

**EXAMINATION OF PROPOSED EXPENDITURE FOR THE PORTFOLIO  
AREAS OF INDUSTRIAL RELATIONS, COMMERCE AND FINANCE  
1 SEPTEMBER 2006**

**WORKCOVER RESPONSES TO QUESTIONS ON NOTICE**

***The Hon. JOHN RYAN:** Minister, can you explain to the Committee what services are provided by the Executive and Ministerial Services unit, which I think is known as EMS?*

The Executive and Ministerial Services Unit of WorkCover is responsible for the preparation and coordination of high-level, sensitive and often complex correspondence, briefings, policy papers and speeches on behalf of WorkCover including answers to questions on notice, such as this answer, and submissions and responses for Parliamentary Committee inquiries. Much of this work involves in-depth research and analysis of policy and operational issues, both within and outside of WorkCover.

Staff are required to demonstrate on a daily basis superior judgment, excellent writing skills, priority management and the ability to work to tight deadlines.

The Unit also undertakes an administrative role in maintaining the agency's electronic document approval process.

Records indicate that in excess of 5,400 matters were dealt with by the Unit in 2005.

The Executive and Ministerial Services Unit also manages the agency's statutory obligations under the *Freedom of Information Act 1989*, which involved in excess of 820 applications in 2005/06, and the *Privacy and Personal Information Protection Act 1998*. Since 1 July this year, the Unit has received 196 Freedom of Information applications as at 15 September 2006.

***The Hon. JOHN RYAN:** Am I correct in my understanding that the EMS has a complement of 14 staff?*

***Mr BLACKWELL:** It currently has 19 staff.*

***The Hon. JOHN RYAN:** What would be the total salaries bill for that office?*

***Mr BLACKWELL:** I will clearly have to take that question on notice.*

The Executive and Ministerial Services Unit of WorkCover has an establishment of 18 positions, 15 of which are currently filled either on a permanent or temporary basis.

The salary bill for 2005/06 was \$1,329,849.

**The Hon. JOHN RYAN:** *Why is it necessary in handling the correspondence and briefings of a Minister for one aspect of his portfolio to have a staff that would rival the staff of small primary school? The Minister also has a number of his own staff as well as his ministerial staff.*

**The Hon. JOHN DELLA BOSCA:** *If I may intervene, Mr Chairman, we are quite happy to provide details of the full responsibilities of the section involved.*

See previous answer.

**The Hon. JOHN RYAN:** *How many pages of briefings did the EMS provide to the Minister for today's estimates hearing?*

**The Hon. JOHN DELLA BOSCA:** *I must point out that, based on Mr Blackwell's evidence, the EMSU spends more time working on inquiries from the Hon. John Ryan and Mr Hartcher than it does on material for me. But I am happy for Mr Blackwell to answer the specifics of your question.*

**Mr BLACKWELL:** *We have not counted the pages—I can perhaps provide more accurate information later—but it is somewhere between 50 and 60 pages.*

2 folders were prepared.

**Ms LEE RHIANNON:** *Is it true that asbestos has been found at various New South Wales Government-owned sites in New South Wales? Has it been determined by WorkCover that some New South Wales departments have not kept appropriate records?*

**The Hon. JOHN DELLA BOSCA:** *I would be very happy for Mr Watson to answer Ms Lee Rhiannon's question.*

**Mr WATSON:** *I do not know that I can answer specifically for particular government sites. I can say that there is an overall strategy for managing asbestos under the Occupational Health and Safety Act and the regulations are quite firm in respect of how material needs to be managed, its removal, and any work that needs to be carried out in structures that may contain asbestos. They are firmly enforced by WorkCover to ensure high levels of compliance. We have an asbestos unit to do that.*

**Ms LEE RHIANNON:** *You said that you cannot answer for specific sites. I am surprised by that answer, because in a WorkCover position paper, that is headed "Committee Heads of Workplace Safety Authority" [HOWSA] with an attendee John Watson, one paragraph states:*

*Asbestos has been found at various government-owned sites in New South Wales and it has been determined that some government departments have not been keeping appropriate records.*

*How could such an entry have been made if you say that you cannot answer for specific sites?*

**Mr WATSON:** *Indeed, the John Watson referred to is me; there are only a few of us in the State. If that is the HOWSA briefing note, we can provide details of that matter on notice.*

Until 1987, asbestos was the most commonly used building material. It consequently stands to reason that in common with many privately owned properties, asbestos has been identified at various government-owned sites. On these occasions, the Government has taken prompt action to ensure asbestos is not a safety concern.

