

Budget Estimates

QUESTIONS ON NOTICE
Treasurer

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| 1 | 4 | <p>The Hon. SCOTT FARLOW: On what date did you first become aware of the ATC proposal?</p> <p>The Hon. DANIEL MOOKHEY: I think, to my best recollection, it may have been about a week prior.</p> <p>The Hon. SCOTT FARLOW: And when did you first become aware of the press conference and your requirement to be at that press conference?</p> <p>The Hon. DANIEL MOOKHEY: I will have to take that on notice as to when precisely I became aware. My best recollection is I became aware of my attendance the day before but, to be fair, my office may have been aware prior to that as well. You will, of course, accept the fact that as Treasurer I have, of course, familiarity with my diary, but things do change.</p> <p>Response</p> <p>I am advised:</p> <p>On 8 November 2023, the ATC approached the NSW Government with a pre-submission concept for the redevelopment of Rosehill for housing, plus a number of related elements.</p> <p>I was first made aware of the press conference in the days leading up to the conference.</p> |
| 2 | 5 | <p>The Hon. DANIEL MOOKHEY: It might just be helpful for your context, Mr Farlow, to understand the USP policy. It does actually require there to be a first stage assessment about whether or not it should proceed to a second stage assessment, and the public service aspects that you are referring to aren't engaged until that point. I'd also make the point that the agency that oversees the USP process is, of course, not the NSW Treasury.</p> <p>The Hon. SCOTT FARLOW: But, of course, Treasurer, in terms of the process that has been taken to date, you've already indicated work on a metro station on the site. That would come with some money and with some scoping. There would be money that has already been spent by the New South Wales Government with respect to this proposal, that isn't even a proposal yet.</p> |

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| | | <p>The Hon. DANIEL MOOKHEY: I am happy to take on notice to see whether or not I could provide you any further information in that respect, but I will also say that at that particular press conference we did commit to scoping out the possibility of two additional stations to the metro. Certainly the Government hasn't hidden its intention to see whether or not we can put more metro stations into the western alignment. Equally, as you would recall from when perhaps you were sitting on that side of the room, we did pay a lot of scrutiny to the fact that it did seem as though there weren't enough stations for an investment of this scale. Of course, the previous Government made its decisions and we're testing what is possible under the current configuration, but I don't think it is any surprise that this Government is looking to see whether or not we can enhance our investment in the western metro, should that make sense.</p> <p>Response This question is more appropriately directed to the Minister for Transport.</p> |
| 3 | 7-8 | <p>Ms ABIGAIL BOYD: After the Vanderstock case — and we spoke about this at the last estimates — you said you were getting some legal advice in relation to that. Have you got the legal advice, and are you able to share it?</p> <p>The Hon. DANIEL MOOKHEY: We do have some additional information we can provide you in terms of the Vanderstock case. Let me just bring that up. The long and short of it is that the judgement, it's fair to say — it's very hard to decipher precisely the criteria the High Court is likely to use in any subsequent judgement when it comes to the test of whether or not a charge is indeed an excise and therefore can only be levelled by the Commonwealth. That's the first point. The second point is some of the advice suggests very strongly that the court is going to determine this again and it's going to turn heavily on the context of what particular charge or tax or excise is subject to challenge. And the third point, I can simply say, is the Government — I think I also committed to saying that we are getting in place a working group to coordinate advice to the Government relating to Vanderstock, and that is operating.</p> <p>Ms ABIGAIL BOYD: Are you able to share the advice in any form?</p> <p>The Hon. DANIEL MOOKHEY: Let me take that on notice to see what we can provide you.</p> <p>Response I am advised:</p> |

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| | | At this stage, we are unable to release legal advice related to Vanderstock as it could result in waiver of legal professional privilege and potentially compromise the State's position in any future dispute. |
| 4 | 12 | <p>The Hon. CHRIS RATH: Treasurer, what is the purpose of social impact investments? Have any opportunities for social impact investments been offered since you became Treasurer?</p> <p>The Hon. DANIEL MOOKHEY: I might turn to the secretary, who will take you through the social impact investments space. As I understand it, I believe the last time the New South Wales Government issued a social impact bond — is that what you're referring to?</p> <p>The Hon. CHRIS RATH: Yes.</p> <p>The Hon. DANIEL MOOKHEY: I believe it was 2015.</p> <p>MICHAEL COUTTS-TROTTER: There's been a range of social impact opportunities offered since then. I will go to the notes, but there is one that is either currently open or will soon be open to support Aboriginal girls to better success through school. Let me get the details of that. If I haven't got it now, I can come back to you this afternoon.</p> <p>Response Please refer to p23-24 of the transcript.</p> |
| 5 | 12 | <p>The Hon. CHRIS RATH: That's fine. If we could turn your attention to the social impact investment with regard to Silver Chain Community Palliative Care Service. Has that had a positive impact in Western Sydney?</p> <p>The Hon. DANIEL MOOKHEY: I'm not familiar with that particular one, so I'll have to take that on notice.</p> <p>The Hon. CHRIS RATH: Do you know when the contract expires?</p> <p>The Hon. DANIEL MOOKHEY: No. I'll have to take that one on notice, too.</p> <p>The Hon. CHRIS RATH: And when it will be renewed?</p> <p>The Hon. DANIEL MOOKHEY: I'll have to take that on notice.</p> <p>Response This question is more appropriately directed to the Minister for Health.</p> |

