

Budget Estimates

TREASURY

Monday, 28 February 2022

QUESTIONS ON NOTICE

Questions on notice - Treasury

QoN #	Transcript Page	Question
1	8	<p>The Hon. DANIEL MOOKHEY: Treasurer, given you are quoting from the affidavit, which is good— I presume you have read it—can I take you to paragraph 2?</p> <p>Mr MATT KEAN: Sure.</p> <p>The Hon. DANIEL MOOKHEY: The chief economist says, "The role frequently briefs senior Government Ministers." That is quite clear in the second paragraph. Clearly there is a habit of you getting briefings from the chief economist and you are telling us seriously that the chief economist will brief you on the most minute gradation in the bond market but will not tell you that he is about to give sworn evidence to support an aggressive action by your Government. He is telling the Fair Work Commission that he briefs senior Government Ministers, and you are telling me he never told you and you had absolutely no idea that the chief economist was giving this evidence until you found out last week.</p> <p>Mr MATT KEAN: You see, Mr Mookhey, I have a weekly catch-up with the chief economist. It is incorporated into my weekly catch-up with the Treasury Secretary. As it is, I have briefings from a number of my deputy secretaries and senior officials. In the catch-up that I had with the chief economist the week before this action occurred—actually, I don't think we saw him that week; I think we saw him the week before—it was not brought to my attention that he had considered this as one of the contingencies that he had been planning for.</p> <p>The Hon. DANIEL MOOKHEY: No. Did you ask him to prepare this evidence?</p> <p>Mr MATT KEAN: Which evidence? The scenario planning?</p> <p>The Hon. DANIEL MOOKHEY: The affidavit.</p> <p>Mr MATT KEAN: No, I did not.</p> <p>The Hon. DANIEL MOOKHEY: Who did?</p> <p>Mr MATT KEAN: I would have to ask Dr Grimes if he can illuminate you on that.</p> <p>PAUL GRIMES: My understanding is that was a request from the Crown Solicitor's Office directly to Mr Walters.</p> <p>The Hon. DANIEL MOOKHEY: Sorry, Dr Grimes, do you mind just bringing your microphone forward?</p> <p>PAUL GRIMES: Yes, sure. My understanding is that was a request directly from the Crown Solicitor's Office to Mr Walters.</p> <p>The Hon. DANIEL MOOKHEY: Do you know when Mr Walters got that request from the Crown Solicitor?</p> <p>PAUL GRIMES: I do not have that information in front of me but we will be able to take that on notice and provide it to you</p>

		<p>RESPONSE: The Chief Economist was first approached by the Crown Solicitor’s Office on Tuesday 15 February 2022 regarding the possibility of industrial action by the RTBU starting from the 21 February 2022. On 16 February 2022, the Crown Solicitor’s Office subsequently requested estimates be calculated.</p>
2	11	<p>The Hon. DANIEL MOOKHEY: Just to be clear, was your office ever given a written from the chief economist brief explaining this at all, prior to the affidavit going in? Mr MATT KEAN: I do not believe so, but I will take that on notice.</p>
		<p>RESPONSE: No.</p>
3	18	<p>The Hon. MARK LATHAM: What is the advice from AEMO to you about the unserved energy consequences of the early closure of Eraring by 2025? Mr MATT KEAN: We are very happy to take that on notice. The Hon. MARK LATHAM: You have not got that available to you, Minister? Mr MATT KEAN: Could you please repeat the question, Mr Latham? The Hon. MARK LATHAM: It is a key issue about the future of our economy, is it not? Mr MATT KEAN: Can you just repeat the question please? The Hon. MARK LATHAM: What is the advice from AEMO to you about the unserved energy consequences of the early closure of Eraring by 2025? Mr MATT KEAN: We are very happy to take that on notice. JAMES HAY: I will come back to you. If you want the specific advice, I will come back to you rather than paraphrase it.</p>
		<p>RESPONSE: The Australian Energy Market Operator (AEMO) was retained to assist on the potential early closure of Eraring in its capacity as the Energy Security Target Monitor under the <i>Electricity Infrastructure Investment Act 2020</i>. The modelling it performed was based on the Energy Security Target. On 17 February 2022, after Origin Energy announced the potential early closure of Eraring, the Managing Director of AEMO stated that AEMO would update its unserved energy modelling and issue an updated Electricity Statement of Opportunities.</p>
4	19	<p>Mr MATT KEAN: Could I make— The Hon. MARK LATHAM: In July, Origin tell you that it is likely to close this power station. You notify AEMO and then you say that AEMO is working on the assumptions of your package that you have announced—the battery and so forth. When did you first tell AEMO about the various measures that were announced on 17 February? Mr MATT KEAN: I will have to take that on notice. I am happy for Mr Hay to answer that.</p>
		<p>RESPONSE: In October 2021, the Department requested the Australian Energy Market Operator (AEMO) provide advice regarding the various measures, following its appointment as the Energy Security Target Monitor.</p>

5	21	<p>The Hon. DANIEL MOOKHEY: Do you happen to have Treasury's annual report with you?</p> <p>Mr MATT KEAN: Not on me, no.</p> <p>The Hon. DANIEL MOOKHEY: I will give you my copy. This is an excerpt from the financial statement. It is note 3 on, I think, page 56, for the people following along at home.</p> <p>Mr MATT KEAN: My mum.</p> <p>The Hon. DANIEL MOOKHEY: You can see that I have highlighted a specific section, which relates to the legal means by which this money can be spent. The Appropriation Act is very clear that this money can only be spent with the Treasurer's approval, otherwise it is illegal. You can see there that then Treasurer Perrottet in 2020-21 approved \$346 million of COVID expenditure above the appropriation which, to be fair, in that budget year went up. My first question is how much have you approved under that section?</p> <p>Mr MATT KEAN: I will have to take that on notice, but I am happy to come back to you.</p>
		<p>RESPONSE:</p> <p>The total amount approved by Treasurer Kean under Section 34 is \$384.8 million. This includes \$119.4 million for COVID expenditures and \$265.4 million for approved changes in awards and conditions, consistent with the Government's revised wages policy.</p>
6	21	<p>The Hon. DANIEL MOOKHEY: That is inaccurate. The law is very clear here. That \$346 million can only be spent with the Treasurer's signature. The then Treasurer, now Premier, put his signature to that spending. I am asking you, now having been in the job, have you made any approvals under that power?</p> <p>PAUL GRIMES: The fundamental thing is, when the Treasurer is providing authority for appropriations to be provided, that departments are complying with any conditions that are applied. That is really the fundamental question to be considered here and examined further.</p> <p>The Hon. DANIEL MOOKHEY: Respectfully, the question I am actually asking the Treasurer to consider is very specific. How much money have you approved using that power?</p> <p>Mr MATT KEAN: I will have to take that on notice and come back to you</p>
		<p>RESPONSE:</p> <p>See response to QoN 5.</p>
7	24	<p>The Hon. DANIEL MOOKHEY: Treasurer, this is not an abstract policy development process that you are describing. This is \$7 billion that you have already put into the budget. It is in the forward estimates and we are borrowing this money. This is a budget estimates hearing. I will push you again to respond directly to my question, which is are you considering using any of this \$7 billion on measures, which may well be welcomed, to increase female participation and to do childcare reform?</p>

		<p>Mr MATT KEAN: The priority of that money is to ensure that we are prepared for any contingencies that arise as a result of COVID. We are living in uncertain times. No-one predicted Omicron would hit the economy and the community in the way it did. So having that money put aside to deal with these challenges was the prudent thing to do.</p> <p>The Hon. DANIEL MOOKHEY: How much of it has been spent?</p> <p>Mr MATT KEAN: We can detail that on notice.</p> <p>The Hon. DANIEL MOOKHEY: Treasurer, you said just 30 to 40 seconds ago—maybe a bit longer, to be fair to you—that this has helped us respond to Omicron. That is good; I am glad that it is there. But, therefore, how much of it has been spent?</p> <p>Mr MATT KEAN: We can detail that on notice, Mr Mookhey.</p> <p>The Hon. DANIEL MOOKHEY: Has any of it been spent?</p> <p>Mr MATT KEAN: I can take that that on notice.</p> <p>The Hon. DANIEL MOOKHEY: You don't know?</p> <p>Mr MATT KEAN: No, we can take that on notice to give you an accurate reflection of what is going on.</p>
		<p>RESPONSE:</p> <p>The \$7 billion provision for productivity reform and COVID-19 contingency commences from 2022-23 onwards. Any announcement about what measures have or will be funded from within this contingency will be announced in the Budget.</p>
8	24	<p>JAMES HAY: My correction is that AEMO is running the ESOO now in response to the announcements. So the unserved energy advice will be forthcoming, as per Daniel Westerman's comments on the 17th.</p> <p>The Hon. MARK LATHAM: When do you expect that?</p> <p>JAMES HAY: I will come back to you with a time.</p> <p>The Hon. MARK LATHAM: Days? Weeks? Months?</p> <p>JAMES HAY: I think they are re-running it reasonably quickly given the recent announcements the Treasurer has mentioned</p>
		<p>RESPONSE:</p> <p>I am advised that the Australian Energy Market Operator's (AEMO) Electricity Statement of Opportunities (ESOO) incorporates a reliability assessment against the reliability standard defined in clause 3.9.3C of the National Electricity Rules and AEMO's Reliability Forecast Guidelines under the Retailer Reliability Obligations. AEMO has advised that it plans to publish an update to the ESOO by April 2022.</p> <p>I am advised that the primary difference between the two standards is the ESOO model is a stochastic simulation run at a 30-minute resolution. The Energy Security Target (EST) is a deterministic capacity calculation using a more conservative set of assumptions around demand and supply. These assumptions include:</p> <ul style="list-style-type: none"> • use of a 10 per cent Probability of Exceedance summer peak demand forecast (representing more extreme conditions that could be expected once in every 10 years) • summer capacity deratings for thermal plant (where applicable) to represent typical availability during peak demand periods.

		<ul style="list-style-type: none"> • deratings for intermittent generation including wind and solar to represent minimum probable availability during peak demand periods. • interconnector flow limit deratings and sub-regional transmission constraints • a reserve margin equal to the two largest generating units in the region (essentially a buffer of two coal units) • excludes most non-scheduled generation capacity (equal to roughly 580 megawatts). <p>The EST is designed to ensure NSW has enough generation capacity to cope with unexpected generator outages during periods of peak demand for any duration and to give the market certainty about how much new electricity is needed to deliver a reliable energy system over the medium to long term. Because the EST ensures enough generation capacity at peak demand and with highly conservative assumptions about contribution from intermittent generation, it inherently ensures enough generation capacity at other times. This means the power system can come with an unexpected outage irrespective of the duration.</p>
9	28	<p>The Hon. MARK LATHAM: So it is still possible Eraring's early closure can lead to blackouts.</p> <p>JAMES HAY: No. We do not think so, because the EST target—</p> <p>The Hon. MARK LATHAM: You just said AEMO has not furnished the final advice.</p> <p>JAMES HAY: The energy security target monitor is a higher standard than the unserved energy standard.</p> <p>The Hon. MARK LATHAM: Can you produce the documents after lunch that verify this point you are making? Your advice has changed in the course of the hearing. I think, given the seriousness of it, the Committee should see the documents.</p> <p>Mr MATT KEAN: Let us be very clear. We have got the highest energy reliability standard anywhere in the country—</p> <p>The Hon. MARK LATHAM: This is a different matter, of unserved energy. You can have that target for one second or 30 seconds. But, if the problem runs for four hours, you have blackouts. I think the Committee and the public are entitled to see that advice and subsequently, when the final model is available to you—it sounds like you are flying blind at the moment—it is available too.</p> <p>JAMES HAY: We will come back with some more detail around the difference in the standards and your questions about the duration of the outage.</p> <p>Mr MATT KEAN: We will come back to you, Mr Latham.</p>
		<p>RESPONSE:</p> <p>See response to QoN 8.</p>
10	37	<p>Ms ABIGAIL BOYD: I will turn to the electric vehicle incentive scheme.</p> <p>Ms ABIGAIL BOYD: I understand that it is not necessarily going as planned and that we do not have as much take-up as might have been expected. What do you see as the reason for that, and what are you doing to adjust to try to encourage uptake?</p>

		<p>Mr MATT KEAN: I am reasonably happy with the uptake and where it is going. We have seen the uptake being spread right across Sydney, right across New South Wales. Obviously I would like to see it go further, but the policies that we put in place were there to deal with vehicle availability, model availability, the entry price and range anxiety, and the policy is achieving those objectives.</p> <p>Ms ABIGAIL BOYD: How many people have taken up the incentive?</p> <p>Mr MATT KEAN: As at today, I do not have that figure before me, but we can provide that to you on notice.</p>
		<p>RESPONSE: As at 26 February 2022, 1,555 rebates and 2,069 EV stamp duty exemptions had been paid.</p>
11	37	<p>Ms ABIGAIL BOYD: Are you able to tell me how many new car sales have been electric vehicles or plug-in hybrids?</p> <p>Mr MATT KEAN: We will get the exact figure so that it is timely today—</p>
		<p>RESPONSE: This question is best directed to the Minister for Transport.</p>
12	56	<p>The Hon. DANIEL MOOKHEY: Treasurer, have you commissioned any scoping studies into further asset sales since you have become Treasurer?</p> <p>Mr MATT KEAN: I do not think I have, no.</p> <p>The Hon. DANIEL MOOKHEY: What scoping studies were you briefed on when you became Treasurer?</p> <p>Mr MATT KEAN: I might have to take that on notice. I am very happy to come back to you.</p>
		<p>RESPONSE: The Treasurer was briefed on the scoping study in respect of the lotteries duty revenue stream.</p>
13	63	<p>The Hon. DANIEL MOOKHEY: Have you received a request like this before?</p> <p>STEPHEN WALTERS: Routinely.</p> <p>The Hon. DANIEL MOOKHEY: To provide evidence in terms of an application to terminate a bargaining period?</p> <p>STEPHEN WALTERS: In all sorts of industrial matters. I am considered a subject expert in economic impact assessment—so on all sorts of matters from wage cases through industrial matters.</p> <p>The Hon. DANIEL MOOKHEY: But specifically this type of application—a termination application—when was the last time you prepared one like this?</p> <p>STEPHEN WALTERS: I would have to check that, Mr Mookhey. We do this fairly routinely, as I said.</p>
		<p>RESPONSE: The Chief Economist and his team have been asked to model a range of potential scenarios involving different proposed industrial action.</p>

14	66/67	<p>The Hon. DANIEL MOOKHEY: Probably more able. Finally, were you notified that the Government had withdrawn the action and you were not required to provide evidence?</p> <p>STEPHEN WALTERS: Let me check my notes, Mr Mookhey. I am confident that is the case, but I just want to make sure that I am reading the instructions from the CSO correctly. I am going to have to take that on notice because I need to get legal advice as to whether I am allowed to disclose the instructions from the CSO to me.</p> <p>The Hon. DANIEL MOOKHEY: I am not asking you now to disclose the instructions, to be fair. It is probably going to be my next question. But right now the question I am asking you is: On Tuesday when the Government made the decision to withdraw the application for which you had provided an affidavit in support of, were you told that the Government had withdrawn the application?</p> <p>STEPHEN WALTERS: No.</p> <p>The Hon. DANIEL MOOKHEY: So the first you learnt that the Government had withdrawn the application was Tuesday of last week?</p> <p>STEPHEN WALTERS: Yes.</p> <p>The Hon. DANIEL MOOKHEY: And presumably you were available to be cross-examined, if you were needed to, in the Fair Work Commission throughout this entire period.</p> <p>STEPHEN WALTERS: Yes.</p> <p>The Hon. DANIEL MOOKHEY: Now I will ask you: Is it possible that you can table all the correspondence with the CSO?</p> <p>STEPHEN WALTERS: I will take that under notice, Mr Mookhey. I do not know. It is advice that I am provided from our own Crown Solicitor, so I am not sure whether that is privileged or able to be shared in public. I will have to take that on notice.</p> <p>Mr DAVID SHOEBRIDGE: It is the instructions relied upon for the affidavit?</p> <p>STEPHEN WALTERS: Correct.</p> <p>The Hon. DANIEL MOOKHEY: Actually, it is more the correspondence as to what you requested to be modelled, but if—</p> <p>STEPHEN WALTERS: It is the same.</p> <p>The Hon. DANIEL MOOKHEY: If you do not mind taking that on notice, that would be helpful.</p> <p>STEPHEN WALTERS: I can do that.</p>
		<p>RESPONSE: These materials are subject to Legal Professional Privilege and are unable to be provided.</p>
15	67	<p>The Hon. DANIEL MOOKHEY: Let us move on to the next matter. We have got two more minutes. Dr Grimes, can you provide us with any further information about the \$7 billion breakdown of the contingency fund?</p> <p>PAUL GRIMES: I cannot provide that to you at the moment, Mr Mookhey.</p> <p>The Hon. DANIEL MOOKHEY: Can you tell us, at least, or can you find out this afternoon how much of it has been spent already?</p>

