

**The Hon Daniel Mookhey MLC**  
Treasurer



Director – Budget Estimates Secretariat  
NSW Parliament House  
6 Macquarie Street  
[BudgetEstimates@parliament.nsw.gov.au](mailto:BudgetEstimates@parliament.nsw.gov.au)

Dear Director

I write to advise of clarifications to evidence given by myself at the Budget Estimates hearing for Legislative Council Portfolio Committee No. 1 – Premier and Finance on 29 August 2024.

The following statement is recorded on page 5, paragraph 13 of the uncorrected transcript:

The Hon. DANIEL MOOKHEY: Then I'm sure, Mr Tudehope, you'd be pleased with the fact that the New South Wales Government and others ensured that that was extended for a further three years, and I'm sure that you would join with me in saying that the entire system is ridiculous. The entire system is in need of reform, and New South Wales, once more, is being asked to carry the Federation on its shoulders. Right now, for every dollar that is collected in New South Wales only 84¢ comes back, which is the lowest level we've ever had. In this particular budget you'll see that our expectations as to New South Wales's GST share drops each year to a point where we would be receiving, I believe, Secretary, 79¢ in the dollar.

For clarity and factual accuracy, this should be amended to:

The Hon. DANIEL MOOKHEY: Then I'm sure, Mr Tudehope, you'd be pleased with the fact that the New South Wales Government and others ensured that that was extended for a further three years, and I'm sure that you would join with me in saying that the entire system is ridiculous. The entire system is in need of reform, and New South Wales, once more, is being asked to carry the Federation on its shoulders. Right now, for every dollar that is collected in New South Wales only 86.7¢ comes back, which is the lowest level we've ever had. In this particular budget you'll see that our expectations as to New South Wales's GST share drops each year to a point where we would be receiving, I believe, Secretary, 79¢ in the dollar.

The following statement is recorded on page 20, paragraph 15 of the uncorrected transcript:

The Hon. DANIEL MOOKHEY: ... Particularly in this budget year, where there has been a \$12.6 billion reduction in the State's GST income, I make the point that that's going to mean that the State is going to have to make some very tough decisions.

For clarity and factual accuracy, this should be amended to:

The Hon. DANIEL MOOKHEY: ... Particularly in this budget year, where there has been a \$12.6 billion reduction in the State's GST income due to changes in NSW's relativities, I make the point that that's going to mean that the State is going to have to make some very tough decisions.

The following statement is recorded on page 34, paragraph 16 of the uncorrected transcript:

The Hon. DANIEL MOOKHEY: ... That is important because we have had evidence, undertaken by the Treasury, in fact, that does suggest that there has been a migration – and I'm going off memory now – to the extent of about 45,000 over the last five years that may have otherwise stayed in the long-term rental market. That does have an impact on price. I think it is – again,

from memory — circa 1 to 1.3 per cent of rent, but I will double-check that number. That is the problem that is described in that consultation paper.

For clarity and factual accuracy, this should be amended to:

The Hon. DANIEL MOOKHEY: The short-term rental consultation paper which you're referring to is canvassing a series of policy initiatives that are designed to ensure that there is no further leakage of rental stock from long-term rental to short-term rental and, equally, a return of stock from short term to long term. That is important because there are about 35,000 non-hosted short-term rentals in NSW. That does have an impact on price. International evidence suggests that a 1 per cent increase in short-term listings has been found to increase rents by between 0.018 per cent and 0.52 per cent, though Treasury has not modelled the impact on rents in NSW specifically, but I will double-check that number. That is the problem that is described in that consultation paper.

If you require any further information, please do not hesitate to contact me.

Sincerely

Daniel Mookhey MLC  
Treasurer

Date: 26/9/24