Where removal is necessary, this is undertaken in accordance with WorkCover's guidelines for working with asbestos.

WorkCover continues to work with all New South Wales organisations, whether Government or privately owned, to assist with the development of appropriate asbestos management programs that meets the requirements of the *Occupational Health and Safety Regulation 2001*.

## **RAILCORP**

**The Hon. JOHN RYAN:** *Who was on the selection panel?*

**Ms TELFER:** *From recollection, I cannot recall the name of the independent person and I would need to supply that, but there was one of senior policy officers from the Regulation Development Unit, which is outside the EMS. There was a senior policy officer from the workers compensation division and there was an independent outside of the department.*

**CHAIR:** *Do you want the name of the independent person?*

**The Hon. JOHN RYAN:** *I am sure it can be supplied on notice.*

**Ms TELFER:** *Yes, I am more than happy to.*

The panel comprised:

1. Bronwen O'Dwyer, A/Senior Project Officer, Regulation Development Unit - Convenor
2. Kathy Skuta, Manager, Policy and Research – WorkCover Departmental Representative
3. Peter Atchinson, Manager, Planning and Corporate Reform, Public Trustee – External Independent.

**The Hon. JOHN RYAN:** How many legal firms are on retainer to WorkCover to provide services for the prosecution of workers compensation fraud?

**The Hon. JOHN DELLA BOSCA:** For the purposes of the prosecution of workers compensation fraud? I will check this advice. There is a panel of solicitors firms that WorkCover uses and they are not segregated by particular advice for which they are engaged.

**The Hon. JOHN RYAN:** It is not a fact that there might only be one firm Turks Legal that provides services in regard to the prosecution of workers compensation fraud?

**The Hon. JOHN DELLA BOSCA:** I think I just answered the question the other way around. The WorkCover Authority could in fact brief any of the firms that are on its panel of providers.

**The Hon. DAVID CLARKE:** Does it only brief one firm in regard to workers compensation fraud?

**The Hon. JOHN DELLA BOSCA:** I would have to seek advice, but Mr Thomson could probably provide some detail on that for the Committee.

**Mr THOMSON:** My knowledge is that, on issues of fraud, we use a range of solicitor firms; we do not rely on just one.

**The Hon. DAVID CLARKE:** Are you sure of that?

**Mr THOMSON:** I can confirm it post-event, but that is my understanding: for fraud issues, we use more than one.

**The Hon. DAVID CLARKE:** Can we have that confirmed, rather than going on your understanding? Can you take the question on notice and get that information?

**Mr THOMSON:** Yes, I can.

**CHAIR:** Would you provide, on notice, the names of the legal companies that are used currently?

**Mr THOMSON:** Yes.

WorkCover does not use external solicitor firms to prosecute fraud and compliance matters. However, Scheme Agents use the services of a range of legal providers they select and engage through their own procurement processes.

**Mr WATSON:** We do not have target for the number of inspections because clearly the investigation work that inspectors do is extremely complex. It often involves interviewing somebody, perhaps at our offices, with their legal representative where we are conducting an

*investigation into a tragic workplace incident. So the number of inspections is not the relevant question here; it is the general workload that WorkCover inspectors carry.*

**The Hon. DAVID CLARKE:** *You do not know how many inspections have been carried out over a particular period of time question I*

**Mr WATSON:** *We certainly have figures on the number of inspections carried out by WorkCover inspectors, yes.*

**The Hon. DAVID CLARKE:** *Can you supply those figures?*

**Mr WATSON:** *We can take that question on notice and supply those figures.*

WorkCover balances its regulatory role with its consultative and advisory functions to help industry improve its workplace safety performance. To this end, businesses are 20 times more likely to receive advice and assistance from WorkCover Inspectors than any form of penalty.

In 2005/06, WorkCover inspectors undertook a total of 19,933 workplace visits. In addition, Inspectors undertook a range of comprehensive education and enforcement activities, and provided advice and assistance to the employers and workers of New South Wales in a variety of ways, including telephone contact, complaint investigations, random workplace visits, targeted compliance activities and intervention programs, education initiatives and a range of auditing activities.

WorkCover Inspectors also provide support through their attendance and participation in various industry forums and Industry Reference Groups, as well as through their involvement with the WorkCover Business Assistance Unit's successful workshop program and Safety Bus. To date, over 7,500 people have attended 400 workshops conducted by the Unit across regional, rural and metropolitan New South Wales.