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| 6 | 17-18 | <p>Ms ABIGAIL BOYD: Okay. Let's move on to something else. On the same day that we had estimates last year, you released a media statement –</p> <p>The Hon. DANIEL MOOKHEY: I did.</p> <p>Ms ABIGAIL BOYD: – to say that you had delivered on a key promise for transparency by starting the process for releasing privatisation agreements. We could quibble over whether the promise was to start the process or to actually release them, but you then go on to say the public deserved to know, yadda yadda, we shouldn't have to wait until the next century. Where are the documents?</p> <p>The Hon. DANIEL MOOKHEY: They'll be tabled in the next parliamentary fortnight.</p> <p>Ms ABIGAIL BOYD: In the next parliamentary quarter?</p> <p>The Hon. DANIEL MOOKHEY: Fortnight.</p> <p>Ms ABIGAIL BOYD: Fortnight? Okay. Which documents are they?</p> <p>The Hon. DANIEL MOOKHEY: I'll come back to you with specific details as to what's being tabled, but in the intervening period of time we have sought the permission, as we're required to do, of our counterparties. To the best of my recollection all but one of them are in. I believe the final one is coming and that will then permit us to table them. Equally I should also make the point that when it comes to the tolling concessions, they are already public but other details about the tolling concessions which, Ms Boyd, I know you're interested in are likely to be provided. Further information will be provided through the toll review.</p> <p>Response</p> <p>The Government tabled the documents on 21 March 2024.</p> |
| 7 | 18 | <p>Ms ABIGAIL BOYD: My office, as a whole, loves the eTendering website. We were looking at it recently and it seems like there's a lot of expenses to consultants in relation to this toll review. I thought we had appointed two individuals to lead that review, but it looks like a whole bunch of stuff is being outsourced.</p> <p>The Hon. DANIEL MOOKHEY: I think. But, again, we'll take it on notice. We might need to bring it down from our office, but we will bring it.</p> |

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| | | <p>Response</p> <p>Details of the contracts can be found in the Government's e-tendering website.</p> <p>So far, the following consultants have been engaged:</p> <ul style="list-style-type: none"> • Independent Reviewer - Allan Fels ('Economic Alternatives Pty Ltd') • Independent Reviewer - David Cousins ('P.I. Research Pty Ltd') • Traffic Adviser ('Clarity Consult Pty Ltd') • Price Transparency Adviser (Publicis Sapient) |
| 8 | 20 | <p>Ms ABIGAIL BOYD: Okay. But by saying that we're now not going to release all of the information and contractual arrangements with Transurban that were part of the privatisation of the roads until we have the review, is that so that the public is only given that information once the Government's worked out what to do?</p> <p>The Hon. DANIEL MOOKHEY: No. Ms Boyd, I think you'd recall from our mutual efforts, when I was in opposition, to see what public light we could shed on this is that the toll concessions themselves are already public. In fact, I read them. I downloaded the M4 widening toll concession. I downloaded the M4 tunnel concessions.</p> <p>Ms ABIGAIL BOYD: What about all the other contractual arrangements?</p> <p>The Hon. DANIEL MOOKHEY: A lot of them are tabled. For example —</p> <p>Ms ABIGAIL BOYD: But not all.</p> <p>The Hon. DANIEL MOOKHEY: I think what you're alluding to is some of the modelling that sits behind them. To be frank, they are actually public. But I think that what perhaps you are referring to is what you and I used to describe as the base case financial models that sit behind them.</p> <p>Ms ABIGAIL BOYD: There's that, but there are other annexures and other things that we were looking at in that toll inquiry.</p> <p>The Hon. DANIEL MOOKHEY: Let me just come back to you, then, on what will be released as part of that review. But I guess what I'm saying is the principal vehicle for further information release on the tolls, which is something the Government wants to do, is through the review process, as distinct from the approximately \$50 billion-ish worth of assets that were privatised through other arrangements, which I'm looking forward to tabling in Parliament shortly.</p> |

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| | | <p>Response</p> <p>The Independent Toll Review has just released its Interim Report which has made a recommendation relating to the disclosure of information regarding the setting of tolls. Information on the toll review is publicly available at www.treasury.nsw.gov.au/toll-review.</p> <p>Questions on the release of contractual agreements are more appropriately directed to the Minister for Roads.</p> |
| 9 | 22 | <p>The Hon. SCOTT FARLOW: Thank you very much, Treasurer, for providing us with a copy of the MOU. We're all privileged to have seen it before the planning Minister, the transport Minister and the racing Minister. Treasurer, given that the end date on the MOU is the earlier of 31 March 2024 or submission of an unsolicited proposal by the proponent regarding the proposal in accordance with the USP guide, if the ATC does not come forward with an unsolicited proposal by 31 March, will this proposal be officially dead?</p> <p>The Hon. DANIEL MOOKHEY: No, for the rather obvious reasons that they are able to present a proposal at any time. Separately, should the ATC or others decide to extend the life of the MOU, that would permit the MOU protections to continue onwards.</p> <p>The Hon. SCOTT FARLOW: Have there been any discussions at this stage under 5.2 for an extension of the MOU?</p> <p>The Hon. DANIEL MOOKHEY: 5.2 of what?</p> <p>The Hon. SCOTT FARLOW: Of the MOU. The Hon. DANIEL MOOKHEY: Of the MOU or the policy?</p> <p>The Hon. SCOTT FARLOW: No, 5.2 of the memorandum of understanding with respect to extending the MOU.</p> <p>The Hon. DANIEL MOOKHEY: Let me just read 5.2. I will have to take that on notice. Not to my knowledge, but, to be fair, I'm not necessarily sure that I'm the Minister who'd be told. Let me take that on notice for you.</p> <p>Response</p> <p>I am advised that this question is more appropriately directed to the Minister for Industry and Trade.</p> |
| 10 | 23 | <p>Ms ABIGAIL BOYD: The climate change risk adaptation plan, which I have been banging on about for some time now – since it was first decided to be put in place, I think, back in 2016-17. I understand that the Minister for climate is now having some involvement in this, but the Auditor-General –</p> |

