

Budget Estimates

QUESTIONS ON NOTICE

Treasurer

QON	Transcript page #	Question
1	9	<p>The CHAIR: In New South Wales the tax-free threshold of \$1 million applies for all operators liable for the point of consumption tax. In New South Wales the threshold is applied to each licensed betting service provider and does not consider grouping arrangements. Grouping provisions such as those in Victoria remove any incentive for a wagering operator to set up multiple entity structures that each have access to an earnings threshold to minimise their overall tax liability. Are multiple entity structures being used in New South Wales to take advantage of the tax-free threshold and why don't we have business groupings so that that one tax-free threshold can be claimed? Is this something that you will consider amending in this process?</p> <p>The Hon. DANIEL MOOKHEY: Mr Buckingham, do you mind if I answer your last question first?</p> <p>The CHAIR: Certainly.</p> <p>The Hon. DANIEL MOOKHEY: In respect to the incorporation of grouping provisions into the tax, actually it's an interesting question, and I'll have to take advice on that. It's an arrangement which we obviously inherited in the design of the POCT. Equally, you're quite right to say other States have changed it, so it's fair and reasonable I think for you to ask whether we examine the same. I will get back to you on that, if you don't mind.</p> <p>Response</p> <p>Point of Consumption Tax in New South Wales is paid by all betting service providers licensed in Australia on all bets made by customers located in New South Wales at the time the bet was placed. The current Point of Consumption Tax arrangements do not include provisions to consider grouping. Some providers may be</p>

		<p>related corporations; however, Treasury has not assessed whether entity structures are being established to take advantage of the tax-free threshold.</p> <p>The Government committed \$3.2 million in the 2024-25 Budget for additional Point of Consumption Tax and gaming machine tax compliance activities. This is estimated to increase gaming tax revenue by \$14.8 million in 2024-25.</p>
2	10	<p>The Hon. DANIEL MOOKHEY: It's a very good question. The information that I can provide is you are right to say that we have put aside additional money for ferry wharves and, equally, the use of particular funds generally supports this as well. The specific question that you've asked about the distinction between the \$44 million and the \$35 million, do you mind if I check if we have got any further information?</p> <p>The Hon. ROBERT BORSAK: No, absolutely. Please.</p> <p>The Hon. DANIEL MOOKHEY: I might need to take that part of it on notice, but we'll see if we can get you some answers later on today, if not for this afternoon.</p> <p>Response</p> <p>I am advised:</p> <p>The reference to the \$79 million “Maritime Infrastructure Upgrades” in Budget Paper 3 is Capital Expenditure and only for upgrading of ferry wharves and continuing ongoing maintenance and upgrades to regional maritime assets. It is not for dredging or boating infrastructure.</p> <p>The \$44 million is in reference to the Boating Infrastructure and Dredging Scheme (BIDS) is funded through Opex. BIDS is for the much-needed boating infrastructure and dredging works which will be delivered across NSW to improve safety and accessibility for all water users.</p>

		BIDS will allocate \$28 million towards public boating amenities over four years and \$16 million for dredging at key locations along the NSW coast and boating infrastructure maintenance.
3	11	<p>The Hon. ROBERT BORSAK: Will the ongoing maintenance and upgrades of maritime assets be restricted to State-owned assets? If not, which private assets will be supported?</p> <p>The Hon. DANIEL MOOKHEY: That, I don't know. I will have to take that on notice and see if I can get back to you with some further detail. And we'll give reasonable notice to the transport officials that you might ask them, too.</p> <p>Response</p> <p>I am advised this question is more appropriately directed to the Minister for Transport.</p>
4	11	<p>The Hon. ROBERT BORSAK: Is the \$79 million allocation from consolidated revenue or from another source? If it's not consolidated revenue, from which source will it be derived?</p> <p>The Hon. DANIEL MOOKHEY: I'll have to get back to you on that one, as to how much of it is consolidated revenue or whether all of it is consolidated revenue. I'm not sure if we have any further information on that.</p> <p>MICHAEL COUTTS-TROTTER: No.</p> <p>The Hon. DANIEL MOOKHEY: I'll get back to you on that, Mr Borsak.</p> <p>Response</p> <p>I am advised:</p> <p>Kamay Ferry Wharves has an estimated total cost of \$78 million, funded through:</p> <ul style="list-style-type: none"> • \$18 million allocated from National Parks and Wildlife Services in 2019