WorkCover Inspectors are required to undertake interviews, gather technical advice, interview witnesses, prepare complex court documents and coronial briefings and attend court as required.

By working closely with industry and through their emphasis on information, advice and cooperation, WorkCover Inspectors have contributed to the lowest injury rates seen in New South Wales for the last 18 years.

**The Hon. JOHN RYAN:** *Would you have an idea, in rough terms, how many inspections would take place in the course of a year?*

**Mr WATSON:** *Being under oath, I am not happy to answer the question.*

**The Hon. JOHN RYAN:** *Mr Watson, are not inspections what your agency does? Are you telling me you could not say in rough terms how many they do in a year? It is a pretty basic figure, is it not?*

**Mr WATSON:** First of all, our agency does a range of things. We provide a great number of services to workplaces in New South Wales, and that includes the investigation of some 30,000 complaints, for example, in workplaces. So that would involve quite a number of—

**The Hon. JOHN RYAN:** You have 30,000 complaints. How many inspections do you do?

**Mr WATSON:** As I say, is not really about the number of inspections, but—

**The Hon. JOHN RYAN:** No. But how many do you do?

**Mr WATSON:** As I said—

**The Hon. JOHN RYAN:** You say you get 30,000 complaints, and someone else can say approximately 2,500 pieces of correspondence go through the EMS. Inspections are what your agency does. Are you telling us that you have come to this estimates hearing prepared to answer questions, but that the one thing you did not brief yourself on was approximately how many inspections your staff do in the course of a year?

**Mr WATSON:** I want to be sure that I do not mislead the Committee. Therefore, I am very happy to take that question on notice.

**The Hon. JOHN RYAN:** Is it in the order of 12,000?

**Mr WATSON:** I have got to say I would like to take that question on notice.

**The Hon. JOHN RYAN:** Are not workplace inspections a key performance indicator for your organisation?

**Mr WATSON:** Workplace inspections are one of the things we measure about WorkCover's activities, yes.

**The Hon. JOHN RYAN:** Can you remember, the last time you looked at it, what the figure was?

**Mr WATSON:** Last time we looked at it, it would have been in our quarterly report. There would have been a range of activities behind that. It would not have been just workplace inspections; it would have been a number of complaints that had been investigated, the range over which they had been investigated, the rate at which they had been investigated, the number of matters that had been investigated, and reference made to our legal department. So it is not just about workplace inspections. WorkCover inspectors also provide information through running seminars and a range of interactions, taking telephone calls from inquiries that are funneled through our information Centre. The information centre handles many tens of thousands of calls in a year, and they get funneled through to our technical experts. So a

*range of activities are undertaken by inspectors, and workplace inspections are just one component of that activity.*

**The Hon. JOHN RYAN:** *You receive a quarterly report in regard to those figures?*

**Mr WATSON:** *WorkCover does prepare a quarterly report.*

**The Hon. JOHN RYAN:** *Can you supply the Committee, on notice, with the most recent quarterly report?*

**Mr WATSON:** *Yes, we can.*

**CHAIR:** *Would you take that on notice?*

The latest *OHSD Inspectorate Activity Quarterly Performance Report to the Chief Executive Officer* indicates that during the June Quarter 2006 there were 4,578 workplace visits. A copy is attached.

**Ms LEE RHIANNON:** *I understand that Peach Advertising was engaged by WorkCover to develop an advertising campaign focusing on slips, trips and falls. Will you inform the Committee how much money was paid to the Peach organisation in 2005-06?*

**Mr BLACKWELL:** *I would have to take that on notice. You are correct in relation to Peach Advertising being employed for that purpose.*

**Ms LEE RHIANNON:** *Could you tell us what the money was paid for and why the advertising campaign was withdrawn?*

\$255,257.83 was paid to the Peach organisation in 2005-06 for work on the Slips, Trips and Falls, Construction Induction Certificate, National Certificate of Competency and Premium Reforms campaigns.

