

QUESTION TAKEN ON NOTICE

PREMIER and MINISTER FOR CITIZENSHIP

BUDGET ESTIMATES HEARING - 15 OCTOBER 2007

ANSWERS DUE 7 NOVEMBER 2007

1. *The Hon. GREG PEARCE: What about Dr Burgmann?*

Mr MORRIS IEMMA: Because Dr Burgmann has left the Parliament I will have to take on notice the arrangements in place for her. (Page 3 of transcript)

ANSWER

Section 6 of the Entitlements for Former Office Holder and Members of Parliament sets out the entitlements of Former Presiding Officers. In accordance with those provisions, Dr Burgmann is eligible for:

- a car and driver service for attendance at official functions for a period of 12 months (ending 23 March 2008). This entitlement may be utilised by a spouse, partner or approved relative if Dr Burgmann is unable to attend the functions;
- an Australian Gold Life pass (travel over publicly operated rail lines in Australia) and State Travel Cards for life (travel on all SRA and STA services);
- rail travel for a spouse, partner or approved relative comprising:
 - Interstate - Two first class return (or 4 single) journeys per year during the life of the former Presiding Officer or for a period equal to the former Presiding Officer's service, whichever is the longer; and
 - Intrastate - Seven first class return (or 14 single) journeys per year during the life of the former Presiding Officer or for a period equal to the former Presiding Officer's service, whichever is the longer;
- air travel intrastate comprising four economy class return (or 8 single) air trips per year for Dr Burgmann and a spouse, partner or approved relative, for a period of 5 years from cessation of office (23 March 2007);
- telephone entitlement comprising full cost of rental and all calls (excluding international) of one telephone at private residence, or a mobile telephone, for 3 months from cessation of office (23 March 2007);
- postage stamps entitlement to the value of \$700/month for three months from cessation of office (23 March 2007);
- administrative support for a period equivalent to 3 months full time from cessation of office (23 March 2007) subject to the Premier's approval; and
- Dr Burgmann may apply to the Premier (within six months from the date of leaving office) for recommendation to the Governor to retain the title "Honourable".

2. *The Hon. MARIE FICARRA: What was the total value of redundancy payments made as a result of this restructure in your personal office?*

Mr MORRIS IEMMA: *Those who took redundancy would have been paid in line with the public sector guidelines. I am advised it is three weeks of pay for each year of service up to a maximum of 39 weeks. Those guidelines apply to ministerial staff in the same way that they apply to the staff of the Leader of the Opposition. I will take on notice the specific details of actual payments.*

The Hon. MARIE FICARRA: *Did the Government pay for any legal advice provided to Mark Aarons?*

Mr MORRIS IEMMA: *I am not aware of that, but I will take that question on notice.*

The Hon. MARIE FICARRA: *What is the value of the redundancy payment made to Mark Aarons?*

Mr MORRIS IEMMA: *I indicated in my last response that I would take that question on notice and provide details.*

...

The Hon. MARIE FICARRA: *Can you give the Committee some information about the discussion in the exchange of emails between Alex Smith and Mark Aarons?*

Mr MORRIS IEMMA: *I would have to take that question on notice.*

...

The Hon. GREG PEARCE: ... *Who negotiated the redundancy with Mr Aarons?*

Mr MORRIS IEMMA: *I have already indicated, in relation to the redundancy matter of Mr Aarons, I will take it on notice.*

...

The Hon. GREG PEARCE: *That will include who negotiated the redundancy?*

Mr MORRIS IEMMA: *The detail of redundancies. (Pages 3 to 5 of transcript)*

ANSWER

Ministers' staff are employed under statutory provisions that recognise the need for flexibility in staff support.

Policy and guidelines regarding these staff include provision for severance payment if their services are no longer required.

Severance payment is modelled on the public sector voluntary redundancy provisions, allowing for payment of 3 weeks' salary per year of service up to a maximum of 39 weeks.