		<ul style="list-style-type: none"> • \$47 million contribution from NSW Treasury, allocated as part of the 2022-23 NSW Budget • \$13 million of Waterways funding allocated in May 2023
5	18-19	<p>The CHAIR: I'd like to turn to aerial firefighting contracts. A recent report from the Audit Office detailed that the Rural Fire Service spent more than \$255.5 million on aircraft hire in 2019-20. These costs are assumed to relate to "call when needed" aircraft hire facilitated through the National Aerial Firefighting Centre and Federal grants. Separately, the Rural Fire Service are said to have several direct contracts with Coulson Aviation for the operation and maintenance of the RFS's own fleet. In July, the Minns Government announced a further 10-year contract between RFS and Coulson worth \$400 million. Treasurer, 10 years goes well beyond forward planning. What specific factors have led to this long-term spend?</p> <p>The Hon. DANIEL MOOKHEY: I think an expectation that we're going to require aerial firefighting over the next 10 years, is the first point. The second point I make is that there's an expectation that perhaps the intensity of the use of such equipment may well rise as well. I think the third thing that perhaps has motivated that decision is a desire to ensure that we have ready access to such equipment.</p> <p>The CHAIR: Was there a competitive tender process entered into?</p> <p>The Hon. DANIEL MOOKHEY: I don't know, Mr Buckingham. I'll to have take that one on notice, otherwise perhaps direct you to RFS when they appear.</p> <p>Response</p> <p>I am advised:</p> <ul style="list-style-type: none"> • The RFS recently entered into a contract with Coulson Aviation Australia to manage, operate, maintain and support the RFS-owned aircraft fleet. • This is a five plus five year contract up to the value of \$400 million

		<ul style="list-style-type: none"> • The RFS issued a Request for Tender (RFT) through the NSW Government eTendering site, in line with Government procurement rules. • The RFT was an open market activity in accordance with NSW Procurement Framework and the Enforceable Procurement Provisions (EPP) Legislation • No legal or procurement issues have been raised with the RFS in relation to this tender.
6	19-20	<p>The CHAIR: During the recent negotiation between Forestry Corporation and the EPA over the most recent changes to greater glider site-specific conditions, a number of harvesting crews were stood down. I understand Forestry Corporation paid these crews during the time. Are you aware of the payments being made by Forestry Corporation to contracted harvesting crews who were not undertaking any harvesting? There has been a suggestion that the payments could be in excess of \$1 million. How do you respond to that?</p> <p>The Hon. DANIEL MOOKHEY: So that I can understand properly, I am aware of the fact that, in response to the legal requirements—or certainly how they intend to manage the risks that they're involved in as it applies to the greater glider—yes, they have taken actions to do so. As I understand it, that does involve the payment of costs to other people who have been displaced from work or otherwise in respect to that. As to the specific numbers, I'm not sure I have any information on that.</p> <p>MICHAEL COUTTS-TROTTER: No, I don't have them, I'm afraid.</p> <p>The Hon. DANIEL MOOKHEY: We can see whether we can find the information for you this afternoon.</p> <p>The CHAIR: You'll take that on notice?</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p> <p>The Hon. DANIEL MOOKHEY: Yes, we'll take it on notice but, equally, when the officials are here this afternoon, I'm sure that they will be in a position to provide you with some further advice as to what those costs have been. I should just make the point that I think that's reasonable. My expectation is that, if Forestry Corp has to</p>