**Ms LEE RHIANNON:** *I will move to the Licensing Unit of WorkCover. How many temporary staff has WorkCover employed in the Licensing Unit in the last two financial years? I am interested in both agency temps and WorkCover temps.*

**Mr WATSON:** *I will have to take that on notice. I do not have that split up here.*

**Ms LEE RHIANNON:** *But do you have a figure?*

**Mr WATSON:** *Suffice to say, though, we have employed quite a number of temporary staff to go through this conversion process. We do not need to increase the number of staff permanently in the licensing area because, clearly, once you have done the conversion process, you do not need that number of staff to run normal business. But I am happy to take the numbers on notice.*

**Ms LEE RHIANNON:** *Okay. Is it true that staff members have worked for periods of up to 20 days without a day off because there has been such an enormous workload?*

**Mr WATSON:** *No, I do not believe that would be the case, but I am certainly happy to check that and take it on notice.*

**Ms LEE RHIANNON:** *I was just interested because I am hearing that a lot of people are having to work on weekends.*

**Mr WATSON:** *They certainly have worked overtime on a Saturday.*

**Ms LEE RHIANNON:** *But I am being told that it is up to 20 days straight.*

**Mr WATSON:** *No. I do not think we have worked on a Sunday, so I do not think people have worked for 20 days straight.*

**Ms LEE RHIANNON:** *Please check that. Is it true that there are currently arrears of up to five months with certain types of license applications?*

The following temporary positions were established in WorkCover's Licensing Unit to assist with the licensing renewal program:

2004/05 - 40

2005/06 - 22

It should be noted that none of these positions were created specifically for agency temps. On occasions, agency temps have filled some of the vacancies while recruitment action for WorkCover temporary employees was undertaken.

The licensing renewal program was introduced following an investigation by the Independent Commission Against Corruption to reduce the possibility of corruption in WorkCover licensing processes.

Licensing staff have not worked 20 days straight. Licensing staff have however, worked limited and scheduled overtime on Saturdays on a voluntary basis to address the increased workloads at peak periods during the licensing renewal programs.

## **MAA RESPONSES TO QUESTIONS ON NOTICE**

### **MAA Question 1 (pp 52-53)**

**Mr BOWEN:** *We are commencing that levy on 1 October to cover the cost of children's claims over the first 12 months.*



**The Hon. JOHN RYAN:** *What will the amount of the levy be?*

**Mr BOWEN:** *The amount that has to be raised in year one to cover children's claims is in the vicinity of \$60 million. I will take the question on notice to give you the exact figure. That compares to an amount of the levy required to raise \$300 million when the scheme is fully operational for all catastrophic injuries.*

## **ANSWER**

The amount that has to be raised in year one to cover children in the Lifetime Care and Support (LTCS) scheme is \$53 million.

## **MAA Question 2 (p 53)**

**The Hon. JOHN RYAN:** *How many would fall into the category of having no negligence found on the part of the driver?*

**Mr BOWEN:** *I would probably have to take that on notice. The circumstances where the insurer gets complete verdict for the defendant are limited. It would be less than five a year.*

## **ANSWER**

It is not possible to determine the exact number of child claims that are rejected on the grounds that the driver was not found to be negligent. This is because claims can be rejected for a number of reasons.

An approximate number however may be estimated by making the following assumptions:

- Such claims will almost always be made by child pedestrians or child pedal cyclists (it is very unlikely that a child passenger claim would be rejected on these grounds unless it was a no-fault accident and these are very rare).
- The claim would have been assigned a liability status of rejected.
- While some payments may have been made by the insurer in legal and investigation costs, actual payments to the claimant would have been nil.

On this basis, there have been around 40 child claims per year identified where liability has been rejected by CTP insurers.

From 1 October 2006, all child claimants will have their medical treatment, rehabilitation and care expenses met by either the new special children's benefit or the LTCS scheme, regardless of fault.

### **MAA Question 3 (p 54)**

**The Hon. JOHN RYAN:** *I had the opportunity of questioning you in another forum. I will pursue one of my former areas of interest. How many parents have children who die in car accidents and receive virtually no compensation payment, because the injury is not above the impairment level required to trigger a claim?*

**Mr BOWEN:** *I am not able to provide that information. Our systems do not allow us to discern that. Perhaps I will take that on notice, because I am not sure whether I will be able to provide that information. We will know the number of claims by parents for psychological injury as a result of their child's death. I point out that this is not as a result of any change given to the scheme in 1999. This is a function of the operation of the fault-based scheme since it was introduced in 1988.*

### **ANSWER**

Roads and Traffic Authority (RTA) data indicates that there were around 40 child deaths annually as a result of motor vehicle accidents in recent years. A CTP claim was lodged on behalf of the child in about two-thirds of those cases. These claims would have covered funeral expenses and any compensation for expenses incurred before the child died.

Parents lodged their own claim for psychological injuries arising from the death of the child in about one-third of those cases. Over recent years, claims by parents settled for approximately \$80,000 on average.

