

# GENERAL PURPOSE STANDING COMMITTEE No. 1

Friday 17 September 2004

Examination of proposed expenditure for the portfolio areas

## SPECIAL MINISTER OF STATE, COMMERCE, INDUSTRIAL RELATIONS, AND CENTRAL COAST

The Committee met at 11.30 a.m.

### MEMBERS

Reverend the Hon. G. K. M. Moyes (Chair)

The Hon. M. J. Gallacher  
The Hon. R. M. Parker  
The Hon. P. T. Primrose

Ms L. Rhiannon  
The Hon. E. M. Roozendaal  
The Hon. I. W. West

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### PRESENT

**The Hon. J. J. Della Bosca**, *Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast*

**Department of Commerce**

**Ms J. Wolfe**, *Acting Director-General*

**Mr T. Collins**, *Deputy Director-General, Office of Government Business*

**Ms P. Manser**, *Deputy Director-General, Office of Industrial Relations*

**Mr J. Voss**, *Chief Financial Officer*

**Motor Accidents Authority**

**Mr D. Bowen**, *General Manager*

**WorkCover Authority**

**Mr J. Blackwell**, *Chief Executive Officer*

**Mr J. Watson**, *General Manager, Occupational Health and Safety*

**The Cabinet Office**

**Mr G. Barnden**, *Director, Drug and Alcohol Policy*

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## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat  
Room 812  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000**

**CHAIR:** I declare this meeting open to the public and welcome you to this public hearing of General Purpose Standing Committee No. 1. First, I want to thank you, Minister, and your departmental officers for attending today. At this meeting the committee will examine the proposed expenditure for the portfolio areas of Special Minister for State, Commerce, Industrial Relations, and Central Coast. The Committee has decided to allow rolling questions on any of those areas rather than take them sequentially. If officers not at the witness table are asked a question would they please come to the table.

Before questions commence there are some procedural matters that need to be dealt with. I point out that in accordance with the Legislative Council's guidelines for the broadcast of proceedings, which are available from the attendants and the Committee clerks, only members of the committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. There is no provision for members to refer directly to their own staff while at the table. Members and their staff are advised that any messages should be delivered through the attendant on duty or the Committee clerks.

For the benefit of members and Hansard, would departmental officials identify themselves by name, position, and department or agency before answering a question referred to them? I propose that we will allow 20-minute rotations for members of the Government, Opposition and crossbench, although we will allow interruption to that, if necessary. I will always restore the balance of time owing. I declare the proposed expenditure open for examination. Minister, do you wish to make a brief opening statement?

**The Hon. JOHN DELLA BOSCA:** The officers and I are here to make ourselves available for examination in the various areas. I do not think an opening statement at any great length would serve the Committee's purposes. I think we are happy to move directly to the Committee's questions.

**CHAIR:** Are there any questions from the Government?

**The Hon. PETER PRIMROSE:** Not at this stage.

**CHAIR:** Any questions from the Opposition?

**The Hon. MICHAEL GALLACHER:** Minister, is it still the case that you are the Minister for Commerce?

**The Hon. JOHN DELLA BOSCA:** Yes, that is right.

**The Hon. MICHAEL GALLACHER:** Could you indicate to the Committee why the Department of Commerce failed to list you as the Minister for Commerce?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I need some clarification from the member.

**The Hon. MICHAEL GALLACHER:** The web page of the Department of Commerce does not even list you as the Minister, though it lists your other portfolios. I was just wondering if you still have the Commerce portfolio?

**The Hon. JOHN DELLA BOSCA:** I definitely am. If the member has a close look at the web page, it is shown as the New South Wales Department of Commerce, Office of Industrial Relations.

**The Hon. MICHAEL GALLACHER:** It shows a list of your portfolios. Are you still as per those portfolios listed there, particularly the one highlighted?

**The Hon. JOHN DELLA BOSCA:** I would have to just check the delegation, but I certainly perform some of those functions referred to by the highlighted section.

**The Hon. MICHAEL GALLACHER:** But you are not necessarily that Minister or the Minister assisting any longer?

**The Hon. JOHN DELLA BOSCA:** As I said in answer to the earlier question, I would have to check the delegation.

**CHAIR:** I think, for the sake of *Hansard*, it might be an idea to table the document.

**The Hon. JOHN DELLA BOSCA:** I am accused of not being the Minister.

**CHAIR:** Accused of not even being there.

**The Hon. JOHN DELLA BOSCA:** To assist Hansard, the member has handed me a document, which is a contemporary printout from the Office of Industrial Relations component of the web site of the Department of Commerce, which shows that included in my portfolio is Minister assisting the Premier on Public Sector Management. The member has highlighted that and I have just indicated to him that I have to check the delegations, but I do not believe that that was the form of my appointment in this term of the Parliament. If the member is pointing out that that is an oversight I will have it corrected immediately.

**CHAIR:** I am sure there is a officer of the department here who has already made a very strong note about that.

**The Hon. MICHAEL GALLACHER:** Who is the Minister responsible for Information Technology in your government?

**The Hon. JOHN DELLA BOSCA:** I think the member knows that I am.

**The Hon. MICHAEL GALLACHER:** I move on to another issue. Mr Blackwell, in November last year, after last year's budget estimates hearings, you issued an internal memo to your staff informing them that catering would no longer be available for internal functions. Was this circular issued as a result of the exorbitant total cost of catering for the executive staff exposed at last year's budget estimates hearings? Might I say first, Mr Blackwell, that you might recall that we got into an argument together last year about life being one big yum cha at Gosford and we just wanted to know if we could take the Atkins approach to dieting.

**The Hon. JOHN DELLA BOSCA:** I think that is the terminology that the member used, Mr Chairman, but Mr Blackwell is free to answer the question if he so chooses; otherwise we might have to take it on notice,

**Mr BLACKWELL:** The memo was issued for the department's administrative purposes. The issue is around the misrepresentation in relation to what catering charges are spent on. They are not spent, in the main, on executive entertainment; they are spent on such things as working committees, which involve a range of different organisations, stakeholders, who need to be consulted by WorkCover. That includes employer groups, meeting groups, and so forth. In the 2003-04 period that has been expended at \$73,382, which is, in fact, a reduction on the previous year by about \$40,000 or \$50,000. So it is not true that executives have been dining out; the issue is very much that we do provide minimal hospitality to stakeholders, which, in my view, it is quite reasonable for us to do.

**The Hon. MICHAEL GALLACHER:** Mr Blackwell, I think "normal administrative processes" was the term you used in commencing your answer. Is this the first time, to your knowledge, that this normal administrative process has taken place with catering?

**Mr BLACKWELL:** I can only say that within my term of office, yes, it is. That term of office has been 12 months.

**The Hon. MICHAEL GALLACHER:** Am I correct in assuming that after I questioned you last year about the \$227,000 worth of catering, you would have conducted an inquiry into what was in place prior to your arrival?

**The Hon. JOHN DELLA BOSCA:** If I could just intervene briefly. I do not mind if Mr Blackwell continues to answer the member's question, but could I make two points. First, is he criticising WorkCover for being responsive to the democratic process, that is, responsive to questions about the organisation asked in these estimates committees? If so, I fail to see what the problem could possibly be. Second, I take great pride, as Minister for the Central Coast, in the fact that you can get a good yum cha on the Central Coast these days. I think the member would probably share that view.

**The Hon. MICHAEL GALLACHER:** Yes, but we will not endorse it right now. My point is that Mr Blackwell said it was normal administrative processes. What I am fairly keen to find out is whether that is the situation and whether, had it not been exposed at last year's estimates, it was normal and would have continued?

**CHAIR:** There was a legitimate question asked and it was quantified by the amount of money. It is quite legitimate to ask what has been done since that time.

**Mr BLACKWELL:** The issue was raised at estimates last year, that is correct. I did have a look at it—of course I did; it was appropriate for me to look at it closely. I issued a memorandum which basically reinforced the previous policies within the organisation. There was a bit of an extraordinary expense the year before in relation to the Safety Summit, which came out of catering costs as well, and that accounted for tens of thousands of dollars. So there was automatically a saving this year. But, as the CEO of the organisation, my view is that our catering is not excessive. We in fact provide fairly minimal hospitality for our key stakeholders, and it is very important for us to maintain a good working relationship with them, to make sure they do not starve.

**The Hon. MICHAEL GALLACHER:** I would like to move on to one other matter that is basically a carryover from last year, which we need to be confident has been addressed: accommodation. What was the total cost for accommodation in Sydney for WorkCover senior executive staff in the 2003-04 financial year? You might recall, Mr Blackwell, we had some discussion again about accommodation costs for staff from Gosford, one hour from Sydney.

**The Hon. JOHN DELLA BOSCA:** We will need to take that question on notice.

**The Hon. MICHAEL GALLACHER:** Mr Blackwell, following on from your "normal administrative process" reference in regard to catering, you might recall there was some public discussion in the Parliament about accommodation costs. Have you initiated any similar inquiries in regard to that area of expenditure?

**Mr BLACKWELL:** I certainly got information in relation to how much those costs were, but I have not issued any directives in relation to them at all.

**The Hon. MICHAEL GALLACHER:** Could you indicate to the Committee, having now initiated an inquiry, what you saw in terms of trending? Was it trending upwards or downwards?

**Mr BLACKWELL:** The trending was about level, but I would have to take that on notice so we can provide you with proper detail in relation to that.

**The Hon. MICHAEL GALLACHER:** Will you give an undertaking to the Committee to include in your response to the Committee a breakdown of accommodation, including the hotels stayed at?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I am not sure that that would be the regular way in which these matters are dealt with. I am prepared to take advice from you but I would have thought this is an expenditure committee and that the point is expenditure and what it was expended on rather than on which particular business it was expended. But I am in your hands. I would have thought it was a bit irregular to ask for specifics.