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| | | <p>The Hon. DANIEL MOOKHEY: Are you talking about the climate disclosure regime? Ms ABIGAIL BOYD: The climate change risk adaptation plan. The Auditor-General said that the Treasurer should be coordinating it across agencies. We are now eight years since.</p> <p>The Hon. DANIEL MOOKHEY: When did the Auditor-General say that?</p> <p>Ms ABIGAIL BOYD: I'll have to find the reference. I talked about this in the last estimates as well.</p> <p>The Hon. DANIEL MOOKHEY: I know you did, but can you refresh my mind as to when that happened?</p> <p>Ms ABIGAIL BOYD: But this is basically the process of doing an audit of all of the government's assets, working out the risk from climate change and then having a plan to adapt. Every other State and Territory has one and we don't.</p> <p>The Hon. DANIEL MOOKHEY: In the Venn diagram of what I think we're talking about, it covers what I thought you were referring to, which is climate disclosure. But you're making the point it goes beyond it. To my knowledge, Treasury is playing a pretty big role in coordinating that, but the secretary might want to shed some more light.</p> <p>MICHAEL COUTTS-TROTTER: The response from the Treasury and the then Department of Planning to the Public Accounts Committee provided an update on this one, Ms Boyd. The Office of Energy and Climate Change, now part of the new department of DQ – I can't remember the acronym – will complete the adaptation action plan once the Reconstruction Authority has released its State Disaster Mitigation Plan, which I think has happened. I can get an update from my colleagues in DQ, but that was the sequencing.</p> <p>Ms ABIGAIL BOYD: That would be very useful.</p> |
| | | <p>Response</p> <p>The NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) has advised the publication of the NSW Climate Change Adaptation Action Plan was delayed to 2024 because of the release of the NSW Reconstruction Authority's State Disaster Mitigation Plan in February 2024. The delay was to ensure that both plans provide a comprehensive, strategic and co-ordinated plan of actions for climate change adaptation in NSW.</p> |

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| 11 | 25 | <p>The Hon. WES FANG: I appreciate that, Treasurer. However, are you aware that yesterday Minister Aitchison also indicated that there was an increase in funding that was offered to landholders affected by the Singleton bypass and the potential compulsory land acquisition there? Was this done outside the Land Acquisition (Just Terms Compensation) Act? If so, why aren't the landholders that are affected by EnergyCo's projects offered similar consideration?</p> <p>The Hon. DANIEL MOOKHEY: Sorry, which part of the Singleton bypass was there an increase –</p> <p>The Hon. WES FANG: I don't know. Minister Aitchison indicated yesterday that in deliberations with affected landholders, there were increases in the amounts that were offered.</p> <p>The Hon. DANIEL MOOKHEY: Mr Fang, so that I can properly answer your question, are you able to identify the number of landholders who had an increase?</p> <p>The Hon. WES FANG: I can't. I can only go off the answers that were given by Minister Aitchison yesterday in estimates.</p> <p>The Hon. DANIEL MOOKHEY: Then perhaps what I should do is take your question on notice and see what further information I can find out for you.</p> <p>Response</p> <p>This question is more appropriately directed to the Minister for Regional Transport and Roads.</p> |
| 12 | 28 | <p>The Hon. SCOTT FARLOW: I think I've heard you cite some of these figures. The interest rates have increased by 425 basis points over the last three or four years. We've seen a one-third increase when it comes to construction costs, and we've seen 1,400 construction businesses go into insolvency in the second half of 2023. Do you know how many of those businesses were in New South Wales?</p> <p>The Hon. DANIEL MOOKHEY: I think we might, but let me come back to you on that. We do track some aspects of that information, but I'm sure we might be able to find an answer for you, either before I leave or maybe by the afternoon. Otherwise, we'll take it on notice.</p> <p>Response</p> <p>Data on corporate insolvencies is published by ASIC.</p> |

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| 13 | 30 | <p>The CHAIR: At an earlier hearing of this Committee this year, the Premier said that the cost to government and community of the appalling – in my words – self-evident and ongoing gangland war on Sydney's streets can be calculated in the billions of dollars.</p> <p>...</p> <p>The CHAIR: You watched. Thank you. Do you agree with the Premier that the cost of that gangland war can be calculated in billions of dollars?</p> <p>The Hon. DANIEL MOOKHEY: I certainly think the law enforcement costs and other costs that are incurred by society as a result of organised crimes are in that magnitude, yes.</p> <p>The CHAIR: How are these costs being calculated? Is Treasury doing any work to quantify or model the cost? You just said that the Police Minister is relentlessly advocating for more resources. And, of course, those resources are going into combating this crime. Who is doing the modelling to assess the cost to the public purse, the community and the private sector?</p> <p>The Hon. DANIEL MOOKHEY: Mr Buckingham, I will have to check who is. Is Treasury? To the best of my knowledge, Treasury hasn't got a dedicated project towards calculating this. But I can't help feel that, in response to your advocacy, we may well be considering it soon, as to whether we can or should or who is best placed to provide such an estimate. Dare I say it's also – I'm sure that there is academic research around this, that we can inquire into as well.</p> <p>The CHAIR: Good. That's good news.</p> <p>The Hon. DANIEL MOOKHEY: I'll just stress: Let me come back to you on that, though.</p> <p>Response</p> <p>This question is more appropriately directed to the Minister for Police.</p> |
| 14 | 36 | <p>The Hon. CHRIS RATH: Treasurer, I'm genuinely curious here. In Budget Paper No. 01 it seems to me that there is almost a \$300 million funding cut?</p> <p>The Hon. DANIEL MOOKHEY: What page are you referring to?</p> <p>The Hon. CHRIS RATH: Table A1.7 in Budget Paper No. 01.</p> |