### **FINANCE RESPONSES TO QUESTIONS TAKEN ON NOTICE**

**The Hon. JOHN RYAN:** *I have a question on the Snowy Hydro from my colleague the Hon. Melinda Pavey.*

**The Hon. JOHN DELLA BOSCA:** *She is here in spirit.*

**The Hon. JOHN RYAN:** *Indeed. She received correspondence that indicated that some international travel costs were incurred to the value of \$60,000 for flights and \$10,200 for accommodation. She has asked me to inquire as to who were the Government and business representatives who went on that trip?*

**Mr COSGRIFF:** *I will take that question on notice. I can say that I suspect no Government or business representatives were on that trip. It would have been to the financial advisers who were beginning the pre-marketing process, the Joint Lead Managers representatives and co-lead manager representatives.*

...

**The Hon. JOHN RYAN:** *The relevant quote from the letter is that the costs include six financial analysts representing the joint lead managers travelling within Australia and to financial centres in Europe, America and Asia; five international flights costing \$60,000, accommodation, meals, taxis and similar expenses in London, New York, Boston—*

**CHAIR:** *Do you have the answer?*

**The Hon. JOHN RYAN:** *No, I want to find out who they were.*

**The Hon. JOHN DELLA BOSCA:** *It was not me.*

**The Hon. JOHN RYAN:** *I request an answer. It has been taken on notice.*

## **ANSWER**

The names of the relevant financial analysts representing the Joint Lead Managers who undertook domestic and overseas travel in connection with the Snowy Hydro Initial Public Offering were:-

Anthony Bishop and Kunwyn Strong of Goldman Sachs JB Were  
Gavin Maher of Macquarie Bank  
David Leitch, Craig Stafford and Alex Unsworth of UBS.

## **COMMERCE RESPONSES TO QUESTIONS TAKEN ON NOTICE**

### **1. Statefleet – LPG & smaller cars usage**

*There has been considerable discussion about converting vehicles to liquid petroleum gas [LPG]. Have you investigated that possibility in order to save money for the state? (Nile, pg. 40)*

## **ANSWER**

At June 2006 large passenger vehicles, excluding emergency services, represented approximately 46% (6,612) of the fleet compared to 53% (7,717) at June 2005. In the same period smaller vehicles including hybrids have risen from 47%(6,814) in 2005 to more than 54% (7,841) in 2006.

At June 2006 there were 767 vehicles are powered by LPG representing approximately 4.5% of the passenger fleet.

### **2. Office of Industrial Relations – Clothing outworkers**

*How many companies or persons have been charged under the legislation for not giving clothing outworkers their lawful entitlements? (Nile, pg. 41)*

## **ANSWER**

The Office of Industrial Relations (OIR) regularly conducts investigations into employers of clothing outworkers as part of its compliance activities. NSW industrial relations laws give OIR inspectors the power to undertake workplace investigations and compliance activities, including prosecutions against employers.

Inspectors undertake compliance activities to secure long-term compliance with New South Wales industrial relations laws by employers and

employees; to penalise significant non-complying behaviour identified by OIR inspectors; and where practicable, require an employer to rectify identified breaches of NSW laws.

In 2005/2006 more than 100 employers of clothing outworkers were subject to workplace inspections by the Office of Industrial Relations.

In the past financial year employers of clothing outworkers were subject to penalties as follows:

- One employer was prosecuted by the Office of Industrial Relations and convicted and fined for three breaches of industrial relations laws.
- Eight employers were issued with Penalty Infringement Notices and fined for breaches of industrial relations laws.

The Office of Industrial Relations is responsible for maintaining the register of reports that retailers must submit by 28 February and 31 August each year in line with the ethical clothing trades extended responsibility scheme.

Following the passing of the latest mandatory reporting deadline, Inspectors of the Office of Industrial Relations will be conducting workplace inspections on a sample of clothing retailers and suppliers to verify compliance with the scheme.

Over the last four years, inspectors from the Office of Industrial Relations have investigated 1,495 clothing businesses resulting in the recovery of more than \$185,000 in underpaid wages for workers.

### **3. Ministerial & Executive Services**

*Does the Department of Commerce have a unit for handling ministerial and executive correspondence? (Clarke, pg 42)*

- (a). How long has it been in existence?*
- (b). Can you get details of the total salary bill for the people in that unit?*
- (c). What sort of level of correspondence is there for those nine people?*

### **ANSWER**

Yes. Apart from handling ministerial and executive correspondence and briefing notes the unit also contains an additional two staff who manage Privacy and Freedom of Information applications, associated consultations and appeals as well as Orders for documents under Parliament Standing Order 52. In 2005/06 there were 121 requests for information in this regard equalling approximately 3,180 hours per annum. The officers of Ministerial and Executive Services also provide secretariat support to the Department of Commerce Executive management team meetings and Risk and Audit Committee and take inquiries from other agencies and the general public.

