

20 JUNE 2001

(GENERAL PURPOSE STANDING COMMITTEE NO. 1)

PORTFOLIO

SPECIAL MINISTER OF STATE, MINISTER FOR INDUSTRIAL RELATIONS AND
ASSISTANT TREASURER

QUESTIONS TAKEN ON NOTICE

WorkCover

1. Mr Gallacher asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC—

- (1) How many unfair dismissal claims have been filed against WorkCover Authority in the last three years?
- (2) Could you provide details of how many of these finally were successful and how many were unsuccessful?

Answer:

(1) and (2) None

2. Mr Gallacher asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) How many workers compensation claims or matters have been filed by employees of WorkCover?
- (2) Has there been an increase or a decrease in recent years with these figures?

Answer:

(1) and (2) The number of claims lodged by WorkCover employees over the last three financial years are as follows:

1998-1999	71 claims
1999-2000	46 claims
2000-2001	47 claims

3. Rev Nile asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) What is the real WorkCover deficit?
- (2) Can you supply any documents, including actuarial reports, that support this figure?

Answer:

- (1) As at 31 December 2000, the WorkCover Scheme deficit was \$2,179 million.
- (2) Yes. Attached is a copy of Tillinghast's actuarial report "Actuarial Review of the Outstanding Liabilities of the WorkCover Scheme Statutory Funds as at 31 December 2000" supporting this figure. [Attachment A]

4. Mr Gallacher asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

How many of your employees currently have a workers compensation claim against WorkCover?

Answer:

As at 31 May 2001, the Treasury Managed Fund was dealing with 66 active claims submitted by WorkCover employees.

5. Rev Nile asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

What percentage of the anticipated WorkCover deficit of \$2.18 billion is a result of common law claims?

Answer:

Common law liabilities account for \$1,887 million or 25% of total gross outstanding claims liabilities of \$7,467 million as at 31 December 2000.

6. Mr Gallacher asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

Has any analysis been done of the breakdown between the private sector's claim on the system and public sector's claim on the system?

Answer:

No analysis has been done on the breakdown between public sector and private sector claims experience. The public sector is largely covered by separate insurance arrangements outside the WorkCover managed fund arrangements.

7. Mr Lynn asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) If a debt reduction levy to reduce the WorkCover deficit were imposed would that be applied proportionally to the public and private sectors?
- (2) What impact would that have on the budget in regard to the public sector debt?

Answer:

(1) and (2) Requires a speculative response.

8. Mr Lynn asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) Has the WorkCover Authority prosecuted the Department of Public Works and Services at any other time for breaches of this Act since 1995?
- (2) If so could you provide details of those prosecutions?

Answer:

- (1) On 22 November 1995, the Department of Public Works and Services was fined \$1500 by the Chief Industrial Magistrates Court for an offence under section 15(1) of the Occupational Health and Safety Act 1983.
- (2) There are three other prosecutions proceeding against the Department of Public Works and Services, under the Occupational Health and Safety Act 1983, currently before the courts.

9. Mr Gallacher asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

Please itemise all WorkCover investments over the last financial year along with details of the amount of money made or lost on each investment?

Answer:

INVESTMENT	INCOME (July 2000-May 2001)
	\$'000
AMP Henderson Global Investors	1,557
BT Funds Management	5,766
Citigroup Asset Management	2,475
NSW Treasury Corporation	1,537
UBS Asset Management	5,027
Additional fund managers appointed April 2001:	
Commonwealth Investment Management	169
Merrill Lynch Investment Managers	681
State Street Global Advisors	<u>(167)</u>
TOTAL	<u>\$17,045</u>

Income from investments is measured according to the changes in market value of investments and as provided for under Australian Accounting standards. No permanent losses were incurred during the period.

10. Mr Lynn asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

Has there been any workers compensation claims from staff employed on level 11 in Parliament House who required medical treatment following a possible exposure to asbestos or synthetic mineral fibres that had occurred on March 5 this year?

Answer:

There has been one workers compensation claim lodged with the Treasury Managed Fund as at end of March 2001.

11. Mr Lynn asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) How many staff are currently employed by the Occupational Health and Safety Regulation Development Unit at the WorkCover Authority?
- (2) What funding does the unit receive?
- (3) What projects are they currently engaged in?
- (4) What is the estimated time line for the completion of these projects?

