



**Premier and Treasurer of New South Wales  
Australia**

MAP/00321

The Director  
Budget Estimates  
Parliament of NSW  
Macquarie Street  
SYDNEY NSW 2000

Dear Director

I refer to your correspondence of 21 September 2005 seeking answers to questions taken on notice at my appearance before General Purpose Standing Committee No. 1 on Tuesday 20 September 2005.

Attached are answers to the questions taken on notice.

Yours sincerely

**Morris Iemma MP**  
Premier and Treasurer

## **QUESTION TAKEN ON NOTICE**

### **PREMIER, TREASURER and MINISTER FOR CITIZENSHIP**

#### **BUDGET ESTIMATES HEARING - 20 SEPTEMBER 2005**

**1. The Hon. GREG PEARCE asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 4 of transcript):**

Are you borrowing to fund GGS operating expenditure?

**ANSWER:**

The Budget Papers project a General Government Net Operating Surplus for the 2005-06 and each of the forward years. This means that annual revenues are more than sufficient to cover all operating expenses.

The Government is not borrowing to fund General Government Sector operating expenditure.

**2. The Hon. GREG PEARCE asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 4):**

Is the public trading enterprise sector borrowing to fund operating expenditure?

**ANSWER:**

PTEs do not borrow to fund operating expenditure.

Capital expenditure, not operating expenditure, is funded either through existing cash or through borrowing. Governments and businesses alike try so ensure that the "mix" of debt and equity on the balance sheet is maintained at a stable and commercially efficient level over the long term.

**3. The Hon. GREG PEARCE asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 5):**

How much are you paying Dr Vertigan and Nigel Stokes to conduct the audit?

**ANSWER:**

\$3,000 per day (two days per week averaged basis) plus reasonable incidental costs. The contract is capped at \$150,000.

**4. The Hon. GREG PEARCE asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 9):**

How much is allowed in the budget for the teachers (in dollars)?

**ANSWER:**

The Budgeted provision of 3 per cent per annum is equivalent to approximately \$180 million per annum.

**5. The Hon. MELINDA PAVEY asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 10):**

What is the dollar amount of borrowings undertaken by the PTE sector for operating expenditure since May?

**ANSWER:**

PTEs do not borrow to fund operating expenditure.

**6. The Hon. MELINDA PAVEY asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 10):**

What was the GGS [general government sector] underlying net debt position as at 30 August?

**ANSWER:**

The GGS underlying net debt position as at 31 August 2005 will be reported in the General Government Financial Statement for the Two Months ended 31 August 2005, which is currently being finalised and will be released in October 2005, at the same time as the Report on State Finances for 2004-05.

**7. The Hon. MELINDA PAVEY asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 10):**

What is the amount of unallocated capital expenditure for the GGS?

**ANSWER:**

In 2005-06 all capital has been allocated across the agencies except for a general Treasurer's Advance of \$60M.

**8. Ms LEE RHIANNON asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 11):**

When will you make the announcement (for the date of the procurement method to fund the desalinisation plant)?

**ANSWER:**

The Government is currently considering the optimal procurement method for the desalination plant and will make an announcement when its deliberations are concluded.

**9. The Hon. GREG PEARCE asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 11):**

Could you give us the financial projections of the capital and operating deficits for RailCorp for 2005-06 into 2008-09?

**ANSWER:**

Under the Annual Reports legislation, RailCorp is required to provide me with audited financial statements by the end of October 2005. They will then be tabled in the Parliament.

**10. The Hon. GREG PEARCE asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 12):**

- a) Over the past 12 months have any agencies requested additional funding for operating expenditure?
- b) Since you have been Treasurer?

**ANSWER:**

Agencies are expected to live within their Budgets. In the past 12 months and since I became Treasurer there has been requests for additional funding. From time to time agencies need to seek additional funding. The types of issues that require additional funding includes wage agreement increases, changes in government priorities and significant emerging issues (such as national security and drought relief).