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| | | <p>The Hon. SCOTT FARLOW: It's "General government expenses by function". The Hon. CHRIS RATH: Page A1-12.</p> <p>The Hon. DANIEL MOOKHEY: I think what you're picking up here is some of the consequences of the MOG changes. But we're happy to come back to you, and I think this afternoon perhaps the people who are experts in reconciling it —</p> <p>Response</p> <p>The difference is due to a number of factors. In the 2023-24 Budget, the NSW Government allocated 22.6 billion in recurrent expenses in 2023-24 to the Department of Education. In the 2022-23 Budget, the former government allocated 22.3 billion in 2022-23 to the Department of Education.</p> |
| 15 | 38 | <p>The Hon. CHRIS RATH: In the half-yearly review — just going back to the point before of grants and subsidies — \$0.963 billion reduction in grants and subsidies.</p> <p>The Hon. DANIEL MOOKHEY: Mr Secretary.</p> <p>MICHAEL COUTTS-TROTTER: I'm happy to take it on notice for further information, but the biggest single factor there, Mr Rath, that explains the reduction between budget and half-yearly is the reallocation of around \$500 million from employer-related expenses within Education to grants and subsidies.</p> <p>Response</p> <p>The figure that the member is referring to is the latest <i>projected</i> expense for the current financial year. A projection below budget can simply indicate that the Chief Financial Officer in an agency is observing timing differences in the rate of grant spending compared to expectations when the budget was handed down in September, rather than a cut to spending. In some instances the pace of spending might revert back to the expectations at Budget. The next projection for this financial year will be published as part of the 2024-25 Budget.</p> <p>NSW Treasury publishes <i>Monthly statements</i> on its website that set out the whole-of-government spend. This tracks the actual spend of the year to date.</p> <p>The next update to the 2023-24 projection will be published in the 2024-25 Budget.</p> |
| 16 | 38-39 | <p>The Hon. CHRIS RATH: Putting aside the \$500 million employee reclassification and putting aside TAHE, is there anything else that you're cutting in that —</p> |

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| | | <p>The Hon. DANIEL MOOKHEY: Putting aside the two biggest components of reform –</p> <p>The Hon. CHRIS RATH: Yes, but what else are you cutting? I'm curious as to what else in the savings that you've identified of \$0.963 billion – putting aside those two items, what grants and subsidies are you cutting?</p> <p>The Hon. DANIEL MOOKHEY: They account for a large part of it, but, in general, this is grants that go to the PNFC sector, so it also reflects the profile of their capital program. The way it works is, we give money to PNFCs that then use it to build capital. It shows up on their balance sheet as capital and it leaves ours as an operating expense. It shows up through that line item. To some degree, I'm more than happy to see what additional information we can provide you in that respect, but this is relatively conventional accounting. Dare I say, there's been no change in how we account for policies upon a change of government, and this is all scrutinised by the Auditor-General. I make no apologies for cutting TAHE-related expenses that aren't leading to greater public transport. I'd prefer to spend that money on actual public transport rather than on a magic money-go-round that cash traps it in the Transport Asset Holding Entity.</p> <p>Response Refer to response to question 15.</p> |
| 17 | 39 | <p>The CHAIR: When will the Government get on and build the Tooleybuc and Swan Hill bridges?</p> <p>The Hon. DANIEL MOOKHEY: I will come back to you on that. I will take that on notice.</p> <p>Response This question is more appropriately directed to the Minister for Regional Transport and Roads.</p> |
| 18 | 40 | <p>Ms ABIGAIL BOYD: Oh, nothing! Yes, I might get a clearer answer from you. How much money is the State Government still giving to the New South Wales defence industry?</p> <p>The Hon. DANIEL MOOKHEY: I don't know. Let me find out for you. We'll take that on notice.</p> <p>Response This question is more appropriately directed to the Minister for Industry and Trade.</p> |