Answer:

- (1) Seven.
- (2) The Unit has a budget of \$593,000.
- (3) The major role of the Unit is to manage the major OHS regulatory reform program, which includes:
 - development and implementation of the *Occupational Health and Safety (OHS) Regulation 2001* and implementation of the *OHS Act 2000*;
 - development and review of a package of guidance materials and codes of practice to support the *OHS Act 2000* and *OHS Regulation 2001*;
 - preparatory scoping and policy development in regard to the implementation of the *National Standard for the Storage and Handling of Dangerous Goods*;
 - input into the implementation of the *National Standard for Major Hazard Facilities* (lead agency being the Department of Urban Affairs and Planning);
 - development and implementation of on-going regulatory changes such as the implementation of the chrysotile asbestos phase-out;
 - consultation with stakeholders on matters relating to regulatory changes; and
 - providing advice to external stakeholders and internally to WorkCover on the provisions and interpretation of the proposed *OHS Regulation 2001*.
- (4) The proposed legislative reforms in regard to OHS, dangerous goods and major hazard facilities represent the most comprehensive change to workplace health and safety since the *OHS Act 1983* was introduced. The Unit's resources will be devoted to completing this important task.

Drug Policy

12. Mr Samios asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) Can you estimate how many persons have an illicit drug addiction in New South Wales?
- (2) How has that number changed in the past year?

Answer:

(1) and (2) While I am advised by the National Drug and Alcohol Research Centre (NDARC) that it is difficult to estimate the numbers of persons in NSW who have illicit drug addictions, the NDARC Monograph (No. 44) titled "How Many Dependent Opioid Users Are There in Australia", published in 2000, estimated there were approximately 35,000 opioid dependent people in New South Wales.

13. Mr Samios asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) Can you provide an itemised breakdown of the funding for drug education for school aged children in 2001-2002?
- (2) Can you provide an itemised breakdown for the past two years, 1999-2000 and 2000-2001, for drug education for school aged children?

Answer:

(1) In 2001-2002, funding for drug education for school aged children is as follows:

General school support and programs for drug education	\$2,351,980
Drug Summit initiatives	\$727,000
Commonwealth initiatives*	\$755,776
<u>Cabramatta Anti-Drug Strategy</u>	<u>\$350,000</u>
Total	\$4,184,756

* The Commonwealth initiatives are cross-sectoral supporting work with government, catholic and independent schools.

(2) The break-down of funding for drug education for school aged children for 1999-2000 and 2000-2001, is:

	1999-2000	2000-2001
General school support and programs for drug education	\$2,349,980	\$2,351,980
Drug Summit initiatives	\$390,000	\$681,000
<u>Commonwealth initiatives*</u>	<u>\$1,204,560</u>	<u>\$1,945,036</u>
Total	\$3,944,540	\$4,978,016

* The Commonwealth initiatives are cross-sectoral supporting work with government, catholic and independent schools

14. Mr Samios asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

How many full-time positions across the whole of Government, not just in the Cabinet Office, are funded through your drugs policy funding?

Answer:

Following the 1999 Drug Summit, the Government committed an additional \$176 million to implement a range of drug programs in all key areas: prevention, education, law enforcement and treatment. Funding has been provided to nine Government agencies (and through them to many non government organisations).

I am advised the number of positions funded from Drug Summit allocations in those nine agencies is approximately 344 equivalent fulltime positions.

The majority of those positions are in Area Health Services and other agencies providing direct assistance to people with drug and alcohol problems. The positions include new drug and alcohol counsellors, case managers for people in pharmacotherapy treatment or on court based diversion programs, and doctors, nurses and counsellors involved in patient care in new or expanded detoxification and treatment services. A strong focus has been on boosting positions in rural areas.

15. Rev Nile asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

(1) Will the drug education program for school aged children referred to in evidence include new information on the potential dangers of marijuana on the brain?

(2) How much are you budgeting specifically to include information about the effects of marijuana in this current year's education program for school age children?

Answer:

(1) I am advised new information will be included. Copies of the National Drug and Alcohol Research Center (NDARC) report *Educational Outcomes and Adolescent Cannabis Use* were distributed to all government schools in 2000. This report deals with the possible dangers of cannabis use on cognitive development, behaviour, motivation, and educational outcomes, and provides advice on what schools can do to address cannabis use.

(2) I am advised most secondary schools include education as part of their drug education program. The budget for new cannabis initiatives for 2001-02 is \$262,000.

16. Mr Lynn asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

Will the Minister make available to the Committee the interim evaluation report on the injecting room's trial?

Answer:

Under Section 36B of the *Drug Misuse and Trafficking Act 1985*, the Commissioner of Police and the Director General of the Department of Health are to arrange for a review to be conducted of the operation and use of the medically supervised injecting centre during the trial period, as well as of the legislative provisions under Part 2A of that Act which relate to the Centre. Under section 36B that review is to be tabled in Parliament as soon as practicable after its completion.

In the meantime, a copy of the Evaluation Protocol for the Trial is attached for the Committee's information. [Attachment B]

17. Mr Lynn asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) What has been the increase in the number of residential drug treatment places since the Drug Summit of 1999?
- (2) What is the projection for the number of residential drug treatment places for 2001-2002?