**The Hon. MICHAEL GALLACHER:** Mr Chairman, I am not asking for people to give me their tax file numbers and those sorts of details. You would recall, having looked at what happened last year, there was some public concern, and quite rightly so, in terms of the expenditure. I think right

now WorkCover has to expect a microscope to be put over it to ensure that expenditure is curtailed, and I think that what I am asking is, in fact, fair, and I believe that Mr Blackwell will have available the information being asked of him.

**The Hon. JOHN DELLA BOSCA:** I can submit a bit more detail to support my view that it is unnecessary to nominate the particular businesses where expenditure has occurred. There are a range of things, apart from the fact that it is not a regular way to account for government expenditure. Also important here are issues such as security and precedents set by looking at specific accommodation sought by senior officers of the public service, Ministers or a member of Parliament. I submit that it is an unnecessary level of detail. The gross or net expenditure and number of occasions on which accommodation was sought is surely sufficient.

**CHAIR:** Am I correct in my recalling that there was some very strong unfavourable press on the matter of accommodation for special conferences and accommodation for senior staff?

**The Hon. JOHN DELLA BOSCA:** I do not recollect it being in the particular terms you have just put, but, yes, there has been some public speculation about that.

**CHAIR:** Would it not be reasonable to ask that question at the next estimates review to see if there has been an improvement, to avoid your department coming under press criticism?

**The Hon. PETER PRIMROSE:** Are we having a general discussion here?

**CHAIR:** I am seeking the Minister's advice.

**The Hon. PETER PRIMROSE:** I thought you were talking from the chair. My understanding is that members can, within the ambit of the motion that resolved to establish these committees, ask basically whatever questions they like about expenditure but, equally, under the standing orders Ministers are entitled to answer them in any way they wish. So basically it is outside the authority of this Committee to direct the Minister. The Minister has been requested, which a member can do, and Ministers have the authority and decision as to how they answer it. This is basically an irrelevant discussion.

**The Hon. MICHAEL GALLACHER:** In fairness, I was trying to put a reasonable proposition to the Minister to prevent any suggestion that he is refusing to make those details public. That is a decision he must make himself. This is all about public scrutiny and if he wants to retain those records. If the decision was based on one of security after the person has stayed at the hotel, it is a bit rich, to say the least. Be that as it may, if that is what the Minister wants to hang his hat on in refusing to hand it over, I will now hand over to the Hon. Robyn Parker.

**CHAIR:** Minister, you may reply as you wish.

**The Hon. JOHN DELLA BOSCA:** Taking into account Mr Primrose's comments and your own advice, Mr Blackwell and I have will take the question on notice and respond to the Committee as soon as practicable.

**The Hon. ROBYN PARKER:** Can you tell us what criteria was the basis for your decision to extend the contract to Tempo for the cleaning of New South Wales schools?

**The Hon. JOHN DELLA BOSCA:** I am just confirming that the contract was extended for all of the current cleaning contractors who are cleaning government schools. It is not just Tempo; it is also Menzies and Broadlex.

**The Hon. ROBYN PARKER:** Have you obtained an Auditor-General's advice or any legal advice that that extension was valid?

**The Hon. JOHN DELLA BOSCA:** It is the normal practice under pecuniary guidelines to extend contracts as appropriate. I think it is no secret that the Government is quite publicly going through the preliminary exercise of negotiating new cleaning contracts and has an expectation of putting those contracts into the marketplace reasonably promptly. Obviously, it is a fairly vital

function that is being performed under those contracts—the cleaning of schools, TAFEs and a number of other government sites—and the contract needed to be extended so the work could continue. There is nothing irregular or extraordinary about that.

**The Hon. ROBYN PARKER:** So you did not offer other companies to tender at that time for the extension?

**The Hon. JOHN DELLA BOSCA:** Not at that time because the normal process would be that the particular contract or contracts under the original tender were simply extended.

**The Hon. ROBYN PARKER:** Can I clarify that. You did or did not get advice that that was the correct process?

**The Hon. JOHN DELLA BOSCA:** I did not ask for separate advice on that matter, but I was advised at that time by the department that that was the normal procedure.

**The Hon. ROBYN PARKER:** Will you table that advice?

**The Hon. JOHN DELLA BOSCA:** There would be no reason that I would not. I will take that question on notice.

**Mr COLLINS:** I can confirm that the department did advise the Minister that it was appropriate to extend the contracts because it was decided that a new four or five year contract was to be put in place, and in order to go through the process to actually identify the proper conditions for that, the logical and appropriate thing to do in this circumstance was to extend all of the existing contracts until such time as the new contract was put in place. As I said, I can confirm that that was the advice provided by the department to the Minister.

**The Hon. ROBYN PARKER:** In terms of Tempo, what was the fiscal value of the extension?

**The Hon. JOHN DELLA BOSCA:** I will have to take that on notice, but obviously it is a very significant contract.

**The Hon. ROBYN PARKER:** Will you provide that information?

**The Hon. JOHN DELLA BOSCA:** Yes.

**The Hon. ROBYN PARKER:** Today will you guarantee that the working hours and conditions of New South Wales cleaning contractors will be maintained under the new cleaning contracts established by your department and your Government?

**The Hon. JOHN DELLA BOSCA:** I think the member is a little bit confused. There are two separate processes in the public arena at the moment. The one she is asking about is the contracts between the Government and the cleaning contractor companies. That is the one she is referring to. She is actually, I think, asking a question about the current industrial dispute between the cleaners and, effectively, prospective contractors under the new contract. The Government has been in discussions and negotiations, which I think I have reported on to the Parliament on a previous occasion and certainly made public comment about over the last few weeks, indeed months.

The Government has two objectives in those discussions which have been occurring as a preliminary with the Liquor, Hospitality and Miscellaneous Workers Union, which represents the overall majority, if not all of the work force in government cleaning, in order to establish that we get the most effective possible cleaning contracts; that the contractors, not the cleaners but the contracting companies, properly manage cleaning; and, very importantly—and it is a principal objective of the Government—that the actual contracts of employment between the cleaners and their employers are as fair as possible; and that the criteria for performing the services are as fair as possible to the cleaners, and that has been our objective. There has obviously been significant argument about that. I think all of the key issues have been resolved. Some further tidying-up discussions are taking place

with the union. In fact, they are occurring as we speak. I am not in a position to comment on those because the matters have not yet concluded.

**The Hon. ROBYN PARKER:** I put to you that perhaps you might have another objective. I am sure that the 7,000 lowly paid cleaners, who are mostly mature women, and the Hon. Ian West—in his former capacity with miscellaneous workers—would want that certainty of employment. Surely that is an objective. Will you provide that certainty, that guarantee, while you are cleaning things up?

**The Hon. JOHN DELLA BOSCA:** The member obviously has not been following this matter as closely as she is inferring by her line of questioning. It is a matter of public record that more than a month ago the Government gave that guarantee.

**The Hon. ROBYN PARKER:** Can you tell us what the guarantee was? What we are asking for is a guarantee on—

**The Hon. JOHN DELLA BOSCA:** I am not sure if you know what you are asking.

**The Hon. ROBYN PARKER:** Yes, I do.

**The Hon. JOHN DELLA BOSCA:** Well, can you ask me?

**The Hon. ROBYN PARKER:** I am not sure that you want to answer the question, that is the problem. I want you to answer the question.

**The Hon. JOHN DELLA BOSCA:** Perhaps I should take the time of the Committee to explain to the member exactly what the issue being discussed today is.

**The Hon. ROBYN PARKER:** I want you to answer the question.

**CHAIR:** The Minister is entitled to answer as he wishes, but I remind him to be relevant.

**The Hon. JOHN DELLA BOSCA:** I think it will be relevant. She alluded to one of our honourable colleagues at the table and his former role. I should just allude to the fact that in his former role he would recall that the party of which she is a member privatised government cleaning a bit more than a decade ago, and under that original contract the hours of cleaning—

**The Hon. MICHAEL GALLACHER:** The buck stops with you right now.

**The Hon. JOHN DELLA BOSCA:** It is relevant history.

**The Hon. MICHAEL GALLACHER:** Time is important. By the time you run through the history we will not get to modern history, which is exactly what we want for those 7,000 cleaners.

**The Hon. JOHN DELLA BOSCA:** We will get very directly to the modern history because it is the very next point I intend to make. You cut hours out of that contract, jeopardising the occupational health and safety and the working conditions of those workers. You exposed them to subcontracting.

**The Hon. MICHAEL GALLACHER:** Remember the pledge that Carr gave.

**The Hon. JOHN DELLA BOSCA:** The union prevented the subcontracting, through industrial measures, that you provided for in the original contract, which would have further eroded their working conditions.

**The Hon. MICHAEL GALLACHER:** Now he has thrown them to the wolves.

**The Hon. JOHN DELLA BOSCA:** No.

**The Hon. MICHAEL GALLACHER:** He has. He promised them that he would never leave them.



**The Hon. JOHN DELLA BOSCA:** The public guarantees that the Government has made in this contract are that all cleaners will be given an offer of new employment when the contracts change, with their entitlements in place; secondly, that the award will be the only instrument of employment for employees under the contract; thirdly, and I think most importantly, that the overall number of hours available under the cleaning contracts to carry out the specifications to clean schools will remain constant, unlike the last two times these contracts have been renewed, when they have been significantly cut; and fourthly, that the focus of the Government's negotiations with the incoming contractors will be to oblige them to properly manage the induction, discipline and occupational health and safety of the cleaning work force. The only outstanding issue—

**The Hon. ROBYN PARKER:** If it is such a good deal why are the cleaners so unhappy?

**The Hon. JOHN DELLA BOSCA:** If you want a career as a union advocate you should change jobs, but you will have to take a big cut in pay.

