

21 JUNE 2001

(GENERAL PURPOSE STANDING COMMITTEE NO. 4)

PORTFOLIO

PUBLIC WORKS & SERVICES

QUESTIONS TAKEN ON NOTICE

1. Mr Lynn asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

What was the cost of printing desk cards for employees, featuring the Department's Customer Focus Commitment Statement ?

Answer:

The cost of printing the desk cards featuring the Department's Customer Focus Commitment Statement was \$1,215.00.

2. Mr Lynn asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

In relation to State Fleet vehicles

- (1) What caused an increase of more than 100% in the number of vehicles leased by the State Fleet between the years 1994-95 – 1999-2000?
- (2) What profit did State Fleet make in the 1994-95 and 1999-2000 financial years?

Answer:

- (1) The increase in vehicles leased by StateFleet Services between 1994-95 and 1999-2000 reflected the continued conversion of Government owned vehicles to lease vehicles commenced in 1993.

The original leasing tranche moved all inner budget passenger vehicles to an operating lease base. In 1997, the commercial vehicles operated by these agencies were included in a second leasing tranche.

In 1998, three further agencies fleets (Department of Health, Roads and Traffic Authority and National Parks and Wildlife Service) were included in a third facility.

- (2) The Department of Public Works and Services publishes audited annual profit and loss statements for the Department in its annual report to Parliament.

There are no individually published Profit and Loss statements for individual business units within the Department.

Normal commercial management procedures are in place to manage each individual business.

3. Mr Lynn asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

Can you explain the reason for a substantial change in the Department from:

- (a) an operating surplus of \$37.2 million 1994 to a loss of \$2.3 million in 1999-2000?

- (b) a reduction in return on equity went from 11.7 per cent in 1994-95 to minus 0.6 per cent in 1999-2000?

Answer:

- (a) The major reason for the reduction in profit for the department is that whilst revenue has moved in line with inflation, expenditure has increased at a faster rate.

The increase in expenditure is mainly due to salary movements (award related), Y2K costs and the impact of the Goods and Services Tax.

- (b) The reduction in the operating profits, combined with an increase in the net assets of the Department, resulted in a reduction in return of equity during the period.

4. Mr Lynn asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

In respect of the many businesses operated by the Department of Public Works and Services, is there a balance sheet with a profit and loss statement prepared for each one of these businesses?

Answer:

The Department of Public Works and Services prepares and publishes an audited profit and loss statement and balance sheet for the whole of the Department. Publication of these statements are included in the Department's Annual Report. No separate audited financial statements are prepared for the separate businesses of the Department, however, commercial principles are adopted to manage these businesses.

5. Mr Cohen asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

How much has been spent to date on counselling services to assist the colleagues of a 'displaced' staff member who committed suicide?

Answer:

\$7,013.

6. Mr Cohen asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

How many 'displaced persons have found further work within the department to assist with the departments expansion of capital works programs, such as the construction of new schools and gaols?

Answer:

Short term work found for two staff directly related to the increase in schools capital works program.

7. Mr Cohen asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

What properties have been sold over the past financial year by the Department to make up the \$532 million proceeds from the sale of property, plant and equipment?

Answer:

No DPWS properties have been sold during 2000/01. The line item in the budget paper "sale of property, plant and equipment" mainly relates to disposal of DPWS' assets due for replacement including motor vehicles, office equipment and computers. The projected proceeds from sale of these assets in 2000/01 is \$532,000 (not \$532 million).

8. Mr Cohen asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

Can you detail the decreases in grants and subsidies?

Answer:

The decrease in Grants and Subsidies is detailed in the following table:

	2000/01 Budget \$'000	2000/01 Revised \$'000	2001/02 Budget \$'000
Grants to Agencies	10,062	9,319	9,577
Government Cleaning Service - Sick Leave Liability	85	85	85
Heritage Building Program	4,334	4,334	4,704
Purchase of Sandstone	5,000	1,300	560
Total Grants and Subsidies	19,481	15,038	14,926

9. Mr Cohen asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

In relation to the budget program Risk Management and Policy Development line item "Specialist policy advice and investigations", can you detail the decrease in investigations, and which investigations in particular are responsible for the decrease from \$4.8 million to \$4.1 million?

Answer:

For the 2001/ 2002 financial year, Treasury required the Public Works and Services portfolio to effect savings in respect of the level of funding it received for this line item from the previous financial year.

The level of allocation to this program provides adequate funding to achieve the program objectives and outcomes.

10. Mr Oldfield asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

In relation to displaced workers from Government departments:

- (1) What is the average period of time an employee is categorised as displaced?
- (2) What period of time would be considered to be lengthy?

Answer:

- (1) It varies from case to case. Of the 20 existing displaced staff, the average is 4 months.
- (2) In excess of 12 months.

11. Mr Oldfield asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

What is the level of workers compensation claims amongst Public Works employees?

Answer:

The current number of workers compensation claims per DPWS employee is 0.037.

12. Mr Oldfield asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

How does the level of workers compensation claims compares with the level in other government departments?

Answer:

Most government agencies are insured with the Treasury Managed Fund Pool. The DPWS number of workers compensation claims per employee of 0.037 is lower than the Treasury Managed Fund average of all Government agencies of 0.058 claims per employee.

13. Mr Oldfield asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

In relation to displaced workers from government departments:

- (1) What percentage of displaced people take voluntary redundancy?
- (2) What percentage of displaced people take voluntary redundancy within three months of being displaced?
- (3) What percentage of displaced people find permanent positions in other government departments,
- (4) What percentage of displaced people find permanent positions in other government departments within three months of being displaced?
- (5) What percentage of payroll is dedicated to displaced employees for the closest payday to 1 March and the closest payday to 1 June?

Answer:

- (1) Over the life of the current VR program approx 40% of displaced staff have taken voluntary redundancy
- (2) Of those who have taken voluntary redundancy 62%
- (3) 4%
- (4) 0%
- (5) Displaced Staff - Payroll Costs as at:
 - 9 March = 0.38%
 - 1 June = 1.05%

14. Mr Moppett asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

Does the document "Schools Facilities Standards Document SF8" provide:

- (a) standards in relation to the installation of security doors, gates and grilles at schools?
- (b) specifications that conform to the New South Wales Licensing Industry Act?

Answer:

Note: *Schools Facilities Standards Document SF8 is now known as the Schools Facilities Specification Standard, Part 2.*

- (a) Yes.
- (b) Yes.

15. Mr Moppett asked the Minister for Public Works and Services, the Hon Morris Iemma, MP—

How often has the security of payments legislation that came in 1999 been accessed?

Answer:

It is not possible to say how often the *Building and Construction Industry Security of Payment Act 1999* has been accessed.

In effect, the Act is accessed every time a payment claim on a construction related contract carries words to the effect "This is a payment claim under the *Building and Construction Industry Security of Payment Act 1999*". By making a claim under the Act, the claimant accesses the Act's remedies should a dispute subsequently arise on that claim. It does this by:

1. obliging the person liable to pay, to respond to the claim within 10 business days if full payment is not proposed;
2. allowing for an adjudication to occur over a disputed claim; and
3. providing for any debts arising under the Act to be recovered through the courts.

Importantly, I am being told the mere existence of the Act is encouraging disputing parties to come together and resolve their differences without resorting to the processes provided by the Act.

Only under item 2 above are some statistics available. At the Estimates Hearing on 22 June 2001 I responded there had been 18 adjudications. This is the number I am aware of being undertaken through the Act's authorised nominating authorities. Adjudications do not have to be arranged through these authorities nor reported to Government, so there may have been other adjudications of which I am not aware.