they are included in their relevant investment benchmark.

As at 18 October 2012:

- The total value of all assets held in TCorp's Hour-Glass products was \$13,677 million.
- The Hour-Glass International Shares Sector Trust holds \$1,563.6 million in investment assets. 1.34% of the Trust's assets were held in the tobacco industry sector (as defined by the Global Industry Classification Standards (GICS)), compared to an index weighting of 1.70%.
- The Hour-Glass Indexed International Shares Sector Trust holds \$452.9 million in investment assets. 1.72% of the Trust's assets were held in the tobacco industry sector (as defined by the Global Industry Classification Standards (GICS)), compared to an index weighting of 1.70%.
- Individual company breakdowns are commercial-in-confidence.