**The Hon. ROBYN PARKER:** I am an advocate for the 7,000 workers and the people of New South Wales.

**The Hon. JOHN DELLA BOSCA:** You are an advocate for something you do not know anything about.

**The Hon. ROBYN PARKER:** I know that cleaners are upset. Why are they upset if you are offering them such a good deal?

**The Hon. JOHN DELLA BOSCA:** The simple fact of the matter is that it is very important for the remaining issue to be resolved fairly, and it will be resolved fairly, but people have differences of opinion. Unions have differences of opinion with employers all the time. Matters have to be resolved by negotiation, which is what this Government has been committed to with what has happened with this contract. I think you will find you will be eating your words in a week or two. The issue we are concerned about is the site-by-site hours under the cleaning contract. That is the remaining issue, and to what extent there can be guarantees of continuity for cleaners. The Government wants to make sure that contractors are not able—capriciously, unfairly or in breach of general conditions—to reduce those hours. We need to make sure that the contract, when it is finally negotiated with the incoming contractors, forces them to properly manage their obligation under the contract to clean schools. [*Time expired.*]

**Ms LEE RHIANNON:** Minister, I am sure you would agree that the calculation of superable salary is important, given that it influences the benefits that SASS members receive when they retire either as a lump sum or as regular payments for their retirements. Can you inform the Committee how superable salary is calculated?

**The Hon. JOHN DELLA BOSCA:** It would only be fair to the Committee if I took that question on notice.

**Ms LEE RHIANNON:** I wanted to ask a few questions about that so, hopefully, we can get somewhere. I imagine you would agree that the understatement of superable salary will have serious implications for members. Are you aware of any such instances?

**The Hon. JOHN DELLA BOSCA:** Could you repeat the question because I was briefly distracted?

**Ms LEE RHIANNON:** Do you agree that the understatement of superable salary will have serious implications for members and are you aware of any such instances?

**The Hon. JOHN DELLA BOSCA:** No, I am not, but again I regret that the member is going to have to place that question on notice.

**Ms LEE RHIANNON:** The Auditor-General's Report to Parliament 2003, Volume 3, page 9 states: "If an agency understates superable salary, incorrect contributions are made and ultimately

incorrect benefits are paid to staff. The department has now advised that it has corrected the errors." This theme has come through for about a decade in Auditor-General's reports, which is why I had expected you would have some background to this. Would you agree that the problem of superable salary is a result of inadequate and procedural manuals for superannuation?

**The Hon. JOHN DELLA BOSCA:** I need to take that question on notice as well.

**Ms LEE RHIANNON:** The Auditor-General has also highlighted the lack of procedures and manuals, how they have been working on them for many years and they still have not been made available. This is from the same report I just mentioned:

Of greater concern is the number of agencies that do not have adequate policy and procedure manuals for superannuation. Ten of the 23 agencies either did not have a manual or it was incomplete, or were still preparing their manual ...

Do you have responsibility for superannuation for public servants?

**The Hon. JOHN DELLA BOSCA:** Yes. That is one of the responsibilities I have as the portfolio Minister, although I think the member should be aware that the shareholding Minister of the trust is the Treasurer. I think the member is referring to the review conducted by the Auditor-General in 2002-03. I think the second thing you were quoting from is the Commonwealth Auditor-General.

**Ms LEE RHIANNON:** No. It is the Auditor-General's report to the Parliament so it is New South Wales.

**The Hon. JOHN DELLA BOSCA:** For 2002 and 2003, the advice I have is that on 13 November the Premier's Department circular "Compliance with New South Wales Superannuation Legislation" was issued to all chief executives. The circular advised agencies that they are required to undertake monthly reconciliations between their superannuation contributions invoiced and the amounts deducted from employees' pay. The circular also encouraged agencies to ensure that staff received regular training and improved accounting systems. As stated in the Auditor-General's 2003 report, which I think the honourable member was quoting, Pillar Administration and the trustee corporations agreed to liaise with the agencies to better educate agencies staff about superannuation obligations.

In 2003-04 the trustee corporations conducted seminars for 120 agency-based staff, visited agencies to assist with converting paper-based reporting systems to online systems, and in the near future will provide employer agencies with updated procedure manuals. I am further advised that considerable progress has been made by relevant public sector employers in the transmission of timely and accurate information and contribution payments to Pillar Administration. The Auditor-General's report, to which I think the honourable member is referring, acknowledges that agencies have improved their understanding of superannuation and their capability systems in the current superannuation reporting year. The process of improvement will continue as part of the employer education programs.

**Ms LEE RHIANNON:** You mentioned that the Treasurer was responsible for this. I asked the Treasurer these questions.

**The Hon. JOHN DELLA BOSCA:** Sorry for the misunderstanding. I am the portfolio Minister. The Treasurer is the shareholding Minister for the funds.

**Ms LEE RHIANNON:** I put these questions to the Treasurer and he said to ask you.

**The Hon. JOHN DELLA BOSCA:** That was very sporting of him.

**Ms LEE RHIANNON:** Is it the case that payments of First State Super are not recorded on pay slips; nor is year-to-date advice given to employees, and the year-to-date First State Super totals for previous years are not recorded to check records and compliance with the Australian Taxation Office?

**The Hon. JOHN DELLA BOSCA:** I think I have answered part of that question. In 2001-02 and 2002-03, which the member is referring to, the Auditor-General reviewed agencies' administration processes to assess their levels of compliance with Commonwealth superannuation obligations. That is particularly about the timely payment of contributions, which I think is one of the aspects of the question asked by the member. Since the compliance issues were first raised by the Auditor-General the trustee corporations have conducted seminars, as I referred to in my previous answer, for converting paper-based systems to online systems, and obviously to provide agencies with updated procedure manuals.

In the 2003 report the Auditor-General acknowledged those improvements, as I have already referred to, and Pillar Administration has been working with employer organisations, including the Department of Education and Training, to improve the timeliness and completeness of information and contributions. Most employers now provide contribution information in an electronic format, allowing straight through processing. For example, Pillar receives 90 per cent of its contributions in an electronic format from First State Super employers. I am not sure if that goes some way to answering that question. Pillar has given me further advice that member-only employee contributions are now coming in on time.

The Department of Education and Training—I do not know whether the question was specifically directed at the Department of Education and Training—now provides full file information on each member, making it easier to allocate contributions correctly. She should know, and I am sure the Committee would know, that Volume 6 of the Auditor-General's report in 2003, which is on page 179 of the report that she is referring to, refers to testing whether the department has correctly deducted and accounted for employer and employee superannuation contributions. The report states that the department substantively complies with the legislation.

**Ms LEE RHIANNON:** I am still getting my head around superannuation matters, too.

**The Hon. JOHN DELLA BOSCA:** We will both be retired by the time you do.

**Ms LEE RHIANNON:** I want to pursue the issue of reconciliation. Can you inform the Committee—I am interested in the Department of Education and Training but if you do not have those figures at hand I am happy for you to deal with the Department of Commerce—how much the department collected in payroll deductions for employee SASS contributions for the financial year ended 30 June 2003?

**The Hon. JOHN DELLA BOSCA:** Can the member repeat the question?

**Ms LEE RHIANNON:** Can you inform the Committee how much the department—I would like it to be education but I am happy if you want to do your own department—collected in payroll deductions for employee SASS contributions for the financial year ended 30 June 2003?

**The Hon. JOHN DELLA BOSCA:** I take it the member's question refers particularly to SASS?

**Ms LEE RHIANNON:** Yes.

**The Hon. JOHN DELLA BOSCA:** I am sorry; for both the Department of Commerce and the Department of Education and Training I am happy to provide that information but I need to provide it by way of notice. Is the member only concerned about SASS contributions?

**Ms LEE RHIANNON:** At this stage I will start with SASS. For your information, the ones that were identified by the Auditor-General as having all these problems are the Centennial Park and Moore Park Trust, Delta Electricity, the Department of Education and Training, the Department of Health, the Department of Juvenile Justice, New South Wales Fire Brigades, the Office of Protective Commissioner, the Southern Area Health Service, the Sydney Catchment Authority and the Zoological Parks board. So that is happening under your watch. Do you think you need to have more knowledge of what is happening in that area?

**The Hon. JOHN DELLA BOSCA:** I am grateful for the member's suggestion. If that is a first warning and a counselling session, I will take it as that.

**Ms LEE RHIANNON:** Why is the gross amount deducted for employees not reconciled with the gross amount invoiced by, in this case, SAS for SASS employee contributions?

**The Hon. JOHN DELLA BOSCA:** I will have to take that question on notice as well. I will be happy to provide the answer to the member.

**Ms LEE RHIANNON:** Can you inform the Committee how much the Department of Education and Training and the Department of Commerce deducted from employees' accounts as superannuation contributions to be paid to SAS and FSS for the financial year ended 30 June 2003?

**The Hon. JOHN DELLA BOSCA:** I certainly do not have the Department of Education and Training breakdown with me but I am happy to ascertain it and provide it to the member. I am happy to ascertain the Department of Commerce one and provide that to the member as well, if she is interested in both of them.

**CHAIR:** I have a couple of questions about the WorkCover Authority. Budget Paper No. 3, Volume 2, page 19-15, states:

There will be a focus on improving the viability of the Workers' Compensation Scheme through initiatives that will improve insurer performance, achieve better return-to-work rates and speed up dispute resolution.

Can you provide some examples of such new initiatives?

**The Hon. JOHN DELLA BOSCA:** There are quite a lot of initiatives in relation to those matters. In the past year we have been active in assisting employers and employees to work together to create safe workplaces. Obviously, prevention is better than cure. I think there is public consensus that the prevention of accidents is a better way to deal with workers compensation costs. There is an extensive program of compliance initiatives, education initiatives and prevention initiatives in which WorkCover is involved. I could provide quite a lot of detail to the Committee about that.

There has been a series of blitzes in a variety of high-risk industries. There have been considerable compliance efforts put into general industries, as well as a couple of specific ones. We have also been taking a lot of initiatives to ensure that there are advertising and public information campaigns urging employers to pay special attention to the safety of younger workers. We have put in place guidelines between WorkCover New South Wales, Police, the Roads and Traffic Authority and the Department of Environment and Conservation to enable a more co-ordinated approach to the investigation, for example, of trucking accidents. We have developed a code of practice for the moving of plant on construction sites, which in the past 12 months has been a critical safety area. A gap has been filled.

