



**Treasurer
Minister for
Industrial Relations**

The Hon. Fred Nile MLC
Chair, General Purpose Standing Committee 1
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

10 September 2013

Dear Chair

Further to the Budget Estimates hearing relating to the portfolios of Treasury and Industrial Relations on 15 August 2013, I enclose my responses to the questions taken on notice during the hearings, as well as those to the questions on notice lodged following the hearings. I also enclose corrections to the transcript.

Yours sincerely

MIKE BAIRD MP

**QUESTION ARISING FROM THE HEARINGS, AS HIGHLIGHTED IN THE
TRANSCRIPT – GENERAL PURPOSE STANDING COMMITTEE NUMBER
1 - LEGISLATIVE COUNCIL
TREASURY**

15 August 2013

Transcript Page Reference: *Pg 11*

Question: And on top of that there is a number of millions of dollars that have now been added to the Independent Commission Against Corruption budget. What is the amount of money in round terms, for the extra hearings and so on?

Question from: Hon Reverend Fred Nile

Answer:

This question would be more appropriately directed to the Premier.

Transcript Page Reference: *Pg 25*

Question: Mr Gaetjens, in respect of requests made of the Treasurer to look at possible asset leases or sales, have you received any requests from the Treasurer to look at any particular matters, or to provide advice to him of potential assets that should be looked at?

Question from: Hon Greg Donnelly

Answer:

From time to time Treasury does provide advice to the Treasurer on representations made to Government from external parties in relation to possible asset sales as part of its normal advisory role.

Transcript Page Reference: *Pg 29*

Question: I have an administrative question for Mr Gaetjens. What is the status of the memo or order which came from your predecessor Michael Lambert about the board director appointments process? Is that memo still in force or have you replaced it with another one?

Question from: Dr John Kaye

Answer:

The memo referred to has not been replaced.

Transcript Page Reference: *Pg 30*

Question: Let us go into the details of that first meeting. Can you give us roughly the date of that meeting?

Question from: Dr John Kaye

Answer:

The meetings were held in November 2011 and August 2012

Transcript Page Reference: *Pg 31*

Question: The Newcastle Port Corporation (NPC) 2011-12 Annual report identifies a \$5.6m shortfall in the post-employment benefits (note 12 pg 54). The Trustee approved a "funding holiday" for the Corporation.

- a) Was there any funding paid in 2012-13?
- b) Was there any provision put into the post-employment benefits in 2012-13 or did they have another holiday on it?
- c) I am not using "holiday" pejoratively there but was there another year where Newcastle Ports Corporation was not required to pay into post-employment benefits?

Question from: Dr John Kaye

Answer:

a) and (b) The Trustee did not require NPC to make a contribution to the defined benefit funds for 2012-13.

(c) Contributions to the fund are assessed using accounting standard AAS 25 "Financial Reporting by Superannuation Plans".

The Trustee has not required NPC to make contributions to the defined benefit funds for around 9 years.

The AAS 25 position has determined that the super fund is over-funded hence there will be no contributions from NPC to the fund in 2013-14.

Transcript Page Reference: *Pg 35-36*

Question: To the witnesses here, over the past 12 months have you had any meetings, telephone calls or emails from Mr Dominic Kelly, Mr David Begg, Mr Chris Stone, Ms Natalie Christiansen or Mr Michael Photios or any other representatives from Premier State Consulting Pty Limited to discuss any matters relating to the sale or the lease of any State assets?

Question from: Hon Greg Donnelly

Answer: No.

Transcript Page Reference: Pg 37-38

Question: During the last financial year, have you overspent in regard to wages in your department in terms of the cap?

Question from: Hon Greg Donnelly

Answer:

In 2012/13 the Treasury underspent on its approved LEC by \$2.4M.

Transcript Page Reference: Pg 41

Question: You also were trying to develop voluntary redundancies. What is the outcome of that? I think you were forecasting 5,000 positions in the 2011-12 budget. Have you reached that target?

Question from: Hon Reverend Fred Nile

Answer:

Since the Policy came into effect on 1 July 2011, 5,333 employees have accepted voluntary redundancies.

Transcript Page Reference: Pg 42

Question: With respect to the 15,000 jobs or jobs equivalent, or equivalent spending thereof that was your target, can you give us an update on how many jobs have gone from the public service in the pursuit of that target?

Question from: Hon Reverend Fred Nile

Answer:

Information available from the Public Service Commission *Workforce Profile*, March 2013 Year-to-Date publication is that total FTE for the sector at March 2013 was 327,331, a decrease of 5,224 FTE (1.57%) from June 2012.

Transcript Page Reference: Pg 50, 52-3

Question: How much will be expended on Industrial Relations activities by your office of Industrial Relations?

What will be the budget in this financial year for those activities? The budget came down in May, the contract with the Fair Work Ombudsman ended 30 June, we are sitting here now in mid-August, are you telling us, on your oath, that you cannot tell us what the budget for your agency is for this financial year, even though your Minister, the Treasurer, delivered the budget on 18 May?

Question from: Hon Adam Searle

Answer:

The NSW Budget 2013-14 was delivered on 18 June (not May). NSW IR's portion of the Treasury budget is \$8.9M.

Transcript Page Reference: *Pg 58*

Question: You have been endeavouring to reduce the number of excess employees and you reported that you have facilitated 4,608 redundancies. What effect is that having on the public sector service provision? I assume those redundancies were from all areas... They would basically be paid out a lump sum?

Question from: Hon Reverend Fred Nile

Answer:

All excess employees who decline the offer of voluntary redundancy (VR) are entitled to redeployment job matching and priority assessment for a three month retention period.

During this retention period excess employees are provided with case management and career transition assistance by their home agency. If an agency does not have in-house expertise in career transition counselling and skills development, agencies engage a qualified external provider to deliver these services. Case managers are responsible for ensuring excess employees are properly informed about their options and entitlements; have access to career transition assistance; and are helped in the search for redeployment, where that is their choice.

Transcript Page Reference: *Pg 58*

Question: The 90 per cent is the time spent on the list; not the numbers on the unattached list? Would you provide us with the numbers?

Question from: Hon David Shoebridge

Answer:

As at 31 July 2013 there were 68 excess employees. This compares to the previous Government's record when there were 390 excess employees in May 2011.



MIKE BAIRD MP

Treasurer and Minister for Industrial Relations