		PAUL GRIMES: I can take that on notice and see what information could be provided. My understanding is that \$7 billion is an estimates provision in the forward estimates for policy decisions that the Government might make.
		RESPONSE: See response to QoN 7.
16	69	DAVID SHOEBRIDGE: About the Kurri Kurri gas plant, the carbon targets that the Government has in terms of carbon emissions, have they factored in the opening up of a new gas- and diesel-powered plant in Kurri Kurri? JAMES HAY: In fact, what I would say in the opening—Ms Parry may be able to add to this—is that Kurri Kurri and Tallawarra run a very small percentage of the time. It is not like putting in baseload coal. Their emissions factor is small. Have they been factored into the specific tests? I would have to take that on notice.
		RESPONSE: The Snowy Hydro Hunter Power Project (Kurri Kurri Power Station) has a proposed maximum operational capacity of 12 per cent annually. However, it is expected that it would operate at an average of two per cent annually. Based on NSW Government emissions modelling, it is considered that the power station would not constrain the ability to achieve the 50 per cent emissions reduction target by 2030 as outlined in the NSW Net Zero Plan. The project development approval stipulates strict maximum operational limits of no more than 1100 cumulative hours of power generation and no more than 175 cumulative hours of diesel fired operation per calendar year. The exceptions to these limits of operation are limited to a direction from the Australian Energy Market Operator in terms of energy security or reliability actions to maintain system security.
17	69	Mr DAVID SHOEBRIDGE: Is it true that Kurri Kurri is planned to run on 73 per cent gas and 17 per cent diesel when it starts? Is that right? JAMES HAY: I will have to check the precise ratios.
		RESPONSE: See response to QoN 16.
18	69	Mr DAVID SHOEBRIDGE: Do you have any viable source at the moment identified to put green hydrogen into Kurri Kurri? RACHEL PARRY: That is a matter for the Commonwealth Government because the Commonwealth owns Kurri Kurri. Mr DAVID SHOEBRIDGE: But it is going to be in New South Wales. It is going to be part of the New South Wales energy mix. Surely you have looked at whether or not it is actually ever feasible to attach green hydrogen to it? RACHEL PARRY: The New South Wales Government, from my understanding, has not looked at that, but I can take confirmation of that from my colleagues. But I do know, with the Kurri Kurri proposed station, that the Commonwealth is looking over time to ensure that hydrogen is able to be blended into the plant. But I do not believe that the New South Wales Government has looked at that.

		<p>RESPONSE: As part of the Snowy Hydro Hunter Power Project (Kurri Kurri Power Station) Critical State Significant Infrastructure assessment, the project proposal outlines that the proposed turbine technology is capable of operation with up to a 10 per cent hydrogen blend, with further upgrades required to operate up to a 30 per cent hydrogen blend. Snowy Hydro has not made specific commitments on sourcing green hydrogen for the project as part of project approvals. Snowy Hydro will be required to seek further planning approvals for hydrogen to be utilised as a fuel, as this is not currently part of the development approvals.</p>
19	71	<p>Mr DAVID SHOEBRIDGE: So there has been no costing done by your department about the price impacts of the Kurri Kurri plant being constructed and operating in the New South Wales electricity market. You have not done any modelling on that.</p> <p>RACHEL PARRY: Not on that plant specifically. But I am just going to double-check, for completeness, with my colleague Mr Lewis to just confirm that we have not undertaken any modelling on that plant in particular.</p> <p>Mr DAVID SHOEBRIDGE: Mr Lewis, have you got any modelling on the dead cat?</p> <p>ANDREW LEWIS: I am not aware of any modelling that the department has done. As you have heard this morning, we have obviously been closely engaged with AEMO on a number of modelling exercises that they have done. As Ms Parry has indicated, we will go and check the various modelling scenarios that we do have available to us to see if that has been included in those scenarios.</p> <p>Mr DAVID SHOEBRIDGE: If so, will you provide that detail to the Committee, Mr Lewis?</p> <p>ANDREW LEWIS: Of course. If we cannot confirm that by the close of today's proceedings, we will be taking it on notice and providing that within the 21 days as required.</p>
		<p>RESPONSE: The Department of Planning and Environment has not conducted price impact modelling specifically on the Kurri Kurri Power Station. The Australia Energy Market Operator's (AEMO) 2022 Draft Integrated System Plan modelling and assessment uses a Short Run Marginal Cost of \$138 per megawatt hour for Kurri Kurri.</p>
20	71	<p>The Hon. MARK LATHAM: Mr Midha, on fiscal discipline, have you or others in the department developed the fiscal repair plan that the Treasurer announced as his policy? What will that look like going forward?</p> <p>SAN MIDHA: The fiscal repair plan is part of the budget process. Our fiscal strategy, which includes the fiscal repair plan, is part of the budget process, and the budget process is in progress. Those plans will be included in the budget for 2022-23.</p> <p>The Hon. MARK LATHAM: So there is no separate fiscal repair plan; it is just part of ongoing budget processes, year by year.</p> <p>SAN MIDHA: The fiscal repair plan that we have, which was in the budget papers last year, is being executed. Our procurement savings et cetera that we have had over the last couple of budgets—that is being executed. Any further fiscal plans will be developed for the following budget process.</p>

		<p>The Hon. MARK LATHAM: Okay, but the new Treasurer told us in November he has a fiscal repair plan policy of his own. But that has not been put down on paper as yet; it will be unfolding through to the middle of this year.</p> <p>SAN MIDHA: For the new developments of fiscal plans?</p> <p>The Hon. MARK LATHAM: Yes, new developments.</p> <p>SAN MIDHA: That would come to the budget process.</p> <p>The Hon. MARK LATHAM: New developments are in the budget process. Are you still working off section 5.2 in Budget Paper No. 1 saying that the projection for 2022-23 is an annual expense reduction of 3.8 per cent?</p> <p>SAN MIDHA: Sorry, can you point me to that section again?</p> <p>The Hon. MARK LATHAM: Section 5.2. It is in the supplementary answer that Treasury gave me out of November estimates. You said that you are working to an annual expense reduction of 3.8 per cent. Is that still the case?</p> <p>SAN MIDHA: I will have to take that on notice. I think that is the average reduction over the forwards at that time.</p> <p>The Hon. MARK LATHAM: No. It said the projection for 2022-23—one budget—is an annual expense reduction of 3.8 per cent. So that is the forthcoming budget. I am just wondering whether that is still operable.</p> <p>SAN MIDHA: I will take that on notice.</p>
		<p>RESPONSE:</p> <p>The 2021-22 Half-Yearly Review, released in December 2021, sets out the latest projection for expenditure.</p> <p>The aggregate expense profile is:</p> <ul style="list-style-type: none"> • \$120.6 billion in 2021-22 • \$103.2 billion in 2022-23 (14.5% annual contraction in expenses) • \$101.3 billion in 2023-24 (1.8% annual contraction in expenses) • \$102.4 billion in 2024-25 (1.0% annual growth). <p>This is available on page 25 of the Half-Yearly Review. An operating statement is also available in Appendix B of that document. It sets out for each year the total annual expenses and their subcomponents.</p>
21	72	<p>The Hon. MARK LATHAM: I come back to the question of gas peaking plants for Dr Grimes, Mr Hay or Ms Parry. How much did the New South Wales Government contribute to Tallawarra B?</p> <p>JAMES HAY: \$78 million.</p> <p>The Hon. MARK LATHAM: How often will it be operating—what percentage of time?</p> <p>JAMES HAY: It will have a similar plant factor to the Kurri Kurri plant.</p> <p>The Hon. MARK LATHAM: Has Energy Australia been able to source the green hydrogen for 5 per cent of the content?</p> <p>JAMES HAY: There are processes to go to market for that. My update from them as recently as today was the construction is in sequence. The plant is on track. They have not given us an update on the hydrogen component.</p> <p>The Hon. MARK LATHAM: Are you aware that Energy Australia has not been able to source any hydrogen for that—</p>

		<p>JAMES HAY: I do not think they have sought it, Mr Latham, but I can find out. I can come back you to as to what steps they have taken in sourcing that.</p> <p>The Hon. MARK LATHAM: Take that on notice.</p>
		<p>RESPONSE:</p> <p>Energy Australia is not required to establish a Standing Offer for green hydrogen for the Tallawarra B plant until 2025, as set out in the funding agreement between Energy Australia and the NSW Government for the project. Since the green hydrogen market is relatively new and emerging, sufficient supply and the right price point is not expected to be available until this time.</p> <p>Under the funding agreement, Energy Australia will offer to buy green hydrogen equivalent to at least five per cent of the plant’s fuel use from 2025. This is estimated to be around 200,000 kilograms of green hydrogen per year, which will help drive growth in NSW’s emerging green hydrogen market. Energy Australia is also required to invest in engineering studies to investigate the potential for increasing the amount of green hydrogen in the fuel mix.</p> <p>In addition, Energy Australia is required to offset all direct carbon emissions from the project over its operational life.</p>
22	73	<p>JAMES HAY: Mr Latham, I think your question was, what would be the government contribution, if any, to any future firming plant?</p> <p>The Hon. MARK LATHAM: Yes. You must know what you are getting into, surely. In developing a new system—a whole new electricity grid—you must know the public sector cost of firming. There are estimates out there.</p> <p>JAMES HAY: Firming rounds will be run under the road map if the energy security target monitor identifies there is a gap. At that point, there will be a competitive process to seek parties to build these type of assets. They may or may not need any form of government assistance at all.</p> <p>The Hon. MARK LATHAM: We do not really know. When will the first contracts—the reverse auctions—go out for this firming capacity?</p> <p>JAMES HAY: They only go out if there is a breach and if the identified best solution is a firming round. There has been no need for that. Take the Eraring example. The best solution there is to increase the transmission capacity and that is what is being done.</p> <p>The Hon. MARK LATHAM: The Consumer Trustee at the moment has no plan to put out any contracts for pumped hydro?</p> <p>JAMES HAY: That is different; that is long-duration storage. Long-duration storage—there is a target of two gigawatts by 2030 constructed and there is a detailed schedule of auctions in the infrastructure investments objectives report that the Consumer Trustee published in December.</p> <p>The Hon. MARK LATHAM: When do they put out their reverse auction for pumped hydro?</p> <p>JAMES HAY: I would have to look at the specifics dates.</p> <p>The Hon. MARK LATHAM: Can you come back on notice?</p> <p>JAMES HAY: Yes, I can come back to this.</p>

		<p>RESPONSE: Long duration storage is defined as storage with a registered capacity that can be dispatched for at least eight hours. Firming infrastructure is a separate category under the <i>Electricity Infrastructure Investment Act 2020</i> and there are no scheduled auctions for firming infrastructure at this time. The Development Pathway seeks to meet the minimum objective of two gigawatts (excluding the Snowy 2.0 project) to be constructed by the end of 2029 in line with the Act.</p> <p>The NSW Consumer Trustee plans to hold annual tenders for Long Term Energy Service Agreements (LTESAs) for long duration storage. The NSW Consumer Trustee publishes the Infrastructure Investment Objectives report (IIO Report) which sets out the tender plan. The 10-year plan can be found on page 9 of the IIO Report on the AEMO Services Limited website: www.aemo.com.au/about/aemoservices.</p> <p>Pumped hydro technology is recognised as the most established form of long duration storage and is expected to provide the most cost-effective long duration storage solution, however, pumped hydro projects face long lead times and involve costly development activities. The Pumped Hydro Recoverable Grants Program was established to support the development of pumped hydro projects across NSW and aims to establish a pipeline of up to three gigawatts of ‘shovel ready’ pumped hydro projects that can make competitive bids for LTESAs for long duration storage. Successful grant recipients are expected to be announced in Q2 2022 and these projects must be constructed by 31 December 2029.</p>
23	73	<p>The Hon. MARK LATHAM: What about extra batteries? JAMES HAY: Sorry? The Hon. MARK LATHAM: Extra batteries. JAMES HAY: Batteries can participate in long-duration storage if they meet the eight-hour requirement. Batteries are expected— The Hon. MARK LATHAM: No firm contracts going out there. JAMES HAY: There is an auction schedule. I will come back to you. The Hon. MARK LATHAM: You will come back on notice.</p>
		<p>RESPONSE: Please refer to the answer given later in the hearing, recorded on page 97 of the uncorrected transcript.</p>
24	75	<p>The Hon. DANIEL MOOKHEY: Again, I am going to put to you what is in your half-year budget statements. It says here that \$7 billion was set aside for future productivity reform and COVID-19 contingency. A footnote says that it includes the capital expenditure impact. Some of the \$7 billion is going to capital spending. What capital spending were you using this money on? SAN MIDHA: That \$7 billion has been split in the budget, so \$4.3 billion of it is a recurring expense and the balance is capital. The Hon. DANIEL MOOKHEY: So \$4.3 billion is recurrent and the balance is capital. But are there candidates for the capital projects or has it just been put to the capital budget? SAN MIDHA: That is how the provision has been allocated across the forward estimates.</p>

		<p>The Hon. DANIEL MOOKHEY: Across the forward estimates, of the \$4.3 billion that is recurrent, can you give us a breakdown until the forward estimates about how much of it is this year, how much is next year and how much is in 2023-24?</p> <p>SAN MIDHA: I will take that on notice. I do not have those details.</p> <p>The Hon. DANIEL MOOKHEY: Can we get it today? Do we have to wait 21 days?</p> <p>SAN MIDHA: I will ask the team and see if I can get it to you today.</p> <p>The Hon. DANIEL MOOKHEY: I am not asking you to specifically describe the measures.</p> <p>PAUL GRIMES: Just the amount of the provision that is in the forward estimates?</p> <p>The Hon. DANIEL MOOKHEY: Yes.</p> <p>PAUL GRIMES: I think that is very clear. I would imagine that should be able to be provided fairly quickly, Mr Mookhey.</p>																		
		<p>RESPONSE: The profile of the \$7 billion provision for productivity reforms and COVID-19 contingency, established in the 2021-22 Half-Yearly Review, is set out below:</p> <table border="1" data-bbox="633 644 1615 807"> <thead> <tr> <th style="text-align: left;"><u>\$7 billion</u></th> <th><u>2022-23</u></th> <th><u>2023-24</u></th> <th><u>2024-25</u></th> <th><u>2025-26</u></th> <th>4-year total</th> </tr> </thead> <tbody> <tr> <td>Recurrent expenses</td> <td>1,750</td> <td>850</td> <td>850</td> <td>850</td> <td>4,300</td> </tr> <tr> <td>Capital expenditure</td> <td>1,500</td> <td>400</td> <td>400</td> <td>400</td> <td>2,700</td> </tr> </tbody> </table>	<u>\$7 billion</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	4-year total	Recurrent expenses	1,750	850	850	850	4,300	Capital expenditure	1,500	400	400	400	2,700
<u>\$7 billion</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	4-year total															
Recurrent expenses	1,750	850	850	850	4,300															
Capital expenditure	1,500	400	400	400	2,700															
25	76	<p>The Hon. DANIEL MOOKHEY: The request for \$5 million for St Agnes' Care and Lifestyle, was that a project that Treasury had identified?</p> <p>SAN MIDHA: Treasury had not identified it. I think there was a submission for an aged-care—was that the aged-care facility? I am sorry, I do not have that detail in front of me. Is this the Emmaus one?</p> <p>The Hon. DANIEL MOOKHEY: To the best of your recollection, this was not a project that Treasury had identified?</p> <p>SAN MIDHA: No, I do not believe so. Again, I can confirm that by taking it on notice. But we do not identify such projects.</p> <p>The Hon. DANIEL MOOKHEY: If you could, that would be good. To the best of your recollection, is this a project that the Health department had identified?</p> <p>SAN MIDHA: That is right.</p> <p>The Hon. DANIEL MOOKHEY: Did the Health department provide a submission in favour of that report, that project?</p> <p>SAN MIDHA: I do not have the specific details. Is this the Emmaus memory support village? Is that the one that you are calling St Agnes?</p> <p>The Hon. DANIEL MOOKHEY: Sorry, which one?</p> <p>SAN MIDHA: Emmaus memory support village. It is an aged-care facility.</p>																		