We have been working in conjunction with industry and employer groups on a safe working at heights code, which was released in June. We have introduced a range of new measures providing support for workers and their family. Your former colleague, Reverend the Hon. Fred Nile, and a number of stakeholders were concerned that in the case of serious accidents and fatalities there was inadequate support being provided by the scheme to families and those who may be close to someone who is seriously hurt in a workplace. We have hosted a tripartite forum on occupational health and safety for the community services non-government sector, which I am sure would be of great interest to you, along with partners the Council of Social Service of New South Wales and the Australian services union.

I could give more detail about the Safer Towns and Cities program, which attempts to draw together occupational health and safety and general community safety initiatives. We have provided funding for the Council of Social Service of New South Wales to have an occupational health and safety project officer to which non-government organisations have access. In the past year WorkCover has held more than 150 one-on-one interviews between small business operators and WorkCover inspectors, conducted a pilot program providing small business with up to three hours of free health and safety advice, and established a series of small business specific initiatives through the web site. We have conducted 73 seminars in regional, rural and metropolitan centres across New South Wales.

This is particularly small business, where there has been a strong focus in the past 12 months to look at the risk-assessment process for workers in small business workplaces, and young workers in particular.

We have conducted seminars from Ballina to Bourke and the coast to Broken Hill. We have completed a number of rural safety initiatives, the rollover protection initiatives and the ShearSafety initiatives, all of which have been key preventive initiatives. Obviously, there is a range of initiatives under other categories of activity in the scheme itself. Specifically on the insurer focus, one thing that the Government has publicly announced, in response to the review we have been conducting and the reform program of WorkCover, is that we are changing the role of insurers in the workers compensation system. We will be expecting them not simply to be transactional agencies but to be a conduit for the scheme for claimants and to actively manage claims. So the emphasis is on the insurance role.

I remind the Committee that insurers who participate in workers compensation, unlike insurers, for example, who participate in the motor accidents scheme, are not engaged in underwriting activities. They have no capital at risk. Effectively, they are providing a service for WorkCover. We intend to change the way in which insurers participate in the scheme. They are more focused on claims management, attending to injured workers' needs and co-ordinating treatment for people once they are injured. So that is a number of the initiatives we have been working on in the past 12 months. Obviously this insurance role is a key to further improvements in the scheme.

**CHAIR:** Thank you for that fulsome reply. The budget states that \$20.7 million will be provided for the resolution of workers compensation disputes. What procedure was used to come to that figure of \$28.7 million?

**The Hon. JOHN DELLA BOSCA:** Can you repeat the question?

**CHAIR:** Your budget report states that \$28.7 million will be provided for the resolution of workers compensation disputes. What procedure was used to come to that particular figure?

**The Hon. JOHN DELLA BOSCA:** Are you quoting from the budget documents?

**CHAIR:** Yes.

**The Hon. JOHN DELLA BOSCA:** Can you give me the page number?

**CHAIR:** Yes, it is page 19-15 in Budget Paper No. 3, Volume 2.

**The Hon. JOHN DELLA BOSCA:** I will just obtain a copy of the budget papers.

**CHAIR:** It is the second dot point under "Total Expenses".

**The Hon. JOHN DELLA BOSCA:** Yes, that is the cost of the Workers Compensation Commission's operations.

**CHAIR:** My question was what was the procedure you used to get to that figure? It could be 10 per cent on last year, it could be a finger to the wind?

**The Hon. JOHN DELLA BOSCA:** It would not be a finger to the wind. Budgets tend to be based on last year's assessments—

**CHAIR:** Plus 10 per cent?

**The Hon. JOHN DELLA BOSCA:** I do not think plus 10 per cent, but having regard to any policy changes that are anticipated or any differences between the performance of the organisation and the previous year's budget.

**CHAIR:** What is the current WorkCover scheme deficit?

**The Hon. JOHN DELLA BOSCA:** As at which valuation, Mr Chairman?

**CHAIR:** I want to see whether your budget forecast is in line with the current deficit. If it is increasing, that is an outcome of the methodology you use.

**The Hon. JOHN DELLA BOSCA:** If I might just reiterate an important point. The first part of your question deals with the scheme's operations, and that is only indirectly related to the scheme's deficit. The scheme's deficit is an actuarial calculation of the payments the scheme will be needing to make against all likely claims against the funds that it has on hand or will collect. The scheme valuation is quite different from the operating surplus or deficiency of the scheme itself. I make the point, subject to Mr Blackwell correcting me, that I think the scheme is operating in surplus at the moment—that is, the scheme itself. The scheme valuation is still in significant deficit. The independent actuary PricewaterhouseCoopers submitted its last valuation at 31 December 2003 and found that the WorkCover scheme estimated deficit was \$2.929 million, a reduction of \$53 million on the June 2003—

**The Hon. MICHAEL GALLACHER:** If I can correct you, Minister. You said "million". I think it would be a miracle if it was "million". Is it not \$2-point something billion?

**The Hon. JOHN DELLA BOSCA:** I am sorry, yes, \$2,929 million—\$2.9 billion. Miracles are not out of the question in these matters. That is a reduction of \$53 million on the June 2003 valuation. On a 12-monthly basis the deficit has fallen by \$301 million. The scheme's funding ratio, which is back to the original question you asked, has improved to 67.9 per cent, up from 65.5 per cent six months ago, and is on track to meet the actuary's prediction of 83 per cent self-funded by June 2008. The actuary had reported on increases in claims costs over the past six months, which contributed to the finalisation of old cases in the former compensation court, an increase in partial incapacity benefits and higher than anticipated medical costs.

These factors, coupled with a change in actuarial assumptions on the liability and uneven performance by insurers and a reduction in collected premium, resulted in a loss in the scheme's overall underwriting operations, about which I previously reported to Parliament and it is in the public arena. Higher investment returns and further change in actuarial assumptions meant the overall result was positive, reducing the deficit by \$53 million. Importantly, the actuary's found that the Government's 2001 reforms had saved the scheme approximately \$1.8 billion. It is important to bear a distinction between the scheme's actuarial deficit and the operation of WorkCover.

**CHAIR:** I understand. That was the purpose of asking the question.

**The Hon. ERIC ROOZENDAAL:** Minister, what has the Government done to ensure homeowners and renovators are aware of the dangers of asbestos?

**The Hon. JOHN DELLA BOSCA:** Asbestos-related diseases are terrible illnesses. Many of us have seen the devastating effect asbestos exposure has had on some people and their families. Asbestos fibro was commonly used in the construction of many homes, garages and sheds until the 1980s. By 1987 asbestos in fibro products had been phased out in New South Wales. With the current renovation boom, the Government is conscious and concerned that many home renovators may unwittingly be exposing themselves and their families to the risk of asbestos exposure when they are removing asbestos in fibro cement. Studies have shown that asbestos products, if in sound condition and left undisturbed, are not a significant health risk. Health problems may occur when people are unaware of the hazards of working with asbestos fibro cement and do not take precautions to protect themselves from risk.

The Government also wants to make sure that homeowners and renovators are protected from risks associated with removing asbestos such as asbestos fibro sheeting. In 1997, WorkCover produced a publication targeted at homeowners entitled *Living with Fibro*. This publication has been taken up by other Australian jurisdictions. It has been updated and provides practical information about fibro and asbestos. It contains a safety checklist, guidance on safe disposal of fibro and some general tips about what to do if fibro is damaged. It also has a list of contacts and useful web sites to provide more information. The brochure includes advice on wetting fibro, advising renovators not to

drill or cut asbestos, alerting neighbours and safe clean-up procedures. It deals with hail damage, the problems of weathering and fire damage.

The publication is being distributed to homeowners and renovators through local councils, hardware stores and government agencies. It is also available on the New South Wales Government web site, together with a series of frequently asked questions and links to other relevant information. I assure Committee members that the Government is committed to ensuring that homeowners and renovators understand what they need to do if they have asbestos in their homes. I happen to have a copy if any member of the Committee would like an updated copy of the brochure.

**CHAIR:** Seeing the product is not being manufactured anymore, the real target must be renovations, because there are thousands and thousands of homes out there.

**The Hon. MICHAEL GALLACHER:** Minister, I understand Mr Tony Beuk works in your office?

**The Hon. JOHN DELLA BOSCA:** Yes, Mr Beuk does work in my office.

**The Hon. MICHAEL GALLACHER:** How long has he worked in your office?

**The Hon. JOHN DELLA BOSCA:** Since shortly after my election, I believe the September after I became a Minister. Approximately five years.

**The Hon. MICHAEL GALLACHER:** How long have you known Mr Beuk?

**The Hon. JOHN DELLA BOSCA:** Approximately 20 years.

**The Hon. MICHAEL GALLACHER:** Could you indicate to the Committee what is his job within your office?

**The Hon. JOHN DELLA BOSCA:** Mr Beuk provides information technology support for my office.

**The Hon. MICHAEL GALLACHER:** Can you indicate to the Committee what was the total amount paid to Mr Beuk by your department and separately by your office for each of the financial years since 2000? Would it come under 1999 or 2000?

**The Hon. JOHN DELLA BOSCA:** I am not sure of that, Mr Chairman. I understand the intent of the member's question and I am happy to take it on notice and provide the information as soon as practicable.

**The Hon. MICHAEL GALLACHER:** What is his pro rata rate of pay, currently?

**The Hon. JOHN DELLA BOSCA:** First of all, for the Committee's benefit, Mr Beuk only works part time. His equivalent salary is approximately \$100,000 a year. Obviously he is pro rata-ed to a limited number of hours. I think the salary he receives is about the \$25,000 a year mark.