		<p>take actions that displace people from the capacity to work, I do think it's reasonable as an employer that they provide support to those affected parties.</p>
		<p>Response</p> <p>I am advised this question is more appropriately directed to the Minister for Agriculture.</p>
7	26	<p>The Hon. DANIEL MOOKHEY: For example, kids who are in public schools—I know that there are a number of us who have kids in public schools—have gotten access to more of the best teachers. That's really important when you're trying to turn around 10 years of education decline. Mr Rath, no doubt we have a difference of opinion in this matter, but I just make the point that these benefits that we've been able to put as part of our wage policy have been done in a manner which is respectful of the State's fiscal position. You'll also find that when we put these changes through Parliament, we also made sure that the new system does take into account the State's fiscal position.</p> <p>The Hon. CHRIS RATH: Could you table, Treasurer, a list of the productivity improvements and the dollar figure?</p> <p>The Hon. DANIEL MOOKHEY: Let me see what additional information I can provide to you.</p>
		<p>Response</p> <p>I am advised improvements to productivity were announced publicly alongside the agreement in 2023.</p>
8	29	<p>The CHAIR: So at the moment the Treasury is not modelling and forecasting the impact of approved coalmines on other sectors of the economy, in terms of the cost to them of having to reduce their emissions potentially harder and faster?</p> <p>The Hon. DANIEL MOOKHEY: Are you talking about proposed mine expansions or approved mines?</p> <p>The CHAIR: Both. A lot of them are already approved mines but they are expanding.</p>

		<p>The Hon. DANIEL MOOKHEY: On the approved mining side of that equation, Treasury would rely on the outputs of the model that the secretary just referred to. That is designed to ensure that the Government has one source of modelling. We don't really like the idea that the Government, on such forecasts, would have different and competing models. It's fine for the models to be challenged, but it's important that there is one model that the Government does rely on. I think it is appropriate that the climate change, environment and water department has custody of that model.</p> <p>The CHAIR: That's the NARcliM model?</p> <p>The Hon. DANIEL MOOKHEY: Yes. The second aspect is, in terms of the scenario modelling that you are describing, which is this particular scenario, I don't know if Treasury has had access to it. I don't know if they've modelled it, but I'm sure we can find out for you.</p> <p>MICHAEL COUTTS-TROTTER: I can take it on notice.</p>
		<p>Response</p> <p>NSW Treasury is not currently undertaking modelling of the economy-wide impacts of responses to the approval and/or extension of mines by other sectors or the implications for emissions reduction actions across those other sectors. NSW Treasury will consider opportunities to incorporate scenario modelling of the impact of the net zero transition on different sectors as part of delivering the 2026 NSW Intergenerational Report.</p>
<p>9</p>	<p>30-31</p>	<p>Ms ABIGAIL BOYD: Treasurer, we were talking earlier about my concerns with this budget having very little for people with disability in our State. In fact, I think there was that \$1 million in extra taxi subsidy that we could find and that was about it. Did people in Cabinet not come and actually ask for money for people with disability or was it rejected?</p> <p>The Hon. DANIEL MOOKHEY: I'm not necessarily sure, Ms Boyd, that I would agree with your characterisation that that's all there is, but I do accept your point that that's all you saw, in terms of what you saw. I would make the point, when it comes to disability, there are other initiatives I would point to. Firstly, the refuelling of the</p>

budget available for the Transport Access Program is one example. Another example, of course, is the provision of additional assistance in our education system for kids who have a disability.

Ms ABIGAIL BOYD: Sorry, can we go back to that first one? The Transport Access Program is the one that people with disability are a bit frustrated with because it has been over 20 years since we signed up to the Federal agreement to make all of our transport accessible. This was merged with the car park program, I understand, and now it's very unclear for us to see what exactly is—

The Hon. DANIEL MOOKHEY: My best recollection is that the TAP is still a program. It's in isolation and we continue to fund it. I'll happily come back to you on detail on that.

Ms ABIGAIL BOYD: Was there an increase in funding?

The Hon. DANIEL MOOKHEY: Certainly in the last budget, yes. Let me check the details, but I'm fairly positive, from memory, that this is one of those projects that was slated to be on a fiscal cliff. We were happy to be in a position to provide it with additional resources. But I accept this it's a very important program that has led to people having more access to public transport. To be fair to the Transport Access Program, it should be a continuous program. It should be going for 20 years. It should be going for more than 20 years.

