

## **Appendix 14**

### **Minutes of the proceedings**

# Minutes of proceedings

## Minutes No. 68

Thursday 14 February, 2002

At Parliament House (Jubilee Room) 9.30am

### 1. Members Present

Rev Nile (Chairman)

Mr Kelly

Mr Gallacher

Mr Tsang

Mr Wong

Mr West (Saffin)

Mr Pearce

### 2. Substitute Members

The Chairman noted advice from the Government Whip, dated 14 February 2002, advising that Mr West would replace Ms Saffin for the purposes of today's meeting.

#### *Hearing*

### 3. Round Table

The Committee resolved on the motion of Mr Kelly to hear the Minister's initial evidence in camera.

The Hon John Della Bosca MLC, Special Minister of State, Assistant Treasurer and Minister for Industrial Relations made an opening statement.

### 4. Public Hearing

Resolved, on motion of Mr Kelly that:

In accordance with the Resolution of the Legislative Council of 11 October 1994 the Committee authorises the sound broadcasting and television broadcasting of its public proceedings held today.

The public and media were admitted.

The Chairman welcomed the gallery and reminded the media of their obligation under Standing Order 252 of the Legislative Council in relation to evidence given before, and documents presented to, the Committee. The Chair also distributed copies of the guidelines governing broadcast of proceedings.

The Hon John Della Bosca MLC, Special Minister of State, Assistant Treasurer and Minister for Industrial Relations, continued his evidence in public.

Mr Della Bosca undertook to take questions on notice from the committee.

Evidence concluded and the witness withdrew.

The Committee adjourned at 10.30am.

The Committee resumed at 10.35am.

Mr Robert Sendt, Auditor General, affirmed and examined.

Mr Lee White, Assistant Auditor General, sworn and examined.

Mr Sendt made an opening statement.

Mr Sendt and Mr White undertook to take questions on notice from the committee.

Evidence concluded and the witnesses withdrew.

### ***Deliberative***

#### **5. Confirmation of Minutes**

Resolved on the motion of Mr Kelly that:

The draft minutes of the meeting numbered No.67 be confirmed.

#### **6. Correspondence Received**

The Chairman tabled two items of correspondence received:

- Information from P.W. Turk and Associates Solicitors, received 5 February 2002, regarding the seminar on 31 January 2002 entitled "Changes to NSW Workers Compensation Scheme".
- Letter from the Hon Craig Knowles, Minister for Health, received 6 February 2002, providing the final submission to the WorkCover Board as requested on 24 September 2001. The submission is regarding a fee increase for public hospitals.

#### **7. Submissions**

The Chairman tabled one submission received:

Resolved on the motion of Mr Kelly that:

The Submission (No 111/1.9.1) from Mr Robert Taylor, ex WorkCover employee, received 8 February, 2002, be accepted as a late submission and that the document be kept private and confidential at this stage.

#### **8. Correspondence Sent**

The Chairman advised the Committee of the correspondence sent to the Hon John Della Bosca, MLC, Special Minister for State, Assistant Treasurer and Minister for Industrial Relations, dated 8 February 2002, seeking relevant documents and data for preparing the third interim report.

### ***Third Interim Report Public Hearings***

#### **9. Attendance of Mr Robert Taylor**

The committee deliberated.

Resolved on the motion of Mr Kelly that:

Mr Taylor appear as a witness on March 7, 2002 for 30 minutes in camera, to discuss options for future scheme design and that Director of General Purpose Standing Committee's seek the Clerk's advice on the possible impacts of Mr Taylor appearing as a witness on any ICAC investigation.

#### **10. Confirmation of Suggested Witness list and Hearing Time Table**

The Chairman tabled a suggested witness list and hearing timetable for the hearings to be held on 6 and 7 of March, 2002.

Resolved on the motion of Mr Kelly that:

The witness list and timetable for the 6 and 7 of March, 2002 be endorsed.

**11. Workers Compensation Forum**

The Chairman tabled an outline for the Workers Compensation Forum, and a suggested delegate list and facilitator.

Resolved on the motion of Mr Kelly that:

The outline for the Workers Compensation Forum be endorsed.

Resolved on the motion of Mr Wong that:

The delegate list be endorsed.

Resolved on the motion of Mr Tsang that:

The Committee accept Sir Laurence Street's offer to facilitate the forum.