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| 19 | | <p>Ms ABIGAIL BOYD: In terms of the people – for example, I remember going out to a neighbourhood centre that was feeding well over 100 school children every morning who otherwise wouldn't get breakfast. I remember visiting them and them telling me that they had put in an application for money from WestInvest and had not received it. Instead, they knew it had gone to a far less worthy cause. For those people who put in applications in good faith during the process, will they be given the opportunity to be looked at again? Is there some way of –</p> <p>The Hon. DANIEL MOOKHEY: There are two things I can say to that. The first is the program is closed and it closed years ago. It closed two years ago, in terms of that funding round. We made it clear that we weren't in a position to repeat it, and that position remains. The second point I'd make, particularly when it comes to breakfasts at schools, is that in the last budget we did provide Foodbank with an additional, I believe, \$5-ish million – maybe \$1 million. We'll come back to the exact figure. We increased their funding so their network could double in terms of the number of schools they can provide with breakfast programs, which is an excellent piece of work.</p> <p>Response</p> <p>The 2023-24 NSW Budget included \$8 million to double the School Breakfast 4 Health program to 1,000 schools. This is outlined on page 19 of <i>NSW Budget 2023-24 – Overview: Our plan for NSW</i>.</p> |
| 20 | 45-46 | <p>The Hon. CHRIS RATH: Great. I might just turn to one of those funds: the Generations Fund. Noting that in the 2023-24 budget projections there are projections for surpluses in 2025-26 and 2026-27 – they're premised on contributions to the NSW Generations Fund resuming in 2024-25 – what are the estimated contributions to the NGF for each financial year in 2024-25 to 2026-27?</p> <p>MICHAEL COUTTS-TROTTER: I would have to take that on notice, unless you've got it.</p> <p>MARINA van der WALT: We've got the details on that. It's just above \$5 billion per annum. We could get you the exact numbers.</p> <p>The Hon. CHRIS RATH: That would be great – but roughly about \$5 billion a year?</p> <p>MICHAEL COUTTS-TROTTER: Yes. In total, it's a bit over \$16 billion, but the Government's made clear, of course, that that policy will be under review in the process of producing the 2024-25 budget.</p> <p>Response</p> <p>I refer you to the comments made by Treasury officials.</p> |

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| 21 | 46-47 | <p>The Hon. CHRIS RATH: I might move to temporary nurses. The 2023-24 budget includes a provision of \$572.3 million for converting 1,112 full-time equivalent nurses and midwives – positions that were funded temporarily to June 2024 – to permanent positions.</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p> <p>The Hon. CHRIS RATH: What is the estimated average annual salary for these 1,112 full-time equivalent positions?</p> <p>MICHAEL COUTTS-TROTTER: I'd have to take that on notice. Obviously, for the purpose of framing budgets and making estimates of future expenditure, we have a set of assumptions about the average cost of different essential service roles. I don't have that to hand, but we can get it to you on notice.</p> <p>The Hon. CHRIS RATH: That would be great, and maybe also any additional employee-related costs per full-time position.</p> <p>MICHAEL COUTTS-TROTTER: No, it's calculated on an assumed average salary plus the roll-up of superannuation, leave and other costs.</p> <p>The Hon. CHRIS RATH: Because when I did the back-of-the-envelope calculation, it seems that \$572.3 million divided by the 1,112 full-time equivalent positions seems incredibly high. So that's why I asked about the additional employee costs. I understand superannuation, WorkCover or whatever additional administrative costs are behind it, or things like that, because it seemed like a very high or generous figure for the number of positions available.</p> <p>MICHAEL COUTTS-TROTTER: I am happy to take that on notice and provide a response.</p> <p>The Hon. CHRIS RATH: Linked to that, for how many years does that \$572.3 million cover the employment of those additional positions?</p> <p>MICHAEL COUTTS-TROTTER: I'll confirm this on notice, but I would anticipate it would be the two years in the budget forward estimates period for which they weren't previously funded.</p> |
| | | <p>Response</p> <p>The cost of making the 1,112 nurses and midwives permanent is \$572 million over three years to 2026-27. This cost includes salaries, superannuation, rotating roster penalties (i.e. weekend and night shift penalties), administration and other on costs for NSW Health.</p> |

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| 22 | 47 | <p>The Hon. CHRIS RATH: According to the Public Service Commission, the Treasury portfolio had 194 senior executives as at 30 June 2023. How many are there as of today?</p> <p>MICHAEL COUTTS-TROTTER: The portfolio describes not just the Treasury but a range of other agencies. I anticipated this question in respect of the Treasury. For the Treasury, as at 30 June 2023, we had 121 full-time equivalent senior executive roles, and we expressed it as full-time equivalents because there are a few roles where senior colleagues job-share the position. So it's 121 roles. At the end of January 2024, we had 114 roles — a reduction of seven. Our previous savings target was a reduction of 10 roles. So, at least to January, with a reduction of seven, we're well on our way.</p> <p>The Hon. CHRIS RATH: And that's basically through natural attrition — resignations not being filled?</p> <p>MICHAEL COUTTS-TROTTER: I'd have to double-check the detail of all of them. Our preference, for obvious reasons, is by natural attrition or, if we are reducing a role in the Treasury and someone's got real capabilities that can be used in another agency that needs to fill a role, by mobility. But I'm happy to come back to you on notice.</p> <p>Response</p> <p>Since 1 July 2023, all but one of Treasury's Senior Executive reductions were the result of natural attrition.</p> |
| 23 | 47 | <p>The Hon. CHRIS RATH: Have any new senior executives been appointed in the Treasury portfolio?</p> <p>MICHAEL COUTTS-TROTTER: Yes, so that's a net change.</p> <p>The Hon. CHRIS RATH: At the other end?</p> <p>MICHAEL COUTTS-TROTTER: That's a net change, yes.</p> <p>The Hon. CHRIS RATH: So 121 down to 114 — it's seven, net?</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p> <p>The Hon. CHRIS RATH: What were the new positions that were appointed? Was it, essentially, there wasn't the capability or there wasn't an ability to —</p> <p>MICHAEL COUTTS-TROTTER: Well, in some cases, the new roles that were appointed — sorry, you said the new roles that were appointed?</p> <p>The Hon. CHRIS RATH: Yes.</p> |

