

**Submission  
No 7**

**FOLLOW UP OF THE AUDITOR-GENERAL'S  
PERFORMANCE AUDITS APRIL 2011 - SEPTEMBER  
2011**

**Organisation:** WorkCover Authority of NSW  
**Name:** Ms Julie Newman  
**Position:** Chief Executive Officer  
**Date Received:** 20/11/2012



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Date: 13 November 2012  
Our Ref: WC02179/12  
Your Ref: LAC12/457

Mr Jonathan O'Dea MP  
Chair  
Legislative Assembly  
Public Accounts Committee  
Parliament House  
6 Macquarie Street  
SYDNEY NSW 2000

Dear Chair

I refer to your correspondence seeking WorkCover's response to the Auditor-General's *Report on Transport of Dangerous Goods*, which was tabled before the Legislative Assembly on 10 May 2011.

Please find attached WorkCover's response to the Auditor-General's report. You will note that all the recommendations contained in the report have now been implemented within the required timeframes. As WorkCover and the Environmental Protection Agency (EPA) share responsibility for many of the aspects of the regulation of Dangerous Goods Transport in New South Wales, the response outlines the activities of both WorkCover and the EPA.

Should you require any further information, please contact Mr Robert Stobo, Team Manager, Chemicals Services Team, on 4321 5611.

Yours sincerely

A handwritten signature in black ink that reads 'Julie Newman'.

Julie Newman  
Chief Executive Officer  
**Safety, Return to Work and Support**

Encl Report on Transport of Dangerous Goods Implementation of Recommendations

**Attachment A - Performance Audit – Report on Transport of Dangerous Goods  
Implementation of Recommendations**

Recommendation	Accepted or rejected	Actions to be taken	Due Date	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
<p><b>1. EPA and WorkCover need to establish by June 2012 mechanisms for gathering and sharing meaningful and reliable information on the transport of dangerous goods with key agencies, and with the road and rail transport industry.</b></p>	Accepted	<p>An interagency working group including representatives from the Environmental Protection Agency (EPA), WorkCover, Independent Transport and Safety Regulator, NSW Health, NSW Fire and Rescue, NSW Police and Roads and Maritime NSW has been established. The group has reviewed data held by various agencies and other data sources. Mechanisms for sharing available data and for reviewing and analysing compliance and incident data have been established.</p>	June 2012	Completed	Hazardous Materials Chemicals and Radiation (HMCR) and WorkCover
<p><b>2. EPA and WorkCover by December 2011 need to strengthen the inspection and compliance program by working closely together, focusing on the most dangerous situations and the most dangerous</b></p>	Accepted	<p>EPA, WorkCover and other relevant agencies undertook joint inspection and compliance programs during 2011-12. Further joint campaigns are being rolled out in 2012-13. A risk assessment methodology has been used to</p>	Dec 2011	Completed	HMCR and WorkCover

<b><i>operators and the places where their inspections can be done most expeditiously and effectively.</i></b>		identify the most dangerous situations (see Recommendation 4). A program has been established to deal with operators identified as a high risk.			
<b><i>3. EPA and WorkCover need to conduct by June 2012 awareness raising programs that target areas of high risk for the transport of dangerous goods. They need to talk to industry associations about how to most effectively accomplish this.</i></b>	Accepted	The EPA has undertaken a range of awareness raising activities, including: contacting individual companies; updating the EPA website; awareness raising in high risk areas; targeted campaigns; and sponsoring the 2012 Hazmat conference .	June 2012	Completed	HMCR and WorkCover
<b><i>4. EPA needs to clearly identify with WorkCover by December 2011 the areas of high risk and ensure that risk assessments are consistently used to more effectively guide its regulatory efforts in transport of dangerous goods.</i></b>	Accepted	The EPA and WorkCover have established risk assessment methodologies, which are being applied to the dangerous goods regulatory program. The EPA assesses risk against four criteria: substances, activities, individual or sector performance history or capability and environmental sensitivity.	Dec 2011	Completed	HMCR
<b><i>5. EPA and WorkCover need to continue to monitor</i></b>	Accepted	The EPA and WorkCover continue to be represented on	Ong oing	Completed	HMCR and WorkCover

<p><b><i>developments in security risk assessment, and incorporate this into their overall risk assessment.</i></b></p>		<p>the NSW Chemicals of Security Concern Advisory Group, which co-ordinates the NSW contribution to the National Chemical Security Framework.</p> <p>Any measures relevant to dangerous goods transport are being assessed and implemented as they arise.</p>			
<p><b><i>6. EPA needs to improve by December 2011 the controls on its licensing and training processes to ensure the risk of fraud and corrupt conduct occurring and remaining undetected is minimised.</i></b></p>	<p>Accepted</p>	<p>The EPA has improved its controls on dangerous goods licensing in NSW and has been collaborating with other states and territories and working with the Australian Skills Quality Authority to implement better dangerous goods training procedures.</p>	<p>Dec 2011</p>	<p>Completed</p>	<p>HMCR</p>
<p><b><i>7. EPA should also examine by September 2011 the feasibility of having Roads and Maritime Services(RMS) issue dangerous goods licences on its behalf.</i></b></p>	<p>Accepted</p>	<p>The Auditor recommended EPA examine the possibility of RMS issuing dangerous goods driver licences on its behalf, as such licence cards would include the security measures built into vehicle driver licences. The EPA and RMS investigated the viability of RMS issuing dangerous goods driver licences and found it to be a feasible option.</p>	<p>Sept 2011</p>	<p>Completed</p>	<p>HMCR</p>

		<p>Specifications were prepared and a submission made to Treasury to obtain funding (\$1.6 million) for the proposal. The submission was not successful as, while it provided substantial net economic benefits to NSW as whole, those benefits accrued mostly to the community and the modest net savings to Government did not cover the cost of the proposal.</p> <p>EPA has commenced reviewing its GLS licensing functions in the lead up to the introduction of radiation management licences and the possible transfer of urban pest control and fumigator licences from WorkCover to EPA. As part of that review, the procedure used to issue certain WorkCover licences, which includes a photo licence card with inbuilt security features, is being investigated as an alternative approach to meeting the Auditor's objective for dangerous goods driver licences.</p>			
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<p><b>8. EPA and WorkCover need to establish by June 2012 safety goals and performance measures for the transport of dangerous goods regulatory program.</b></p>	<p>Accepted</p>	<p>An overall goal of the Government's regulatory and infrastructure programs is to enable the safe transport of dangerous goods. RMS and NSW Police provide the infrastructure and regulation of heavy vehicles aimed at minimising heavy vehicle accidents. WorkCover and EPA regulate dangerous goods with the aim of:</p> <ul style="list-style-type: none"> <li>• minimising the leakage or chemical reaction of dangerous goods during transport including as a result of an accident;</li> <li>• enabling minor spills and fires to be dealt with; and</li> <li>• providing placarding and documentation to assist emergency services in the event of an incident.</li> </ul> <p>Emergency services agencies have responsibility for managing incidents.</p>	<p>June 2011</p>	<p>Completed</p>	<p>HMCR (and WorkCover)</p>
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		<p>The EPA and WorkCover recognise that other agencies have responsibilities which need to be taken into consideration when setting safety goals and performance measures for the transport of dangerous goods regulatory programs. The performance measures established have taken into account the availability or potential availability of data.</p> <p>Performance indicators have been developed by the implementation working group. The HIRG will be responsible for co-ordinating reporting against multi-agency indicators.</p>			
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