**12. General business**

***Extension of final report tabling***

Resolved on the motion of Mr Pearce that:

Rev Nile moved a motion in the House that the final reporting date be moved to 3 September 2002.

***Calendar***

Calendar circulated.

Committee agreed that the deliberative meetings for the third interim report be held on the 8 and 12 March, 2002.

The Committee adjourned at 12.00noon.

***Hearing***

The Committee resumed 2.00pm

The public and media were admitted.

Ms Kate McKenzie, General Manager, WorkCover NSW, was sworn and examined.

Mr Rod McInnes, Assistant General Manager, WorkCover NSW, was sworn and examined.

Mr Gallacher requested that Mr McInnes provide all written correspondence between WorkCover and Tillinghast Towers Perrin that took place between 21 November 2001 and 14 January 2002.

Ms McKenzie and Mr McInnes undertook to take questions on notice from the committee.

Evidence concluded and the witnesses withdrew.

Resolved, on motion of Mr Kelly that:

Pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 252, the Committee authorises the Clerk of the Committee to make corrected submissions (where applicable), tabled documents and corrected transcripts of today's hearing and briefings publicly available.

**13. Next meeting**

Wednesday 6 March 2002 at 10.00am in Room 814/815.

The Committee adjourned at 3.20pm.

Emma Lawson  
**Project Officer**

**Minutes No. 69**  
Wednesday 6 March, 2002  
At Parliament House Room 814-815, 9.30am

**1. Members Present**

Rev Nile (Chairman)  
Mr Kelly  
Mr Gallacher  
Mr Wong  
Mr Pearce

**2. Public Hearing**

Resolved, on motion of Mr Pearce that:

In accordance with the Resolution of the Legislative Council of 11 October 1994 the Committee authorises the sound broadcasting and television broadcasting of its public proceedings held today.

The public and media were admitted.

The Chairman welcomed the gallery and reminded the media of their obligation under Standing Order 252 of the Legislative Council in relation to evidence given before, and documents presented to, the Committee. The Chair also distributed copies of the guidelines governing broadcast of proceedings.

Mr David Finnis, Actuary was sworn and examined.  
Ms Sally Wijesundera, Manager was sworn and examined.  
Mr Leighton James, Actuary, was sworn and examined.

Mr Finnis made an opening statement.

Mr Finnis tendered one document in support of his evidence, entitled "Response to Standing Committee".

Resolved, on motion of Mr Kelly that:  
The committee accept the document.

Mr Finnis undertook to take questions on notice from the committee.

Evidence concluded and the witnesses withdrew.

Committee adjourned at 10.50am.

Committee resumed at 11.00am.

Ms Kate McKenzie, General Manager, WorkCover, sworn and examined.  
Mr Brian Russell, Manager, WorkCover, sworn and examined.  
Ms Siew Kiang, Manager, WorkCover, sworn and examined.  
Ms Mary Hawkins, Manager, WorkCover, sworn and examined.

Ms McKenzie, Mr Russell, Ms Kiang and Ms Hawkins undertook to take questions on notice from the committee.

Evidence concluded and the witnesses withdrew.

Committee adjourned at 12.33pm.

Committee resumed at 2.00pm

Mr Robert Thomson, Manager Insurance Council of Australia, sworn and examined.

Mr Thomson tendered one document in support of his evidence. Resolved, on motion of Mr Pearce, that: the committee accept the document.

Mr Thomson undertook to take questions on notice from the committee.

Evidence concluded and the witness withdrew.

Mr Colin Fagan, QBE, was affirmed and examined.

Mr Fagan undertook to take questions on notice from the committee.

Evidence concluded and witness withdrew.

Committee adjourned at 3.45pm.

Committee resumed at 3.50pm.

Mr Ken Young, Self Insurers Association, sworn and examined.

Mr Mick Franco, Self Insurers Association, affirmed and examined.

Mr Graham Layt, Self Insurers Association, affirmed and examined.

Mr Young made an opening statement.

Mr Franco made an opening statement.

Mr Layt made an opening statement.

Evidence concluded and the witness withdrew.

Resolved, on motion of Mr Pearce that:

Pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 252, the Committee authorises the Clerk of the Committee to make corrected submissions (where applicable), tabled documents and corrected transcripts of today's hearing and briefings publicly available.

### **3. Next meeting**

Thursday 7 March, 2002, Room 814/815.