**The Hon. MICHAEL GALLACHER:** Do you know how many hours a week he works?

**The Hon. JOHN DELLA BOSCA:** I do not have that exactly. I would have to provide that on notice.

**The Hon. MICHAEL GALLACHER:** Would seven hours of work a week be about right?

**The Hon. JOHN DELLA BOSCA:** I think originally, but I think it may have been increased slightly.

**The Hon. MICHAEL GALLACHER:** When did that increase take place?

**The Hon. JOHN DELLA BOSCA:** I am not sure. I will have to take that on notice and provide it to the Committee as soon as practicable.

**The Hon. MICHAEL GALLACHER:** Would that increase, to your recollection, have been very recently?

**The Hon. JOHN DELLA BOSCA:** I do not recall. I am happy to provide information to the Committee as soon as practicable.

**The Hon. MICHAEL GALLACHER:** Does Mr Beuk receive salary remuneration or casual per hour remuneration?

**The Hon. JOHN DELLA BOSCA:** No, he receives a salary remuneration.

**The Hon. MICHAEL GALLACHER:** Whereabouts is he based?

**The Hon. JOHN DELLA BOSCA:** Mr Beuk is a consultant. Occasionally, when performing work in my office he attends the office. He has attended my home, where I have a computer connection to my office, on occasions. He is also available all hours on all occasions on the telephone, which is common in the information technology support industry.

**The Hon. MICHAEL GALLACHER:** Does Mr Beuk live on the Central Coast?

**The Hon. JOHN DELLA BOSCA:** No, he does not. Mr Beuk lives in the south-western suburbs of Sydney.

**The Hon. MICHAEL GALLACHER:** Why would he travel to the Central Coast to use the connection from your home?

**The Hon. JOHN DELLA BOSCA:** I did not say that. I said I have a connection to my office at my home. When there are difficulties with that equipment—since I am not claiming to be well-versed in technical matters—on occasions he has visited my home to carry out repairs and deal with information technology matters. I simply make the point that he presents himself when he needs to in order to carry out the functions he is employed to carry out.

**The Hon. MICHAEL GALLACHER:** Do you know whether any of the 30 phone calls Mr Beuk made to Michael Meagher, chief of staff to Diane Beamer, were made from phones in your ministerial office?

**The Hon. JOHN DELLA BOSCA:** I have no idea, Mr Chairman. I am happy to find out the information and forward it to the member.

**The Hon. MICHAEL GALLACHER:** Do you keep a log of calls made by someone who is on a contract such as this, who works part time? Is there a method by which all the resources that are in your office are maintained? Is some record kept of whether a person is utilising them—making phone calls and using resources?

**The Hon. JOHN DELLA BOSCA:** The honourable member would know that ministerial offices, as are members' offices, are billed. So, a Telstra bill comes to Beuk and is dealt with by way of normal procedure.

**The Hon. MICHAEL GALLACHER:** What I am getting at, though, is if Mr Beuk were to come and work in your office, does he have unfettered access to the resources of your office?

**The Hon. JOHN DELLA BOSCA:** That is a hypothetical question. As I indicated to the member—

**The Hon. MICHAEL GALLACHER:** No, it is not. What is the procedure in your office? Does Mr Beuk get access to the resources of your office when he is there?



**The Hon. JOHN DELLA BOSCA:** I really have to know what the intent of the member's question is.

**CHAIR:** The way around it is to say, does he have unfettered access, which was the question, and the answer to that is no.

**The Hon. MICHAEL GALLACHER:** What access does he have?

**CHAIR:** I cannot help you anymore.

**The Hon. JOHN DELLA BOSCA:** No, but thank you for your previous help, it was much appreciated. His activities are carried out within the ministerial code of conduct. On occasions he attends the office in relation to information technology tasks and he supervises any other employee via the chief of staff.

**The Hon. MICHAEL GALLACHER:** He is responsible for your web page?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, the member knows full well that he is not responsible for the departmental web page, no. I think he knows full well.

**The Hon. MICHAEL GALLACHER:** Are you aware if Mr Beuk presented himself to Mr Meagher as a member of your ministerial staff?

**The Hon. JOHN DELLA BOSCA:** I am not aware of that, Mr Chairman.

**The Hon. MICHAEL GALLACHER:** Have you made any inquiries to that effect?

**The Hon. JOHN DELLA BOSCA:** The assertion you have just made is the first I have heard of it.

**The Hon. MICHAEL GALLACHER:** Does Mr Beuk have business cards from your office with his name on them?

**The Hon. JOHN DELLA BOSCA:** I would have to take that on notice and provide the member with an answer, Mr Chairman. I am not sure.

**The Hon. MICHAEL GALLACHER:** Will you give an undertaking to the Committee, therefore, to provide a copy of the business card to the Committee?

**The Hon. JOHN DELLA BOSCA:** I will answer the question.

**The Hon. MICHAEL GALLACHER:** It would come out of the public purse, would it not, the printing of business cards?

**The Hon. JOHN DELLA BOSCA:** I will answer the question, on notice.

**The Hon. MICHAEL GALLACHER:** Is that a yes?

**The Hon. JOHN DELLA BOSCA:** I said I would answer the question, on notice.

**The Hon. MICHAEL GALLACHER:** Could you explain to the Committee why Mr Meagher told the Orange Grove committee, "I assume he was working for another Minister's office" in regard to Mr Beuk?

**The Hon. JOHN DELLA BOSCA:** You would have to ask Mr Meagher that.

**The Hon. MICHAEL GALLACHER:** I was just wondering whether you were concerned when you saw that in the transcripts of the Orange Grove committee inquiry and what steps you took to immediately question the veracity of that statement?

**The Hon. JOHN DELLA BOSCA:** That specific provision in the transcript was never drawn to my attention, but I repeat what I said: the member would have to ask Mr Meagher that.

**The Hon. MICHAEL GALLACHER:** Given that the Premier has described the proponents of the Orange Grove development as "dodgy", do you have any problem with employing a lobbyist for those proponents on your staff?

**The Hon. JOHN DELLA BOSCA:** I do not.

**The Hon. MICHAEL GALLACHER:** Would you indicate to the Committee what the acronym DITM means?

**The Hon. JOHN DELLA BOSCA:** The Department of Information Technology and Management.

**The Hon. MICHAEL GALLACHER:** In the Supreme Court case of *Macquarie Corporate Telecommunications v State of New South Wales and Minister for Commerce*, are you aware that a solicitor swore an affidavit that Mr Robert Wheeler, one of your senior staff, threatened a plaintiff with future loss of work if the plaintiff continued to pursue the action? What action have you taken to discipline Mr Wheeler as to that threat?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, that was subject to extensive litigation, as the member knows. I do not have with me a specific brief to deal with the question he has just asked. To the best of my knowledge, Mr Wheeler carries out his functions as an officer of the Department of Commerce with a great deal of diligence and within every relevant code of activity for a public servant. I have never had any reason to seek to discipline him about those allegations or any others. I do not know whether the member would like me to explore the matter further with Mr Wheeler. I do not really have a lot to say, other than the fact that the Macquarie Corporate Telecommunications matter is now becoming a distant matter.

**The Hon. MICHAEL GALLACHER:** Is it accepted practice for Mr Wheeler to say, "You risk jeopardising any future business possibility with DITM by your continued aggressive pursuit of this issue"? Is that accepted practice in your office?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, there are a couple of comments I would like to make about the member's question. First of all, Mr Wheeler was working for DITM prior to the time that I had ministerial responsibility allocated to me for that particular aspect of the portfolio. Secondly, I think, I am almost certain that the events he is referring to precede my period as the Minister responsible for information technology.

**The Hon. MICHAEL GALLACHER:** The affirmation on the affidavit is dated 29 May 2003.

**The Hon. JOHN DELLA BOSCA:** Thirdly, I make the general point in respect to the affidavit that it is not a decision of the court. The member is simply citing someone's assertion. Affidavit or not, it is simply an assertion. That matter was subsequently determined by the court. I am not prepared to speculate or make guesses about what someone said in an affidavit.

**The Hon. MICHAEL GALLACHER:** By your answer I take it you have not conducted any subsequent inquiries or questioned Mr Wheeler as to the veracity of those statements?

**The Hon. JOHN DELLA BOSCA:** No, I have not, Mr Chairman.

**The Hon. MICHAEL GALLACHER:** Is it normal practice if comments are made in the course of a court hearing by senior members of your staff that you do not conduct any inquiries?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, as I made clear in my previous answer, the member is asking about a court case, the substantial issues of which were on foot prior to my becoming the Minister for Commerce and taking over the portfolio responsibility for that area. Secondly, I think—I suppose it is up to the Committee to decide what is appropriate—it is a little bit

beyond my scope and that of this Committee to start making running commentaries on matters that, in active litigation, people place before the courts. Thirdly, it was a matter I am generally aware of and I am satisfied with the performance of Mr Wheeler and the department with respect to that litigation.

**The Hon. MICHAEL GALLACHER:** How long have you known Mr Wheeler?

**The Hon. JOHN DELLA BOSCA:** Since shortly after I became the Minister responsible for the portfolio.

**The Hon. ROBYN PARKER:** How many medically qualified doctors were employed by WorkCover to establish occupational health and safety guidelines when WorkCover first opened?

**The Hon. JOHN DELLA BOSCA:** My advice is that there were four medically qualified employees of WorkCover. I think the member is asking a slightly different question.

**The Hon. ROBYN PARKER:** How many were there to start with?

**The Hon. JOHN DELLA BOSCA:** Four.

**The Hon. ROBYN PARKER:** How many are there now?

**The Hon. JOHN DELLA BOSCA:** Two, but they were not solely employed for the purposes that you asked the question about.

**The Hon. ROBYN PARKER:** They work within WorkCover?

**The Hon. JOHN DELLA BOSCA:** That is right.

**The Hon. ROBYN PARKER:** You have two medically qualified doctors currently working within WorkCover. Can you confirm that those two medically qualified doctors have been offered redundancies?