**11. Ms LEE RHIANNON asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 12-13):**

- a) What is the status of the Clean Vehicle Action Plan announced by the previous Premier in November 2001?
- b) Are you committed to the plan proposals for a new stamp duty regime that would provide for lower duty on cleaner vehicles, such as hybrid cars, and higher duty for heavy polluting vehicles?

**ANSWER:**

- a) The Cleaner Vehicle Action Plan announced in November 2001 consisted of five elements:

- 1. Developing benchmarks to inform the community of the cleanest cars.

The NSW Clean Car Benchmarks were released in 2003. The benchmarks rate new vehicles greenhouse gas and noxious air emissions performance.

- 2. Restructuring stamp duty.

The stamp duty initiative is under consideration by the Government.

- 3. 'Cleaner NSW Government Fleet' program.

In November 2004 new efficiency targets for Government Fleets were announced. The 'Cleaner NSW Government Fleet' program, run by the Department of Commerce requires general government sector agencies to establish Fleet Improvement Plans meeting specific targets for both noxious and greenhouse gas emission reductions. The Department undertook a number of workshops in 2005 to explain the targets and ways to achieve them, with the goal of a 20% improvement in overall environmental scores and a 20% reduction in greenhouse gas emissions.

4. Development of a consumer green guide for new cars.

The Green Vehicle Guide, a consumer green guide for new cars based on the Clean Car Benchmarks is now available at [www.greenvehicleguide.gov.au](http://www.greenvehicleguide.gov.au)

5. Developing a voluntary Clean Fleet program.

The Clean Fleet program has been developed and implemented by the RTA. Clean Fleet is a voluntary audited maintenance program for fleets, designed to improve air quality by reducing vehicle emissions. The Program recognises fleet operators who adopt environment friendly practices. More than 80 private and council fleets have joined the program so far.

- b) This proposal is under consideration by the government.

**12. Ms LEE RHIANNON asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 13):**

How many Ministers have smaller, less-polluting cars?

**ANSWER:**

NSW Premier's Department provides vehicles for Ministers. In accordance with the Department's fleet improvement strategy, decisions about engine capacity of vehicles have regard to roles and responsibilities of users and factors of time, distance and safety. In the application of this strategy, the Department leases vehicles with features and capacity suited to the vehicle's purpose and, as replacements are required, will continue to provide vehicles appropriate for the user's circumstances.

**13. Ms LEE RHIANNON asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 15):**

Can you explain why your Government has failed to appoint a fulltime permanent Privacy Commissioner when it has been nearly 2½ years since Mr Chris Puplick resigned as the New South Wales Privacy Commissioner?

**ANSWER:**

The office of Privacy Commissioner has never been held on a full-time basis. The former Privacy Commissioner held the office concurrently with the office of President of the Anti-Discrimination Board.

The appointment of a permanent Privacy Commissioner will be considered once the statutory review of the *Privacy and Personal Information Protection Act* is complete.

**14. The Hon. MELINDA PAVEY asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 18):**

How many people were interviewed prior to the appointment of Mr Raper?

**ANSWER:**

In accordance with the merit selection requirements of the then Public Sector Management Act 1988 the vacancy was advertised in the Public Service Notices and the press.

Mr Raper was one of a number of applicants called for interview by a properly constituted Selection Committee.

The Director General, Premier's Department constituted the Selection Committee with the following membership:

Ms Robyn Kruk, Deputy Director General, Premier's Department;  
 Dr Neil Shepherd, Deputy Director General, Cabinet Office;  
 Mr Warwick MacDonald, Director General, Department of Industrial Relations; and  
 Mr Des Mooney, Executive Director, Corporate Services, NSW Police.

The Selection Committee recommended the appointment of Mr Raper and the recommendation was accepted by the Director General of Premier's Department.

**15. The Hon. MELINDA PAVEY asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 18-19):**

- a) How many other spouses, siblings and relatives of Labor politicians are employed by the Premier's Department?
- b) Could you give a breakdown of which Ministers they are, and a breakdown of individual budgets, number of staff for each Minister, and the breakdown of the budget per Minister as to employee costs, accommodation costs and other expenses?