Emma Lawson  
**Project Officer**

**Minutes No. 70**  
Thursday 7 March, 2002  
At Parliament House Room 814-815, 9.30am

**1. Members present**

Rev Nile (Chairman)  
Mr Dyer (Kelly)  
Mr Gallacher  
Mr Pearce  
Dr Wong

**2. Apologies**

Ms Saffin

**3. Substitute Members**

The Chairman noted advice from the Government Whip, dated 7 March, 2002, advising that Mr Dyer would replace Mr Kelly for the purposes of today's meeting.

**4. Confirmation of minutes**

Resolved on the motion of Dr Wong that:

The draft minutes of the meeting numbered No.68 be confirmed.

**5. Correspondence Received**

The Chair tabled the following items of correspondence received:

- Letter from Mr Peter McCarthy, Ernst and Young dated February 21, 2002, regarding a proposal to tender for a contract being offered by the Insurance Council of Australia.
- A letter from the Hon John Della Bosca MLC with the Workers Compensation Scheme Background Paper for the purposes of the Workers Compensation Forum dated February 28, 2002.

**6. Submissions**

The Chair tabled one submission received:

Submission (No 131/1.9.1) from Ms Lynne Littlefield, Australian Psychological Society, received 28 February, 2002.

Resolved on the motion of Mr Dyer that:

The Submission (No 131/1.9.1) from Ms Lyne Littlefield, Australian Psychological Society, received 28 February, 2002, be accepted as a late submission and that attachment 5 of the document be kept private and confidential at this stage.

**7. Correspondence Sent**

The Chairman advised the Committee of the correspondence sent as follows:

- Information packages to all delegates attending the Forum, couriered on March 1, 2002.
- Letter to the Hon John Della Bosca MLC regarding the letter for attachment to the Workers Compensation Scheme Background Paper, was faxed February 28, 2002.
- Letter to the Hon John Della Bosca MLC regarding corrections to transcript, faxed February 28, 2002.

**8. Ernst and Young ABC – ICA Contract**

The committee deliberated.

Resolved on the motion of Mr Dyer that:

1. The Chair write to Ernst and Young ABC advising that the Committee approves of them undertaking the work as outlined in the letter dated 21 February 2002, for the Insurance Council of Australia and drawing their attention to their obligations under part 7.4 should conflicts of interest arise in their work in the future.
2. The Chair include in his letter a request that if Ernst and Young is successful in their bid for the Insurance Council of Australia contract that more information be provided to the Committee outlining the exact nature of the work being undertaken.
3. The Chair consider including in the Third Interim Report a note drawing the public's attention to the Committee's consideration of the conflict of interest issue.

**9. Continuation of Actuarial contract**

Resolved on the motion of Mr Gallacher that:

The Chair write to Ernst and Young ABC advising that the Committee wishes to extend their contract to the tabling date of the final report, September 3, 2002 assuming that there will be no increases in cost of the work.

**10. General business*****Public Hearing***

Resolved, on motion of Mr Pearce that:

In accordance with the Resolution of the Legislative Council of 11 October 1994 the Committee authorises the sound broadcasting and television broadcasting of its public proceedings held today.

The public and media were admitted.

The Chairman welcomed the gallery and reminded the media of their obligation under Standing Order 252 of the Legislative Council in relation to evidence given before, and documents presented to, the Committee. The Chair also distributed copies of the guidelines governing broadcast of proceedings.

Dr Julian Parmegiani, the author of PIRS, was sworn and examined.

Dr Parmegiani gave a briefing to the Committee on the development of the PIR scale for the Workers Compensation Scheme in NSW.

Dr Parmegiani tendered 6 documents in support of his evidence. Resolved on the motion of Mr Gallacher that: the committee accept the documents excepting the three newspaper articles.

Dr Parmegiani undertook to take questions on notice from the committee.

Evidence concluded and the witness withdrew.

Dr Jim Stewart, Chair Permanent Impairment Coordinating Group, was sworn and examined.

Dr Jim Stewart undertook to take questions on notice from the committee.

Evidence concluded and the witness withdrew.

Committee adjourned at 11.15am.

**11. Ernst and Young Briefing**

Committee resumed at 11.50am.

The committee was briefed by Mr Peter McCarthy, Director, of Ernst and Young.

The committee deliberated.

Committee adjourned at 12.40pm.

Committee resumed at 2.05pm

Mr Robert Taylor, was sworn and affirmed.