**The Hon. JOHN DELLA BOSCA:** No, I cannot confirm that matter, Mr Chairman. I am happy to take the question on notice.

**CHAIR:** Do you wish to take advice?

**The Hon. JOHN DELLA BOSCA:** I will take it on notice, Mr Chairman.

**The Hon. ROBYN PARKER:** You have two doctors for the whole of WorkCover?

**The Hon. JOHN DELLA BOSCA:** Yes.

**The Hon. ROBYN PARKER:** I would like to ask you some questions about the two doctors, Dr Kenyon and Dr Woolner, who are employed by WorkCover. Both of them travel overseas to attend meetings, functions and demonstrations. Does WorkCover have guidelines for the reporting of their activities to senior management after the completion of these overseas trips?

**The Hon. JOHN DELLA BOSCA:** It is normal practice for officers who attend overseas conferences and the like to report to the relevant executive officer any matters that have come out of such attendances.

**The Hon. ROBYN PARKER:** Do you have guidelines or do they just have a chat about the trip, the airline food, that sort of thing?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, the member is asking very facetious questions.

**The Hon. ROBYN PARKER:** Are there guidelines?

**The Hon. JOHN DELLA BOSCA:** I have answered as best as I can. She is asking if there are written guidelines. I will ascertain whether there are and provide her with that advice.

**The Hon. ROBYN PARKER:** Do you have some further advice?

**The Hon. JOHN DELLA BOSCA:** As I said in the first part of my answer, Mr Chairman, it is absolutely normal practice, and would be extraordinary if it were not the case, that an officer would provide a written report or written account to the supervising executive officer. That is normal practice. I do not know whether there have been any deviations from that practice, but that is the normal practice. The relevant guidelines that the member may be referring to are not guidelines of my department but of the Premier's Department.

**The Hon. ROBYN PARKER:** If it is normal practice, will you table the documents and reports produced by Drs Kenyon and Woolner in relation to their overseas trips?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, yes, I am happy to provide any documentation provided it does not otherwise contradict the privacy or other concerns we may have about those disclosures. I would like to make the general point, with your indulgence, Mr Chairman, that the two medical officers to whom she is referring are employed under an award that prescribes, because of the nature of their profession, a certain number of weeks to attend conferences and seminars for professional development purposes. And off the top of my head I cannot really give her the number of weeks. It is a condition of their employment that they are given that benefit of employment.

**The Hon. ROBYN PARKER:** Surely there is accountability in terms of reporting back what they have learnt on those study tours and attending conferences?

**The Hon. JOHN DELLA BOSCA:** As I said, Mr Chairman, the nature of the profession and the nature of the award conditions that they are employed under requires the employer to allow them time for professional development by way of attending seminars, conferences and so on, including overseas attendances. To the best of my knowledge, the relevant medical officers have provided written reports to their relevant executive officer. I have not perused those reports and would not in the normal course of my activities unless there was a particular reason to. I am happy to say, with the exception of any privacy issues that might be breached, that I am prepared to provide that to the Committee.

**The Hon. ROBYN PARKER:** I understand that they may be keynote speakers at conferences and, therefore, would be required to travel overseas to attend those meetings. With today's information technology, perhaps they could participate via videoconferencing at a reduced cost to WorkCover?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, is the member still asking about the medical practitioners?

**The Hon. ROBYN PARKER:** Yes.

**The Hon. JOHN DELLA BOSCA:** That may or may not be the case. I think I said that they are employed under an industrial instrument, an award of a court, which states that they are entitled to overseas travel for these purposes as part of their conditions of employment. The member can make the general point that we might be able to save costs but the fact of the matter is that WorkCover as an employer is obliged to meet those expenses.

**The Hon. ROBYN PARKER:** Would you tell us the total cost of overseas travel undertaken by these doctors, breaking down their travel costs into, for example, accommodation, the activities they participated in and the hotels they stayed at.

**The Hon. JOHN DELLA BOSCA:** I am very happy to take that question on notice, Mr Chairman.

**The Hon. ROBYN PARKER:** Minister, the Office of Fair Trading in Gosford has moved from 19 to 21 Watt Street to the Gateway Centre. Is there an outstanding lease held by the Government on the Watt Street premises?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I will take that question on notice.

**The Hon. ROBYN PARKER:** Would you also provide the date the lease was established?

**The Hon. JOHN DELLA BOSCA:** I will. I am happy to provide that information.

**The Hon. ROBYN PARKER:** Will you give us the full details of that lease?

**The Hon. JOHN DELLA BOSCA:** Yes, of course, Mr Chairman.

**The Hon. ROBYN PARKER:** Apart from the terms of the lease, would you provide the total cost of the lease and the billing period for that empty space?

**The Hon. JOHN DELLA BOSCA:** Yes. I might just make the general observation, Mr Chairman, that in the current budget cycle the amount of Government leased space unoccupied is approximately 1 per cent, which for any government that has the size and scale of employment we have is a very good performance.

**Ms LEE RHIANNON:** Minister, it is 10 months since the tabling of the report of the expert counsel appointed by the Government to make recommendations on the need for a mandatory code of practice in the clothing industry. When will the Government implement the recommendation of its own appointed expert counsel for a mandatory code of practice for retailers in the clothing industry?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, that matter is currently the subject of close consideration by the Government. I anticipate that the matter will be concluded and will be the subject of an announcement within this parliamentary session.

**Ms LEE RHIANNON:** When will the Government implement counsel recommendations for the extension of education and training programs for outworkers, given that outworkers have not yet had the benefit of the good results of the improved regulatory framework?

**The Hon. JOHN DELLA BOSCA:** I will have to take that component of the member's question on notice. I am happy to provide her with an answer but I think it is part of a component I referred to in my first answer.

**Ms LEE RHIANNON:** Does the Minister acknowledge that if the announcement is not made shortly, considering how long it has taken to date, many of the retailers who have already come into the scheme will opt out if there is no mandatory code to hold them there?

**The Hon. JOHN DELLA BOSCA:** I do not share the member's pessimism about human nature or industrial practice. The issue of the recommendations has been before the Government. We have been carefully considering it, and we have been consulting with industry, the union and the work force. The Government has made a world first in this area; we have not just followed world best practice. We are a model administration in this whole area of regulating outworkers. As I said, I can take it no further other than to say that there will be an announcement fairly shortly which I think will be satisfactory to the Committee.

As to the member's question about vocational education, during the year the Department of Industrial Relations, Education and Training spent \$710,000 on vocational education training programs for outworkers. The aim of these programs was to provide employment opportunities for clothing outworkers, recognise their existing skills, identify educational and employment aspirations they may have and develop appropriate training programs for them. The programs can be categorised in three ways. The first is pre-vocational skills, as I think the member alluded to. Many of the outworker population have poor or no English language skills. Some are illiterate, even in their native language, and many have poor numeracy skills.

We attend to those issues. They are general but very important. Vocational training in the clothing industry involves upgrading or changing the nature of skills. We have identified a large number of outworkers who are highly skilled in clothing work. By upgrading their skills and providing further opportunities they can do more creative work, which many of them find much more engaging and potentially more financially rewarding. Where there is unlikely to be alternative work in the clothing industry because of gender, ethnicity, skill levels and backgrounds, many workers go to the caring industry—that is, child care, family day care and so on.

We have been very active in core skilling. The Office of Industrial Relations has worked with community organisations to deliver these outcomes. I am sure that the honourable member knows the organisations involved. They include Asian Women At Work, the Korean Resource Centre, the Cambodian-Australian Welfare Council and the Lao Community Advancement Co-operative. In addition, 571 clothing industry employees have participated in training programs during the year. Close to 1,000 have been involved over the life of the strategy. I commend the honourable member for her interest.

One of the most satisfying tasks I perform as a Minister is attending the program's graduation ceremonies. For a modest investment it delivers enormous benefit to the community and to these workers. As I said, I have been privileged to award certificates at a couple of ceremonies. Often participants identify areas of employment or enhance their skills before they finish the program. They can be much more successful in providing for themselves and their families and get much more satisfying work. It has been a successful program. The Hon. Reba Meagher's officers and my officers have worked hard to ensure the program continues.

**Ms LEE RHIANNON:** Minister, you said that the announcement will be made this "session". That term is often used in different ways. Do you mean this year or before the next election?

**The Hon. JOHN DELLA BOSCA:** This year.

**Ms LEE RHIANNON:** How many WorkCover inspectors have training or experience in tunnel construction, which is obviously a very dangerous activity?

**The Hon. JOHN DELLA BOSCA:** I will take that question on notice.

**Ms LEE RHIANNON:** Can you ask the WorkCover officers who are here? I am sure that they know.

**The Hon. JOHN DELLA BOSCA:** Tunnelling is a serious concern and the department has been addressing it. Tunnelling is a hazardous industry. Indeed, we experienced an underground fatality recently that attracted a great deal of publicity. One of the difficulties is that tunnelling is a high-value industry and people with skills in that area are attracted away from the inspectorate by the various companies involved in it. Mr Watson has already advised me that he is taking action to recruit people with expertise in this important area.

**Mr WATSON:** WorkCover has four inspectors with tunnelling experience. That number will be increased by 50 per cent. We anticipate that an advertisement will appear in the press in the next couple of weeks. Tunnelling is a very specialised area, but we recognise that a number of tunnelling projects are under way in the Sydney Basin that we must attend to. WorkCover has a code of practice for tunnelling. It needs revision and we have established a committee to work on it. That committee comprises not only the employers in this specialised sector but also the unions and geotechnical experts. They will ensure that the code reflects best practice for occupational health and safety outcomes.

**Ms LEE RHIANNON:** Are the four inspectors experts in tunnelling, or is that work an add-on? I understand that WorkCover has disbanded the specialist unit dealing with the construction of tunnels, roads, bridges, dams, and other major projects. Are they specialists in tunnel construction, or is it something they have learnt on the job?