The total value of redundancy payments made to Mark Aarons was \$107,170.15. Mr Aarons received a severance payment in accordance with the guidelines for Special Temporary Employees. The matters concerning Mr Aarons' redundancy were dealt with extensively in evidence before the Committee at the hearing on 15 October 2007.

The total value of redundancy payments made as a result of the restructure of the Premier's office was \$178,607.

The Government did not pay for any legal advice provided to Mark Aarons.

3. ***Dr JOHN KAYE: Premier, I want you to talk a little about the Owen inquiry. What was the total cost of running the Owen inquiry?***

Mr MORRIS IEMMA: I will take that on notice. (Page 11 of transcript)

ANSWER

The Department advised that costs associated with the commissioning of the Inquiry into Electricity Supply in NSW by Professor Anthony Owen are being funded through the Crown. All consultancies over the value of \$30,000 are publicly reported in the Crown Finance Entity Annual Report.

4. ***CHAIR: I refer to Budget Paper No. 3, Volume 3, page 2-3, line item "Grants and subsidies". Last year it was allocated \$10 million, but it has decreased to \$6.5 million in this year's budget. Where have the cuts taken place?***

Mr MORRIS IEMMA: I will get that information. I am not sure whether that refers to miscellaneous grants and discretionary grants. I am advised that "miscellaneous grants" is the one you are referring to. The estimate for this year is just over \$2 million and the expenditure for 2006-07 was just under \$2 million.

CHAIR: This is different. It is "Grants and subsidies" under the heading "Cash flows from operating activities".

Ms KRUK: I will take it on notice. It is not the grants program. You should have no concern that they are cuts in specific grants. Apparently it is money that goes through departments of the Premier and Cabinet. I will take it on notice and give you the details. (Page 15 of transcript)

ANSWER

The aggregate Grants and Subsidies line item for the Department of Premier and Cabinet appears to have decreased by \$3.935 million from a 2006/07 Revised total of \$10.335 million to a 2007/08 Budget total of \$6.400 million.

The apparent decrease was as a result of several factors:

- A decrease of \$1.400 million from \$2.400 million in 2006/07 to \$1.000 million in 2007/08 for the Aboriginal Trust Fund Repayment Scheme as a result of reduced anticipated payments to claimants in the current financial year;
 - A one-off grant in 2006/07 of \$0.450 million to the ANZAC Memorial Building Trust for stage 2 development of the Memorial's Conservation Plan; and
 - A decrease totalling \$2.020 million as a result of the reclassification of the following items from being grants or subsidies in 2006/07 to being other operating expenses in 2007/08:
 - \$1.12 million in scholarships under the Public Sector Management Program and Aboriginal cadetships programs;
 - \$0.500 million payment to the Barwon Darling Alliance for extension of the Murdi Paaki Partnership Project (formerly the River Towns Project); and
 - \$0.400 million in payments to government and non-government organisations for indexing and counselling services.
 - Except for the factors above, Grants and Subsidies have escalated or remained steady between 2006/07 and 2007/08, including:
 - Miscellaneous grants approved by the Premier escalated by \$50,000 from \$1.977 million to \$2.030 million;
 - Rural and regional grants remain steady at \$1.000 million;
 - Grant to arts nsw (hART triennial funding) remain steady at \$0.300 million; and
- Grants to Women's programs remain steady at \$0.150 million.

5. **Mr MORRIS IEMMA:** ... *We had to take legislative action to protect our nurses, our TAFE teachers and Ambulance Service staff from being caught by WorkChoices.*

CHAIR: *Were any other categories of public servants affected?*

Mr MORRIS IEMMA: *There are other categories of public servants. I will provide the details to you.*

CHAIR: *You will take that on notice?*

Mr MORRIS IEMMA: ... *I will obtain those details. (Page 16 of transcript)*

ANSWER

The NSW Government successfully protected 180,000 New South Wales public sector employees from direct exposure to WorkChoices through the ***Public Sector Legislation Amendment Act 2006***.

The legislation kept important frontline workers such as TAFE teachers, nurses, RTA motor registry staff, and ambulance officers within the State industrial relations system.