- (a). Since the Department of Commerce was established in April 2003.

- (b). \$820,255.
- (c). 2,670 correspondence items and briefing notes were handled in 2005/06.

#### **4. Government Advertising – Campaigns**

*(a) You could supply the Committee with all of the details for the full costs of all those campaigns I have just mentioned in terms of the placement of broadcast and print advertising? (Ryan, pg. 43-44)*

- i. The industrial relations High Court challenge*
- ii. Water For life*
- iii. State Infrastructure Plan*
- iv. Commonwealth State Financial Relations*
- v. Let's Get New South Wales Moving*
- vi. A New Direction for New South Wales*
- vii. CityRail service improvement and new timetable*
- viii. Police recruitment and extra officers*

*(b) Could you supply the Committee with all of the details for the full costs of all of those campaigns I have just mentioned in terms of the placement of broadcast and print advertising (including the full cost of the campaigns from their beginning to end, including all regional advertising as well? (Ryan, pg. 44-45)*

#### **ANSWER**

(a) The full cost of the placement of broadcast and print advertising for the identified campaigns is as follows:

- i. \$351,366
- ii. \$2,055,387
- iii. \$227,679
- iv. \$382,986
- v. \$817,175
- vi. \$892,869
- vii. \$720,644
- viii. \$912,401

(b) Whilst Commerce is provided with the estimated total cost of government campaigns for the “peer review” process and Cabinet approval, final cost information may vary slightly as the commissioning agencies are billed directly for advertising production cost elements. Accordingly the abovementioned figures exclude advertising production costs and are limited to cost of placing broadcast and print advertising.

#### **5. Government Advertising - Peer Reviews**

*(a) Is there one advertising agency that handles all of this?*

*(b) Who is the advertising peer review manager?*

(c) *I take it there are different ones for each different campaign?*  
(Ryan, pg 45)

**ANSWER**

- (a) No. There are twenty-five (25) accredited advertising agencies on the Government panel.
- (b) NSW Procurement-Communications and Advertising oversee the Peer Review process
- (c) The Department of Commerce identifies reviewers with the skills and experience relevant to the campaign being considered. These reviewers are marketing/advertising professionals within the public service.

Currently Commerce has a pool of 58 individuals who are called upon to undertake the reviews.

2-3 reviewers will normally be involved in each review. The precise number and period of time allocated to the review is determined by the amount of money allocated to the campaign and its complexity.

**6. Procurement - Broadband**

- (a) *Would you supply the Committee with information as to where the broadband currently exists where there is not, for example, a Telstra capacity?*
- (b) *How much has the Government spent on this infrastructure? (Ryan, pg. 46)*

**ANSWER**

- (a) The construction of the Government Broadband Service infrastructure has offered increased capacity by way of higher broadband speeds to 24 regional and rural centres, offering complementary IP services that are not offered by Telstra. More specifically, the higher capacity ADSL2+ broadband speeds can offer 10 times the capacity of Telstra ADSL services, and the associated Voice-over-IP retail products offer cheaper telephone services that bypass traditional exchanges. The 24 regional and rural centres are as follows:

Albury	Lithgow
Armidale	Maitland
Bathurst	Muswellbrook
Bega	Newcastle
Broken Hill	Nowra
Coffs Harbour	Orange
Dubbo	Port Macquarie
Gosford	Queanbeyan
Goulburn	Tamworth
Grafton	Taree

Griffith	Wagga Wagga
Lismore	Wollongong

(b) The Government has made no capital spend on the Government Broadband Service infrastructure. Soul owns the broadband infrastructure; the NSW Government is the anchor tenant.

## 7. Office of Industrial Relations - WorkChoices & apprenticeships

- (a) *Can you confirm that this law will protect young people on apprenticeships?*
- (b) *What about people on apprenticeships who are over 18 years of age? (Rhiannon, pg. 48)*

## ANSWER

- (a) The proposed *Industrial Relations (Child Employment) Bill 2006* will apply to all employees, including apprentices, under the age of 18.

Section 16(3)(e) of the Commonwealth *Workplace Relations Act 1996* expressly states that state or territory laws made in relation to child labour are not excluded by the operation of the *Work Choices* amendments.