**Mr WATSON:** Two of the inspectors have worked in the tunnelling industry as either shift bosses or employees operating in the tunnels. The other two have received training from a gentleman we employed as an inspector who is considered to be a world expert in the field. He immigrated to Australia to work on the Snowy Mountains Scheme. He has provided in-field training to those inspectors and they continue to work in the industry. Many years ago WorkCover had a specialist civil construction unit comprising four people who worked across the State. The inspectorate has been restructured into industry teams and that has brought together a broader range of resources. We have engineers, technical specialists, and inspectors from the construction industry to allow for a more flexible approach to the broad range of occupational health and safety issues in the industry. The inspectors work within that construction team.

**Ms LEE RHIANNON:** Given that about 1,000 workers are employed on underground projects worth about \$3.5 billion, do you think it is time to re-establish the unit?

**Mr WATSON:** As I indicated in the previous answer, WorkCover is increasing its resources in this area by 50 per cent in recognition of the work going on in the Sydney Basin.

**Ms LEE RHIANNON:** How many requests has WorkCover received to send officers to inspect tunnelling projects?

**The Hon. JOHN DELLA BOSCA:** We will take that question on notice.

**Ms LEE RHIANNON:** How long does WorkCover take to respond to those requests?

**The Hon. JOHN DELLA BOSCA:** Again, we will take that question on notice.

**Ms LEE RHIANNON:** Are the delays occurring because WorkCover does not have enough inspectors who can do the work satisfactorily?

**The Hon. JOHN DELLA BOSCA:** That is conditional on the other answers, so we will take that question on notice as well.

**CHAIR:** Do you have any association with mining engineers in these fields?

**Mr WATSON:** When WorkCover requires technical expertise beyond its in-house capacity we engage an independent geotechnical engineer. That has been done for the investigation into the extremely tragic fatality.

**Ms LEE RHIANNON:** Reference was made to organising this on an industry basis. However, WorkCover still has specialist inspectors for coalmining and other mining industries. How can you justify that inconsistency? You have limited specialist skills to undertake the required inspections of major construction works and there is no specialist unit.

**The Hon. JOHN DELLA BOSCA:** That question is loaded. It assumes that the inspectorate would be more effective if it were divided into small units with specialised skills. It also implies that WorkCover has a specialist unit dealing with coalmining. It does not.

**Ms LEE RHIANNON:** But there is a unit in New South Wales.

**The Hon. JOHN DELLA BOSCA:** The coalmining industry has a set of unique arrangements that are part of its heritage. The honourable member is probably in as good a position as anyone in this room to describe that. It goes back to the immediate post-war period. In terms of occupational health and safety, safety inspections, workers compensation and environmental activities, the coalmining industry stands apart from other industries. That point should be taken as understood before we start using the industry as a precedent for any other WorkCover-related activity. In fact, WorkCover does not have jurisdiction over coalmines.

**CHAIR:** The budget papers indicate that the Dust Diseases Board's fundamental objective is to compensate and improve the care, dignity, and health of workers suffering from dust-related

diseases, and recent initiatives include the introduction of mobile respiratory screening services for the industry. What procedures are in place to ensure that those services reach those who need them?

**The Hon. JOHN DELLA BOSCA:** Mr Blackwell, in his capacity as general manager of WorkCover, is chairman of the Dust Disease Board. The board has a very well-known initiative called the Lung Bus, which travels to various work locations around New South Wales conducting on-the-spot tests for the basic symptoms of asbestos-related dust disease. Our jurisdiction has implemented a number of world-class initiatives that other jurisdictions are attempting to copy.

**CHAIR:** The budget papers indicate that a large amount of money will be devoted to improving the care, dignity, and health of workers suffering from dust-related diseases. What consultation procedures are in place to ensure that the care, dignity, and health of workers suffering from dust-related diseases is secured?

**Mr BLACKWELL:** The Dust Diseases Board has staff who offer counselling and support to victims of dust-related diseases, particularly those suffering asbestos-related diseases. Support is provided from not only a financial perspective but also a counselling perspective. It also has dedicated medical staff who provide support and treatment.

**CHAIR:** Do you have any idea of the outcomes of those programs to date?

**The Hon. JOHN DELLA BOSCA:** We can provide that information. Are you interested in any specific outcomes?

**CHAIR:** I am happy for the Minister to take the question on notice.

**The Hon. JOHN DELLA BOSCA:** I can provide a comprehensive answer. The board's programs have resulted in a number of favourable outcomes.

**The Hon. MICHAEL GALLACHER:** Mr Watson, when did you take over as general manager responsible for occupational health and safety?

**Mr WATSON:** I was appointed on 1 April this year.

**The Hon. MICHAEL GALLACHER:** Are you aware of the protracted dispute—it has been going on for about six years—relating to the award for WorkCover inspectors? Has the delay in negotiations been the result of WorkCover management's suggestion that inspectors should forfeit \$200 a week for the privilege of using a government vehicle that they require for fieldwork?

**Mr WATSON:** I am aware that WorkCover has made a number of offers to the Public Service Association [PSA] regarding the specialised award under which the inspectors work. On both occasions, PSA members have voted to reject the offer. I understand that the rejection is not related to a \$200 fee for motor vehicles.

**The Hon. MICHAEL GALLACHER:** It may not be the reason for the rejection, but is it an issue?

**The Hon. JOHN DELLA BOSCA:** I am happy for Mr Watson to answer the question if he so chooses. But I make the point that this is an ongoing industrial dispute and an issue that obviously is somewhat sensitive industrially. It might be best to take the questions on notice.

**The Hon. MICHAEL GALLACHER:** Mr Chair, I am not seeking the specific details of the negotiation. I am simply seeking to gain a better understanding of whether this is a matter that has been put to them. I do not wish to ask the Government what its position will be. I simply wish to gain a better understanding of what has caused this matter to drag on for six years.

**The Hon. JOHN DELLA BOSCA:** One of the complexities in this argument has been the Auditor-General's treatment of the matter the member referred to, that is the provision of vehicles for WorkCover inspectors, and the effect that has on their working operations as well as their benefits of



employment. I think we could give the most robust answers to the member's questions thus far if we responded to them on notice.

**The Hon. MICHAEL GALLACHER:** As a matter of fact, Minister, could you or Mr Watson indicate whether WorkCover inspectors currently pay only \$32 a week for the privilege of the use of a WorkCover motor vehicle?

**The Hon. JOHN DELLA BOSCA:** I think we should take that question on notice.

**The Hon. MICHAEL GALLACHER:** Perhaps Mr Watson would have a better understanding of this matter. How many WorkCover staff are entitled to a motor vehicle?

**The Hon. JOHN DELLA BOSCA:** Mr Watson can only answer for the WorkCover inspectorate and his immediate employees. I do not think the Government has any problem with the Committee having access to that information, but I think we would need to take the question on notice.

**Mr BLACKWELL:** To be entirely accurate, we will have to take the question on notice.

**The Hon. MICHAEL GALLACHER:** Mr Watson, you took over in April. Could you indicate your professional experience before taking up your present position?

**Mr WATSON:** I come to the position with 20 years experience in the inspectorate. I started with the Department of Industrial Relations as a technical inspector, and I then worked my way through various managerial positions within the inspectorate. I have qualifications in occupational health and safety, as well as a lengthy and detailed knowledge of how inspectorates need to be run and how the discipline of occupational health and safety can be improved within employment environments in New South Wales.

**The Hon. MICHAEL GALLACHER:** What are your qualifications?

**Mr WATSON:** I originally qualified as a toolmaker, and I then attained an Associate Diploma of Occupational Health and Safety from Newcastle university.

**The Hon. MICHAEL GALLACHER:** Minister, it is surprising that Kate McKenzie is not here. Could you indicate when Kate McKenzie left your staff?

**The Hon. JOHN DELLA BOSCA:** Ms McKenzie never worked on my staff. She was the Director-General of the Department of Commerce until 13 August this year.

**The Hon. MICHAEL GALLACHER:** Could you indicate why she left on 13 August?

**The Hon. JOHN DELLA BOSCA:** I understand Ms McKenzie has taken up employment with Telstra.

**The Hon. MICHAEL GALLACHER:** Was she sacked from her position?

**The Hon. JOHN DELLA BOSCA:** No, she most certainly was not.

**The Hon. MICHAEL GALLACHER:** She elected to leave of her own accord?

**The Hon. JOHN DELLA BOSCA:** Absolutely.

**The Hon. MICHAEL GALLACHER:** Was she entitled to a pay-out as a result of leaving?

**The Hon. JOHN DELLA BOSCA:** I would have to provide the answer to that question on notice. I assume Ms McKenzie received the normal kinds of payments that would be made on the resignation of a longstanding public servant.

**The Hon. MICHAEL GALLACHER:** Is it correct that whilst Ms McKenzie was director-general, the department allowed staff to distribute Soul Pattinson [SP] telecommunications product and pricing plans to New South Wales government agencies? Has that matter been raised with you?

**The Hon. JOHN DELLA BOSCA:** I am not aware of what you are referring to specifically.

**The Hon. MICHAEL GALLACHER:** I take it, therefore, that concerns have never been raised with you about SP telecommunications product and pricing plans being distributed to New South Wales government agencies?

**The Hon. JOHN DELLA BOSCA:** I think I should take this question on notice. Clearly, you are referring to a specific matter that I need to consider. I will provide you with an answer as soon as practicable.

**The Hon. ROBYN PARKER:** Minister, why has the vocational branch of the WorkCover inspectorate decided to ban co-operation with the implementation of WorkCover's new policy that limits the use of phones to work-related calls and reconciliation of billing statements almost immediately?

**The Hon. JOHN DELLA BOSCA:** Again, this deals with a matter that is the subject of industrial negotiation with WorkCover and the vocational branch of the Public Service Association. We will have to take the question on notice.

**The Hon. ROBYN PARKER:** WorkCover currently provides inspectors with mobile phones. What regulations do you have to check that the phones are used for work purposes only?