The Committee resolved on the motion of Mr Dyer to hear Mr Robert Taylor's evidence in camera.

Mr Robert Taylor tendered 5 pieces of correspondence and 4 other articles in support of his evidence. Resolved on the motion of Mr Dyer that all the documents be considered as private and confidential.

Evidence concluded and the witness withdrew.

Committee adjourned at 12.40pm.

Committee resumed at 2.05pm

Mr Robert Wilkes, Australian Psychological Society, sworn or affirmed.

Dr Jack White, Australian Psychological Society, sworn and examined.

Prof. Paul Martin, Australian Psychological Society, sworn or affirmed.

Professor Martin made an opening statement.

Dr White tendered 1 document in support of his evidence and Mr Wilkes tendered 3 documents in support of his evidence. Resolved on the motion of Mr Pearce that: the committee accept the documents. These documents include:

- A paper entitled "Approaches to Measurement of Mental Impairment in WorkCover matters".
- Published pamphlet entitled -"WorkCover Victoria – The Case for Change".
- Presentation overheads by Brendan Wood, WorkCover Victoria.
- Report entitled "Sprains and Strains – Care Model Framework".

Evidence concluded and the witness withdrew.

Committee adjourned at 3.50pm

Committee resumed at 4.00pm

Dr Olav Nielssen, Chairman Forensic Branch, Royal Australian and New Zealand College of Psychiatrists was sworn and examined.

Dr Nielssen, tendered 1 document in support of his evidence. Resolved on the motion of Mr Dyer that: the committee accept the document entitled "Australia and New Zealand Journal of Psychiatry , August 2001, Vol.35, No.4.

Dr Nielssen undertook to take questions on notice from the committee.

Evidence concluded and the witness withdrew.

**12. Publication of Proceedings**

Resolved on the motion of Mr Pearce that:

The Committee publish the corrected transcripts and tabled documents as tendered.

**13. Next meeting**

Friday 15 March, Jubilee Room, 8.30am (Workers Compensation Forum)

Emma Lawson  
**Project Officer**

**Meeting No. 71**  
Friday 15 March, 2002  
At Parliament House The Parkes Room, 8.30am

**1. Members present**

Rev Nile (Chairman)  
Mr Kelly,  
Mr Tsang,  
Mr Gallacher.

**2. Apologies**

Ms Saffin  
Mr Gallacher

**3. Correspondence Received**

The Chair tabled the following items of correspondence received:

Forum Papers from:

- Mr John Walsh, Pricewaterhouse Coopers,
  - Mr Howard Harrison, Carroll and O'Dea Solicitors,
  - Mr Gregory McCarthy, Workplace Injury Management Services,
  - Dr Tom Parry, IPART,
  - Mr Robert Thomson, Insurance Council of Australia,
  - Prof Michael Fearnside, Westmead Hospital,
  - Mr Bob Sendt, Auditor General,
  - Mr Peter McCarthy, Ernst and Young ABC.
- 
- Response to questions on notice (public hearing 14 February) from Mr Bob Sendt, Auditor General, received 6 March, 2002 (circulated to members previously).
  - Letter from the Hon John Della Bosca, regarding the focus of the forum, received on 12 March 2002.
  - Letter from the Hon John Della Bosca, regarding the incamera evidence, received March 14, 2002. (attached)

**4. Correspondence Sent**

The Chair table the following two items of correspondence as sent:

- Letter to Sir Laurence Street, sent 11 March, 2002, regarding the focus of the forum.
- Letter to the Minister John Della Bosca, regarding the using the in camera evidence for further focusing the afternoon session of the forum.

**5. Briefing with Sir Laurence Street**

Sir Laurence briefed the Committee on the day's proceedings.

The Committee deliberated.

## 6. General business

### ***Committee approval of Forum information***

Resolved on the motion of Mr Kelly that the Committee approves the guidelines for the Forum as circulated in the Forum Guide.

### ***Table documents***

Resolved on the motion of Mr Kelly that all documents tabled by delegates during the Forum be made public unless otherwise stated.

### ***Corrected Transcripts***

Resolved on the motion of Mr Gallacher that the Committee publish and make public the corrected transcripts.

### ***Forum***

Resolved, on motion of Mr Kelly that:

In accordance with the Resolution of the Legislative Council of 11 October 1994 the Committee authorises the sound broadcasting and television broadcasting of its public proceedings held today.