Ms ABIGAIL BOYD: No, but it didn't get started for at least 20 years. I understand that you weren't in—

The Hon. DANIEL MOOKHEY: I've only been in Treasury for 15 months. Ms ABIGAIL BOYD: I know. We did have a Labor Government in some of that time, and they didn't do anything either.

The Hon. DANIEL MOOKHEY: Ms Boyd, maintain your rage, as one Labor leader put it. I would make the point that, well and truly, I think you and I both agree how important that program is. Let me see if I can get you additional information about disability communities in the budget. We'll see if we can track down a more specific list of information for you on that.

		<p>Ms ABIGAIL BOYD: That would be really good. Also, I was quite disappointed with some of the responses to some of the supplementary questions and questions taken on notice in the last budget statements. I assume you sign off on them.</p>
		<p>Response</p> <p>I am advised the 4-year allocation for the Safe Accessible Transport Program is \$547.5 million per Budget Paper 3. This program is managed by TfNSW on behalf of TAHE.</p> <p>Further, NSW invests significantly in disability services, both through the National Disability Insurance Scheme (NDIS) and non-NDIS supports.</p> <p>In the 2024-25 Budget, \$3.96 billion in cash and in-kind supports will be invested in the NDIS. This is an increase from 2023-24, where the NSW contribution totalled \$3.81 billion.</p> <p>Further detail on specific initiatives of Government agencies is more appropriately directed to the responsible ministers.</p>
<p>10</p>	<p>41-42</p>	<p>The Hon. CHRIS RATH: In this budget, what is the spend on consultants for TAHE/the rebranded entity?</p> <p>The Hon. DANIEL MOOKHEY: Well, TAHE is currently—</p> <p>The Hon. CHRIS RATH: And what was it in—</p> <p>The Hon. DANIEL MOOKHEY: The previous years? For the previous years it was very high. Can I also just make the point, TAHE's spending was one component of consultant spending. The other parts of the consultant spending in respect of TAHE were incurred by the Transport department and incurred by the Treasury. In fact, they were the three principal entities that were engaged in the issues to do with TAHE. I am sure we will happily provide you with what was spent by TAHE in the past few years of that period of time.</p> <p>Response</p>

		<p>I am advised that this information is available in the annual reports of Treasury, Transport for NSW and TAHE. Any consultants costing \$50,000 or more must be disclosed in annual reports.</p>
<p>11</p>	<p>42-43</p>	<p>The CHAIR: But do you think that is something that Treasury should be looking at, the benefit to the taxpayers of New South Wales of moving at least to a decriminalisation model in terms of the cost of policing, reprioritising and refocusing policing, and the cost of the criminal justice system?</p> <p>The Hon. DANIEL MOOKHEY: I'd make the point that I always expect Treasury to keep abreast of policy developments that are taking place in like jurisdictions that have lessons for New South Wales. So I have no issue if Treasury is abreast of those matters. I believe that in the advice that we periodically get from Treasury about criminal justice interventions, it generally demonstrates that Treasury is keeping itself abreast of these issues.</p> <p>The CHAIR: What do you mean by "keeping abreast"? Does that mean doing modelling or just reading an article in the paper?</p> <p>The Hon. DANIEL MOOKHEY: Maybe the secretary might want to talk about that. But in broad terms, when we do have to contemplate interventions in the criminal justice area, Treasury, as do others, provides a justice impact statement, and that's predominantly the way in which Treasury can give guidance. But the secretary is much more experienced—</p> <p>MICHAEL COUTTS-TROTTER: To your specific question, Mr Buckingham, about whether we have recently had a look at the ACT's experience, I'll take that on notice. I know from colleagues that there was work done a number of years ago, but in recent days? I would need to check for you.</p> <p>Response</p> <p>Treasury has not done any modelling or analysis on the legalisation of cannabis in the ACT.</p>