		<p>The Hon. DANIEL MOOKHEY: Yes, I think we are talking about the same project. SAN MIDHA: Okay, good. I just wanted to make sure. We did receive and provide advice. The Hon. DANIEL MOOKHEY: Who was the sponsor of that project? SAN MIDHA: It was Health, I believe</p>
		<p>RESPONSE: The project was provided to Treasury through the Treasurer's Office.</p>
26	77	<p>The Hon. DANIEL MOOKHEY: Did you have any conversations with the then Treasurer's office about that project? SAN MIDHA: I would not have but my team might have. The Hon. DANIEL MOOKHEY: Did the request come from the Treasurer's office prior to it going to Health? SAN MIDHA: Again, I do not know. I would have to look at that specifically.</p>
		<p>RESPONSE: I am advised that the evidence provided is accurate.</p>
27	77	<p>The Hon. DANIEL MOOKHEY: Fair enough. Did Treasury assess that application? SAN MIDHA: Yes, we did. The Hon. DANIEL MOOKHEY: Did you find that it should not be supported? SAN MIDHA: Yes, I think we did not support that. The Hon. DANIEL MOOKHEY: Then was it supported? SAN MIDHA: I am not sure. Again, I will take that on notice</p>
		<p>RESPONSE: I am advised that the evidence provided is accurate.</p>
28	77	<p>The Hon. DANIEL MOOKHEY: It was announced. SAN MIDHA: Announced, yes. The Hon. DANIEL MOOKHEY: Treasury did not support the application. SAN MIDHA: We provided advice. The advice said not to support it. But that is a decision for the Government. The Hon. DANIEL MOOKHEY: Of course. The Government has the opportunity to ignore the Treasury's advice, if it so chooses—and other departments; I do not want to single out Treasury. To be clear, Treasury advised against that project. What were the reasons Treasury was not supporting that application? SAN MIDHA: All business advice, first thing we identify is, if you want to support a private enterprise, is there market failure? Does it need government funding? And is this part of the State Government? I believe aged care is in Federal Government. So it does not link in with our outcome. So the answer would easily be no. The Hon. DANIEL MOOKHEY: I can infer from that, firstly, aged care is of Commonwealth responsibility? SAN MIDHA: Yes. The Hon. DANIEL MOOKHEY: Secondly, there was no evidence of market failure? SAN MIDHA: I do not have the detail in front of me. I am just giving you an example of how we assess support. The Hon. DANIEL MOOKHEY: Sure. But, in this specific instance, was the prime reason why—</p>

		SAN MIDHA: I am not sure, but I do not believe so. But I am not sure. I need to check on that.
		RESPONSE: I am advised that the evidence provided is accurate.
29	77/78	<p>The Hon. DANIEL MOOKHEY: In respect to the 2020 COVID stimulus projects, did the New South Wales Government provide any other grant to any other aged-care facility as part of any COVID stimulus program that you are aware of?</p> <p>SAN MIDHA: I will ask the team. But I—not off the top of my head, so I will need to check.</p> <p>The Hon. DANIEL MOOKHEY: So the only aged-care facility that got funding from the State Government in New South Wales in 2020 was this particular facility in the electorate of Port Macquarie.</p> <p>SAN MIDHA: I do not know. There could be more. I do not know. I need to check.</p> <p>The Hon. DANIEL MOOKHEY: This is a COVID stimulus program. I am not asking in general. I am asking as part of COVID stimulus. I cannot find any other announcement of such a thing on the public record whatsoever. Given Treasury is responsible for centrally monitoring what this is, do we know whether or not as part of COVID stimulus we provided any funding to any other aged-care facility in 2020?</p> <p>SAN MIDHA: We will check and come back to you.</p> <p>The Hon. DANIEL MOOKHEY: Thank you. But, to the best of your recollection, this is the one that most immediately comes to mind.</p> <p>The Hon. SCOTT FARLOW: Point of order: The Hon. Daniel Mookhey has put this to Mr Midha several times, but Mr Midha has taken it on notice. There is no further he can add.</p> <p>The CHAIR: There are a number of questions, and they are all being taken on notice, which is completely appropriate.</p> <p>The Hon. SCOTT FARLOW: It is the same question.</p> <p>The Hon. DANIEL MOOKHEY: Mr Midha, this is the only one that immediately comes to your mind as to what was paid for under COVID stimulus.</p> <p>SAN MIDHA: Yes. I need to take it on notice, yes, whether there is anything else.</p>
		<p>RESPONSE: Aged care facilities may have been eligible to receive support through broad-based COVID-19 business support grants provided in 2020. Businesses in any industry that met the eligibility criteria could apply for the 2020 Small Business COVID-19 Support Grant and/or the 2020 Southern Border Small Business Support Grant. To be eligible for either of these grants, businesses needed to have total Australian wages below the 2019-20 payroll tax threshold of \$900,000 and have experienced the required decline in turnover.</p>
30	78	<p>The Hon. DANIEL MOOKHEY: How many jobs has this money created? Does Treasury monitor the outcome of these projects, or does the New South Wales Government? To be fair, I do not want to necessarily imply this is exclusively the responsibility of Treasury. Do we have any monitoring regime as to whether or not this money has created the jobs it was meant to create?</p> <p>SAN MIDHA: I do not have that information, so I will take that on notice.</p>
		RESPONSE:

		Treasury does not have information on the specific jobs created by this project The grant was paid on 8 July 2021 with works scheduled to commence in early 2022.
31	78	The Hon. DANIEL MOOKHEY: Fair enough. To the best of your recollection, did the then Treasurer's office instruct Treasury to put aside its concerns in respect to this project? SAN MIDHA: Again I have no information on that.
		RESPONSE: The then-Treasurer's office did not instruct Treasury to put aside its concerns in respect to this project. Treasury's advice was noted and Government exercised its prerogative to approve the proposal through the Budget process.
32	78	The Hon. DANIEL MOOKHEY: Given the Treasurer himself then announced the project, or he was at least party to the announcement of the project, did the Treasurer give reasons as to why he had disagreed with Treasury's advice? SAN MIDHA: When government makes a decision, we do not necessarily get, I guess, details of the reasons behind it. Any of that correspondence, if it went up to ERC, would be Cabinet in confidence anyway. The Hon. DANIEL MOOKHEY: To be fair, I am not asking you to comment on Cabinet processes. I am asking whether or not the Treasurer at any point gave reasons why he supported the project despite Treasury's advice. SAN MIDHA: I will take it on notice
		RESPONSE: Treasury received no communication from the then-Treasurer indicating he disagreed with the Treasury advice. The decision to approve the grant was made by the Government as part of the Budget process.
33	78	The Hon. DANIEL MOOKHEY: Sure. In respect to the actual press release, did the Treasury write the press release that announced the project? SAN MIDHA: Again I will take that on notice. I do not know.
		RESPONSE: No, Treasury did not write the press release that announced the project.
34	78	Hon. DANIEL MOOKHEY: ... In terms of the COVID spending to date on the contingency, the other sources of contingent authority, which I was asking you about this morning, Dr Grimes, do we have figures to hand for this year as to how much has been approved under those sections of the Appropriation Act? PAUL GRIMES: I do not believe we have got figures to hand. We could see what we can provide on notice.
		RESPONSE: See response to QoN 5.
35	81	Ms ABIGAIL BOYD: Who are you thinking of to be the reviewer? PAUL GRIMES: I am very, very close to making an appointment of the reviewer [for the internal review]. I am in advanced discussions with a potential reviewer. I think it is probably appropriate that I just complete the appointment arrangements before making an announcement. But I have also been liaising with the Auditor-General on an appropriate person to conduct the independent assessment. Ms ABIGAIL BOYD: So, presumably, we will get some notice of that within the next—

		<p>PAUL GRIMES: Within coming days, literally coming days. It will be a person of high standing, as you might expect, and deep experience as well.</p> <p>Ms ABIGAIL BOYD: If it is within the 21 days' notice, if you could provide the Committee on notice with more details, that would be very useful</p>
		<p>RESPONSE: The Treasury Secretary has appointed former Commonwealth Departmental Secretary and Australian Public Service Commissioner, Stephen Sedgwick AO, to lead the Independent Assessment of Treasury's processes in preparing the 2021 State Financial Statements.</p> <p>The Assessment will review Treasury's processes for the preparation of the 2021 State Financial Statements as they relate to the specific matters raised by the Auditor General in Chapter 3 of her <i>Report on State Finances 2021</i>. The full Terms of Reference are included in Attachment A to this response.</p> <p>The Assessment has commenced and is expected to conclude in May.</p>
36	82	<p>Ms ABIGAIL BOYD: Is that negotiation based purely on pricing and rate of return, or are there accounting issues that are part of that negotiation?</p> <p>STEWART WALTERS: I am not across the details of the negotiation. Can I take that on notice? I have to consult with TAHE and the other parties to that.</p>
		<p>RESPONSE: Negotiations are between the access seeker and asset owner. The negotiations are carried out in accordance with the Rail Access Undertaking and do not normally focus on accounting matters unless relevant.</p>
37	83	<p>STEWART WALTERS: We are using Property NSW to facilitate the refurb for us.</p> <p>The Hon. MARK LATHAM: Has it hired an interior designer to do the work?</p> <p>STEWART WALTERS: Property NSW use architects to do these sort of minor works.</p> <p>The Hon. MARK LATHAM: After 18 months of the offices essentially being empty, what is the cost of this renovation for five floors?</p> <p>STEWART WALTERS: Can I take that on notice please?</p>
		<p>RESPONSE: The construction budget agreed for the five Treasury floors undergoing refurbishment at 52 Martin Place is \$3.55m, inclusive of a contingency allowance of \$170,000. The refurbishment focuses on increasing the number of meeting rooms and increases the number of staff able to be accommodated.</p>
38	84	<p>The Hon. MARK LATHAM: Okay. When is it due to finish?</p> <p>STEPHEN WALTERS: We should have a couple of the floors reopened from next week, and then progressively through the next six weeks.</p>

		<p>The Hon. MARK LATHAM: Okay, so you really will not get any significant return to office work over the next six weeks. So we are pushing through into April.</p> <p>STEWART WALTERS: Mr Latham, we have got 2½ floors that are currently available and have been available throughout this minor refurbishment. So that is—and I will take it on notice—but about 225 desks continue to be available.</p>
		<p>RESPONSE:</p> <p>Four out of five floors are now fully available for staff, equivalent to approximately 70% of available desks. All works are due for completion by mid-May. Scheduling ensured two floors were available at all times throughout construction.</p>
39	84	<p>The Hon. MARK LATHAM: What is your general estimate of these costs? What sort of example does it set to the rest of the public sector in terms of fiscal restraint that after 18 months of emptiness, that Treasury finds the need to reimagine and renovate five floors using an interior designer?</p> <p>STEWART WALTERS: As I said, Mr Latham, we are using Property NSW, who handle refurb and property for the sector—number one. Number two, as I said, we are not doing a refurb after 18 months. As I understand it, Treasury—and it predates me joining Treasury—moved into these offices about eight years ago and so this is the first attempt to do some minor refurb in eight years.</p> <p>The Hon. MARK LATHAM: Is five floors is a minor refurb? It seems like it is a big, big job.</p> <p>STEWART WALTERS: Each floor is staffed by individuals, so I do not think it would be fair to only do one floor. All of them probably have the same challenges after eight years—minor issues with breakages, stuff that needs repairing. Some of this is also putting in the technology that allows people to work in a hybrid environment, so making sure that there are the right speakers in rooms.</p> <p>The Hon. MARK LATHAM: Okay, so you will get me the cost on notice.</p>
		<p>RESPONSE:</p> <p>See response to QoN 37.</p>
40	85	<p>The Hon. MARK LATHAM: Mr Stephen Walters, with all of your economic modelling, what has been the damage to the Sydney CBD of the exodus of public and private sector workers to work from home?</p> <p>STEPHEN WALTERS: Well, it is significant, Mr Latham. I do not have the number right in front of me now. I am happy to provide that on notice. But it has mainly been the absence of private sector workers that has caused most impact on the economy. There are very few New South Wales public sector workers in the CBD, relative to the others around the State. There are 400,000 New South Wales public sector workers. My understanding is around 50,000 to 60,000 work somewhere around the CBD</p>
		<p>RESPONSE:</p> <p>The COVID-19 crisis has had a significant impact on economic activity in the Sydney CBD. During the peak of the pandemic, the absence of workers in the CBD was estimated to have cost about \$75 million a week compared to pre-COVID levels of activity. However, as workers returned to the office on a hybrid basis in the pre-Delta period, the estimated cost to the CBD fell to \$35 million a week.</p>

		<p>It should be noted that offsetting spending in the suburbs means the impact on overall economic activity would have been less than the above estimates.</p> <p>Additionally, any benefit from returning to the office will likely be less than the estimated cost as the COVID pandemic has accelerated a significant change to working practices already underway prior to the pandemic, with more people utilising flexible working arrangements, including working from home, for at least part of the working week.</p>
41	85	<p>The Hon. MARK LATHAM: What is the economic benefit of those 60,000 coming back to the CBD, as the former Treasurer heralded 17 months ago?</p> <p>STEPHEN WALTERS: As Dr Grimes said, there are benefits to Treasury and government from collaboration and engaging with your colleagues, but there are also direct impacts of spending in the CBD—for example, on lunches and dry cleaning.</p> <p>The Hon. MARK LATHAM: Have you got a figure on that or can you take it on notice?</p> <p>STEPHEN WALTERS: I do. I just do not have it with me right now.</p> <p>The Hon. MARK LATHAM: You can take it on notice, thanks. Could I also get a full list of the Treasury staff training programs, their cost, purpose and any evaluation report about their effectiveness?</p> <p>STEPHEN WALTERS: Yes.</p>
		<p>RESPONSE:</p> <p>The majority of employees in the NSW Government work in roles that do not easily facilitate 'work-from-home' arrangements - for example, frontline police, health workers, teachers and transport workers all require staff to be physically at their place of work for the role.</p> <p>Outside of these frontline roles, the latest 'Workforce Profile Report 2021' indicates there are 24,516 people employed by the New South Wales Government who work in the Sydney East - this captures the areas from the Sutherland to the Sydney City and Inner South and all the way to the Northern Beaches. Most of these workers have already returned to the office under a hybrid approach - whereby they attend the office physically a few days a week and work from home the rest.</p> <p>It is estimated that if all these workers were in the office five days a week, and did not work any days from home, that an additional \$3 million per week in economic activity would be generated in this area</p> <p>See Attachment B – QoN 41 for a list of staff training programs.</p>
42	85	<p>The Hon. MARK LATHAM: Dr Grimes, coming back to St Agnes' in the seat of Port Macquarie, given the extraordinary nature of that grant, which was against Treasury advice for a Commonwealth responsibility, as well as the grants for Hastings Secondary College, the Koala Hospital expansion and the new hospital station at Lake Cathie, has there been any specific evaluation of what has happened with all these grants at Port Macquarie or a reference to Peter Achterstraat for his review of grants and pork-barrelling?</p>

		PAUL GRIMES: I have to take that on notice to see if there was anything particular that we could offer, but I note that that most recent media story is a very, very recent media story
		<p>RESPONSE:</p> <p>The St Agnes Care and Lifestyle Project grant and Lake Cathie ambulance station investment are administered by NSW Health. The Hastings Secondary Colleague grant was awarded from the Regional Communities Development Fund (RCDF), which is administered by the Department of Premier and Cabinet. The Koala Hospital expansion grant is administered by the Department of Planning and Energy. Questions about the evaluation of these grants and investments should be directed to the relevant Minister.</p> <p>The Department of Premier and Cabinet in partnership with the NSW Productivity Commissioner, Mr Peter Achterstraat AM, is currently conducting a comprehensive review of grants administration, with recommendations due to be delivered to the Premier by April 2022, along with updated guidance to reflect current best practice.</p> <p>While the evaluation of specific grants and grant programs is not part of the Review's terms of reference, the Review is considering grants processes across the NSW government sector for the purpose of ensuring that administration, assessment and assurance of grants programs in NSW is in line with best practice.</p> <p>Under the Terms of Reference for the Review, regard must be had to recommendations made by NSW parliamentary, integrity and oversight bodies. All recommendations made the Public Accountability Committee in its interim and final reports on its inquiry into the integrity, efficacy, and value for money of NSW Government grant programs and by the NSW Auditor-General's recent reports into specific grant programs will be taken into account.</p>
43	86	<p>The Hon. DANIEL MOOKHEY: Secretary, on notice can we get the amount of money spent to date under the exigency of government provisions of the GSF Act?</p> <p>PAUL GRIMES: Yes</p>
		<p>RESPONSE:</p> <p>Government has authorised additional appropriation of \$15.8 billion through section 4.13 of the Government Sector Finance Act. This will be reported in the Budget, as required. It includes:</p> <ul style="list-style-type: none"> • At end February 2022 approximately \$10.95bn had been spent for economic and social support packages in response to the Delta wave of COVID-19. • At end February 2022 approximately \$200m had been spent for the Economic Recovery Strategy. • At end February 2022 the Small Business Support program (part of the business supports in response to the Omicron wave of COVID-1) had just gone live and approximately \$95k in payments had been made. Spend had not yet occurred across the other components of this package.
44	86	The Hon. DANIEL MOOKHEY: Can we also get the amounts spent to date under the equivalent section in this year's Appropriation Act to section 34 of last year's Appropriation Act?