Answer:

- (1) I am advised that since the Drug Summit, the Government has funded 62 additional beds for residential rehabilitation in the non-government sector.
- (2) I am further advised that the projection for the number of residential drug treatment places for 2001-2002 is 641 beds. NSW is also currently negotiating with the Commonwealth to fund an additional 42 residential rehabilitation beds for 2001-02 for participants in the Magistrates Early Referral Into Treatment diversion scheme.

18. Mr Lynn asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) What has been the increase in funding per person for residential drug treatment?
- (2) What portion of that increase is Commonwealth funding?

Answer:

- (1) I am advised that NSW Health does not provide funding for residential drug treatment on per person basis.
- (2) I am also advised that the Commonwealth does not generally provide funding to increase the bed capacity of residential services. Rather, Commonwealth funding is used to develop outreach networks and outpatient services, to provide medicated detoxification, for equipment and for refurbishing facilities.

Of the 62 new residential rehabilitation places referred to in question 6, all of those are solely funded by the State Government.

19. Mr Lynn asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

- (1) How many persons have been rehabilitated from illicit drug abuse in the past year?
- (2) What is the cost per person of that rehabilitation?

Answer:

- (1) The National Minimum Data Set indicates that between 1 July 2000 and 31 May 2001, 2,472 people in New South Wales completed treatment episodes in residential rehabilitation facilities. I am advised it is only possible to establish the outcome of treatment programs by undertaking thorough follow-up studies.
- (2) I am advised that it is not possible to establish the cost per person of the rehabilitation from illicit drug abuse as treatment can take a number of different forms.

I am advised the National Drug and Alcohol Research Centre is currently working on an outcome study, the Brief Treatment Outcomes Measure (BTOM), which will be adapted to the residential rehabilitation sector to provide an indication of the effectiveness of the residential services.

20. Mr Lynn asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca, MLC —

What has been the increase in the value of seizures from convicted drug dealers?

Answer:

I am advised that over the past four financial years, the following deposits have been made into the Confiscated Proceeds Account:

1997-98	\$4.513 m
1998-99	\$6.366 m
1999-00	\$11.078 m
2000-01	\$11.811 m.

I am advised that while the majority of the deposits made into the Confiscated Proceeds Account are monies which relate to drug type offences, deposits also relate to a number of other serious criminal offences such as money laundering, fraud and tax evasion. I am further advised that proceedings under the *Criminal Assets Recovery Act 1990* are civil proceedings and therefore do not necessarily relate to criminal convictions.

Motor Accidents Authority

21. Rev Nile asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations the Hon John Della Bosca MLC-

What impact will the collapse of HIH insurance have on Greenslip premium levels?

Answer:

There will be no increase in Greenslip premiums as a result of HIH's collapse.

22. Mr Samios asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca MLC -

(1) How many compulsory third party insurance premiums were collected between 30 June 1999 and 30 June 2000?

(2) How many were collected between 30 June 2000 and 30 June 2001?

Answer:

(1) For year ended 30 June 2000 there were 3,669,867 annual Green Slip policies issued.

(2) For the 9 months ended 31 March 2001 there were 2,712,595 annual Green Slip policies issued. (Year ending 30 June 2001 figures will not be available until early August 2001)

Assistant Treasurer

23. Mr Gallacher asked the Special Minister of State, Minister for Industrial Relations, Assistant Treasurer, the Hon John Della Bosca, MLC-

- (1) What is the estimated cost to the State Government of payroll tax owed by the collapsed HIH Insurance Group?
- (2) Does the HIH Insurance Group currently owe the State Government money arising out of its responsibilities to pay payroll tax?

Answer:

- (1) and (2) The Taxation Administration Act 1996, prohibits the disclosure of confidential information obtained in the course of administering a revenue law, except with the permission of the person concerned or for the purpose of administering the legislation.

Industrial Relations

24. Rev Nile asked the Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, the Hon John Della Bosca MLC -

The Budget Papers concerning the Building and Construction Industry Long Service Payments Corporation show an increase in over \$7 million in superannuation deficit over the previous year. Could you explain that deficit and what impact that deficit will have on the Corporation?

Answer:

The Corporation's operating statement shows a deficit of \$10.47 million for the 2000/01 financial year rising to \$17.58 million in the 2001/02 financial year. This operating deficit is budgeted with the objective of reducing the retained earnings surplus of the Fund.

The Corporation has adequate funds to meet long service payment liabilities. The Corporation has about \$385 million in investments with NSW Treasury Corporation and the actuarial estimate of the scheme liabilities as at 30 June 2001 is \$313 million. This still results in an overall retained earnings surplus.