The public and media were admitted.

The Chairman welcomed the gallery and reminded the media of their obligation under Standing Order 252 of the Legislative Council in relation to evidence given before, and documents presented to, the Committee. The Chair also distributed copies of the guidelines governing broadcast of proceedings.

The delegates gave presentations to the Committee in the following order:

- Ms Kate McKenzie, General Manager, WorkCover NSW,
- Mr Howard Harrison, Partner, Carrol & O'Dea Solicitors,
- Mr Bob Sendt, Auditor General, NSW Audit Office,
- Dr Tom Parry, Chairman, Independent Pricing and Regulatory Tribunal.

The Forum adjourned for morning tea at 10.25am

The Forum resumed at 10.55am.

The delegates gave presentations to the Committee in the following order:

- Mr John Walsh , Partner Pricewaterhouse Coopers,
- Mr Mark Goodsell, Director NSW Australian Industry Group,
- Mr Robert Thomson, Manager, Workers Compensation, Insurance Council of Australia,
- Mr Greg McCarthy, Executive Director, Workplace Injury Management Services,
- Professor Michael Fearnside, Westmead Hospital,
- Ms Nancy Carl, Industrial Officer, NSW Labor Council.

The Forum adjourned for lunch at 12.40pm.

The Forum resumed a closed session (without media or the public) at 2.15pm.

There was a round table discussion with all delegates and members participating.

The Forum was reopened to the public and the media again at 4.00pm.

Sir Laurence Street gave a summary of the afternoon's proceedings.

The Forum closed at 4.30pm.

**7. Next meeting**

Monday 8 April, Room 1108, at 2pm. (Deliberative Meeting).

Emma Lawson  
**Project Officer**

**Minutes No. 72**  
Monday 8 April, 2002  
At Parliament House Room 1108, 2.00pm

**1. Members present**

Rev Nile (Chairman)  
Mr Kelly  
Mr Pearce  
Mr Gallacher  
Mr Wong  
Mr Dyer (Tsang)  
Ms Fazio (Saffin)

**2. Substitute Members**

The Chairman noted advice received from the Government Whip, dated 8 April 2002, advising that Mr Dyer would replace Mr Tsang for the purposes of today's meeting.

The Chairman also noted advice received from the Government Whip, dated 8 April 2002, advising that Ms Fazio would replace Ms Saffin for the purposes of today's meeting.

**3. Confirmation of minutes**

Resolved on the motion of Mr Kelly that:

The draft minutes of meetings numbered 69, 70 and 71 be confirmed.

**4. Correspondence Received**

The Chairman tabled the following three items of correspondence received:

- Letter from Mr Peter McCarthy, Ernst and Young dated 25 March 2002, providing his third report to the Committee.
- Correspondence from Ms Nancy Carl, Labor Council of Australia, received on 14 March 2002, regarding presentation for the Workers Compensation Forum.
- Correspondence from Mr Mark Goodsell, Australian Industry Group, received on 15 March 2002, regarding presentation and background paper for the Workers Compensation Forum.
- Correspondence from Dr Graham Edwards, Consultant Psychiatrist, dated 21 March 2002, regarding his response to Dr Olav Nielssen's evidence given on 7 March 2002.
- Correspondence from Ms Kate McKenzie, General Manager WorkCover NSW, dated 28 March 2002, regarding answers to questions on notice dated 19 February 2002 and other information.
- Correspondence from Leigh James of Tillinghast Towers Perrin dated 25 March 2002, regarding continued assistance for the Committee.
- In confidence ("in camera") correspondence from Mr Colin Fagan, General Manager QBE Workers Compensation, regarding the QBE Injury Management Program.
- Correspondence from Reid and Reid Solicitors, received 13 March 2002, regarding medical findings.
- Correspondence from the Hon John Della Bosca, Minister for Industrial Relation, received 8 April 2002, regarding the Review of Scheme Design.
- Correspondence from Ms Kate McKenzie, General Manager, WorkCover NSW, received 5 April 2002, regarding responses to questions on notice.

**5. Correspondence Sent**

The Chair tabled the following items of correspondence sent:

- Thankyou letters to all delegates in attendance at the Forum, sent 26 March 2002.

**6. Chairman's Draft Third Interim Report**

The Chairman tabled his draft report entitled "NSW Workers Compensation Scheme Third Interim Report". Once circulated, the draft report was accepted as being read.