		PAUL GRIMES: Yes
		RESPONSE: The Government authorised appropriation to the Treasurer of \$806 million in Section 19 of the <i>Appropriations Act 2021</i> for COVID-19 related expenses and expenditure related to changes in wages awards and conditions. Under section 34 of the <i>Appropriations Act 2021</i> the Treasurer transferred to other agencies the authority to spend a total of \$384.8 million. This includes: <ul style="list-style-type: none"> • \$265.4 million for increases of up to 2.5 per cent under the wages policy. Treasury is not able to estimate actual spend related to the increases in salaries, as it is incorporated into total salaries and wages. • \$119.4 million for expenditure relating to increased agency cleaning of public infrastructure stemming from the COVID pandemic. Treasury estimates that approximately \$110 million of this has been spent to-date. •
45	86	The Hon. DANIEL MOOKHEY: Could we also find out if any money has been spent from contingency funding or then section 13 of the Appropriation Act, the equivalent for this year? Is that possible? PAUL GRIMES: I would imagine it is possible, yes.
		RESPONSE: Noting that s13 of the <i>Appropriation Act</i> relates to the appropriation for the purposes of the Transport Cluster, this question is interpreted as relating to section 4.13 of the <i>GSF Act</i> . See response to QoN 43.
46	87	The Hon. DANIEL MOOKHEY: I have been looking at Russian bonds. They have not performed well. How much money have we lost on Russian bonds in the last year? DAVID DEVERALL: I do not know that off the top of my head. I will take that on notice.
		RESPONSE: Current global market and trading conditions for Russian bonds do not allow for accurate readings of the latest performance of these assets at this time. The one-year performance to 31-Dec-21 of the Russian bond holdings was -\$7.9 million, while for all Emerging Market bond holdings it was +\$65.2 million.
47	87	The Hon. DANIEL MOOKHEY: Thank you very much. How much money do you manage for the New South Wales Government in investment funds? DAVID DEVERALL: I think the most recent number was approximately \$110 billion. The Hon. DANIEL MOOKHEY: How much of that is in international equities?

		<p>DAVID DEVERALL: It varies by fund, but I could give an estimate. It would only be an estimate and it is plus or minus 10 per cent.</p> <p>The Hon. DANIEL MOOKHEY: Please give an estimate now and then take the question on notice.</p>
		<p>RESPONSE:</p> <p>TCorp, on behalf of its clients, has an overall portfolio exposure to international equities of less than 29%. In comparison, the Australian Prudential Regulation Authority’s latest quarterly superannuation performance statistics (December 2021) show that Australian superannuation and industry funds have on average around 30% of their asset allocation in international equities.</p> <p>The international equities asset class offers significant portfolio risk diversification benefits which reduce portfolio return volatility and gives access to different and beneficial investment opportunities that are not available through the Australian equity market.</p>
48	90/91	<p>The Hon. DANIEL MOOKHEY: Can I, on notice, please get the same breakdown of emerging market equities and debt that you provided on notice before for the following funds?</p> <p>DAVID DEVERALL: Yes.</p> <p>The Hon. DANIEL MOOKHEY: Can we get it for the Treasury Managed Fund investment portfolio, the NSW Infrastructure Future Fund, the Social and Affordable Housing Fund investment trust, the Long Service Corporation investment fund and the name, which escapes me right now, of the \$17 billion-odd fund that you manage for icare for the workers compensation scheme?</p> <p>DAVID DEVERALL: I think it is the workers compensation scheme.</p> <p>PHIL GARDNER: No, the Treasury Managed Fund.</p> <p>DAVID DEVERALL: The Treasury Managed Fund?</p> <p>The Hon. DANIEL MOOKHEY: There are two. The Treasury Managed Fund, which is—</p> <p>DAVID DEVERALL: I thought you already mentioned that one.</p> <p>The Hon. DANIEL MOOKHEY: I did that, but then there is a separate icare—</p> <p>DAVID DEVERALL: It could be the Lifetime Care and Support fund.</p> <p>The Hon. DANIEL MOOKHEY: No, it is the \$17 billion fund.</p> <p>DAVID DEVERALL: That would be the WorkCover scheme.</p> <p>The Hon. DANIEL MOOKHEY: That one, yes. If it is possible that we can get that one on notice, that would be great.</p>
		<p>RESPONSE:</p> <p>It is common industry practice for a diversified fund to have an allocation to Emerging Market (EM) investments because they provide important risk diversification benefits, allowing for lower overall portfolio risk for a given expected return.</p>

TCorp manages its EM exposures against an industry recognised universe of stocks and bonds as captured through third party industry standard benchmarks. The EM country allocations tend to reflect the relative size of the respective EM investment market and their market liquidity.

Please note that TCorp does not permit investment in entities or persons subject to sanctions under the Commonwealth Government Autonomous Sanctions Regulations. Regular screening of the EM portfolios is performed to ensure compliance with this policy at all times.

We have provided the below information on an aggregate basis for the portfolios requested to protect clients' confidential and commercial information.

As at 28 Feb 2022

Countries in Benchmarks	EM Equities % of total funds' value	EM Debt % of total funds' value
Angola	0.0%	0.0%
Argentina	0.0%	0.1%
Armenia	0.0%	0.0%
Azerbaijan	0.0%	0.0%
Bahamas	0.0%	0.0%
Bahrain	0.0%	0.0%
Barbados	0.0%	0.0%
Belarus	0.0%	0.0%
Benin	0.0%	0.0%
Bermuda	0.0%	0.0%
Brazil	0.2%	0.4%

	Burkina Faso	0.0%	0.0%
	Cayman Islands	0.0%	0.0%
	Chile	0.0%	0.1%
	China	1.2%	0.1%
	Colombia	0.0%	0.3%
	Costa Rica	0.0%	0.0%
	Cote D'Ivoire	0.0%	0.0%
	Cyprus	0.0%	0.0%
	Czech Republic	0.0%	0.2%
	Dominican Republic	0.0%	0.1%
	Ecuador	0.0%	0.1%
	Egypt	0.0%	0.2%
	El Salvador	0.0%	0.0%
	Gabon	0.0%	0.0%
	Georgia	0.0%	0.0%
	Ghana	0.0%	0.1%
	Greece	0.0%	0.0%
	Guatemala	0.0%	0.0%
	Hungary	0.0%	0.1%
	India	0.7%	0.0%

	Indonesia	0.2%	0.3%
	Isle of Man	0.0%	0.0%
	Iraq	0.0%	0.0%
	Jordan	0.0%	0.0%
	Kazakhstan	0.0%	0.0%
	South Korea	0.7%	0.0%
	Kuwait	0.0%	0.0%
	Lebanon	0.0%	0.0%
	Lesotho	0.1%	0.3%
	Liberia	0.0%	0.0%
	Malaysia	0.1%	0.3%
	Mauritius	0.0%	0.0%
	Mexico	0.3%	0.3%
	Mongolia	0.0%	0.0%
	Morocco	0.0%	0.0%
	Nigeria	0.0%	0.0%
	Oman	0.0%	0.0%
	Pakistan	0.0%	0.0%
	Panama	0.0%	0.1%
	Paraguay	0.0%	0.1%

	Peru	0.0%	0.1%
	Philippines	0.0%	0.0%
	Poland	0.0%	0.1%
	Qatar	0.0%	0.1%
	Romania	0.0%	0.1%
	Russian Federation	0.0%	0.1%
	Saudi Arabia	0.1%	0.1%
	Senegal	0.0%	0.0%
	Serbia, Republic of	0.0%	0.0%
	South Africa	0.1%	0.2%
	Sri Lanka	0.0%	0.0%
	Supranational	0.0%	0.0%
	Suriname	0.0%	0.0%
	Taiwan	1.2%	0.0%
	Thailand	0.1%	0.2%
	Tunisia	0.0%	0.0%
	Turkey	0.0%	0.1%
	Ukraine	0.0%	0.0%
	United Arab Emirates	0.0%	0.1%
	Uruguay	0.0%	0.0%

		Uzbekistan	0.0%	0.0%
		Virgin Islands, British	0.0%	0.0%
		Zambia	0.0%	0.0%
49	94	<p>Ms ABIGAIL BOYD: I understand that Generator Property Management, which was set up by the same legislation that allowed the electricity privatisations in the first place in 2016, has taken over Munmorah and Wallerawang.</p> <p>PHIL GARDNER: Wallerawang ash dam. That is correct, yes.</p> <p>Ms ABIGAIL BOYD: I understand that although it has had them since 2016, there has been no work undertaken in relation to the ash dams themselves as opposed to the other components of decommissioning those sites. Firstly, is something being done about that? Perhaps that is not a Treasury question, so let me know if it is not. Is there the prospect that GPM will also be taking over Liddell and Eraring?</p> <p>PHIL GARDNER: I will have to take the first part of that on notice, Ms Boyd. I am not aware of where we are particularly, with Wallerawang and Munmorah, on the ash dam. I presume it has something to do with the processes we need to go through with the EPA and the others. With respect to Liddell and Eraring, the responsibility with the ash dam sits with the operators. At this stage, that would continue to be the case. I would therefore not expect GPM to be involved in those processes. They are experts, particularly in DDR work around power stations. So we always bring them in to evaluate the situations and the independent reports and the advisory reports and work with us as experts in this field. But at this stage I would not anticipate their involvement in those two processes</p>		
		<p>RESPONSE:</p> <p>The Munmorah Ash Dam is a scheduled Class 1 Dam administered by Dams Safety NSW. Under the site's environmental license, the Dam is required to have any water discharges sampled for quality and contaminants. The dam is currently a haven for water birds and over half the ash placement footprint is covered in high value coastal wetland forest. GPM is managing the ash dam in accordance with the current regulatory requirements.</p> <p>Wallerawang ash dams include Sawyers Swamp Creek Ash Dam (SSCAD) and Kerosene Vale Ash Repository (KVAR). Wallerawang power station was closed in 2014 and since this time only minor amounts of ash have been taken to the SSCAD or KVAR. Neither repository had any action physically taken to bring them to a closed state, rather they have been kept in an operational mode by the previous operators, Energy Australia.</p> <p>After taking over ownership in September 2020, GPM commissioned a new water treatment plant to lower the dam to a level where independent assessment has demonstrated that it is adequate to contain a one in one-hundred-year rainfall event based on Bureau of Meteorology data. GPM has also upgraded other infrastructure assets such as pumps and pipes to manage the water level in the dams as well as improved access roads on the site. GPM will continue to undertake investigative studies to determine the best approach to remediate the ash dams.</p>		

50	94	<p>The Hon. MARK LATHAM: Just back on the ESG. Has Treasury got a number on the amount of return that we will forfeit in adopting these principles compared to the maximum rate of return that could have been yielded? They are not cost free, are they?</p> <p>PAUL GRIMES: I do not think we have got a single estimate at this stage. Perhaps alluding to the Bennett review, that will be completed. Whether it is possible to be able to put a precise figure on it, we will have to see.</p> <p>The Hon. MARK LATHAM: But the Bennett review—she is not an independent person. She is going to recommend to go ahead. How do we find out the net cost of doing this?</p> <p>PAUL GRIMES: The question is, "Is that something that would be feasible to do?" I would not necessarily assume a net cost, by the way, because moving into a high-quality portfolio may actually have financial benefits and higher returns.</p> <p>The Hon. MARK LATHAM: You have got no assumption at all, have you? So can we take that on notice?</p> <p>PAUL GRIMES: We can definitely take it on notice. I am looking at the official—just in case there are any—</p> <p>The Hon. MARK LATHAM: We should know what we are getting into financially. You just cannot fly blind.</p> <p>PAUL GRIMES: I am looking just to see if there is any estimates available.</p>
		<p>RESPONSE: The ESG review led by Pru Bennett will investigate how better outcomes and long-term value for NSW taxpayers can be generated through the State's investment funds.</p> <p>It cannot be assumed that ESG factors would necessarily result in lower returns. In fact, ESG policies can mitigate against financial risk.</p> <p>Treasury has not prepared any estimates of the impacts of incorporating ESG factors into investment decisions made for the State's investment funds, and is awaiting the outcome of the review.</p>
51	95/96	<p>RACHEL PARRY: Sure. I just want to repeat the question back to you, Mr Latham, to make sure I am understanding it correctly. You are asking the net impact of New South Wales electricity policy on global temperatures.</p> <p>The Hon. MARK LATHAM: No, overall greenhouse gas emission reductions. The Treasurer or the Minister for Energy reported to me in November that last year it was three million tonnes of CO2 equivalent. What does that do in reducing global surface temperatures which, obviously, is a major policy objective of the Minister and the Government? There is no point doing all this, spending billions of dollars turning the electricity grid upside down, unless it has some positive impact on global warming.</p> <p>RACHEL PARRY: No, I appreciate that. I am just going to turn to my colleague, Ms Hickey, to see whether she has a firm answer there, otherwise I will take it on notice and we can come back to you in this session.</p> <p>The Hon. MARK LATHAM: Would it be the calculation from the Royal Society in London, verified by our Parliamentary Library, that that amount of CO2 equivalent reduction over 100 years—a full century—is a reduction in global surface temperatures of 0.00055 degrees Celsius. That is basically nothing over 100 years. Meaning, in terms of outcome-based budgeting or any rational assessment, why would any normal government do it, if that is the outcome? But you will take it on</p>

		<p>notice and check my data against what I have gleaned from the Minister and the Royal Society in London, the academy there?</p> <p>RACHEL PARRY: We can take that on notice, Mr Latham, but I would just make the point that the Government has committed to their Net Zero Plan and they have obviously—the gains that can be made in achieving those net zero targets are primarily and can most easily be met through the energy sector. But there are other sectors that contribute to that overall target as well.</p> <p>The Hon. MARK LATHAM: Yes, but the greenhouse gas emission reduction transfers at that rate in 2021 over 100 years to 0.00055 degrees Celsius.</p> <p>RACHEL PARRY: I will take your question on notice, Mr Latham.</p>
		<p>RESPONSE:</p> <p>Australia has committed to achieving net-zero emissions by 2050. NSW accounts for approximately 25 per cent of Australia's emissions and has a key role to play in Australia meeting its climate commitments.</p> <p>The NSW Government's emissions reduction targets are consistent with the global targets the Intergovernmental Panel on Climate Change (IPCC) identified as being required to limit global temperature rise to 1.5 degrees Celsius.</p> <p>To meet the NSW Government's targets of achieving a 50 per cent reduction in NSW emissions by 2030 compared to 2005 levels, and achieving net zero emissions by 2050, the Government has introduced policies to support emissions reductions in sectors across the economy. Under current policy settings, NSW is projected to reduce total emissions by 47-52 per cent compared to 2005 levels by 2030. These projections, including the projected reductions per sector, can be found in the 2021 NSW State of Environment Report.</p> <p>Electricity generation is the greatest source of emissions in NSW. The NSW Electricity Infrastructure Roadmap is projected to result in an annual emission reduction of 2-3 megatonnes (Mt) of carbon dioxide equivalent (CO₂-e) per year in 2023 and cumulative emission reductions of 90 Mt by 2030 CO₂-e over the period to 2030. Annual NSW electricity generation emissions will reduce from 51.9 Mt CO₂-e in 2019 (the latest published inventory year) to 9.6 Mt CO₂-e in 2030.</p>
52	96	<p>The Hon. MARK LATHAM: And you have got our New South Wales transmission plan coming out in September. When are we expecting to have the full upgrade of the link for Orana REZ and how much does it cost?</p> <p>JAMES HAY: We are currently in procurement for that network. RFPs will be issued at the end of May. We have a strongly competitive process for that. Right now suggesting what we think it is worth is probably very highly commercially sensitive, so I would rather not go into that at this time.</p> <p>The Hon. MARK LATHAM: But it is public money, isn't it?</p> <p>JAMES HAY: The completion date for that—</p> <p>The Hon. MARK LATHAM: You pay Transgrid, don't you?</p> <p>JAMES HAY: How that is procured is through a contestability process whereby people will bid to build and fund that asset and costs will be recovered from consumers, as is normal for transmission assets.</p> <p>The Hon. MARK LATHAM: What are you expecting to be the impact on consumers?</p>