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| | | <p>MICHAEL COUTTS-TROTTER: It's a mix of reasons why people left roles, and in some cases it's reorganisation inside the agency to reflect the priorities of the Government. So, for example, we've established roles around the tolling review and around government-supported insurance schemes. But again, I'm happy to take that on notice and give you details.</p> |
| | | <p>Response</p> <p>Between 1 July 2023 and 31 January 2024, four ongoing senior executive roles were created and filled internally. These reflect a changed or expanded role scope and collectively covered the remit of five executive roles, resulting in a reduction of one role.</p> <p>Four fixed term roles were created and filled to deliver on government priorities. These are in relation to the Toll review, Procurement reform, State Insurance Schemes and Technology projects.</p> |
| 24 | 48 | <p>The Hon. SCOTT FARLOW: With the indulgence of Ms Boyd, can I ask just one last question on that? From what I noted in terms of the advice as well, one of the items was removing the delegation for delivery agencies to establish their own assurance board. You could take on notice, perhaps, which delivery agencies previously had their own assurance board.</p> <p>TOM GELLIBRAND: I will take that on notice. I know, initially, Sydney Metro has its own board which undertook assurances of projects. I can't remember the exact date, but there was a time when that switched over to Infrastructure NSW, but I'll take it on notice, if there were any other agencies.</p> <p>Response</p> <p>Sydney Metro was the only organisation receiving formal exemption from the Infrastructure Investor Assurance Framework (IIAF) until mid-2018, when assurance of the Sydney Metro projects was handed over to Infrastructure NSW Assurance.</p> <p>All agencies since mid-2018 have been subject to the IIAF and hence the reference to agency assurance boards was deleted in the December 2023 update.</p> |
| 25 | 52 | <p>The Hon. SCOTT FARLOW: What is the most recent valuation of TAHE's assets, measured using an income approach in accordance with TPP21-09 Valuation of Physical Non-Current Assets, at fair value and AASB 13 Fair Value Measurement?</p> |

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| | | <p>MICHAEL COUTTS-TROTTER: I'm hoping that my colleague Sonya Campbell or Marina van der Walt has the updated figure for the financial year 2022-23.</p> <p>MARINA van der WALT: Yes. I'm just going to double-check the number, because I have a number to mind, which I think is around \$19 billion, but I'll confirm that. That is using the discounted cashflow analysis approach. I think the Treasurer mentioned in the session this morning that, from next year, we'll need to use the asset revaluation approach. So the assets will be revalued and will increase to — I think the current estimate is around \$30 billion.</p> <p>The Hon. SCOTT FARLOW: What's the allowance for depreciation for 2023-24, based on that valuation?</p> <p>MICHAEL COUTTS-TROTTER: The assets have not been revalued on that basis yet. They will be revalued for the 2024-25 financial year on that basis.</p> <p>The Hon. SCOTT FARLOW: And what's the estimated valuation of TAHE's assets measured using current replacement cost?</p> <p>MICHAEL COUTTS-TROTTER: So that is —</p> <p>MARINA van der WALT: That's the \$30 billion.</p> <p>The Hon. SCOTT FARLOW: That's the 30?</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p> <p>The Hon. SCOTT FARLOW: Okay. And what would be the allowance for depreciation based on a valuation of TAHE's assets using current replacement cost?</p> <p>MARINA van der WALT: Again, we'll need to calculate that.</p> <p>The Hon. SCOTT FARLOW: Sure. Will you take that on notice?</p> <p>MARINA van der WALT: Yes. That hasn't been done yet. It's not in yet.</p> <p>MICHAEL COUTTS-TROTTER: We won't know that —</p> <p>The Hon. SCOTT FARLOW: Until the next financial year?</p> <p>MICHAEL COUTTS-TROTTER: — until the valuation work is actually done. We can't estimate it ahead of time. It's actually a significant task of revaluation.</p> |
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| | | <p>The most recent valuation of TAHE's assets is set out in TAHE's 2022-23 annual report.</p> <p>It is anticipated that revaluation of TAHE's assets at current replacement cost will be adopted by 30 June 2024, as TAHE's transition from a statutory State Owned Corporation to a non-commercial public non-financial corporation is finalised.</p> |
| 26 | 53 | <p>The Hon. CHRIS RATH: Are there any portfolio areas where the expenditure's actually gone up rather than savings?</p> <p>MICHAEL COUTTS-TROTTER: I'd need to take that on notice. But I would say, September budget, one report in, there's nothing alarming in the reports to date. As you've seen from your question to me earlier, people are making progress but no-one would've hit their four-year target yet.</p> <p>Response</p> <p>Agency budgets and forward estimates were reduced to reflect the Election Savings Commitments through the 2023-24 Budget.</p> <p>The savings achieved will be monitored over 4 years. It is too early to assess whether all savings will be realised across all portfolios.</p> |
| 27 | 53 | <p>The Hon. CHRIS RATH: Fair enough. Question 48, Mr Tudehope asked you for the "Bruce Petty-style" mind map of the Transport Asset Holding Entity's new funding model. You indicated you were "happy to provide it on notice".</p> <p>MICHAEL COUTTS-TROTTER: No, I was.</p> <p>The Hon. CHRIS RATH: We're all very confused about the inner workings of TAHE.</p> <p>MICHAEL COUTTS-TROTTER: I obviously can't offer a briefing without the authorisation of my Minister, but we would be more than — it is complex. And I know that Mr Tudehope and others were inquiring, genuinely seeking to understand what's involved in the change of model. And with the Minister's concurrence we would be more than happy to provide a briefing on it.</p> <p>The Hon. CHRIS RATH: Why wasn't it supplied to the previous question on this?</p> <p>MICHAEL COUTTS-TROTTER: It's the Minister's response to the Parliament, of course.</p> <p>The Hon. CHRIS RATH: Any more specific information you could provide on that would be helpful in terms of a mind map to help uncover some of the more complex inner workings of TAHE.</p> |