The Committee deliberated.

Resolved on the motion of Mr Pearce that:

Paragraph 2.3 be deleted and replaced with the following text:

*"The Committee concluded that it would monitor the completion of projects identified by WorkCover against key dates specified in their plan. The legislative implementation plan was not specifically raised during hearings in preparation for the third interim report. To assist the Committee, WorkCover was requested to provide details of projects completed against target dates specified in their plan. The material was received on Monday 8 April, 2002 after the draft report had been finalised. The Committee is therefore not in a position to make definitive conclusions regarding the successful implementation of legislative reform projects.*

*The information provided by WorkCover regarding the implementation of the Scheme reforms is inserted in full as Appendix X. Further analysis of the implementation of Scheme reforms will occur in the fourth and final report.*

*The Committee has drawn conclusions relating to WorkCover's implementation of the programs from general evidence and other documents received."*

Resolved on the motion of Ms Fazio that:

Conclusion 1 be amended by replacing the first paragraph with the following text:

*"On 8 April 2002 WorkCover provided an updated report on the status of the legislative reforms, which the Committee has not had time to review in depth."*

Resolved on the motion of Mr Pearce that:

A full stop be inserted after the words "inherently uncertain" in Conclusion 2 and that the remainder of the conclusion be deleted and replaced with the following text:

*"The one off impact on the Scheme's deficit should be evident later this year while the impact on an annual basis may not be fully evident for as many as three to five years and will be subject to revision."*

Resolved on the motion of Mr Kelly that:

The second paragraph of Conclusion 3 become the beginning of the first sentence of the first paragraph and the rest of the Conclusion be deleted and replaced with the following text:

*"... in light of the estimated, optimistic, \$1.33 billion one off impact on the deficit of the 2001 reforms on the Scheme deficit and the more realistic estimate of \$810million one off impact."*

Resolved on the motion of Ms Fazio that:

The words "A logical" be deleted from paragraph 2.41 and replaced with "Another".

Resolved on the motion of Mr Dyer that:

The text of Conclusion 4 be deleted and replaced with the following:

*"The Committee concludes that the Auditor General's opinion, that the Scheme's deficit or profit should be consolidated in the total State accounts, should be considered by the independent Review of Scheme Design as reported by the Minister in his letter to the Committee dated 5 April, 2002."*

**Resolved on the motion of Mr Kelly that:**

The text of Conclusion 5 be deleted and replaced with the following:

*“The Committee concludes that the issue of whether there is merit in adopting the APRA prudential requirements should be considered by the independent Review of Scheme Design as reported by the Minister in his letter to the Committee dated 5 April 2002.”*

**Resolved on the motion of Ms Fazio that:**

The text of Conclusion 7 be deleted and replaced with the following:

*“The PDS has potential for substantial savings to the Scheme. The PDS should continue to be promoted to targeted employers where relevant to increase the take up rate.”*

**Resolved on the motion of Mr Dyer that:**

Paragraph’s 4.21 and 4.22 be deleted and replaced with the following text:

*“The answers to the Committee’s questions regarding insurers’ performance were provided late on Friday 5 April, 2002 after the draft report had been finalised. WorkCover had previously identified privacy requirements and the cost and time required to undertake the necessary data inquiries as reasons for the delay. The Committee has not had sufficient time to analyse this information for inclusion in this report, however the document provided by WorkCover is attached as Appendix X. The information will be analysed further for the fourth and final report.*

*There appears to be problems with WorkCover’s current computer programs and systems, which need urgent updating. The Committee notes that WorkCover has plans for their IT systems as advised by WorkCover in Appendix X.”*

**Resolved on the motion of Mr Kelly that:**

The first paragraph of Conclusion 9 be amended by inserting, at the end of the first sentence the following text:

*“... the legislation should be amended to make it clear that WorkCover can legally disclose publicly details of insurers performance.”*

**Mr Pearce, moved that: the second paragraph/sentence in Conclusion 9 be deleted and replaced with the following text:**

*“Current licensing arrangements do not address management of insurers in their agency role and do not provide for Workcover to direct the focus of insurers management of injuries and claims.”*

**Mr Kelly, moved that:**

In addition to the words moved by Mr Pearce, that an additional paragraph be added afterwards stating:

*“The Committee considers that this issue should be addressed by the independent Review of Scheme Design as reported by the Minister in his letter to the Committee dated 5 April, 2002”*