		<p>JAMES HAY: That is all factored into the forward projections. The precise impact of that I would have to come back to you on, rather than give you a number right now.</p> <p>The Hon. MARK LATHAM: That is okay. So you will take that on notice. Can you do the same for the New England connection</p> <p>JAMES HAY: New England is not as advanced, but we are working on that. We will be continuing to update—the strategy I mentioned will give a much firmer position on the time frame for delivery of that link.</p> <p>The Hon. MARK LATHAM: Are there any broad parameters for delivering the link and finishing it? It is vital, isn't it, with Eraring closing early?</p> <p>JAMES HAY: It is important. The assumptions are that New England will be delivered in phases and it has also got to be integrated with plans for further interconnectors with Queensland. So it is hard to answer that in a single question, Mr Latham. It is a complex piece of network design, which is what the network and investment strategy will set out.</p> <p>The Hon. MARK LATHAM: Yes, but it is completely opaque from the view of the taxpayer, isn't it?</p> <p>JAMES HAY: It will be very clear.</p> <p>The Hon. MARK LATHAM: When?</p> <p>JAMES HAY: When the network investment strategy is set up.</p> <p>The Hon. MARK LATHAM: Okay. We will eagerly await that. Mr Hay, earlier on you mentioned I think two gigawatts out of the pumped hydro system?</p>
		<p>RESPONSE:</p> <p>The Central-West Orana Renewable Energy Zone (REZ) is one of five REZs being delivered as part of the NSW Electricity Infrastructure Roadmap.</p> <p>The Energy Corporation of NSW (EnergyCo) is undertaking a competitive procurement process to appoint a Network Operator to develop the Central-West Orana REZ transmission infrastructure. This procurement process, combined with the NSW Consumer Trustee's review and authorisation of EnergyCo's recommended transmission project and Network Operator (as set out in the <i>Electricity Infrastructure Investment Act 2020</i>), will ensure the Central-West Orana REZ delivers the best value for money for NSW consumers. The outcome of the procurement process will inform when the project will be completed and the total cost. Releasing commercially sensitive information, such as estimated cost, at this stage of the procurement process would adversely impact its outcome.</p> <p>Costs associated with delivering the Roadmap will be passed on to electricity consumers, from 2023–24 in a process overseen by the Australian Energy Regulator. Overall, the Roadmap is expected to deliver average annual bill savings of \$130 for households and \$430 for small businesses between 2023 and 2040 . Without the Roadmap, average wholesale electricity prices would be \$23 per megawatt hour higher from 2023 to 2043 and more than double in the years after power stations retire.</p>
53	97	<p>The Hon. MARK LATHAM: Can I just quickly ask: For that long-term storage capacity, how many new dams would need to be built?</p>

		<p>JAMES HAY: It would be too hard to say. It depends which—</p> <p>The Hon. MARK LATHAM: Can you take that on notice? It is two dams, isn't it, for pumped hydros— one at the top, one at the bottom.</p> <p>JAMES HAY: It does not necessarily mean two dams, but two reservoirs, yes.</p> <p>The Hon. MARK LATHAM: They are hard to build.</p> <p>JAMES HAY: Some are connected by tunnels; some are connected by penstocks.</p> <p>The Hon. MARK LATHAM: Can you take that on notice—an estimate of what sort of dams or reservoirs numbers we would need to construct to make that viable? These are big EIS processes, aren't they?</p> <p>JAMES HAY: I think the way to potentially answer your question most helpfully would be to sort of say what are the projects that we currently understand through the pumped hydro grants scheme, which is well advanced, which is intended to bring projects forward for those auction processes. We can give you some ideas of the projects that are currently proposed.</p> <p>The Hon. MARK LATHAM: If you could take that on notice. Thank you.</p>
		<p>RESPONSE:</p> <p>The Pumped Hydro Recoverable Grants Program was established to support the development of pumped hydro projects across NSW. It aims to establish a pipeline of pumped hydro projects that can compete for Long Term Energy Service Agreements.</p> <p>The program received 28 applications with a combined storage capacity of over 11 gigawatts. This includes several projects proposing to utilise existing dam sites as one of the reservoirs. The program also received several applications proposing to develop pumped hydro projects by repurposing existing infrastructure including disused mine sites. For these reasons and due to current negotiations, it is not possible at this time to specify exactly how many 'new dams' will be required.</p> <p>In January 2022, of the original 28 projects, several projects were shortlisted with an expected total capacity of around two gigawatts. Successful recipients for this round of grants are expected to be announced in Q2 2022. As part of the response to Origin Energy's Eraring announcement, further funding for pumped hydro grants to target another one gigawatts or more of projects was also announced together with more work to better realise the pumped hydro potential of WaterNSW assets.</p>
54	98	<p>The Hon. DANIEL MOOKHEY: Okay, cool. In the budget papers—I am just reading from page 6- 6—it says that the average yield across the entire \$72.9 billion of general government borrowing portfolio was 2.4 per cent. Either now or on notice, can we get an update as to what the average yield is across the portfolio?</p> <p>DAVID DEVERALL: Yes</p>
		<p>RESPONSE:</p> <p>Approximately 2.1% as at 28 Feb 2022</p>
55	98	<p>The Hon. DANIEL MOOKHEY: Great. Thank you. Secondly, Mr Deverall, or through you Dr Grimes—either of you two whoever is best—it says that in the half-year budget review that we will be retiring \$4.3 billion-ish of debt as a result of the WestConnex sale. Has that been done?</p> <p>PAUL GRIMES: I will refer to Mr Deverall.</p> <p>DAVID DEVERALL: If it is okay, San, I can give the update.</p>

	<p>The Hon. DANIEL MOOKHEY: Sorry, Mr Midha. I did not mean to be rude if it was you.</p> <p>DAVID DEVERALL: Yes, it is sort of San is the man.</p> <p>The Hon. DANIEL MOOKHEY: Mr Midha, do you want to respond to that question?</p> <p>DAVID DEVERALL: We execute; he tells us what to do.</p> <p>The Hon. DANIEL MOOKHEY: Maybe then, if you are the person who is controlling the actual debt retirement, it is better that I direct the question to you. Mr Midha, have we retired the \$4.3 billion that was flagged?</p> <p>SAN MIDHA: Yes, TCorp do execute the debt retirement action. That money is sitting in a liquid fund. The actual debt retirement program is being run by TCorp, so it is better that Mr Deverall—</p> <p>The Hon. DANIEL MOOKHEY: Yes, but you issue the instructions, do you not?</p> <p>SAN MIDHA: Yes. The instructions have been issued, so they are in the process of retiring debt. I think we can get Mr Deverall to give you an update.</p> <p>The Hon. DANIEL MOOKHEY: On notice, Mr Deverall, can we get the list of instruments that have been retired?</p> <p>DAVID DEVERALL: Yes.</p> <p>The Hon. DANIEL MOOKHEY: Thank you.</p> <p>DAVID DEVERALL: Just to help you with your answer, we have retired so far about \$2.3 billion, mostly instruments two years or less.</p> <p>The Hon. DANIEL MOOKHEY: Okay. Can we just get the list of instruments that have been retired?</p> <p>DAVID DEVERALL: Sure.</p>																		
	<p>RESPONSE: TCorp has been retiring debt based on an assessment of both the value to the State and prevailing market conditions. The primary focus has been on shorter-dated maturities which reduces the borrowing programme across the forward estimates.</p> <p>Debt Retirement as at 9 March 2022</p> <table border="1" data-bbox="548 1005 1422 1372"> <thead> <tr> <th>TCorp Bond Description</th> <th>Partial/Full Retirement</th> <th>Face Value (\$bn)</th> </tr> </thead> <tbody> <tr> <td>Fixed Rate 1 March 2022</td> <td>Full</td> <td>4.26</td> </tr> <tr> <td>Fixed Rate 1 May 2023</td> <td>Partial</td> <td>0.15</td> </tr> <tr> <td>Fixed Rate 8 February 2024</td> <td>Partial</td> <td>1.29</td> </tr> <tr> <td>Fixed Rate 20 August 2024</td> <td>Partial</td> <td>0.79</td> </tr> <tr> <td>Floating Rate 9 October 2023</td> <td>Partial</td> <td>0.26</td> </tr> </tbody> </table>	TCorp Bond Description	Partial/Full Retirement	Face Value (\$bn)	Fixed Rate 1 March 2022	Full	4.26	Fixed Rate 1 May 2023	Partial	0.15	Fixed Rate 8 February 2024	Partial	1.29	Fixed Rate 20 August 2024	Partial	0.79	Floating Rate 9 October 2023	Partial	0.26
TCorp Bond Description	Partial/Full Retirement	Face Value (\$bn)																	
Fixed Rate 1 March 2022	Full	4.26																	
Fixed Rate 1 May 2023	Partial	0.15																	
Fixed Rate 8 February 2024	Partial	1.29																	
Fixed Rate 20 August 2024	Partial	0.79																	
Floating Rate 9 October 2023	Partial	0.26																	

		Total (Face Value)	6.74
56	99	<p>The Hon. DANIEL MOOKHEY: Okay. In terms of the allocation of staff from Treasury to the PBO, has planning commenced on that?</p> <p>PAUL GRIMES: Not that I am aware of, but that does not mean that planning has not commenced, given my relatively short tenure in Treasury.</p> <p>The Hon. DANIEL MOOKHEY: Can we get an update on those?</p> <p>PAUL GRIMES: We will take that on notice and see if there is any update.</p>	
		<p>RESPONSE: Staff for the independent Parliamentary Budget Office are employed by the Presiding Officers under section 11 of the Parliamentary Budget Officer Act 2010. NSW Treasury will work with the Parliamentary Budget Officer once appointed, to identify where staff can support the PBO's functions including through secondments.</p>	
57	99	<p>The Hon. DANIEL MOOKHEY: To be fair, Ms Wilkie and I have had conversations about this before. It is not like I have any special insight. Ms Wilkie, perhaps I can direct the question to you. Has the Treasury prepared modelling on initiatives that could encourage short-, medium- and long-term lift in female participation rates in New South Wales?</p> <p>JOANN WILKIE: Yes. As part of the intergenerational report, as we have conversed about before, there was modelling done in the course of that. There are various other things in response to—say, in some of the Productivity Commissioner's recommendations, where Treasury is looking at individual initiatives. And then further initiatives are being looked at as part of the women's economic empowerment task force. Treasury is involved in modelling—looking at modelling—for the overall package that may be considered. Modelling on the impact of individual projects or initiatives is the responsibility of the responsible department, and then that will be assessed, as per usual processes, by the evidence and evaluation team in Treasury.</p> <p>The Hon. DANIEL MOOKHEY: I appreciate that, Ms Wilkie. On notice, it would be great if we could get some more detail on the two categories of modelling that you described—the modelling of the Productivity Commissioner's recommendations. Given that those recommendations are public, if we can get on notice Treasury's advice as to which is most likely to lift female participation in the short, medium and long term, that would be helpful.</p> <p>JOANN WILKIE: Sure.</p> <p>The Hon. DANIEL MOOKHEY: According to each of the initiatives actually—not an aggregated answer but the specific recommendations.</p> <p>JOANN WILKIE: Yes, to the extent that—I mean, the Productivity Commission white paper report looked at specific sectors of the economy. It was not specifically looking at this issue, so in some respects it is not going to be a comprehensive answer in terms of possible initiatives across the economy but, yes, we can take that on notice for you.</p>	

		<p>The Hon. DANIEL MOOKHEY: I appreciate that. But, on notice, can we get a list of possible initiatives that could be taken by the New South Wales Government that Treasury has modelled? Which one is most likely to increase female participation in the short, medium and long term?</p> <p>JOANN WILKIE: Sure, we can do that.</p>
		<p>RESPONSE:</p> <p>Treasury is currently undertaking preparatory work to model policy options that are being considered by the Women’s Economic Opportunity Review. This will build on the modelling presented in the 2021 Intergenerational Report which outlined the size of the economic opportunity if women participated in the workforce at the same rate as do men. As at 18 February 2022, Treasury had not modelled any policy options, noting these were under consideration as part of the Review. This modelling will take place shortly so as to inform Cabinet’s consideration of possible initiatives.</p> <p>Separately, in May 2021, the NSW Productivity Commission identified 60 reform opportunities in the Commission’s White Paper to improve the productivity of NSW and make it a more attractive place to live, work, start a business, and raise a family. Economic modelling indicates that these reforms could boost Gross State Product by two per cent per annum by 2041; an increase of \$19.4 billion in today's dollars, and equivalent to each NSW citizen over the age of 15 receiving an additional \$2,000 per year by 2041. The reforms covered: skills, education, planning, regulation, infrastructure, water and energy related reforms. The modelling did not measure the economic benefits from specifically increasing female participation from these reforms.</p>
58	100	<p>The Hon. DANIEL MOOKHEY: Yes, they are. I flag that I am about to ask you about the State's accounts as well, so if you are in a position to get the Treasury annual report and financial statements, and the Total State Sector Accounts, it will probably make this a bit smoother. I am referring to Note 2 to the financial statements. Treasury is the only department that does not publish how much Treasury spent on redundancies. How much did Treasury spend on redundancies last year?</p> <p>SAN MIDHA: I do not have that.</p> <p>The Hon. DANIEL MOOKHEY: Does Mr Walters have that?</p> <p>STEWART WALTERS: I have to take that on notice.</p> <p>...</p> <p>PAUL GRIMES: ... In the meantime, I have got information on the number of redundancies.</p> <p>The Hon. DANIEL MOOKHEY: Great. How many?</p> <p>PAUL GRIMES: In 2020-21 there were 12 redundancies, including senior executive terminations, and the associated costs were \$2,174,604.</p> <p>The Hon. DANIEL MOOKHEY: Thank you. Can we get the previous year? Because you have not reported it for years.</p>

