

**BUDGET ESTIMATES 2018  
QUESTIONS ON NOTICE  
TREASURY, INDUSTRIAL RELATIONS**

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**CBD Light Rail ALTRAC Guarantee**

**Question:**

**Treasurer, despite the best efforts of your colleague the transport Minister, we learnt on Friday that you secretly guarantee to pay back banks \$500 million in the event that ALTRAC becomes insolvent. When did you approve the Transport Minister's request for a secret bailout for the central business district light rail?**

**Answer:**

Guarantees of obligations for all State Government agencies under the PAFA Act is standard for all NSW PPP projects.

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**CBD Light Rail ALTRAC Guarantee**

**Question:**

**Which banks have we given this guarantee for?**

**Answer:**

This question should be referred to the Minister for Transport and Infrastructure.

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**CBD Light Rail ALTRAC Guarantee**

**Question:**

**How much did they pay for it? They got a \$500 million bank guarantee provided by the people of New South Wales. How much did ALTRAC pay for it?**

**Answer:**

This question should be referred to the Minister for Transport and Infrastructure.

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**Contingent labour budget**

**Question:**

**What is the current budget for contingent labour in the current financial year?**

**Answer:**

Consulting expenditure is detailed in agency annual reports.

**Question:**

**In the first year of this Government the State Government departments paid approximately half a billion dollars in labour hire but in the last full financial year they paid \$1.4 billion in labour hire. What was the actual spend in the last financial year?**

**Answer:**

This information will be published in the 2017-18 NSW Report on State Finances.

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### **Oyster Coast investment**

**Question:**

**Following \$3.3 million of taxpayer's money being invested in Australia's Oyster Coast, do you have concerns, or does Treasury have concerns, that such an investment by Jobs for NSW is in breach of that competitive neutrality policy that you administer?**

**Answer:**

This question should be referred to the Minister for Trade and Industry.

**Question:**

**Oyster farmers with concerns can appeal this decision including to the Independent Pricing and Regulatory Tribunal [IPART]. Would you support IPART taking a look at this decision and how it interacts?**

**Answer:**

This question should be referred to the Premier.

**Question**

**You are saying that Jobs for NSW is going in there and propping up one player in the market as opposed to others who are in that space and they are being penalised and potentially are in a uncompetitive - Correct, with public funds.**

**Answer**

This question should be referred to the Minister for Trade and Industry.

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### **SFS business disruption costs**

**Question:**

- 9. The Sydney Cricket and Sports Ground Trust has said it will borrow money from the Government to pay for the \$300 million business disruption costs involved in the demolition and rebuilding of the Sydney Football Stadium. Do you have a final amount for those business disruption costs?**

**Answer:**

The Sydney Cricket and Sports Ground Trust is responsible for the final payment of business disruption costs associated with the Sydney Football Stadium. Questions regarding final business disruption costs should be directed to the Minister responsible.

**Question:**

**When Treasury looked at the benefit-cost ratio for the stadium, did it take account of those business disruption costs? Were they in or out for the benefit-cost ratio calculations?**

**Answer:**

Treasury was not responsible for the development of the business case for the Sydney Football Stadium.

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### **Application of BCR to border towns**

**Question:**

**I would like to raise an issue about the last timber bridge in Brewarrina shire. It is being replaced at a cost of \$4.2 million. The Commonwealth is prepared to pay half. Its replacement would be a big boost for grain freight in northern New South Wales. It has a benefit-cost ratio of 1.7. Their application for State government funding has been declined. The concern was that some of the benefit accrued to Queenslanders. Is it true that border towns are having their benefit reduced in the benefit-cost ratio calculation?**

**Answer:**

The following information is provided on the basis that the project referred to is the proposed Birrie Bridge Replacement.

The Brewarrina Shire Council had submitted this project proposal for consideration under two Restart NSW programs, Growing Local Economies and the Fixing Country Roads and the project was reviewed by the Department of Premier and Cabinet and Infrastructure NSW (with assistance from Transport for NSW) respectively. I further understand Infrastructure NSW's processes are continuing and have not been concluded.

In answer to the other question, the location of a project of itself is not a factor in determining the benefit to cost ratio.