- (b) The Office of Industrial Relations is actively investigating options to provide protections for all employees subject to the effects of Work Choices. However until the outcome of the High Court challenge to the constitutional validity of Work Choices is known, employees of constitutional corporations are subject to Work Choices and state governments have limited legislative recourse to protect these workers.

The Office of Industrial Relations continues to conduct the largest industrial relations compliance regime of workplaces in the country. Inspectors check that employers are paying correct rates and issuing pay slips to their employees and keeping accurate time and wage records.

In the current financial year Office of Industrial Relations Inspectors will be involved in 19 workplace inspection campaigns that specifically target over 400 employers of apprentices throughout the State.

The New South Wales Government is currently considering a number of strategies concerning the implementation of school based apprenticeships that will deliver suitable outcomes for students and employers.

Any questions regarding legislative options to protect the employment and training conditions of apprentices aged 18 years and over whose

apprenticeships are regulated by the *Apprenticeship and Traineeship Act 2001* should be directed to the Department of Education and Training.

## **8. Information Technology**

*(a) I understand that the New South Wales Government has a contract with Microsoft that expires in 2008. How much does the contract cost the Government? (Rhiannon, pg. 50)*

*(b) What percentage of public sector desktop computer systems is using Microsoft Office for document processing? What percentage is using Linux? (Rhiannon, pg. 55)*

## **ANSWER**

(a) In the 2005 – 2006 financial year purchases to the value of \$53,889,425 were made under the contract.

(b) The vast majority of public sector agencies use the Microsoft product (estimated to be over 99%).

A new NSW Government Contract (2316 - Open Source (Linux) Enterprise Software and Services was established last year (commenced on 1<sup>st</sup> October 2005) to enable public sector agencies to more easily purchase open source software.

## **9. Microsoft Office compliance**

*Considering that earlier this year the standard for office documentation representation, the office document standard, was adopted, and I understand that means that Microsoft Office is not standard compliant, what strategy is in place to move the systems using MS Office towards compliance? (Rhiannon, pg. 56)*

## **ANSWER**

Microsoft has announced that Word will support the Open Document Format (ODF) later this year and Excel and PowerPoint in 2007. Older versions of Office will have access to a free translation tool.



## PUBLIC EMPLOYMENT OFFICE RESPONSES TO QUESTIONS TAKEN ON NOTICE

### *Question Page 11*

**The Hon. DAVID CLARKE:** *It has been called the Public Employment Office previously, it was changed to another name and then changed back to the same name?*

**Mr RAPER:** *That's right. I cannot recall the exact dates or timelines for that.*

**The Hon. DAVID CLARKE:** *Would you take that question on notice?*

### **ANSWER**

Since its creation in October 1995 the statutory responsibilities of the Public Employment Office have remained the same.

These responsibilities include:

- implementing the Government's employment and industrial relations policies across the NSW public sector; and
- as the employer for industrial purposes of all public servants.

These responsibilities have been carried out at different times by either a division of Premier's Department or by a Department of the Public Service known as the Public Employment Office for the period October 1995 to October 1996.

The division of Premier's Department has had different names at different times.

- Initially in 1995 the division was called the Public Employment Office.
- When the responsibilities returned from the Public Employment Office (separate Department) in October 1996 to be carried out by a division of Premier's Department the division was called the Public Sector Management Office.
- In its current form, the PEO is a Division of the Premier's Department.

The full history of the PEO including timelines is attached.

### **History of PEO**

Attachment.

The PEO has at times existed as one or more of the following:

1. **Body Corporate** under the public sector legislation to carry out personnel management and industrial relations in the public sector

including being the deemed employer for staff of the Public Service for industrial proceedings in tribunals from 13 October 1995 to 16 March 2006.

2. **A Department of the Public Service** supporting and carrying out the functions of the Body Corporate from 4 October 1995 to 1 October 1996.
3. **A division of Premier's Department** supporting and carrying out the functions of the Body Corporate, from 17 March 2006 supporting and carrying out the functions of a natural person – Director of Public Employment. Two periods 5 April 1995 to 3 October 1995 and then from 2 October 1996 and ongoing.