		<p>PAUL GRIMES: We will take that on notice unless my helper in the background provides the information more quickly.</p> <p>The Hon. DANIEL MOOKHEY: On notice, if possible, can we get it for the past three to four years? That is reasonable because we cannot benchmark Treasury to any of the other departments in the absence of Treasury publishing that figure.</p>																																																		
		<p>RESPONSE: The tables below provide both the financial (accruals basis) impact and cash impact of Treasury redundancies over the past three to four years:</p> <p style="text-align: center;">Summary of Redundancies</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Financial Year</th> <th style="text-align: center;">2020-21</th> <th style="text-align: center;">2019-20</th> <th style="text-align: center;">2018-19</th> <th style="text-align: center;">2017-18</th> </tr> </thead> <tbody> <tr> <td>Total Financial Statement Impact (accruals basis)</td> <td style="text-align: right;">1,356,372</td> <td style="text-align: right;">2,542,020</td> <td style="text-align: right;">2,340,397</td> <td style="text-align: right;">1,345,637</td> </tr> <tr> <td>Clerk</td> <td style="text-align: center;">5</td> <td style="text-align: center;">18</td> <td style="text-align: center;">7</td> <td style="text-align: center;">3</td> </tr> <tr> <td>SES</td> <td style="text-align: center;">4</td> <td style="text-align: center;">6</td> <td style="text-align: center;">8</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Total Staff</td> <td style="text-align: center;">9</td> <td style="text-align: center;">24</td> <td style="text-align: center;">15</td> <td style="text-align: center;">8</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Financial Year</th> <th style="text-align: center;">2020-21</th> <th style="text-align: center;">2019-20</th> <th style="text-align: center;">2018-19</th> <th style="text-align: center;">2017-18</th> </tr> </thead> <tbody> <tr> <td>Total Cash Impact</td> <td style="text-align: right;">2,174,604</td> <td style="text-align: right;">3,021,266</td> <td style="text-align: right;">1,404,351</td> <td style="text-align: center;">Not available</td> </tr> <tr> <td>Clerk</td> <td style="text-align: center;">5</td> <td style="text-align: center;">19</td> <td style="text-align: center;">3</td> <td style="text-align: center;">Not available</td> </tr> <tr> <td>SES</td> <td style="text-align: center;">7</td> <td style="text-align: center;">3</td> <td style="text-align: center;">5</td> <td style="text-align: center;">Not available</td> </tr> <tr> <td>Total Staff</td> <td style="text-align: center;">12</td> <td style="text-align: center;">22</td> <td style="text-align: center;">8</td> <td style="text-align: center;">Not available</td> </tr> </tbody> </table>	Financial Year	2020-21	2019-20	2018-19	2017-18	Total Financial Statement Impact (accruals basis)	1,356,372	2,542,020	2,340,397	1,345,637	Clerk	5	18	7	3	SES	4	6	8	5	Total Staff	9	24	15	8	Financial Year	2020-21	2019-20	2018-19	2017-18	Total Cash Impact	2,174,604	3,021,266	1,404,351	Not available	Clerk	5	19	3	Not available	SES	7	3	5	Not available	Total Staff	12	22	8	Not available
Financial Year	2020-21	2019-20	2018-19	2017-18																																																
Total Financial Statement Impact (accruals basis)	1,356,372	2,542,020	2,340,397	1,345,637																																																
Clerk	5	18	7	3																																																
SES	4	6	8	5																																																
Total Staff	9	24	15	8																																																
Financial Year	2020-21	2019-20	2018-19	2017-18																																																
Total Cash Impact	2,174,604	3,021,266	1,404,351	Not available																																																
Clerk	5	19	3	Not available																																																
SES	7	3	5	Not available																																																
Total Staff	12	22	8	Not available																																																
59	100	<p>The Hon. DANIEL MOOKHEY: Is there a reason you do not publish that line item in a note?</p> <p>The Hon. MARK LATHAM: Lost count.</p> <p>The Hon. DANIEL MOOKHEY: Literally, the Treasury is the only one of the eight clusters not to publish the item, which is quite remarkable. Hence, I am interested in how much Treasury spent on redundancies last year. Do you want to take it on notice?</p> <p>PAUL GRIMES: It is a reasonable question—why that line is not there—and a reasonable question for us to take on notice to provide the information.</p>																																																		
		<p>RESPONSE: Treasury will in future report redundancies as a separate line item in Note 2 of the financial statements.</p>																																																		
60	100	<p>The Hon. DANIEL MOOKHEY: Thank you. Also, last year your workers comp bill went up by \$300,000. Why is that? The Treasury's premium doubled. It went from \$214,000 to \$600,000, which is the largest of any cluster, from what I can tell.</p>																																																		

		<p>There is an irony in that but, on notice, can we get an explanation as to why your premiums skyrocketed, unless you have one now?</p> <p>PAUL GRIMES: I will see if we have any information.</p>
		<p>RESPONSE: The 2021 premium increase was driven by:</p> <ul style="list-style-type: none"> • an increase in the number of Treasury staff, with 290 additional staff joining the Treasury Cluster following the 2019 Machinery of Government changes; and • icare increasing Treasury's share of workers compensation costs when implementing a new model to make the distribution more equitable across the whole of government as part of a sector wide recalculation.
61	100	<p>The Hon. DANIEL MOOKHEY: ... On page 85 of your annual statements, helpfully we have a report on items that you administer. It says that Treasury provided "grants to fund agency redundancies" of \$113 million. At various times, various departments have told us have told us that they do not incur the actual cost of their redundancies on their budgets; they transfer it to you. Did the New South Wales Government spend \$113 million making people redundant last year?</p> <p>SAN MIDHA: I can take that on notice, but we do fund the redundancies as long as they provide the evidence that the positions are permanently removed.</p> <p>The Hon. DANIEL MOOKHEY: Mr Midha, do you mind just moving the microphone so we can get this on Hansard? I am referring to page 85. It is item note E.7, for what it is worth. It is quite clear that that is what it is and it was up \$7 million last year. Can we please get the \$113 million itemised by departments, and which ones were going to which departments?</p> <p>SAN MIDHA: Yes, I will take that on notice</p>

		<p>RESPONSE:</p> <p>In FY21, grants were provided to fund agency redundancies as follows:</p> <table border="1"> <thead> <tr> <th>Agency name</th> <th>FY21</th> </tr> <tr> <th></th> <th>\$000</th> </tr> </thead> <tbody> <tr> <td>Department of Customer Service</td> <td>4,001</td> </tr> <tr> <td>Ministry of Health</td> <td>17,532</td> </tr> <tr> <td>TAFE Commission</td> <td>21,266</td> </tr> <tr> <td>Department of Communities and Justice</td> <td>35,642</td> </tr> <tr> <td>Legal Aid Commission of New South Wales</td> <td>145</td> </tr> <tr> <td>NSW Rural Fire Service</td> <td>- 36</td> </tr> <tr> <td>Department of Premier and Cabinet</td> <td>4,543</td> </tr> <tr> <td>Public Service Commission</td> <td>937</td> </tr> <tr> <td>Destination NSW</td> <td>502</td> </tr> <tr> <td>Transport for NSW</td> <td>27,192</td> </tr> <tr> <td>The Treasury</td> <td>1,282</td> </tr> <tr> <td>Total</td> <td>113,006</td> </tr> </tbody> </table>	Agency name	FY21		\$000	Department of Customer Service	4,001	Ministry of Health	17,532	TAFE Commission	21,266	Department of Communities and Justice	35,642	Legal Aid Commission of New South Wales	145	NSW Rural Fire Service	- 36	Department of Premier and Cabinet	4,543	Public Service Commission	937	Destination NSW	502	Transport for NSW	27,192	The Treasury	1,282	Total	113,006
Agency name	FY21																													
	\$000																													
Department of Customer Service	4,001																													
Ministry of Health	17,532																													
TAFE Commission	21,266																													
Department of Communities and Justice	35,642																													
Legal Aid Commission of New South Wales	145																													
NSW Rural Fire Service	- 36																													
Department of Premier and Cabinet	4,543																													
Public Service Commission	937																													
Destination NSW	502																													
Transport for NSW	27,192																													
The Treasury	1,282																													
Total	113,006																													
62	101	<p>The Hon. DANIEL MOOKHEY: Equally, on that page it states that you provided grants to agencies for State contingencies. Last year you only provided \$1.15 million—which is fair enough because you had the opportunity to change the appropriation, so it was not an actual contingency—but in the year previous the Treasury provided \$1.2 billion. Is that the possible source of where some of those allegations of rort funding could have taken place?</p> <p>SAN MIDHA: I could not easily say what they are referring to, or how this contingency and where it is sitting in different departments and whether it was for bushfire or floods or—</p> <p>The Hon. DANIEL MOOKHEY: But can we just get a breakdown of the 2020 figure, the \$1.2 billion, as to who got what from that particular figure?</p> <p>SAN MIDHA: Okay.</p>																												

		<p>RESPONSE: The table below sets out the breakdown of the FY2020 grants to Agencies for State Contingencies.</p> <table border="1"> <thead> <tr> <th>Agency name</th> <th>FY20 \$000</th> </tr> </thead> <tbody> <tr> <td>Ministry of Health</td> <td>949,036</td> </tr> <tr> <td>The Treasury</td> <td>110,634</td> </tr> <tr> <td>Department of Planning and Environment</td> <td>81,954</td> </tr> <tr> <td>Department of Education</td> <td>53,359</td> </tr> <tr> <td>Office of Sport</td> <td>27,282</td> </tr> <tr> <td>Department of Premier and Cabinet</td> <td>15,000</td> </tr> <tr> <td>Department of Communities and Justice</td> <td>12,185</td> </tr> <tr> <td>Service NSW</td> <td>8,393</td> </tr> <tr> <td>NSW Police Force</td> <td>2,271</td> </tr> <tr> <td>Sydney Water Corporation</td> <td>1,606</td> </tr> <tr> <td>Transport for NSW</td> <td>1,270</td> </tr> <tr> <td>NSW Rural Fire Service</td> <td>531</td> </tr> <tr> <td>Hunter Water Corporation</td> <td>113</td> </tr> <tr> <td>Sydney Opera House Trust</td> <td>96</td> </tr> <tr> <td>Fire and Rescue NSW</td> <td>68</td> </tr> <tr> <td>Office of the NSW State Emergency Service</td> <td>24</td> </tr> <tr> <td>Total</td> <td>1,263,823</td> </tr> </tbody> </table>	Agency name	FY20 \$000	Ministry of Health	949,036	The Treasury	110,634	Department of Planning and Environment	81,954	Department of Education	53,359	Office of Sport	27,282	Department of Premier and Cabinet	15,000	Department of Communities and Justice	12,185	Service NSW	8,393	NSW Police Force	2,271	Sydney Water Corporation	1,606	Transport for NSW	1,270	NSW Rural Fire Service	531	Hunter Water Corporation	113	Sydney Opera House Trust	96	Fire and Rescue NSW	68	Office of the NSW State Emergency Service	24	Total	1,263,823
Agency name	FY20 \$000																																					
Ministry of Health	949,036																																					
The Treasury	110,634																																					
Department of Planning and Environment	81,954																																					
Department of Education	53,359																																					
Office of Sport	27,282																																					
Department of Premier and Cabinet	15,000																																					
Department of Communities and Justice	12,185																																					
Service NSW	8,393																																					
NSW Police Force	2,271																																					
Sydney Water Corporation	1,606																																					
Transport for NSW	1,270																																					
NSW Rural Fire Service	531																																					
Hunter Water Corporation	113																																					
Sydney Opera House Trust	96																																					
Fire and Rescue NSW	68																																					
Office of the NSW State Emergency Service	24																																					
Total	1,263,823																																					
63	101	<p>The Hon. DANIEL MOOKHEY: That would be great. Equally, it states that last year you provided capital injections into government-owned businesses of \$3.3 billion. I am prepared to accept that \$2.4 billion of that went to the Transport Asset Holding Entity as a capital injection. Is that right? SAN MIDHA: Yes, \$2.4 billion for 2021-22.</p>																																				

		<p>The Hon. DANIEL MOOKHEY: For 2021-22?</p> <p>SAN MIDHA: Sorry, 2020-21 was \$2.4 billion.</p> <p>The Hon. DANIEL MOOKHEY: Which other government businesses got an accumulation of a \$900 million capital injection?</p> <p>SAN MIDHA: I will take that on notice.</p> <p>The Hon. DANIEL MOOKHEY: If we could get that broken down by government businesses that attracted that particular capital, that would be really useful.</p> <p>SAN MIDHA: Yes.</p> <p>The Hon. DANIEL MOOKHEY: Because there is a discrepancy between the items. It is reported as being \$3.37 billion and then on the next page it is reported as being \$3.4 billion. I am trying to understand why there is a difference, if that is okay. Do not worry, you do not need to answer it now; if you can take that on notice it would be very helpful.</p>										
		<p>RESPONSE: Equity transfers for 2020-21 are detailed in Table 21.F in the notes to NSW Treasury's 2020-21 financial statements (Page 86 of https://www.treasury.nsw.gov.au/sites/default/files/2022-01/220131_nsw-treasury_2020-21_annual-report_0.pdf)</p> <p>Table 21.F includes \$3.378 billion in capital injections into government owned businesses and \$0.091 billion in other items with the capital injections outlined below:</p> <table border="1"> <thead> <tr> <th>2021</th> <th>\$'000</th> </tr> </thead> <tbody> <tr> <td>Capital injection into Roads Retained Interest Pty Limited</td> <td>(217,784)</td> </tr> <tr> <td>Capital injection into Transport Asset Holding Entity of New South Wales*</td> <td>(2,407,204)</td> </tr> <tr> <td>Capital injection into Sydney Water Corporation</td> <td>(750,000)</td> </tr> <tr> <td>Capital injection into Hunter Water Corporation</td> <td>(2,657)</td> </tr> </tbody> </table>	2021	\$'000	Capital injection into Roads Retained Interest Pty Limited	(217,784)	Capital injection into Transport Asset Holding Entity of New South Wales*	(2,407,204)	Capital injection into Sydney Water Corporation	(750,000)	Capital injection into Hunter Water Corporation	(2,657)
2021	\$'000											
Capital injection into Roads Retained Interest Pty Limited	(217,784)											
Capital injection into Transport Asset Holding Entity of New South Wales*	(2,407,204)											
Capital injection into Sydney Water Corporation	(750,000)											
Capital injection into Hunter Water Corporation	(2,657)											
64	101	<p>The Hon. ROBERT BORSAK: It is a rounding.</p> <p>The Hon. DANIEL MOOKHEY: It is \$700 million; it is not rounding! On page 79 Treasury provides an outcome list of its special deposit accounts. Firstly, on notice can we get an update as to what the current balance is on all those special development accounts?</p> <p>SAN MIDHA: Special deposit accounts?</p> <p>The Hon. DANIEL MOOKHEY: Yes, sorry. That would be helpful. What I am actually interested in is the Social and Affordable Housing Fund, which did not spend any money last year. Why did it not spend any money last year? Mr Gardner?</p> <p>PHIL GARDNER: There are two elements to the Social and Affordable Housing Fund. There is a cash deposit account and an investment account. The total balance is probably of the order of \$1½ billion and the purpose of that fund is to meet ongoing commitments to service payments through the life of the social and affordable housing program. Those numbers, at this early stage of the program, are relatively de minimis before there are tenants in the houses, so it just most likely that the drawdown profile of the fund is yet to ramp up with a ramp-up in tenancies and payment.</p> <p>The Hon. DANIEL MOOKHEY: When is it meant to ramp up?</p>										

PHIL GARDNER: It is happening now. I will take the payment profile on notice, but the SAHF itself is actually—the number of houses is being delivered fairly much on target and the tenancies are coming through relatively quickly. Certainly it will be ramping up in the course of the next 12 to 24 months.

The Hon. DANIEL MOOKHEY: Okay, that is fair enough. On notice you will provide us with a bit more information on that?

PHIL GARDNER: We can.

RESPONSE:

Special Deposit Accounts (SDAs) balances:

SDA Balances in \$ millions as at 28 Feb 2022	Total	Cash Acct	Investment Fund
Electricity Retained Interest Corporation - Ausgrid Fund	0.77	0.77	-
Electricity Retained Interest Corporation - Endeavour Fund	2.38	2.38	-
NSW Generations (Community Services and Facilities) Fund	33.46	33.46	-
NSW Generations (Debt Retirement) Fund	24,281.69	9,008.33	15,273.36
Social and Affordable Housing NSW Fund	1,639.25	3.57	1,635.67
Restart NSW Fund	10,809.49	1,570.59	9,238.90
Total	36,767.03	10,619.09	26,147.93

SAHF:

In the 2020-21 financial year approximately \$23.0 million in grant payments were made out of the SAHF, and approximately \$10.7 million during 2019-20, as per the 2020-21 SAHF financial statements (contained in NSW Treasury's [2020-21 Annual Report](#), p.423).

Since inception to 28 February 2022, \$98.1 million has been disbursed from the SAHF, and housing providers have delivered 2,921 new social and affordable homes across NSW, together with associated services.

The tables below present a further breakdown of SAHF dwelling delivery and resident data:

Dwelling Delivery as of 28 February 2022				
	Metropolitan	Regional	Total	Program %
Delivered	1,853	1,068	2,921	84%

Under Construction	248	82	330	9%
Awaiting commencement	204	30	234	7%
Percentage	66%	34%		

74 per cent of tenancies have been allocated to eligible social housing applicants from the NSW Housing Register. It should be noted that tenancies may include multiple or single residents.

Information on residents:

Residents by social/affordable tenure as of 31 December 2021				
	Metropolitan	Regional	Total	Program %
Program Total	2,491	1,382	3,873	
Social	1,668	1,090	2,758	71%
Affordable	823	292	1,115	29%

Key resident demographic data as of 31 December 2021 [1]				
	Metropolitan	Regional	Total	Program %
Older People*	1,244	593	1,837	47%
Older Women*	886	354	1,240	32%
Households with Children	263	161	424	16%
Single Parent Household	260	160	420	15%

Data Source: Reported by SAHF providers in the Quarterly Data Report, updated within two months after the end of the relevant quarter.

[1] Some residents may appear in multiple categories (will not add to 100%)

* People aged 55 years and over or 45 years and over for people that identify as Aboriginal or Torres Strait Islanders.