**ANSWER:**

- (a) Premier's Department staff are employed with the approval of the Director-General, pursuant to the Public Sector Employment and Management Act 2002. Personal and familial relationships among staff are not an impediment to employment, subject to the Department's Code of Conduct. Accordingly, information on personal and familial relationships among the Department's staff is not collected and is not available. Ministers' staff are employed under distinctive statutory and administrative provisions and the Code of Conduct acknowledges the circumstances of staff employed to assist political office holders.
- (b) Budget estimates for 2005-2006 in relation to the current Ministry for Ministers' offices are set out below. These estimates represent the commencing allocation to Ministers' offices within the Premier's Department budget as at 20 September 2005 and may be reviewed and revised in accordance with the Department's budget management arrangements.

Minister	Employee related	Rent	Other	Total	Estimated staff numbers
Premier, Treasurer, and Minister for Citizenship	\$3,846,599	\$1,338,290	\$1,200,000	\$6,384,889	30
Deputy Premier, Minister for Transport, and Minister for State Development	\$1,514,490	\$407,160	\$300,000	\$2,221,650	14
Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, Assistant Treasurer, and Vice President of the Executive Council	\$1,632,411	\$451,340	\$300,000	\$2,383,751	14
Attorney General, Minister for the Environment, and Minister for the Arts	\$1,837,818	\$425,860	\$300,000	\$2,563,678	16
Minister for Police, and Minister for Utilities	\$1,735,236	\$455,170	\$300,000	\$2,490,406	17
Minister for Education and Training	\$1,292,102	\$425,000	\$300,000	\$2,017,102	14

Minister for Finance, Minister for Infrastructure, and Minister for the Hunter	\$1,264,038	\$475,818	\$300,000	\$2,039,856	12
Minister for Health	\$1,075,771	\$402,525	\$300,000	\$1,778,296	11
Minister for Planning, Minister for Redfern Waterloo, Minister for Science and Medical Research, and Minister Assisting the Minister for Health (Cancer)	\$1,496,386	\$378,418	\$300,000	\$2,174,804	13
Minister for Community Services, and Minister for Youth	\$1,192,474	\$329,260	\$300,000	\$1,821,734	11
Minister for Tourism and Sport and Recreation, Minister for Women, and Minister Assisting the Minister for State Development	\$1,040,206	\$384,670	\$300,000	\$1,724,876	11
Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources	\$1,328,319	\$419,618	\$300,000	\$2,047,937	14
Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs	\$1,098,942	\$393,370	\$265,000	\$1,757,312	11
Minister for Western Sydney, Minister for Fair Trading, and Minister Assisting the Minister for Commerce	\$801,013	\$295,540	\$265,000	\$1,361,553	8
Minister for Roads	\$1,065,276	\$358,290	\$265,000	\$1,688,566	10
Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business	\$926,628	\$407,930	\$265,000	\$1,599,558	9
Minister for Gaming and Racing, and Minister for the Central Coast	\$869,865	\$363,260	\$265,000	\$1,498,125	9
Minister for Local Government	\$654,609	\$327,920	\$265,000	\$1,247,529	7
Minister for Ports and Waterways	\$566,003	\$268,132	\$160,000	\$994,135	7
Minister for Housing, and Minister Assisting the Minister for Health (Mental Health)	\$566,003	\$272,250	\$160,000	\$998,253	7
Minister for Aboriginal Affairs, and Minister Assisting the Premier on Citizenship	\$566,003	\$260,167	\$160,000	\$986,170	7
<b>Total</b>	<b>\$26,370,192</b>	<b>\$8,839,988</b>	<b>\$6,570,000</b>	<b>\$41,780,180</b>	<b>252</b>

**16. Ms LEE RHIANNON asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 21-22):**

- a) Can you guarantee that the Government will not seek to amend the health records and information privacy regulations by bypassing that Act's requirement? That organisation must

not include health information about a person in a linked health record system unless the patient has expressly consented, is that correct?

- b) It sounds like you are heading towards abandoning the consent requirements. Can you explain how you would guard against people, for example people with mental health issues, drug problems, or an infectious disease such as HIV-AIDS, shying away from seeking testing and treatment because of a legitimate fear that the information collected about them would be disseminated widely without privacy safeguards in place?