In relation to Restart NSW projects the Act requires the project be for a purpose "*to improve economic growth and productivity in the State*". This means that a project assessment needs to determine both the costs and benefits as they accrue to New South Wales communities.

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### **Regional sporting infrastructure spend**

**Question:**

**How much sporting infrastructure money was spent in regional areas last year?**

**Answer:**

This question should be referred to the Minister for Sport.

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### **Restart NSW spend**

**Question:**

**Thirty per cent of the Restart NSW funds are invested in regional New South Wales. I will get the exact figure.**

**Answer:**

As at the 30 June 2018, 30.7% of Restart NSW funding was either committed or reserved for projects in regional New South Wales.

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**Gaming machine revenue**

**Question:**

**Treasury has provided forecasts out to the forward estimates on expected gaming machine revenue. The page labelled "Analytical Model" goes through the base estimates of gaming machine revenue for hotels and clubs. It is titled "Analytical Model" and outlines the base assumptions on which gaming machine taxes have been determined. Assumptions are made that the new leasing arrangements for gaming machines will lead to an increase in profits for both hotels and clubs of a factor that is listed and that I have highlighted. Did Treasury prepare that document?**

**Answer:**

Yes.

**Question:**

**On what assumptions were those forecasts for the impact of the new leasing arrangements made?**

**Answer:**

The leasing scheme was intended to assist smaller clubs and hotels improve their financial viability. As at 13 September 2018, only four venues have had approval to lease gaming machine entitlements from other venues.

**Question:**

**What would be the normal process for coming up with those assumptions? Would that be on advice from Liquor and Gaming NSW or is that something that Treasury models itself?**

**Answer:**

Treasury combines data provided by Liquor and Gaming NSW with macro-economic forecasts to provide an estimate of the growth of player loss and tax revenue.

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**Board of First Ministers/Premiers**

**Question:**

**There is actually already a board which is of First Ministers or Premiers which is separate to COAG. At COAG you have the Commonwealth meeting with the States. I will take it on notice, but my understanding is a board was established some time ago of Premiers and Chief Ministers.**

**Answer:**

The Council for the Australian Federation (CAF) was established in 2006 and comprises state and territory First Ministers.

**Question:**

**18. I do not know how frequently it meets. I will take it on notice.**

**Answer:**

Information regarding the Council for the Australian Federation, including its last meeting is available on the following website: [www.caf.gov.au](http://www.caf.gov.au).

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**Port transaction deed**

**Question:**

**You are aware of the Australian Competition and Consumer Commission [ACCC] inquiry into the ports transaction that your government entered into that affected Newcastle and Port Kembla? Whose signatures are on the port commitment deed? Which organisations did they represent and was the ACCC informed of that?**

**Answer:**

The parties to the Port Commitment Deeds (PCDs) are the Treasurer and the private sector port operators. Parties to the PCDs are set out in the leases, which are publicly available.

Treasury previously provided information to the ACCC about the ports long term lease transactions. The ACCC was informed of the PCDs prior to the Newcastle Port transaction.

The ACCC has not requested any information formally for its current inquiry.

**Question:**

**Was the ACCC informed of that?**

**Answer:**

Please refer to previous answer.

**Question:**

**Given the controversy around the port commitment deeds and noting that they have in part been published, will you release the totality of the port commitment deeds so that we can see the totality of the arrangement?**

**Answer:**

This information is commercial in confidence.

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**Workers Compensation Scheme surplus**

**Question:**

**What is the current surplus for the workers comp scheme? What would the surplus be adopting a 75 per cent adequacy ratio? It would 118 per cent. What would 118 per cent be in a dollar figure?**

**Answer:**

A summary of the most recent Nominal Insurer insurance liability valuation is available on the Insurance and Care NSW website.

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**Support services for terminated workers**

**Question:**

**This morning we heard some very disturbing evidence from the State Insurance Regulatory Authority [SIRA]. It said of the 3,400 injured workers who have been cut off the scheme under section 39 of the Workers Compensation Act, 375 have been identified as vulnerable. If Mr Nagle has some specific services that have been rolled out to workers once they have been terminated can we have that? Once workers have been terminated under section 39.**

**Answer:**

To support this cohort of workers, icare:

- established an **Advisory Assistance Service** staffed by mental health professionals to help people understand the impacts of the changes to section 39
- created a **Community Support Service** through a partnership with St Vincents, Uniting Care and Interact to help people link in with the community and transition to the other services available
- has been **working with Centrelink** to ensure people can use notification letters to commence Centrelink applications, avoiding delays in accessing payments
- has been openly **communicating with injured workers** via proactive phone calls, tailored letters, information packs supplied to their doctors and a video to help them understand the changes.