(Source for Tables: [SAHF Program Update | Family & Community Services \(nsw.gov.au\)](#))

		The Department of Communities and Justice, who administers the program, advises payment profile details are commercial-in-confidence and cannot be released.
65	101	<p>The Hon. DANIEL MOOKHEY: Thank you very much. I will turn now to the exciting part of budget estimates: the State accounts. I know everyone is excited. You would have seen the report from the Auditor-General about the rather large mistake in the purchasing of PPE equipment that NSW Health has undertaken in the last year, with the write-off of \$251 million worth of masks and other personal protective equipment. Have you provided any further update or had any further reports from Health about how it is tracking this year?</p> <p>SAN MIDHA: No, I do not any information on that. I can take that on notice.</p>
		<p>RESPONSE: NSW Health provides advice on PPE expenditure in its monthly financial reporting. Information on PPE issued by Health to other agencies is also shared with Treasury. Further questions relating to PPE should be referred to the Minister for Health.</p>
66	102	<p>The Hon. DANIEL MOOKHEY: Okay, that will be helpful. In terms of the State accounts, it reports on the expiry of certain concession arrangements that were entered into decades ago that are actually expiring this year. Apparently, this year we are recovering ownership of the Prince of Wales Hospital car park, and the St George Hospital car park is due in two years. What are we doing about that? What will happen to the car parks? Do we know?</p> <p>SAN MIDHA: No, not off the top of my head. I will take that on notice.</p> <p>The Hon. DANIEL MOOKHEY: To be fair, it is a particular question but it is actually the first time some of these concessions are expiring. I am interested in what will happen with that revenue. These are quite important issues for people who work in the hospital and people who use the hospital. Is it the intention to revert this back to public ownership or not? Do we know?</p> <p>SAN MIDHA: I will take that on notice. I presume that should be with the Ministry that owns the—</p>
		<p>RESPONSE: The Prince of Wales Hospital and St George Hospital carparks were developed under a Build, Own, Operate and Transfer arrangement. During the concession period, the carpark revenues are retained by the operator. Upon expiry of the concession, the asset is handed back to the relevant Local Health District (LHD) and the revenue generated from the asset will become revenue of the LHD. Treasury is liaising with the Ministry of Health on the end of term arrangements for both Prince of Wales Hospital and St George Hospital carparks. Further work will need to be undertaken to understand the State's preferred arrangement and Treasury is unable provide further details at this point in time.</p>
67	102	<p>The Hon. DANIEL MOOKHEY: Is Treasury involved in renegotiating these concession arrangements, given that it is a responsibility of Treasury? Treasury has a big role in negotiating the rollover and/or end of concession arrangements. Where are we up to on that?</p> <p>SAN MIDHA: I will take that on notice and understand the process better before we answer.</p>
		RESPONSE:

		See response to QoN 66.
68	102	<p>The Hon. DANIEL MOOKHEY: Equally, the entire Hawkesbury hospital is apparently due to come back, according to page 6-88. Obviously, the people of Hawkesbury have a real interest in the status of their hospital. Has Treasury commenced work on what is going on with Hawkesbury hospital? It is a big thing to happen to the health budget, to recover ownership of a hospital. Where are we up to on that?</p> <p>SAN MIDHA: Again, I will take that on notice.</p>
		<p>RESPONSE: Treasury is liaising with the Ministry of Health and Nepean Blue Mountains Local Health District (NBMLHD) on the end of term arrangements for Hawkesbury Hospital. Treasury has been advised that formal negotiations have not yet been commenced. The Ministry of Health and NBMLHD will work with Treasury to ensure any proposed variations to the service agreement will comply with the NSW PPP Guidelines and Treasury Circular 15-16 (Managing Public Private Partnership Contract).</p>
69	103	<p>The Hon. PENNY SHARPE: The question is what is the latest update that you have received on the construction of the terminal at Port Kembla? Is it going to be delivered ahead of winter 2023, which is the date flagged by AEMO in terms of issues of supply?</p> <p>ANDREW LEWIS: We have the general engagement with the proponent for the Port Kembla import terminal as well as the party which has been selected to deal with some of the pipeline infrastructure that supports that development. I do not have an exact date right in front of me of the latest information that we have had. I am very happy to go back and find that information and provide that on notice. What we do know is that the developer at that facility is still examining a range of options for the timing of when that can be delivered and it is very much dependent on the demand for gas. As I think you partly highlighted in your question, there is some potential uncertainty around future gas supplies and that would tend to indicate that there may well be strong demand, which would help them to enter into and agree to the necessary contracts that are required for the building of that facility.</p> <p>The Hon. PENNY SHARPE: Just to be clear, you are not able to tell us today whether it is on track for a winter 2023 finalisation?</p> <p>ANDREW LEWIS: I do not have that information with me right at this time, but, as I say, I am more than happy to take that on notice and provide a follow-up question within 21 days.</p>
		<p>RESPONSE: The Department of Planning and Environment has been informed by the Port Kembla Import Terminal proponent that the project schedule is highly dependent on the ability to secure customer gas contracts. The proponent is keeping the Australian Energy Market Operator informed of the status of the project schedule to support development of the 2022 Gas Statement of Opportunities, which is due to be released in Q1 of 2022.</p>
70	103	<p>The Hon. DANIEL MOOKHEY: Secretary, the Victims Support Fund provision doubled from \$193 million to \$403 million last year. What is it now?</p> <p>SAN MIDHA: I can get you the numbers for this process.</p>

		<p>The Hon. DANIEL MOOKHEY: Thank you. Do you know why it doubled?</p> <p>SAN MIDHA: No. Again, I will come back to you with that.</p> <p>The Hon. DANIEL MOOKHEY: On notice if we can just get some information about that.</p>
		<p>RESPONSE:</p> <p>The figures quoted are from the Department of Communities and Justice Financial Statements for the Year ended 30 June 2021 and relate to current and non-current liabilities for Victims Support Scheme which totalled \$403M in 2021 compared to the previous year provisions of \$193M in 2020. The increase relates to ‘Incurred But Not Reported Liabilities’ for domestic violence, sexual assault (adult), assault, robbery, homicide and other offences being <u>included</u> in the provision for the first time in 2020-21.</p> <p>The Victims Support Scheme provision is updated and reported annually and the provision as at 30 June 2022 will be included in the Financial Statements for the Year ending 30 June 2022.</p>
71	103	<p>The Hon. DANIEL MOOKHEY: ... State accounts also report that Treasury underspent its budget by \$652 million. I am just reading from your grants, which is on page 6-178. It says:</p> <p>Major reprofiling of grant expenses in 2020-21 includes the following lower than forecasted expenditures in: • \$652 million in NSW Treasury Administered items ...</p> <p>Is that because there was less demand for some of the COVID support programs than was expected?</p> <p>SAN MIDHA: Yes, that would be the case.</p> <p>The Hon. DANIEL MOOKHEY: And are there any other reasons for why that was lower than expected?</p> <p>SAN MIDHA: We can reconcile that and come back to you.</p>
		<p>RESPONSE:</p> <p>The \$652 million underspend in Treasury administered items mainly relates to significant underspends in Restart NSW projects by local councils and a reduced redundancy provision for the PNFC/PFC sector.</p>
72	103/104	<p>The Hon. DANIEL MOOKHEY: Okay, thank you. Secretary, the Treasurer has made repeated reference to work going underway on the property tax reform proposal. What is Treasury doing?</p> <p>PAUL GRIMES: Treasury has been preparing advice for the Government and that is a matter for the Government to consider and make decisions.</p> <p>The Hon. DANIEL MOOKHEY: Indeed, and that is what we learnt last time, but what specifically has taken place in the last three months since the release of the consultation paper?</p> <p>PAUL GRIMES: I think we are really entering into the territory of matters that are currently before the Cabinet, so we are probably not in a position to be able to provide further commentary</p> <p>The Hon. DANIEL MOOKHEY: Treasury has engaged KPMG to assist it in this work and has renewed its contract. So in total I think across the two years, KPMG has gotten \$10 million in order to assist. What is KPMG doing for the Treasury for which we are paying them \$6 million?</p>

	<p>PAUL GRIMES: I would have to either refer to the officers here or take that on notice to provide a fuller response to you.</p> <p>The Hon. DANIEL MOOKHEY: Just with the indulgence of the crossbench, one final follow-up on all this. I have had multiple people come to me and complain about the fact that KPMG has forced them to sign non-disclosure agreements in order for them to even be able to be consulted, which is unprecedented, that in order to participate in a public consultation they would have to sign non-disclosure agreements with an accounting firm that is not Treasury. I am interested whether or not this has been reported to Treasury, whether or not this is an approved Treasury practice and whether or not Treasury is aware of the number of NDAs people have signed with KPMG. I will get you to respond to this because, Dr Grimes, it looks like Treasury hired KPMG to do this work so none of this work could be scrutinised by Parliament and none of this work could be scrutinised in these committees or be subjected to our own powers to inspect. It is just remarkable the amount of people who are complaining to me about being forced to sign an NDA in order to be consulted on what is, whether you like it or not, a very, very significant change to Australian taxation. Why is Treasury using KPMG and is KPMG asking people to sign non-disclosure agreements before they have the opportunity to even give their opinion on the Government's policies?</p> <p>PAUL GRIMES: All good questions, maybe most appropriately taken on notice, but I will see whether there is an officer—Ms Wilkie might be able to provide further assistance to you why the arrangements are being constructed in that way.</p> <p>JOANN WILKIE: Thank you for the question, Mr Mookhey. In terms of the amount of money that we have contracted KPMG for, there is a difference between, I guess, the amount of money in terms of what has been reported and the actual expenditure. I can take on notice what that difference is. In terms of what they were asked to do, KPMG has not been asked to undertake the policy work for this reform. KPMG has been providing support to Treasury in things like undertaking, as your question suggests, stakeholder engagement and consultation and other logistics and administrative support while Treasury undertook the core policy analysis and work.</p> <p>I do not agree with the way you phrased the question in terms of, "KPMG has been hired to do this reform". That is not correct. They have been supporting Treasury while Treasury has been doing the policy work. On the signing of non-disclosure agreements, I am aware that for certain aspects of the consultation process—where we were wanting to have confidential discussions about specific issues in relation to the reform and seeking to understand, for example, the way the industry operates in terms of third parties and that sort of thing—we did ask people to sign non-disclosure agreements. But from what I can recall, and I will take this on notice, we certainly did not require everybody who was consulted to sign a non-disclosure agreement. But I will take that on notice and get back to you on that.</p> <p>The Hon. DANIEL MOOKHEY: How many people have signed NDAs?</p> <p>JOANN WILKIE: I will have to take that on notice. I know there were some circumstances where we did ask NDAs to be signed but it was not in all circumstances, and we are talking about consultation that has been ongoing now for over 12 months—</p> <p>The Hon. DANIEL MOOKHEY: Hence the complaints that I am getting.</p> <p>JOANN WILKIE: —with dozens and dozens of stakeholders. I will need to take that on notice because I do not have that information at my disposal right here.</p>
	<p>RESPONSE:</p>

		<p>As at 28 February 2022, NSW Treasury has incurred \$2,843,180 in relation to services rendered under Contract Award Notice ID RFx171891 'Phase 2 - Support for NSW Treasury Tax Reform Project' with an estimated value of \$6,000,000.</p> <p>As part of the ongoing consultation process on property tax reform, over 110 organisations and over 6,000 individuals have been consulted. Of these, 70 individuals from 35 organisations were asked to sign a non-disclosure agreement. Signature of an NDA was only required where people being consulted were given access to confidential information.</p>
73	104	<p>Ms ABIGAIL BOYD: I will follow up on some of the questions I asked this morning in relation to electric vehicles and the incentives scheme. I am not sure how much of that was taken on notice, just to be clear. Are you able to tell me how many cars have been sold that received the cashback amount?</p> <p>RACHEL PARRY: I can, yes, thank you. There are two figures here. As at 18 February, 1,399 rebates had been given. As at the same date, 18 February, 1,948 EV stamp duty exemptions have been provided.</p> <p>Ms ABIGAIL BOYD: How many EVs have been purchased since the start date? Presumably that 1,948 captures all of the EVs that have been purchased since the beginning of the scheme?</p> <p>RACHEL PARRY: Yes. I would need to line that up because I know some of those rebates can go retrospectively from 1 December 2021, whereas the EV data that we have collected and that I have here covers all of 2021. I would need to probably take that specific question on notice. But if you would like to know the proportion of EV sales for 2021, I do have that.</p> <p>Ms ABIGAIL BOYD: Yes, please.</p> <p>RACHEL PARRY: Just to note, EV sales in New South Wales are growing really significantly. According to the EV Council in 2021, 7,430 new EVs were sold in New South Wales, which is almost more than were sold in all of the rest of Australia. New South Wales has quite a significant EV market. In 2021 that represents 1.9 per cent of all car sales.</p>
		<p>RESPONSE: The information requested forms part of the performance monitoring being undertaken for the NSW Electric Vehicle Strategy and will be made available once the analysis is completed.</p>
74	105	<p>Ms ABIGAIL BOYD: Do you have any data that compares the pre-scheme versus post-scheme take up over a similar period? So if we looked at—when did it start?</p> <p>RACHEL PARRY: The program began retrospective to 1 September 2021. I would have to take that question on notice because I think you have broken that down to something quite specific, so we would need to get the data collected on that.</p> <p>Ms ABIGAIL BOYD: Comparing to the previous six months would be useful.</p>
		<p>RESPONSE: See response to QoN 73.</p>
75	107	<p>The Hon. MARK LATHAM: It seems an eternity ago but this morning, Mr Hay, you said you were going to give us some advice about when AEMO first received the early closure of Eraring package and when you delivered it to them. You have said work on that started in July last year. When was the work delivered to AEMO?</p>

		<p>JAMES HAY: The precise date, I do not have, but AEMO was brought in to work on analysing options around closure scenarios as soon as we possibly could, and subject to confidentiality arrangements.</p> <p>The Hon. MARK LATHAM: Can you take that on notice?</p> <p>JAMES HAY: As to when—the date?</p> <p>The Hon. MARK LATHAM: As to when you brought in AEMO.</p> <p>JAMES HAY: Sure.</p>
		<p>RESPONSE: See response to QoN 4.</p>
76	108	<p>The Hon. MARK LATHAM: What did the Danny Price audit of the model say about the early closure of coal-fired power stations being a consequence of the road map?</p> <p>JAMES HAY: I would need to refresh my memory about that.</p> <p>The Hon. MARK LATHAM: Can you take that on notice?</p> <p>JAMES HAY: Sure.</p> <p>The Hon. MARK LATHAM: And also what the model itself had to say?</p> <p>JAMES HAY: Matters of the modelling from the road map, I would point out, still remain Cabinet in confidence. I will look at that and take the question on notice</p>
		<p>RESPONSE: All modelling carried out in the development of the NSW Electricity Roadmap forms the basis of advice to Government for its decision making. As such, disclosure of any supporting modelling would be a breach of the cabinet process.</p>
77	109	<p>The Hon. DANIEL MOOKHEY: Mr Gardner, we were talking about the remediation of underpaid public servants. You said that the program is going to be completed by June. How many people are likely to receive a remediation payment?</p> <p>PHIL GARDNER: I will have to take that on notice. I do not have those numbers with me.</p> <p>The Hon. DANIEL MOOKHEY: How many people have received a repayment to date?</p> <p>PHIL GARDNER: Let me just check if I have those numbers. I have a number here of 25 workers have so far been repaid a total of \$125,000.</p> <p>The Hon. DANIEL MOOKHEY: So the average underpayment is quite high. Do you agree?</p> <p>PHIL GARDNER: For those workers. I would have to defer to icare to explain how the—</p>
		<p>RESPONSE: icare’s remediation program will ensure that all injured workers have the opportunity to have their claim reviewed and any underpayment repaid. To achieve this, icare has carried out a wide-reaching media and communications campaign. This campaign included writing to all injured workers advising them of their right to have their claim reviewed. In addition, icare is proactively reviewing in detail the largest and longest-duration claims and contacting those workers to seek additional information to help identify any underpayments.</p>