**The Committee deliberated.**

**Both the amendment by Mr Pearce and Mr Kelly were – put and passed.**

**Resolved on the motion of Mr Kelly that:**

The text of Conclusion 10 be deleted and replaced with the following:

*“The implementation of the new remuneration arrangements should improve insurers outcomes”*

**Resolved on the motion of Mr Gallacher that:**

Conclusion 11 be amended by:

Inserting the following sentence at the beginning of the conclusion:

*“ It is important that WorkCover’s IT and data management systems are adequate.”*

Deleting the words “inadequate to enable” and replacing with “currently inadequate for”, and by:

Inserting the sentence:

*“ The Committee notes that WorkCover has announced the development of a new IT strategy to address these concerns”* before the last paragraph.

**Resolved on the motion of Mr Gallacher that:**

Conclusion 12 be amended by inserting the following sentence at the end:

*“In light of the evidence received by the Committee in preparation for the third interim report, the Committee considers that the use of commutations generally needs to be reviewed.”*

**Resolved on the motion of Mr Dyer that:**

Conclusion 13 be amended by inserting the words “and they are committed to the Scheme” at the end of the sentence.

**Resolved on the motion of Mr Kelly that:**

Conclusion 14 be amended by deleting all words from “and that further” to the end of the conclusion, and replacing with:

*“The Committee notes that the introduction of provisional liability should significantly improve injury management”.*

**Resolved on the motion of Mr Kelly that:**

The text of Conclusion 15 be deleted and replaced with the following:

*“The Committee is concerned at the level of dissent with regards to the appropriateness of the PIRS method for assessing permanent impairment. The Committee also notes the PIRS scheme has just been introduced and needs time for assessment.”*

**Mr Dyer moved that an additional paragraph be inserted after Conclusion 15 stating:**

*“In the view of the different, strongly expressed views in relation to PIRS, the Committee considers that there is a need for a working party comprised of representatives of the various interest groups to resolve these issues. The Committee will give further consideration to this in it’s final report.”*

The Committee deliberated.

Amendment by Mr Dyer – put and passed.

**Resolved on the motion of Mr Kelly that:**

The report, as amended, be adopted, however that the Committee also authorises the Chair to make editorial corrections to the final draft of the third interim report.

**Resolved on the motion of Mr Kelly that:**

The report be signed by the Chairman and presented to the House in accordance with the resolution establishing the committee of 13 May 1999.

**Resolved on the motion of Mr Kelly that:**

Pursuant to the provisions of section 4 of the Parliamentary Papers (Supplementary Provisions) Act 1975 and under the authority of Standing Order 252, the Committee authorises the Clerk of the Committee to publish the report.

Resolved on the motion of Mr Wong that:

The Chairman write to the Hon John Della Bosca, Minister for Industrial Relations, advising him of the Committee's conclusions in the third interim report and drawing his attention to Conclusion 15 in particular and the Committee's thoughts regarding the need for a working party on PIRS.

## **7. Schedule of Hearings and Deliberatives for Final Report**

The Chairman discussed the need for the next round of public hearings and suggested a range of dates and times for the hearings and deliberative meetings.

Members agreed on the dates and times for the meetings. These are as follows:

- Monday 3 June                      10am - 4pm public hearing
- Friday 7 June                        12pm - 2pm deliberative meeting
- Friday 21 June                      10am - 4pm public hearing
- Friday 19 July                        10am - 4pm public hearing (reserve date if needed)
- Friday 23 August                    10am - 1pm deliberative meeting
- Friday 30 August                    10am - 1pm deliberative meeting.

The Chairman also raised a number of issues to be discussed in the third interim report including: dispute resolution, investment management and the comparability of the Treasury Management Fund.

Members to think about other new issues that they want considered in the final report and advise the Committee Secretariat.

## **8. General business**

The Chairman raised the issue of the imminent completion of the Committee's contract with the consultant actuary, Ernst and Young. The Committee is yet to receive the letter from Ernst and Young outlining the costs involved in extending the contract.

Resolved on the motion of Mr Gallacher that:

The Chairman, in consultation with the Deputy Chairman, organise the necessary arrangements to extend the contract with Ernst and Young.

## **9. Next meeting**

Monday 3 June, 10.00am, room to be determined.

Emma Lawson  
**Project Officer**