**The Advisory and Assistance Service (AAS)** staff also make proactive calls to potentially higher risk or vulnerable workers, including those who have accessed AAS previously, and claims transitioning from disengaging agents.

icare's **Sensitive Claims Team** coordinates counselling, in-patient and psychological support to affected workers and develops **Individual Safety Plans** to capture key risks and identify support networks. During peak periods 24 x7 support provided.

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**Standing Order for Budget Papers**

**Question:**

**Treasurer, the document I previously handed to you was one that came under the Standing Order 52 order for the production of budget papers. Some documents had a claim of privilege put on them by your department and, interestingly, they related to two things: coal royalties and gaming machine tax. I challenged that privilege and as a result of that the report of the Independent Arbiter described the claims of privilege as fundamentally flawed. Who decided to put a claim of privilege on those documents?**

**Answer:**

The claim of privilege was submitted, along with all papers identified in response to the order, under cover of a letter signed by the Treasury Secretary.

**Question:**

**Would your department or your office have been asked by another department or by industry to keep those figures privileged? Surely someone can tell me where the request to make those documents privileged came from?**

**Answer:**

Treasury consulted with Liquor and Gaming NSW in preparation of the claim for privilege.

**Question:**

**For what purpose would they have been made privileged this year when they have not been in previous years?**

**Answer:**

In 2017, following the department's response to an order for Budget Papers for 2017-18, Treasury was advised that the de-identified data in Treasury's revenue forecasts could be matched against reporting produced by Liquor & Gaming NSW, revealing sensitive commercial data.

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**Sydney CBD Light Rail**

**Question:**

**Following up the controversy that has occurred regarding the light rail in Sydney and the delays, many shops and businesses have had to put in claims for compensation. How many businesses have put in claims for compensation, both in the city and the eastern suburbs along the route of the light rail?**

**Answer:**

This question should be referred to the Minister for Transport and Infrastructure.

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**Treasurer's Advance**

**Question**

**What is interesting is that the provision for the Treasurer's advance has not been drawn down on in the last two budgets. In 2017-18 we reduced the appropriation of the Treasurer's advance by \$50 million. But we did not draw down on it. I will take that on notice.**

**Answer:**

For the 2016-17 Budget, the available appropriation for the Treasurer's Advance incorporated into the budget forward estimates was \$170 million per annum (\$150 million recurrent and \$20 million capital).

At the 2017-18 Budget no drawdowns had been made and the amount was reduced to \$120 million per annum in 2017-18 and across the forward estimates (\$100 million recurrent and \$20 million capital).

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**Sydney CBD Light Rail**

**Question:**

**How many court cases are there underway concerning the light rail, without the details? I understand there is one major one, a Spanish company. Could you take on notice a question I asked you about any court cases, legal challenges, affecting light rail, either negative or positive?**

**Answer:**

This question should be referred to the Minister for Transport and Infrastructure.

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**PAFA Act approvals**

**Question:**

**Treasurer, under section 20 of the Public Authorities Financial Arrangements Act 1987 you need to provide written authority for a Minister or an authority to enter into a joint financial agreement. What approvals have you given since you became Treasurer, what requests for approvals have you received and have you rejected any?**

**Answer:**

Since the Treasurer came into office on 30 January 2017, the Treasurer has approved a number of joint financing arrangements under s20 of the *Public Authorities (Financial Arrangements) Act 1987* ("JFA").

This includes:



**SUBJECT TO PARLIAMENTARY PRIVILEGE**

- A JFA between the Minister for Corrections and Infrastructure NSW to contract with Commissioner of Corrective Services with Northern Pathways for the New Grafton Correctional Centre;
- A new JFA in relation to Sydney Metro, between the new Sydney Metro entity and Northwest Rapid Transit for Sydney Metro North West.