12	45	<p>The Hon. DANIEL MOOKHEY: To the best of my regard, the quantum is either not known because we're not doing it or, if we are doing it, it's incidental to other programs that may be undertaken by the same company. I think part of the reason why you're struggling to get access to information is because, I think it is fair to say, the New South Wales Government's role here is pretty limited.</p> <p>Ms ABIGAIL BOYD: Yes. In the past there have been a couple of weapons subsidy schemes. There's also been—</p> <p>The Hon. DANIEL MOOKHEY: Do you have the name of the scheme?</p> <p>Ms ABIGAIL BOYD: I don't have it on me. I gave it to you last time in the last estimates.</p> <p>The Hon. DANIEL MOOKHEY: We will look at the transcript from the last time. We'll see if we can find the name again and see if we can provide you with any further information.</p> <p>Ms ABIGAIL BOYD: If you could give me any information on notice, that would be great.</p> <p>Response</p> <p>Treasury is not aware of any tax exemptions or concessions provided specifically to defence companies in New South Wales. Treasury is not aware of tax arrangements of individual companies.</p> <p>Treasury does not have any incentives or loans specific to defence companies.</p>
13	50	<p>The Hon. DAMIEN TUDEHOPE: Would you agree, though, with a proposal that one of the impediments to those applications is the number of taxes and charges which are impeding the lodgement of development applications? There's some tension whether you should back-end some of these charges.</p> <p>MICHAEL COUTTS-TROTTER: That view is represented by a number of people in the industry. We've had some work done for the NSW Productivity and Equality Commissioner that looks at the cost build-up to deliver a typical dwelling in a mid-rise development—so four to seven storeys—and the cost change between 2018 and the current market. The major increase in costs are construction costs, up about 30 per cent, financing up</p>

		<p>about 142 per cent and land up about 50 per cent. When you look at the cost to deliver a dwelling, including an appropriate return to the developer, the share of that total cost accounted for by State Government taxes and charges is 2.54 per cent. So it's a factor but it's not the major factor.</p> <p>The Hon. DAMIEN TUDEHOPE: Have you got a projection for what the return will be in 2024-25?</p> <p>MICHAEL COUTTS-TROTTER: From the HAPC?</p> <p>The Hon. DAMIEN TUDEHOPE: Yes.</p> <p>MICHAEL COUTTS-TROTTER: I can 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>
14	53	<p>The Hon. DAMIEN TUDEHOPE: I think it was before that. I recall being very concerned personally in relation to that. However, in terms of the baseline that you are operating on and gauging compliance with the circular that has now been issued requiring return to work, what do you say is the number of people who are currently working from home to whom that circular would apply?</p> <p>MICHAEL COUTTS-TROTTER: Within Treasury?</p> <p>The Hon. DAMIEN TUDEHOPE: Yes, within Treasury.</p> <p>MICHAEL COUTTS-TROTTER: I'd need to take that on notice. Maybe I will just explain the context within Treasury. We approach this by going, we have a responsibility to the people we serve, we've got a responsibility to the organisation and teams, and then we consider people's individual needs. We're prepared to allow</p>

		<p>degrees of flexibility, provided we meet the needs of the people we serve and the needs of the organisation as a whole are met. With that in mind, we are amending our flexible work policy. In essence, it was pretty close to satisfying the requirements of Mr Draper's circular, but we are emphasising the significant change, which is that you are to be working principally from a public sector workplace, which for Treasury, by and large, is 52 Martin Place—not exclusively. What does that mean in practice? We think in practice it means an average of at least three days a week in the office over the course of a month.</p> <p>Response</p> <p>The circular is applicable to all agencies in the NSW Government. NSW Treasury will work with its employees to implement the circular, while still providing for flexibility where required.</p> <p>Treasury's current flexible work policy requires all employees to have some office presence each week and to complete flexible work agreements. We are reviewing the policy to strengthen guidance in line with the circular.</p>
15	56-57	<p>The Hon. DAMIEN TUDEHOPE: Wouldn't it be prudent to, in fact, be saying to the proponent, "We would at least like to know that this has a real chance of approval by the members," and the actual proposal be put to the members before proceeding with that significant body of work?</p> <p>MICHAEL COUTTS-TROTTER: It's something of a chicken and an egg problem, though, because there needs to be a refinement and negotiation, a conclusion of the details of the proposal that is then in turn put to members. I think there's quite a bit of work that has to happen before the fine detail of the proposal and, I guess, from the ATC's perspective, what's in it for them is worked out.</p> <p>The Hon. DAMIEN TUDEHOPE: Is there a timeline on this process?</p> <p>MICHAEL COUTTS-TROTTER: There is. I'd need to take that on notice unless colleagues have got a sense. I'm happy to take that on notice. I don't want to misadvise you.</p>