**ANSWER:**

I have approved the making of a Regulation to exempt the Electronic Health Record (EHR) pilot from Health Privacy Principle 15. The operation of the regulation is restricted to the two sites participating in the pilot and will have a sunset clause (1 March 2009).

As a result, the Electronic Health Record pilot project will adopt an “opt out” rather than “opt in” model of consent. An Opt Out system:

- retains the patient choice whether or not to participate - it is not a compulsory or mandatory system; and
- still requires the consumer to be fully informed about the system and their rights.

An evaluation of the pilot will be undertaken to determine the effectiveness of this “opt out” model and this evaluation will include the perspective of protecting consumer privacy.

I have directed the Department to ensure that they consult fully with Privacy NSW before the Regulation is made.

I can also advise that the requirement for the EHR Pilot reinforces the privacy safeguards by providing the following mechanisms:

- Consumers can opt out of the pilot altogether at any time and their record will no longer be available to any health care provider.
- Consumers can control access to the record and decide which providers they will permit to view the information.
- Restricting access to a limited number of health services and/or health service providers.
- The use of additional access barriers and protocols on designated sensitive data such as records held relating to: sexual assault, sexual health, drug and alcohol, mental health, children at risk (child protection), genetic services, IVF programs, termination of pregnancy and information about adoptees is being tested in the pilot. The best approach to managing sensitive data in an electronic environment will be identified through the pilot to ensure that protections can be applied to the State implementation.
- People who are concerned about sensitive clinical information being shared between providers involved in their care can choose not to have an electronic health record created.
- Consumers can monitor who has accessed their record through an audit log and there are penalties under the legislation for breaches of privacy and confidentiality.
- Health care providers involved in the trial will be required to sign specific privacy undertakings that will provide an additional safeguard.
- A comprehensive communications plan to ensure all potential participants are aware of the system and their rights and options will be developed.

**17. The Hon. GORDON MOYES asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 28):**

- a) Your predecessor announced that 16 remote communities would be part of the River Towns project. Of those 16 towns, which have already received funding to address social and economic disadvantage?
- b) And which ones have not yet received funding?



**ANSWER:**

The River Towns project has been extended for a further two years by the injection of Government funds. It will be expanded across the Murdi Paaki region and will be in partnership with the Australian Government under the COAG trial (COAG is a regular meeting of all State / Territory leaders and the Prime Minister. In April 2002 COAG agreed to trial working together with Indigenous communities in 8 regions across Australia to provide more flexible programs and services based on priorities agreed with communities). The project will now be referred to as the Murdi Paaki Partnership Project.

The Project has previously been in operation within the communities of **Walgett, Brewarrina, Bourke and Wilcannia**. The project works collaboratively with all three tiers of government, with local communities and with local businesses to address common concerns. It is intended to better identify community needs, assist in aligning government resources to community priorities, to improve the responsiveness and effectiveness of current service models and to optimise use of resources.

The COAG trial focussed on the idea of partnership between Aboriginal communities and governments and outlined the proposed process of how governments would respond to the identified educational, health, family and governance needs and priorities of Aboriginal people. Within the Murdi Paaki trial site this partnership is implemented through a process involving the primary communities developing individual Community Action Plans.

Through this process each community has identified the priorities for action, the desired outcomes along with activities which they and each of the key government agencies and external stakeholders should undertake in order to achieve these outcomes.

It is intended that the NSW Government will contribute \$1m over two years, with a matching contribution from the Commonwealth (to a total of \$2.0m). These funds will be used to allow the number of community facilitators to be increased from four to eight and the number of (disadvantaged) local communities to increase from four to 16. Community facilitators will build on the experience already obtained through the River Towns project and the COAG trial and each facilitator will be responsible for two communities.

Community facilitators will:

- Provide additional support to the Community Working Parties (CWPs) established in the region, assisting them to implement their Community Action Plans;
- Facilitate the transfer of technical and professional skills to the local Indigenous and rural community members through training;
- The Facilitators will also be working with Local Government and the Business community to enhance community capacity.
- Assist communities to further build community capacity in a sustainable manner and where appropriate will assist communities to implement and develop Shared Responsibility Agreements (SRAs) to address their community priorities.