The Act did not cover State Owned Corporations, which do not represent the State and largely operate at arm's length from Government. State Owned Corporations may, however, utilise referral agreements made under the *Industrial Relations Act 1996* – another State Government legislative initiative to protect working families from the worst effects of WorkChoices – to continue to have matters dealt with by the NSW IRC.

Further, State Owned Corporations must collectively bargain with unions and must not enter into Australian Workplace Agreements.

The NSW Government also secured local government workers' annual leave and long service leave entitlements through the *Local Government (General) Amendment (Transfer of Accrued Leave Entitlements) Regulation 2006*.

The NSW Government is also trialling a new procurement policy that requires NSW Government courier contractors and sub-contractors to ensure workers receive no less than the relevant NSW award and legislative standards. This policy is backed up by a strong auditing role undertaken by the Office of Industrial Relations.

The NSW Government has also taken steps to protect the employment conditions of young workers aged less than 18 years through the *Industrial Relations (Child Employment) Act 2006*, ensuring that young workers' conditions cannot fall below NSW award and legislative standards and providing access to unfair dismissal remedies.

6. **Mr MORRIS IEMMA:** ... *Sydneysiders in particular have responded magnificently to the Metropolitan Water Plan initiatives and we have saved around 145 billion litres of water, with Sydneysiders responding magnificently.*

Dr JOHN KAYE: *Over what time period?*

Mr MORRIS IEMMA: *From memory, since about 2002-03. I will take that on notice and provide Dr Kaye with the exact period. (Page 25 of transcript)*

ANSWER

As noted in the *Metropolitan Water Plan 2007 Progress Report*, the community has saved 370 billion litres of water since mandatory restrictions were introduced in October 2003.

The *2006 Metropolitan Water Plan* commits the NSW Government to a target of saving a further 145 billion litres of water each year by 2015, through a range of programs designed to save water across each major area of demand for households, businesses, farming and government.

7. Dr JOHN KAYE: ... how many people currently employed in the electricity industry would be affected by such privatisation or long-term lease out and what effect would it have on those employees, in terms of their exposure to WorkChoices?

Mr MORRIS IEMMA: I will take the question on notice and provide you with the exact figure. (Page 30 of transcript)

ANSWER

The Government is advised that, as indicated during the Budget Estimates hearing, there are currently around 1,700 workers in the generation sector, including Macquarie Generation, Delta Electricity and Eraring Energy. The Government has also been advised there are around 1,200 workers currently employed in the retail sector, including Integral, Energy Australia and Country Energy.

As previously announced, the NSW Government is seeking specific advice on ongoing job security and financial incentives for all workers in the State's retailers and generators, should any of the different options relating to the sale of retail licences and leasing of generators be pursued.

As part of its deliberations, the Government will be discussing the impact of the recommendations on the workforce with the relevant unions.

As part of any sale or lease arrangement the NSW Government would assess and negotiate with any prospective companies in relation to their industrial relations record and arrangements, including conditions of employment for the existing workforce.

8. CHAIR: As to the Independent Commission Against Corruption [ICAC] at page 2-25 of Vol. 1 of Budget Paper No. 3, there seems to be a dramatic decrease in the number of matters received from the general public and employees. In 2004-05 the number was 877 and the budget forecast is 740. For employees it was 257 and the forecast is 190. Is there an explanation for that? What steps are being taken to publicise the operation of the ICAC? Is it necessary to inform the public about the role of the ICAC to involve the community?

Mr MORRIS IEMMA: On staff numbers, I will have to take that on notice, Mr Chair.

CHAIR: I am referring to the number of complaints.

Mr MORRIS IEMMA: I apologise. I do know that the commissioner is moving more towards investigating corruption activities, away from the traditional areas of education. I will take the question on notice. (Page 31 of transcript)

ANSWER

The Commission has advised that the number of complaints received by the Commission is outside its control but can be influenced by the level of media interest in public inquiries into cases of corrupt conduct and also the timing of state and local government

elections. 2004-05 was a particularly busy year for the Commission in terms of public inquiries with 94 days of public hearings held (24 days in 2006-07).