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| | | <p>Response Please see attachment A.</p> |
| 28 | 53-54 | <p>The Hon. CHRIS RATH: Fair enough. I'll conclude on question on notice No. 58. Mr Tudehope asked you to provide a breakdown of the composition of other operating expenses listed for the budget in 2026-27, a figure of \$26.065 billion. In response, a reply was given that the operating expenses would be \$26.1 billion in 2026-27, which is, essentially, the exact figure that Mr Tudehope asked to be broken down. There wasn't any additional detail on that. Is a breakdown available from the Treasury?</p> <p>MICHAEL COUTTS-TROTTER: As I say, you've received a response from the Minister, on notice.</p> <p>The Hon. CHRIS RATH: If you could take on notice maybe again, in case there's any additional information that could be provided for this round of budget estimates, should the Treasurer be willing to provide more information about \$26 billion in operating expenses, that could be helpful.</p> <p>MICHAEL COUTTS-TROTTER: Thank you, Mr Rath. We will take that one on notice.</p> <p>Response</p> <p>The General Government Operating statement is prepared in a format that is consistent with the uniform presentation framework. That is, the presentation of account categories is consistent with jurisdictions across Australia. The practice helps readers easily compare operating statements across governments.</p> <p>Other operating expenses mainly represent the day-to-day running costs incurred in the delivery of government services and programs.</p> <p>From a technical perspective, "Other operating expenses" can be considered the residual category for the expenses budgeted by Government that do not fall within the other categories on the operating statement.</p> <p>Given the breadth of services delivered across the state, the sub-accounts are extensive and varied. They include but are not limited to lease expenses, maintenance, external contractor expenses (e.g. payments to bus service providers), rebates (e.g. low income household and pensioner energy and water rebates), insurance expenses, many health expenses (such as visiting medical officers, pathology expenses and pharmaceuticals), capital program delivery expenses and agency supplies.</p> |

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| 29 | 54 | <p>The Hon. SCOTT FARLOW: I might continue with some questions with respect to the housing and productivity contribution. From the introduction of the housing and productivity contribution, on 1 October, how much has been collected in total to date?</p> <p>MICHAEL COUTTS-TROTTER: I would need to take that on notice.</p> <p>Response</p> <p>The annual reporting requirements for the HAP Fund are outlined in section 7.31F of the Act. These requirements include that the Treasurer must prepare a report detailing payments made into, and from, the HAP Fund. The report must be provided to each House of Parliament within four months of the end of the financial year.</p> |
| 30 | 54 | <p>The Hon. SCOTT FARLOW: That is fine. And on the introduction and passage of the housing and productivity contribution bill, Minister Scully outlined that the housing and productivity contribution – and I quote – "would secure \$1 billion over the forward estimates and up to \$700 million per year beyond that". However, in the budget, it was then revised by half a billion dollars to \$1.5 billion to state that \$1.5 billion would be made available via the HPC. Why did this revision occur?</p> <p>MICHAEL COUTTS-TROTTER: Unless my colleague Liz Livingstone can remember the detail, I'd take it on notice. Liz?</p> <p>ELIZABETH LIVINGSTONE: I'd take it on notice, other than – the scheme started several months later than was originally anticipated. That might explain the difference. But we can check the detail and take it on notice.</p> <p>MICHAEL COUTTS-TROTTER: I think that's it, but we'll confirm that on notice.</p> <p>Response</p> <p>There have been no revisions to the budgeted expenditure from the Housing and Productivity Fund. Any public comments about forecast revenue over the forward estimates period before the end of 2022-23 related to the four years from 2022-23 to 2025-26.</p> |
| 31 | 54 | <p>The Hon. SCOTT FARLOW: That's a little bit hard to – with all due respect and as part of the discussion or dialogue it's an increase of half a billion dollars. I don't think that that would be the reason for it. We've asked questions of the Minister for planning about this as well, and he says that, within the \$1.5 billion, whatever the housing and</p> |