		<p>The Hon. DAMIEN TUDEHOPE: There are a number of processes in the unsolicited proposal process.</p> <p>MICHAEL COUTTS-TROTTER: Yes, exactly. Stage two has a time frame. I can't recall what it is. We'll check and respond on notice.</p> <p>Response</p> <p>I am advised:</p> <p>The Australian Turf Club (ATC) unsolicited proposal (USP) is currently at Stage 2 of the process and the NSW Government and the ATC will enter into a Participation Agreement that will govern this process.</p> <p>However there is no fixed timeline for Stage 2 of the USP process, given that the timing of USPs can vary significantly based on the complexity of the particular unsolicited proposal. The timeline also depends on the responses received from the proponent.</p>
16	57	<p>The Hon. DAMIEN TUDEHOPE: Was any consideration given to asking the ATC itself to contribute to the costs or the consideration of the proposal?</p> <p>MICHAEL COUTTS-TROTTER: I think under the USP framework there are circumstances in which proponents might be asked to meet some of the Government's costs, and I think that would be true in this case, too. Again, I'm happy to take that on notice. I'm unaware myself of whether there was a positive consideration of that question.</p> <p>The Hon. DAMIEN TUDEHOPE: Sorry, I was just distracted.</p> <p>MICHAEL COUTTS-TROTTER: I'm just saying that there are circumstances within the process that would see on occasions proponents at some point in the process potentially being asked to meet some of the Government's costs, and that there may be options of that nature in this process, but I take it on notice.</p> <p>Response</p>

		<p>I am advised:</p> <p>As part of the Stage 2 process, the NSW Government and the ATC will enter into a Participation Agreement that will (amongst other things) set out the agreement regarding cost arrangements.</p>
17	58	<p>The Hon. CHRIS RATH: Not many people know much about it. It follows on from my questions this morning. I was wondering, in terms of the consultants that TAHE or the soon-to-be new entity are using, what does CIVAS professional services—do you know what they advise on?</p> <p>MICHAEL COUTTS-TROTTER: No, I don't. How is it spelt? Is there an "E"?</p> <p>The Hon. CHRIS RATH: No, it's C-I-V-A-S.</p> <p>MICHAEL COUTTS-TROTTER: No, I don't, but we'll take that on notice and get a response from TAHE.</p> <p>The Hon. CHRIS RATH: And also E3 Advisory. There are two consultants that are listed on the eTendering website; what they're advising on—</p> <p>MICHAEL COUTTS-TROTTER: No, I'm sorry that doesn't ring a bell, but we'll see if we can find out.</p> <p>Response</p> <p>I am advised this question is more appropriately directed to the Minister for Transport.</p>
18	59	<p>The Hon. DAMIEN TUDEHOPE: There has been a clean-up at the Rozelle interchange. What does that currently cost us, to do that clean-up? Are the people of New South Wales paying for that clean-up or are there others who are responsible for the asbestos contamination who should be responsible for that clean-up?</p> <p>MICHAEL COUTTS-TROTTER: That's a good question. I don't know. I'll look to my colleague Tom Gellibrand in case he's got that information.</p> <p>TOM GELLIBRAND: No.</p>