The number complaints received can fluctuate from year to year. The average number of complaints received from the general public for the four years prior to 2004-05 was 697 and from employees it was 201. These figures are comparable with the estimates for 2007-08 of 740 and 190 respectively.

The Commission has advised that over the last three years it has maintained a level of community education activities. The Commission has continued to conduct two rural and regional outreach programs each year. Its communication strategy to people from Non English Speaking backgrounds has also been sustained. It is expected that these activities will continue into the coming years.

The Commission has advised that it is developing additional communication strategies addressing the corruption awareness needs of the NSW community, in particular those who are considered more vulnerable to corrupt exploitation. These strategies will be implemented once they have been properly researched, developed and approved.

During 2006-07, the Commission implemented a program involving the distribution of posters and postcards that can be customised by agencies to help them communicate with employees about protected disclosures and internal reporting systems. An evaluation of this program, together with data from the *Whistling while they Work* project and the Commission's own *Profiling the NSW public sector* research will inform the direction of the protected disclosures communication strategy.

9. **CHAIR:** *What was the total cost of the State election? Do you have an estimate of that?*

Mr MORRIS IEMMA: *I do believe we have some information on that. It was \$38.5 million.*

Ms KRUK: *If I might add, it is my understanding that the Electoral Commissioner has fundamentally changed the basis of staffing for the conduct of the office and also for the conduct of elections. I am happy to provide some additional information after contact with him.*

CHAIR: *Do you take that on notice?*

Ms KRUK: *Yes. (Page 25 of transcript)*

ANSWER

Following on from the Council on the Cost and Quality of Government review of the State Electoral Office (now the NSW Electoral Commission), additional funding was provided to the NSW Electoral Commission to increase staffing at its head office. In 2006/07, staffing was increased from 41 equivalent full time positions (EFT) to 44 EFT.

Prior to the 2007 State Election, the NSW Electoral Commissioner reviewed the number of polling places and the level of staffing at each polling place. The purpose of this review

was to more closely align polling places and staffing levels with those that apply at Commonwealth elections.

The Electoral Commission has advised that, as a result of this review, the number of polling places was reduced from 2,768 to 2,576 and the number of polling place staff was reduced from 23,000 to 19,000 without any significant impact on the services provided on polling day.

10. **CHAIR:** ... *Is there any evidence of X-rated material being available in Aboriginal communities through the post?*

Mr MORRIS IEMMA: *I would have to take that on notice. (Page 33 of transcript):*

ANSWER

Under the *Classifications (Publications, Films and Computer Games) Enforcement Act 1995 (NSW)* it is illegal to sell or publicly exhibit X-rated material in NSW. It is not unlawful for people over the age of 18 to possess X-rated material in NSW, or order such material from jurisdictions where it is legally sold. Accordingly, the matter does not come to police attention, making it difficult to ascertain the availability of X-rated material in Aboriginal communities. It should be noted that it is unlawful to possess child pornography, which would be Refused Classification. This offence carries a maximum penalty of 5 years' imprisonment

Police are aware that some paedophiles expose minors to X-rated material to introduce them to sexual activity. This conduct is likely to occur among both Aboriginal and non-Aboriginal child predators. The Aboriginal Child Sexual Assault Task Force carried out consultations with a number of community representatives. The Taskforce provided its findings in its report *Breaking the Silence: Creating the Future*. Input from community members indicated that there was no specific evidence that Aboriginal community members were obtaining X-rated material through the post.

The Government is determined to tackle the scourge of child sexual assault within our community. The Government is already implementing a comprehensive Interagency Plan in response to the report of the Aboriginal Child Sexual Assault Taskforce. In addition, the Government yesterday gave notice of a Bill to create offences for procuring or grooming a child for sex. The offence of grooming will carry a maximum penalty of 10 years, or 12 years if the target child is under the age of 14. It will cover activity, including activity on the internet or face-to-face, that exposes a child to indecent materials such as pornography with the intent of procuring a child for sex.