<b>Date of Change</b>	<b>Body Corporate/ Statutory Body Representing Crown</b>	<b>Separate PEO Department</b>	<b>Division of Premier's Department to do the work of Body Corporate</b>
5 April 1995	—	—	Created Division known as PEO doing the work of the Body Corporate – at that time the Body Corporate was the Industrial Authority.
4 October 1995	—	Created PEO as a Department	Ceased PEO as Division.
13 October 1995	Created PEO as the Body Corporate	—	—
2 October 1996	Continued PEO as the Body Corporate	Abolished PEO as Department and staff transferred to Premier's Department	Created Division known as Public Sector Management Office to do the work of the Body Corporate.
1 July 2003	Continued PEO as the Body Corporate	—	Change of name - Division now known as PEO (staff from Office of the Director of Equal Opportunity in Public Employment and Public Sector Management Office).

17 March 2006	PEO now replaced with natural person – Director of Public Employment – position held by Director-General Premier's Department	—	Division known as PEO continues to do work of the Director of Public Employment.
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**Question Page 24**

**The Hon JOHN RYAN:** *So you have got at least some idea of the number of displaced public servants in some agencies?.*

**Mr RAPER:** *Yes.*

**The Hon JOHN RYAN:** *Will you supply to the Committee on notice which ones you have inquired and what the results were?*

**Mr RAPER:** *I will take that on notice.*

**CHAIR:** *Perhaps you could make that for all agencies?*

**The JOHN RYAN:** *For all agencies that you have inquired of, the Committee would be grateful to find out how many there were.*

**ANSWER**

In January 2006 the PEO contacted agencies with greater than 1000 full time equivalent employees to ascertain the number of displaced officers not registered centrally with the Redeployment and Recruitment Unit:

<b>Agency</b>	<b>Displaced not registered</b>
Ageing, Disability and Home Care, Department of	4
Ambulance Service of NSW	32
Area Health Services	118
Attorney General's Department	10
Commerce, Department of	10
Community Services, Department of	6
Corrective Services, Department of	0
Education and Training, Department of	65
Environment and Conservation, Department of	10
Fire Brigades, NSW	0
Housing, Department of	10

Juvenile Justice, Department of	4
Lands, Department of	2
Natural Resources, Department of	8
NSW Department of Primary Industries	0
Planning, Department of	2
Police Service, NSW	11
Rail Corporation/RIC	65
Roads and Traffic Authority of NSW	51
State Rail Authority of NSW	46
State Transit Authority of NSW	11
Sydney Water Corporation	50
TAFE	57
Treasury -Office of State Revenue	3

### **Question Page 50**

**“Ms LEE RHIANNON:** *Would you take on notice which SOCs have come under the State jurisdiction and which have not?”*

**The Hon. JOHN DELLA BOSCA:** *I am happy to do that yes.*

### **ANSWER**

I noted on 1 September 2006 that the Rail Corporation NSW (and the Rail Infrastructure Corporation) have distinctive industrial relations arrangements in place, which have fallen within the Commonwealth industrial relations system for some time.

In addition, a number of other State Owned Corporations (SOCs) and their unions have historically operated in the Federal industrial relations system, including Sydney Ferries, and the Port Corporations. Notwithstanding this Federal coverage, the inflexibility of *Work Choices* has resulted in the development of section 146A agreements. This provides additional benefits and access to the NSW IRC to resolve disputes about matters contained within the agreements.

All SOCs have the capacity to enter into a “Referral Agreement” with a union or unions in accordance with section 146A of the *Industrial Relations Act 1996* (IR Act). A Referral agreement allows the NSW Industrial Relations Commission to hear a dispute between the parties about any industrial matter.

The following SOCs have made Referral Agreements with union/s:

- Sydney Water Corporation
- Delta Energy
- Energy Australia
- Eraring Energy

- Integral Energy
- Sydney Ferries
- Transgrid

Macquarie Energy advise that they have been in negotiations with unions over the making of a s146A Referral Agreement, and are now close to agreement. Sydney Ports, Newcastle Port Corporation and Country Energy have been approached by unions to make a section 146A Referral Agreement, and will look to do so when renegotiating current industrial instruments once they have expired.

To date, a number of other SOCs have not entered into Referral Agreements with unions under section 146A of the IR Act. In some cases this is because the agreement or award applying to the SOC was negotiated before *Work Choices* commenced and is still in force, in other cases the employer has not been approached by a union to make a Referral agreement. Employers in this category include:

- Hunter Water Corporation
- State Water Corporation
- Waste Recycling and Processing Corporation
- Port Kembla Port Corporation
- NSW Lotteries
- Landcom
- Superannuation Administration Corporation (trading as Pillar Administration)
- Transport Infrastructure Development Corporation.

Information is current to **12 September 2006**.