		<p>MICHAEL COUTTS-TROTTER: That will be known. Obviously, Transport had the lead on that. I'll take that on notice. I'll give my colleagues in Transport a heads-up as well.</p>
		<p>Response</p> <p>I am advised this question is more appropriately directed to the Minister for Roads.</p>
19	65-66	<p>The Hon. CHRIS RATH: Just while we're on this, with the metro, I wanted to get an understanding. The first stage is to Chatswood, then the second stage is from Chatswood to Sydenham. How was the first stage funded and how was the second stage funded, just ignoring the next bit to Bankstown and the proposal out to Parramatta?</p> <p>MICHAEL COUTTS-TROTTER: Meaning source of funds?</p> <p>The Hon. CHRIS RATH: Yes.</p> <p>MICHAEL COUTTS-TROTTER: Some of it would have come from the proceeds of asset sales cycled through Restart, I would imagine. The exact proportions I don't know. Perhaps my colleagues? We don't have that.</p> <p>The Hon. CHRIS RATH: I'm just curious of the percentage that was asset recycling versus what was the rest of it—debt or consolidated revenue or whatever the other part was.</p> <p>MICHAEL COUTTS-TROTTER: Okay, we'll do our best with that. I mean, this year's infrastructure program is 71 per cent debt, 8 per cent Restart and the balance is funded by the cash surplus.</p> <p>The Hon. CHRIS RATH: Earlier infrastructure, though, years ago, would have probably had a higher Restart proportion and probably less—</p> <p>MICHAEL COUTTS-TROTTER: No, that's right. The mix would have been a bit different. That's true, yes.</p> <p>DAVID DEVERALL: When I've been to Japan and explaining the budget to Japanese investors, we have it on a time-based approach over the last six or seven years.</p>

		<p>MICHAEL COUTTS-TROTTER: Very helpfully, my colleague David Deverall has some slides that were pitched for Japanese investors.</p> <p>DAVID DEVERALL: When I go to Japan, they want to know where the money's going. I've been going to Japan for the last number of years and those slides have changed from a Restart contribution being dominant to debt being dominant, which is where we are today. We've got the information, so we can help with that answer.</p> <p>The Hon. DAMIEN TUDEHOPE: That would be helpful.</p> <p>The Hon. CHRIS RATH: Maybe the first stage, the second stage to Sydenham and the third stage to Bankstown.</p> <p>DAVID DEVERALL: It won't be specific to a particular project; it'll be at the whole level.</p> <p>The Hon. CHRIS RATH: But just the infrastructure pipeline generally.</p> <p>DAVID DEVERALL: Money is fungible, as you know, but at the macro level we can get that.</p> <p>MICHAEL COUTTS-TROTTER: It took me a while to work out money's fungible.</p>
		<p>Response</p> <p>The Sydney Metro City and Southwest budget has \$7 billion in Restart NSW funding committed to the project. For budgeting purposes, funding sources are not disaggregated by section of the project. Funding splits between debt and non-debt funding sources are not determined at a project level for budgeting purposes.</p>
<p>20</p>	<p>66</p>	<p>The Hon. CHRIS RATH: That would be interesting. On the tax on foreign investors in the property industry, how much revenue is that raising at the moment? And—</p> <p>MICHAEL COUTTS-TROTTER: What will the increases raise?</p> <p>The Hon. CHRIS RATH: Yes.</p>

		<p>MICHAEL COUTTS-TROTTER: Joann, do you have that to hand?</p> <p>JOANN WILKIE: I've got it; I just need to find the right—</p> <p>MICHAEL COUTTS-TROTTER: This is the impost on stamp duty and the impost on land tax for foreign investors. Do you have any follow-on questions while my colleague has a look for that?</p> <p>The Hon. CHRIS RATH: I suppose, curiously, the number of properties that it would impact as well.</p> <p>MICHAEL COUTTS-TROTTER: I can give you the two in aggregate. The increase in foreign investor surcharges across both stamp duty and land tax is \$188 million over four years. The number of properties we'd take on notice, unless you've got that to hand.</p> <p>JOANN WILKIE: I don't have the number of properties. But for the foreign investor surcharge on transfer duty, that will raise \$187.5 million over the four years to 2027-28.</p> <p>Sorry, I just need to find—</p> <p>MICHAEL COUTTS-TROTTER: So the land tax is additional.</p>
		<p>Response</p> <p>There are around 20,000 foreign-owned residential properties in NSW. In recent years, fewer than 2,000 residential properties have been purchased each year by foreign investors in NSW. This is equivalent to less 1 per cent of the total number of residential properties purchased in NSW each year.</p>
21	66	<p>The Hon. CHRIS RATH: While you're finding that, the previous Government increased the tax on foreign investors at one point. You've also modelled future increases on the number of properties potentially going down as a result of the tax going up. Does increasing the tax on foreign investors lead to lower transactions? Is it an effective measure if the aim would be to reduce? Is it having that impact?</p>