11. **The Hon. MARIE FICARRA:** *However, do we know whether an audit has been done following a restructuring?*

Mr MORRIS IEMMA: *Further detail of any audits done since I left the portfolio I will take on notice. (Page 34 of transcript)*

ANSWER

IAB Services were engaged this year to undertake a review/certification of administrative positions and financial savings achieved as a result of the restructure of 17 Area Health Services to eight.

This review is not only examining the eight Area Health Services but also the Ambulance Service, Justice Health and The Children's Hospital at Westmead.

To date, individual reports for eight of the eleven entities under review have been formally issued by IAB Services. The data in these reports suggests that the conversion of administrative support staff to frontline services will be achieved.

The Department is advised that the Department of Health expects the remaining reports to be issued shortly, in addition to the IAB Services consolidated total State report.

The Department understands that the consolidated total State report will be made public by the Health Minister following formal issue by IAB Services.

12. Dr JOHN KAYE: Can you tell us what costs will be borne by the State?

Mr MORRIS IEMMA: I can take the question on notice and provide you with detail if you accept the AJC at the upper limit what sort of things would be compensated or at the lower level what matters would be compensated for. Certainly I can take that on notice and give the detail.

Dr JOHN KAYE: Just to be clear, Premier you will provide us with two scenarios, the \$7 million and the \$38 million, and in each of those how much of the bill will be paid by the State?

Mr MORRIS IEMMA: I will take your request for detail on those matters and provide to the Committee the detail that is available. ...

Dr JOHN KAYE: Can you tell us qualitatively what sorts of things the State will be paying for?

Mr MORRIS IEMMA: I will take on notice the detail of the matters the State would be compensating for. (Page 42 of transcript)

ANSWER

The final amount of compensation in relation to obtaining access to Randwick Racecourse is the subject of continuing negotiations with the Australian Jockey Club. The details of the cost of obtaining access will be announced at the appropriate time.

13. The Hon. GREG PEARCE: In previous years we have asked you for a breakdown of the number of ministerial staff and expenses by Minister. At the estimates hearing in 2005 you gave

us that information. Would you take that on notice and give us the same information as you gave in 2005?

Mr MORRIS IEMMA: Yes. (Page 50 of transcript)

ANSWER

Ministers' office budgets 2007-08

Minister	Staff Profile	Employee Related	Accommodation	Other operating	Total Budget
Premier	29	4,404,000	1,974,000	920,000	7,298,000
Watkins	12	1,492,000	505,000	290,000	2,287,000
Della Bosca	12	1,869,000	495,000	290,000	2,654,000
Costa	12	1,388,000	545,000	290,000	2,223,000
Hatzistergos	12	1,421,000	470,000	290,000	2,181,000
Sartor	12	1,520,000	438,000	290,000	2,248,000
Meagher	12	1,468,000	405,000	290,000	2,163,000
Campbell	12	1,469,000	531,000	290,000	2,290,000
Roozendaal	12	1,367,000	482,000	290,000	2,139,000
Macdonald	12	1,501,000	451,000	290,000	2,242,000
Kelly	12	1,408,000	421,000	290,000	2,119,000
Koperberg	12	1,402,000	435,000	290,000	2,127,000
Greene	12	1,272,000	451,000	260,000	1,983,000
Keneally	8	861,000	353,000	260,000	1,474,000
Tripodi	8	934,000	413,000	260,000	1,607,000
Rees	8	1,013,000	581,000	260,000	1,854,000
Brown	8	884,000	426,000	260,000	1,570,000
Burney	8	866,000	377,000	260,000	1,503,000
Lynch	8	955,000	304,000	260,000	1,519,000
Firth	8	1,022,000	330,000	260,000	1,612,000
West	8	900,000	385,000	260,000	1,545,000
Perry	8	820,000	374,000	260,000	1,454,000
Total	245	30,236,000	11,146,000	6,710,000	48,092,000