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| | | <p>productivity contribution does not raise, it'll be covered by consolidated revenue. How much do you forecast the consolidated revenue will make of that \$1.5 billion?</p> <p>MICHAEL COUTTS-TROTTER: Again I'd have to take that on notice, Mr Farlow.</p> <p>The Hon. SCOTT FARLOW: That's fine. What is the forecasting and funding breakdown of the HPC projected to be in each year over the forward estimates?</p> <p>MICHAEL COUTTS-TROTTER: Again I would have to take that on notice, I'm afraid.</p> <p>Response</p> <p>There have been no revisions to the budgeted expenditure from the Housing and Productivity Fund. Any public comments about forecast revenue over the forward estimates period before the end of 2022-23 related to the four years from 2022-23 to 2025-26.</p> |
| 32 | 54 | <p>The Hon. SCOTT FARLOW: Sure. The housing and productivity contribution under the legislation is held by Treasury in a special deposits account?</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p> <p>The Hon. SCOTT FARLOW: How's that reflected and accounted for in the budget? Is it, effectively?</p> <p>MICHAEL COUTTS-TROTTER: If it is a special deposit account, it would be transparent. ELIZABETH LIVINGSTONE: That's right.</p> <p>The Hon. SCOTT FARLOW: Is it reflected in the budget?</p> <p>ELIZABETH LIVINGSTONE: Again, we could look up the presentation of the budget papers and point it out to you.</p> <p>The Hon. SCOTT FARLOW: If you can do it now, that's great, but if on notice you could point me to where I could find that, that would be helpful. I do note that there are certain notes that appear with respect to other special deposit accounts like the Digital Restart Fund, Transport for NSW fund and the like.</p> <p>Response</p> <p>The 2023-24 Budget includes \$1.5 billion recurrent and capital expenditure over four years to 2026-27 for infrastructure to boost housing supply. This is based on forecast housing and productivity contribution revenue over the budget and forward estimates period. Please refer to the response to question 34 for additional detail.</p> |

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| 33 | 54-55 | <p>The Hon. SCOTT FARLOW: I can't find anything with respect to housing and productivity fund – the HAP fund. With respect to the Housing and Productivity Contribution, is it an intention of Treasury to make publicly available the receipts into the special deposits account and distributions from that account?</p> <p>MICHAEL COUTTS-TROTTER: I think the short answer is yes. I will confirm that on notice for you, though.</p> <p>Response</p> <p>The annual reporting requirements for the HAP Fund are outlined in section 7.31F of the Act. These requirements include that the Treasurer must prepare a report detailing payments made into, and from, the HAP Fund. The report must be provided to each House of Parliament within four months of the end of the financial year.</p> |
| 34 | 55 | <p>The Hon. SCOTT FARLOW: Will that be published as part of the 2024-25 budget?</p> <p>MICHAEL COUTTS-TROTTER: Again, I think yes, but I will confirm that on notice.</p> <p>Response</p> <p>The 2023-24 Budget incorporates forecast revenue and expenditure for the Housing and Productivity Contribution, which commenced on 1 October 2023. This includes \$1.5 billion recurrent and capital expenditure over four years to 2026-27 for infrastructure to boost housing supply.</p> <p>Under section 7.31C of the <i>Environmental Planning and Assessment Act 1979</i>, Housing and Productivity Contributions must be paid into the Housing and Productivity Fund (HAP Fund) in the Special Deposits Account. These payments do not require an appropriation, which is why the 2023-24 Budget Paper No. 2 Agency Financial Statements does not include a note detailing appropriation revenue into the HAP Fund.</p> <p>The annual reporting requirements for the HAP Fund are outlined in section 7.31F of the Act. These requirements include that the Treasurer must prepare a report detailing payments made into, and from, the HAP Fund. The report must be provided to each House of Parliament within four months of the end of the financial year.</p> |
| 35 | 55 | <p>The Hon. SCOTT FARLOW: The 10-year \$1 billion fund for local government, as part of the Housing and Productivity Contribution, is going to be administered by Treasury. What's the framework for this to take place?</p> |

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| | | <p>MICHAEL COUTTS-TROTTER: I'm sorry, we may have to take that on notice. My colleague Joann Wilkie, who is most closely involved in creating that with her team and Liz's team, would have been able to answer that for you, but I'm afraid I can't – unless Liz can.</p> <p>Response Section 7.31D of the <i>Environmental Planning and Assessment Act 1979</i> establishes the framework for payments out of the Housing and Productivity Fund. Funding will be allocated and paid to councils in accordance with these legislative requirements.</p> |
| 36 | 55 | <p>The Hon. SCOTT FARLOW: That's fine. Does that relate just to that \$1 billion local government fund or all of the Housing and Productivity Contribution?</p> <p>MICHAEL COUTTS-TROTTER: It would be the whole, I think. Again, I will confirm on notice.</p> <p>Response Under section 7.31C of the <i>Environmental Planning and Assessment Act 1979</i>, the Housing and Productivity Fund is administered by the Treasury Secretary.</p> |
| 37 | 56 | <p>The Hon. SCOTT FARLOW: I'll turn to one question in my area first and then come across. We were told by Minister Jackson at her estimates on Wednesday that the STRA review is being conducted by the Department of Planning, Housing and Infrastructure in conjunction with Treasury. I am just wanting to know what Treasury's role is as part of this review.</p> <p>MICHAEL COUTTS-TROTTER: I'm sorry, which review is that?</p> <p>The Hon. SCOTT FARLOW: This is the short-term rental accommodation review. Sorry for using the terminology of STRA. I am just wanting to know what Treasury's role is with respect to this review.</p> <p>MICHAEL COUTTS-TROTTER: That is through Joann Wilkie's team. So, sorry, I'm going to have to take that one on notice to give you some detail.</p> <p>The Hon. SCOTT FARLOW: Thank you. I'll put those questions on notice as well for Ms Wilkie. I think we are done. We would have had a little bit longer if Ms Wilkie was here, but send her our best for her recovery.</p> <p>Response</p> |

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| | | <p>The Government has commenced a review of the planning and regulatory framework for short-term rental accommodation and potential revenue measures that could increase the use of properties for long-term housing.</p> <p>The Department of Planning, Housing and Infrastructure and NSW Treasury are consulting with stakeholders and have released a discussion paper for public feedback.</p> <p>Treasury is leading the review of potential revenue measures that could increase the use of properties for long-term housing.</p> |