The Community Working Party, local government and the business sector share the responsibility of implementing the project principally through the management of the Community Facilitator (A Community Facilitator is in essence an adaptor or champion within the community who focuses on community development strategies in order to achieve the four primary focal points of the project). The funds are being used to increase the number of community facilitators from four to eight and the number of (disadvantaged) local communities to increase from four to 16. Community facilitators will build on the experience already obtained through the River Towns project and the COAG trial and each facilitator will be responsible for two communities.

The communities which are now receiving funding as a result of the expansion of the River Towns Project include: Collarenebri, Lightning Ridge, Goodooga, Weilmoringle, Enngonia, Cobar, Ivanhoe, Menindee, Broken Hill, Dareton / Wentworth, Coonamble & Gulargambone.

**18. The Hon. MELINDA PAVEY asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 31):**

What was the raw figure for those who are not labelled SES but earning in the same vicinity as an SES position?

**ANSWER:**

The Overview Report for the NSW Public Sector 2004 reported that there were 2,879 full-time equivalent (FTE), earning over \$127,765. This was 1.07% of NSW Public Sector FTE employees.

This includes such positions as Doctors and other health professionals, Judges of the Supreme Court and District Court, Magistrates, Senior Crown and Crown Prosecutors, Public Defenders, senior officers in the NSW Police, school Principals and other leading education officers.

**19. The Hon. GREG PEARCE asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 31):**

Would you provide the salaries for Mr Kaiser, Mr Gadiel and Mr Raper?

**ANSWER:**

The salary for Mr Kaiser had not been determined as at 20 September 2005.

Mr Gadiel's salary was \$117,894 as at 20 September 2005.

Mr Raper's total remuneration package was \$245,000 as at 30 June 2005 and is outlined in the Premier's Department Annual Report.

**20. The Hon. MELINDA PAVEY asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 31):**

Could you provide the total cost of redundancies for staff who left the Premier's office following the resignation of Bob Carr, Craig Knowles' ministerial office after he resigned, and Andrew Refshauge's ministerial office after he resigned?

**ANSWER:**

Ministers' and Leaders of the Opposition staff are employed mainly as Special Temporary Employees and their services may be dispensed with at any time. Severance pay is available in accordance with a policy administered by Premier's Department. The same arrangements as apply to Ministers' staff also apply to staff of the Leaders of the Opposition. The scale of severance payment is based on length of continuous service in NSW public sector employment on a scale that provides for 2 weeks pay for each year of equivalent full time service, up to a maximum of 13 years, while provision is made for additional payments in lieu of notice and for payment of accumulated leave entitlements.

Total cost of staff redundancy payments following the resignations of Messrs Carr and Knowles and Dr Refshauge up to 20 September 2005 was as follows:

Mr Carr's office:	\$423,746.05
Mr Knowles' office:	\$47,128.20
Dr Refshauge's office:	\$186,290.27

**21. The Hon. AMANDA FAZIO asked the Premier, Treasurer and Minister for Citizenship, the Hon MORRIS IEMMA MP (page 31):**

Could you also provide the Committee with information on the attempted claim for redundancies by staff of the former Leader of the Opposition?

**ANSWER:**

Ministers' and Leaders of the Opposition staff are employed mainly as Special Temporary Employees and their services may be dispensed with at any time. Severance pay is available in accordance with a policy administered by Premier's Department. The same arrangements as apply to Ministers' staff also apply to staff of the Leaders of the Opposition. The scale of severance payment is based on length of continuous service in NSW public sector employment on a scale that provides for 2 weeks pay for each year of equivalent full time service, up to a maximum of 13 years, while provision is made for additional payments in lieu of notice and for payment of accumulated leave entitlements.

Total cost of staff redundancy payments in the office of the former Leader of the Opposition following Mr Brogden's resignation up to 20 September 2005 was \$46,439.88.