		<p>It is not possible to give an estimate of the number of underpayment repayments that will be made. This is ultimately dependent on how many workers come forward to have claims reviewed and which claims are found, after review, to have been underpaid. As at 25th February, icare for the TMF has responded to 4,570 enquiries from the media and communications campaign and 3,525 reviews have been completed to date with 492 workers having a quantifiable underpayment totaling \$943,890.</p> <p>icare intends for the remediation program to have been completed by June 2022, as this is the point at which it is estimated that all proactive reviews will have been completed, as well as all reviews arising from the media and communications campaign. However, injured workers will continue to have the right to have their claim reviewed at any point.</p>
78	109	<p>The Hon. DANIEL MOOKHEY: I think the last question I have, at least on this matter, is in respect to icare's underpayments, which at one time were historical, but they have confirmed that these issues are ongoing. Their estimates are—to be fair, I think it is to the Nominal Insurer—6 to 8 per cent of people today who are making claims of being underpaid. What steps is Treasury taking to ensure that TMF workers, for whom it is much simpler to calculate their pre-injury average weekly earnings, are not still being underpaid?</p> <p>PHIL GARDNER: I will have to take on notice the status of the particular work. We do have a workstream, working with icare and agencies to ensure that we have an accurate calculation methodology to ensure that this does not take place. Unfortunately, I do not have a particular update on the program and work right now.</p>
		<p>RESPONSE:</p> <p>Treasury continues to engage with icare to understand the progress of the remediation program and icare's ongoing work to ensure the accuracy of PIAWE calculations.</p> <p>In the 2021 Deloitte review of the remediation program (available on icare's website) a recommendation was made to icare about ensuring no ongoing miscalculations. As a result, icare engaged KPMG to conduct a baseline audit of the current state of the accuracy of PIAWE calculations. The results of this audit were positive and showed no ongoing issues. icare will continue to monitor against this baseline.</p> <p>Part of the Deloitte engagement was a requirement to work with stakeholders to develop recommendations for changes in policy and practice, considering the statutory and regulatory requirements of PIAWE, to further ensure accurate calculations. The report was presented to the Cross Agency Steering Committee made up of NSW Treasury, SIRA and icare. icare and SIRA are considering how to implement its recommendations.</p> <p>Further refinement of PIAWE calculations will be considered by SIRA in their two-year implementation review of the 2019 changes to PIAWE. A PIAWE reference group has been established with icare and SIRA as part of the implementation review.</p>

79	109	<p>The Hon. DANIEL MOOKHEY: Secretary, on the broader issue of icare reform, we were promised the introduction of legislation to implement the McDougall Review. Where is that legislation?</p> <p>PAUL GRIMES: I would have to check and see where that is up to.</p> <p>The Hon. DANIEL MOOKHEY: Someone has to know, given that we were told at budget estimates last time that it was due to be introduced. The Treasury, at the time, issued a public statement saying it is due to introduce the legislation. That was in November. He actually issued the release in August.</p> <p>PAUL GRIMES: I will look to the officers to see whether there is any update that can be provided.</p> <p>PHIL GARDNER: I think it is under consideration by one of the committees, but I will take it on notice.</p>
		<p>RESPONSE: The timing of introduction of legislation is a matter for the Government. Treasury continues to work with the Department of Customer Service, the State Insurance Regulatory Authority and icare to develop a draft Bill, consistent with the Government's August 2021 announcement.</p>
80	109	<p>The Hon. DANIEL MOOKHEY: That is a different matter. That is to do with the presumptive legislation. I am referring specifically to the press release that the then Treasurer issued circa 26 August, in which he said that the legislation to implement the McDougall recommendations would be introduced. We are now into March. Is it the case that the Government has chosen not to introduce it, or is there an issue with the actual legislation?</p> <p>PAUL GRIMES: Not being familiar with the discussions over recent weeks, I will have take that on notice.</p> <p>PHIL GARDNER: We will have to take it on notice.</p>
		<p>RESPONSE: See response to QoN 79.</p>
81	110	<p>SAN MIDHA: I endeavoured to come back on the number—\$4.3 billion of the fund, of the provision. So next year, at 2023, it is \$1.750 billion.</p> <p>The Hon. DANIEL MOOKHEY: The contingency fund, the \$7 billion contingency allowance?</p> <p>SAN MIDHA: Contingency allowance, yes.</p> <p>The Hon. DANIEL MOOKHEY: How much is it next year?</p> <p>SAN MIDHA: Next year it is \$1.750 billion and the following three years it is \$850 million.</p> <p>The Hon. DANIEL MOOKHEY: Each year?</p> <p>SAN MIDHA: Each year.</p> <p>The Hon. DANIEL MOOKHEY: On a recurrent. Do you have an equivalent number on the capital?</p> <p>SAN MIDHA: No, I have not asked for that. I can get that on notice.</p>
		<p>RESPONSE: Please see response to Question 24.</p>
82	110	<p>The Hon. DANIEL MOOKHEY: Is that the restated 2020 figure or the 2021 COVID-19 pandemic and inflation, per section 34 of the Appropriation Act?</p> <p>SAN MIDHA: This was a special appropriation.</p>

		<p>The Hon. DANIEL MOOKHEY: There are multiple sources of COVID funding. I am asking which these figures relate to.</p> <p>SAN MIDHA: This is the \$806 million of special appropriation that was done for COVID. It was an Act.</p> <p>The Hon. DANIEL MOOKHEY: In 2021-22?</p> <p>SAN MIDHA: Yes. And there is a balance of \$256 million. The other question, and I need to come back to you on notice, but for the Victims Support Scheme, the key driver of increase was domestic and family violence and child sex assault.</p>
		<p>RESPONSE: See response to QoN 5.</p>
83	91	<p>The Hon. DANIEL Mookhey: ... Chief Economist, on notice, can you provide us with your outlook on the Russian economy?</p> <p>STEPHEN WALTERS: How many pages?</p>
		<p>RESPONSE: See response outlined in Attachment C.</p>

Terms of Reference

This document sets out the Terms of Reference for the Independent Assessment of Treasury's processes in relation to the preparation of the 2021 State Financial Statements ('**Assessment**'). The Assessment was announced by the Secretary of Treasury on 10 February 2022. The Assessment will be undertaken by Stephen Sedgwick AO ('**Independent Assessor**').

Scope of Review

The Assessment will review Treasury's processes for the preparation of the 2021 State Financial Statements as they relate to the specific matters raised by the Auditor General in Chapter 3 of her *Report on State Finances 2021* ("**Report**").

In light of the Auditor General's findings and recommendations, the Independent Assessor will:

- a. consider Treasury's processes to support the interaction between Treasury and the Auditor General's Office during the preparation of the 2021 State Financial Statements; identify key lessons learnt; and make recommendations for any improvements required to Treasury's systems, processes or approaches.
- b. consider whether there are any matters that require further review.

The Assessment is not to be a formal code of conduct review. However, if considered necessary, the Assessor may make recommendations for such review (or reviews) to be conducted consistent with the provisions of the *Government Sector Employment Act*.

Accounting and Auditing judgements determined by the Auditor General are not in scope of the Assessment.

Process

The Assessment will commence as soon as reasonably practicable. A Review Team in the Office of the Secretary will assist the Independent Assessor along with any other additional support and resources required by the Independent Assessor.

The Assessment will include interviews with relevant staff from Treasury and the Auditor General's Office. The Assessment would consider, and where appropriate, make findings relevant to, the way in which Treasury officers interacted with the Auditor General's Office during the 2021 financial audit process. The Assessment will be undertaken in a manner consistent with principles of procedural fairness and natural justice.

The Assessment will produce a report to the Treasury Secretary summarising the Assessment's findings and setting out recommendations.

The Assessment will report by the 6 May 2022, although the Independent Assessor may request an extension if required.

8 March 2022

ATTACHMENT B to QON 41

Question: The Hon. MARK LATHAM: You can take it on notice, thanks. Could I also get a full list of the Treasury staff training programs, their cost, purpose and any evaluation report about their effectiveness?

Response

Treasury’s training programs are aligned to the NSW Public Sector Capability Framework to build knowledge, skills and abilities required by public sector employees.

[The NSW Public Sector Capability Framework](#) describes 16 capabilities across five core groups: Personal Attributes, Relationships, Results, Business Enablers and People Management.

Below are training programs that were delivered over the calendar year 2021.

Capability Group	Programs in 2021	Cost (\$ ex GST)	Purpose	Evaluation
People Management: <ul style="list-style-type: none"> Manage and Develop People Engage and motivate staff, and develop capability and potential in others 	Lead the Way	67,500	<p>Leadership Capability is key to delivering Treasury’s outcomes successfully.</p> <p>This program is designed and delivered to help technical leaders transition to effective people leaders.</p>	Average evaluation scores ranged from 8.6 to 9.7 out of 10.
People Management: <ul style="list-style-type: none"> Inspire Direction and Purpose Communicate goals, priorities and vision, and recognise achievements Optimise Business Outcomes Manage people and resources effectively to achieve public value 	Leader as Coach	195,900	<p>Leadership Capability is key to delivering Treasury’s outcomes successfully (while ensuring we have a highly engaged workforce).</p> <p>This program is designed and delivered to help Directors assess and enhance their leadership styles to improve performance and engagement.</p>	Average evaluation scores ranged from 8.7 to 9.3 out of 10.
People Management: <ul style="list-style-type: none"> Manage and Develop People Engage and motivate staff, and develop capability and potential in others 	Foundational Leadership Program	26,320	<p>Providing practical tools and frameworks on the fundamentals of management.</p> <p>Transition Grade 11/12 from technical to people leaders</p>	Average evaluation scores ranged from 4.2 to 4.6 out of 5.

ATTACHMENT B

<p>People Management:</p> <ul style="list-style-type: none"> • Inspire Direction and Purpose Communicate goals, priorities and vision, and recognise achievements • Optimise Business Outcomes Manage people and resources effectively to achieve public value 	<p>Leadership Styles and impact on climate and engagement</p>	<p>25, 062</p>	<p>To build an understanding of the team’s collective and individual styles and the performance environment they create.</p>	<p>Average evaluation scores ranged from 3.4 to 4.4 out of 5.</p>
<p>Personal Attributes:</p> <ul style="list-style-type: none"> • Manage Self Show drive and motivation, an ability to self-reflect and a commitment to learning 	<p>Managing my Career</p>	<p>15,300</p>	<p>This program was designed and delivered to help employees learn how to grow their career goals, aligned to Treasury’s (and the Sector) outcomes.</p>	<p>Average evaluation scores ranged from 3.9 to 4.7 out of 5.</p>
<p>Relationships:</p> <ul style="list-style-type: none"> • Communicate effectively Communicate clearly, actively listen to others, and respond with understanding and respect 	<p>Quality Conversations</p>	<p>15,300</p>	<p>This program was designed and delivered to build capability of employees and leaders to deliver Treasury’s outcomes through developing clear communication and effective listening skills.</p>	<p>Average evaluation scores ranged from 4.4 to 4.7 out of 5.</p>
<p>Relationships:</p> <ul style="list-style-type: none"> • Communicate effectively Communicate clearly, actively listen to others, and respond with understanding and respect 	<p>Communication - Plain English Business Writing - Brief Writing - Public Speaking and Presentation</p>	<p>75,461</p>	<p>Courses to develop business writing and presentation capability</p>	<p>People Matters Engagement Survey (PMES) 2021 results on Communication and Change Management is 70% which is an increase of 7% from 2020</p>
<p>Personal Attributes:</p> <ul style="list-style-type: none"> • Display Resilience and Courage • Health and wellbeing 	<p>Strive Stronger</p>	<p>135,900</p>	<p>This program was launched to support the physical and psychological wellbeing of staff, whilst working remotely and delivering outcomes virtually during the pandemic.</p>	<p>People Matters Engagement Survey (PMES) 2021 results on Wellbeing is 75% which is an increase of 5% from 2020</p>

ATTACHMENT B

<p>Personal Attributes:</p> <ul style="list-style-type: none"> • Display Resilience and Courage 	<p>Mental Health First Aid (MHFA)</p>	<p>13,816</p>	<p>MHFA is to be a point of contact for employees if they are experiencing emotional distress or suffering in silence with mental health problems, such as stress, anxiety or depression. Mental Health First Aiders are trained to listen and guide employees to appropriate support services.</p>	<p>People Matters Engagement Survey (PMES) 2021 results on Wellbeing is 75% which is an increase of 5% from 2020</p>
<p>Personal Attributes:</p> <ul style="list-style-type: none"> • Act with Integrity Be ethical and professional, and uphold and promote the public sector values 	<p>Compliance Learning</p> <ul style="list-style-type: none"> - Fraud and Corruption - Risk Management - Workplace Health and Safety - IT Policies and Procedures - Buying on behalf of NSW Treasury - Emergency Management - Protecting Privacy - Introduction to Public Interest Disclosures - Government Information (Public Access) 	<p>Nil</p>	<p>Act with Integrity is one of the sectors core capabilities.</p> <p>The compliance learning modules are designed to prepare employees to take responsibility and confidently handle any relevant situation that could put Treasury, their employment, their safety or wellbeing at risk.</p>	<p>People Matters Engagement Survey (PMES) 2021 results on Risk and Innovation is 84% which is an increase of 4% from 2020</p>
<p>Personal Attributes</p> <ul style="list-style-type: none"> • Value Diversity and Inclusion, demonstrate inclusive behaviour and show respect for diverse backgrounds, experiences and perspectives 	<p>Diversity Learning</p> <ul style="list-style-type: none"> - Aboriginal and Torres Strait Islander - Age - Core Inclusion - Culture - Disability - Gender - LGBTIQ+ 	<p>28,000 (1 year licence)</p>	<p>To further employees' knowledge of diversity and the diverse communities they serve.</p>	<p>People Matters Engagement Survey (PMES) 2021 results on Inclusion and Diversity were 81% which is an increase of 3% on 2020.</p>
<p>Business Enablers:</p> <ul style="list-style-type: none"> • Technology 	<p>Information Technology</p>	<p>Nil</p>	<p>Support employees to use Treasury's technology and systems effectively.</p>	<p>People Matters Engagement Survey (PMES) 2021 results</p>

ATTACHMENT B

<p>Understand and use available technologies to maximise efficiencies and effectiveness</p>	<ul style="list-style-type: none">- Onboarding Technology overview- High Intensity Information Training (records management and cyber security)- Systems training for desk and meeting room booking procedures			<p>on: "I have the tools and technology to do my job well" is 83% which is a 4% increase from 2020</p>
---	--	--	--	--

ATTACHMENT C

Russia Economic Outlook QoN 82

Economic overview

As at 2020, Russia was the 11th largest economy in the world with nominal GDP of USD 1.478 trillion. While Russia is a predominantly services based economy, it is a significant producer and exporters of a range of key commodities notably oil & gas, coal, wheat and palladium.

In its January 2022 World Economic Outlook, the IMF forecast Russia's economy to grow by 2.8 per cent this year and 2.1 per cent in 2023. These projections were released prior to Russia's invasion of Ukraine.

Outlook

Russia's invasion of the Ukraine in late February has been met with punitive sanctions by a broad range of countries, including Australia. These sanctions are having a devastating impact on Russia's financial market and the economy.

Financial markets

The Ruble has depreciated by around 30 per cent against the U.S. dollar since mid-February. To ensure currency stability, Russia's Central Bank increased its key interest rate from 9.5 per cent to 20 per cent and imposed a 30 per cent commission on foreign currency purchases by individuals.

Russian share markets also fell drastically, with the benchmark MOEX Russia index falling 33 per cent on 24 February before rebounding by 20 per cent the following day. On Monday 28 February, the Russian central bank closed the Moscow stock exchange. As at the 18 March the stock market remained closed.

With sanctions freezing much of Russia's foreign exchange reserves, the country risks defaulting on bond interest repayments that are denominated in foreign currency (particularly US dollars). While Russia has insisted it can meet its payment obligations by using the Ruble, rating agency Fitch has indicated the bonds in question can only be paid in dollars. If Russia was to use Rubles, this would put more downward pressure on the currency and drain domestic reserves. The situation remains uncertain, but any major default would add to the intense pressure on the Russian economy.

Economic outlook

It is likely that sanctions will continue in the medium term regardless of the length of the conflict. Market consensus is that the Russian economy will contract sharply in 2022 as a result, while inflation is expected to be markedly higher.

Major broker forecasters have significantly downgraded their expectations for the Russian economy. Prior to the conflict, 2022 GDP was forecast to grow by around 2-3 per cent. Now, in light of developments in recent weeks, market economists expect the Russian economy will contract by between 3 to 7 per cent. This is a potentially much larger contraction than occurred in the Russian economy in 2020 due to COVID (2.7 per cent decline). Inflation is also expected to spike with forecasts as high as 17 per cent for 2022.