		<p>MICHAEL COUTTS-TROTTER: No, we're happy to give you a response on notice. But just looking at the profile of the anticipated increase in stamp duty, it falls over time, which suggests it will trigger a behavioural response.</p>
		<p>Response</p> <p>The 2017-18 Budget increased surcharge purchaser duty from 4 per cent to 8 per cent of the dutiable value of the property from 1 July 2017, and increased surcharge land tax from 0.75 per cent to 2 per cent of the land value of the property from the 2018 land tax year.</p>
<p>22</p>	<p>66-67</p>	<p>The CHAIR: Secretary, in terms of the review of the point of consumption tax, the press release says that the Government will enter into a formal process for the review.</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p> <p>The CHAIR: Could you tell us what that process is?</p> <p>MICHAEL COUTTS-TROTTER: It's a formal process to deal with the proposal from Tabcorp, which contained many elements, one of which touched on tax. But I think, as the Treasurer made clear, the Government has a prerogative on tax decisions anyway. However, of course, there is a complex interaction between the agreements between Tab and the racing industry and the taxation of both on-course, off-course and online gambling and its distribution back to the racing code. It's kind of intermingled; you can't deal with Tabcorp's proposal without thinking about the tax settings as well. The CHAIR: But it's Treasury that's overseeing that process?</p> <p>MICHAEL COUTTS-TROTTER: Yes.</p> <p>The CHAIR: They're the lead agency in that.</p> <p>MICHAEL COUTTS-TROTTER: Yes. The CHAIR: What capacity, if any, do other agencies or bodies have to be involved in that process? Is the Government considering hearing from other departments? Not NGOs?</p>

		<p>MICHAEL COUTTS-TROTTER: Well, within government, obviously there's some key government partners, including Liquor and Gaming and Racing, that we would involve in this. But I might take that on notice if that's okay.</p>
		<p>Response</p> <p>The NSW Government formed a working group with representatives from NSW Treasury and the Hospitality and Racing group in the Department of Creative Industries, Tourism, Hospitality and Sport. This group will engage with Tabcorp, racing industry bodies, wagering operators and other parties that could be affected by any potential changes. The engagement process and consultation is still being determined and interested parties will be invited to make a submission to Government.</p>
23	67	<p>ON TABCORP PROPOSAL</p> <p>The CHAIR: The release doesn't mention any review. I did raise it with the Treasurer this morning and I can't quite recall exactly what he said; I'll have to wait for the transcript. But it doesn't mention that the threshold at which the pot kicks in, in New South Wales, is \$1 million. Is that something that is being—</p> <p>MICHAEL COUTTS-TROTTER: I see, the tax-free threshold.</p> <p>The CHAIR: Yes, the tax-free threshold. Is that being reviewed as part of the process?</p> <p>MICHAEL COUTTS-TROTTER: I, in truth, don't know. Perhaps I can take that on notice, unless one of my colleagues do. I don't think that is part of Tabcorp's proposal, but that doesn't preclude government from considering it as part of considering Tabcorp's proposal.</p> <p>Response</p> <p>The NSW Government will consider the wagering and betting tax and regulatory framework holistically, including the Point of Consumption Tax, alongside the formal process to consider Tabcorp's proposal.</p>

24	67	<p>The Hon. CHRIS RATH: I think you said you were going to take on notice, when it was increased in 2020- something, what was the behavioural change. Was there a reduction in the number of foreign investors as a result of the increase? How sticky was—</p> <p>JOANN WILKIE: We can.</p> <p>The Hon. CHRIS RATH: That would be great.</p> <p>Response</p> <p>Please refer to response given to question 21.</p>
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