**The Hon. JOHN DELLA BOSCA:** There are clear guidelines across the public sector about the use of both work-provided hard lines and mobile telephones. Most reasonable employers have an expectation that employees who have access to telephones engage in reasonable levels of phone use. Obviously, however, there is an expectation that the phones will not be abused, and there are appropriate management systems in place.

**The Hon. ROBYN PARKER:** Will you table the guidelines? I am not sure what "reasonable use" might be.

**The Hon. JOHN DELLA BOSCA:** I can table the guidelines. I must say, they are general guidelines across the public sector, and they are guidelines that most reasonable employers would adopt regarding their employees.

**The Hon. ROBYN PARKER:** Will you advise the Committee of the total cost to WorkCover of the mobile phones provided to the inspectorate?

**The Hon. JOHN DELLA BOSCA:** I can see where the Hon. Robyn Parker is going with this line of questioning and, if I may, I will make a brief statement in response to her question. There are more than 301 inspector positions. Essentially, their job is a field job. We want them to be out in the field. With the exception of those who are working in highly specialised or supervisory roles, we do not want them to be sitting in offices. Clearly, there is an absolute commonsense necessity for WorkCover inspectors to use mobile communication technology. I am happy to provide the honourable member with the information, but I ask her to be judicious in her use of it because, clearly, WorkCover inspectors need to be contactable by telephone.

**The Hon. ROBYN PARKER:** Will you therefore provide the Committee with the costings?

**The Hon. JOHN DELLA BOSCA:** I am happy to provide that information to the Committee. I think I made that point earlier.

**The Hon. ROBYN PARKER:** Assuming that WorkCover inspectors are able to use mobile phones in the course of their work and there are guidelines in relation to them, what checks and balances do you have in place to supervise the use of mobile phones?

**The Hon. JOHN DELLA BOSCA:** As I think I pointed out previously, there are telephone billing systems, there are management systems in place to pay those telephone bills, and there are reasonable levels of supervision. But, as I said, there are guidelines about the use of telephones provided by employers. I am happy to provide the guidelines to the Committee. They are reasonable guidelines, and they are consistent with the practice right across the private and public sector.

**The Hon. ROBYN PARKER:** The e-life information technology project initiated by WorkCover at a cost of \$4 million has been abandoned. Why did WorkCover refuse to acknowledge and answer questions regarding that? Why did it refuse to provide documentation, as requested by way of a freedom of information application dated 5 April 2004, regarding the abandonment of the e-life information technology project?

**The Hon. JOHN DELLA BOSCA:** The agency followed the normal freedom of information processes and disclosed the information relevant under the freedom of information application.

**The Hon. ROBYN PARKER:** Will you table the documents relating to the cost of abandoning the e-life project?

**The Hon. JOHN DELLA BOSCA:** I will seek the advice of Mr Blackwell about that matter.

**The Hon. ROBYN PARKER:** Mr Blackwell, are you able to give us that information?

**Mr BLACKWELL:** We have provided the appropriate information under the freedom of information provisions.

**The Hon. ROBYN PARKER:** I understood you did not provide that information.

**Mr BLACKWELL:** We have provided the information that was appropriate under the freedom of information guidelines.

**The Hon. ROBYN PARKER:** Will you table documents relating to the cost of abandoning the \$4 million e-life project?

**The Hon. JOHN DELLA BOSCA:** Mr Chair, I seek your guidance. The member is seeking to have two bites of the cherry here. An Act of Parliament provides for freedom of information disclosures, and there is this committee process. The field manager has already advised that the organisation disclosed the documents it was obliged to disclose under the freedom of information process. If the Hon. Robyn Parker asks us to table specific documents, we can consider the matter and come back to her. But at the moment I do not know how to answer her question.

**The Hon. ROBYN PARKER:** The Committee would like you to table documents relating to the cost of the abandonment of that \$4 million project. Will you table documents that explain your actions? Why did you abandon the project? There must be some documentation you can provide to the Committee.

**The Hon. JOHN DELLA BOSCA:** Mr Chair, there are two different questions here. If I can take the question on notice, I personally will review the documents that the honourable member refers to. I will take the question on notice and have a look at those documents and provide any documents that are relevant. In relation to the second part of the question, regarding the reasons why the project was abandoned, I will provide a written answer.

**The Hon. MICHAEL GALLACHER:** Minister, are you aware of a Premier's Department circular, commentary and guidelines on conduct and performance provisions under part 2A of the Public Sector and Employment Management Act 2002, and specifically the parts relating to misconduct? To assist you, I will hand you a copy of the document. I draw your attention to the second page, which is highlighted.

In October 2003 four senior staff at WorkCover's head office in Gosford received letters advising them that their misconduct was being investigated. The letters did not contain information about the nature of their misconduct or about the processes of the investigation, and the staff were not given an opportunity to respond. I understand that the practice was in direct conflict with the departmental circular you have in your hand. Is it common practice at WorkCover for senior management to disobey both the provisions of State legislation and the direction from the Premier's Department?

**The Hon. JOHN DELLA BOSCA:** It is most certainly not common practice for the WorkCover organisation to disobey the normal working directions. I think the matter you are referring to was the subject of an ICAC inquiry. As you would know from the ICAC legislation, there are certain specific overriding imperatives created by that Act, and I assume that they were being followed by WorkCover management in this instance.

**The Hon. MICHAEL GALLACHER:** Are you aware of that? When you say you assume, what inquiries have you made?

**The Hon. JOHN DELLA BOSCA:** I could make some inquiries right now but I am very well aware of that ICAC investigation in general terms. The CEO and relevant officers of WorkCover have been keeping me advised about it. I think if the Committee wants some more detail Mr Watson might be able to go through the specifics of that investigation and, so far as we can, talk about them here at the moment, and the issues in relation to any employee-related matters.

**The Hon. MICHAEL GALLACHER:** I might be of assistance. To save going through a protracted discussion in terms of an ICAC inquiry—heaven forbid we ever want to comment on the ICAC's work—was the investigation a departmental investigation at that stage as per the breach I have referred to?

**The Hon. JOHN DELLA BOSCA:** I think it is probably most appropriate if Mr Watson answers that question.

**Mr WATSON:** If the matter is indeed the matter that I am thinking of that has been referred to, it was a departmental investigation.

**The Hon. MICHAEL GALLACHER:** Was the ICAC investigation commenced after the matters I have now raised or was the ICAC investigation prior to the matters that I have now raised with you?

**Mr WATSON:** The ICAC investigation was conducted concurrently with the matters that you are raising.

**The Hon. MICHAEL GALLACHER:** Has the ICAC investigation concluded?

**Mr WATSON:** Yes, the ICAC investigation has been concluded and, indeed, the ICAC has issued a public report in respect to that matter.

**The Hon. MICHAEL GALLACHER:** I take it, therefore, that it is not common practice to breach those departmental guidelines, the Premier's guidelines?

**Mr WATSON:** WorkCover strives, whenever we are dealing with misconduct, to comply with the guidelines.

**The Hon. MICHAEL GALLACHER:** Was it ever explained to the four employees, the four senior staff, why the guidelines were in fact being breached—for their information and their appeal rights, so to speak?

**Mr WATSON:** The guidelines were not being breached, and yes, the matters under investigation were discussed with the employees involved.

**The Hon. MICHAEL GALLACHER:** In writing or verbally?

**Mr WATSON:** They were discussed verbally. We appointed an independent investigator and the independent investigator was in contact with the people concerned.

**The Hon. MICHAEL GALLACHER:** Minister, I now refer to the assessors stood down by WorkCover after the ICAC investigation. Has WorkCover made any attempt to investigate how many accreditation certificates may have been issued by WorkCover on the basis of assessments conducted by assessors who have since been laid off by WorkCover for fraudulent practices?

**The Hon. JOHN DELLA BOSCA:** I think it would be most illuminating for the Committee if either Mr Blackwell or Mr Watson answered that question.

**Mr BLACKWELL:** Certainly there has been a follow-up in relation to the numbers of certificates issued by those particular assessors. Mr Watson could give you more detail with regard to the numbers and what we are doing in relation to that.

**The Hon. MICHAEL GALLACHER:** I am told 50,000, is that correct?

**Mr WATSON:** No. The assessors who came to the attention of the ICAC had issued approximately 30,000 certificates in the period when there were admissions in respect of misconduct.

**The Hon. MICHAEL GALLACHER:** What does WorkCover plan to do about those people previously accredited through potentially corrupt practices for whom no current contact details are available?

**Mr WATSON:** If I may clarify the situation. These are not people accredited. If we are talking about the certificate holders, we are talking about people who hold a certificate to drive pieces of plant in New South Wales, particular classes of plant. WorkCover has implemented a retesting program and each certificate holder is written to with the contact details we hold on the database, and they are required, by that, to submit themselves to a retest at WorkCover's expense. If they fail to attend that retesting their certificate is cancelled.

**The Hon. MICHAEL GALLACHER:** What happens to those poor unfortunates who have moved on from the address that you have, who are out there working right now assuming that they are covered, only to find out that they are not? What steps have you taken to warn the people of New South Wales, and of course these individuals, that they may not be covered?

**Mr WATSON:** We have consulted broadly with the industry, and it is mainly the construction industry we are talking about here, through our industry reference groups [IRGs] on the action to be taken. We also are putting on the web sit a list of those certificate numbers that are cancelled to ensure that the people and employers of New South Wales can examine it to ensure that their employees are appropriately certificated. In addition to that, we have had contact with our employer associations to make sure that employers understand the need to ensure that the certificate holders they employ hold current certificates and, indeed, we have provided text to assist employers to be able to put information within the newsletters they send to their members.

**The Hon. MICHAEL GALLACHER:** Of the 30,000, how many are yet to be reassessed?

**Mr WATSON:** I would need to take that on notice.

**The Hon. MICHAEL GALLACHER:** Do you have any idea at all?

**Mr WATSON:** Not off the top of my head, no.

**Ms LEE RHIANNON:** Minister, are you, or your WorkCover officers present, aware that the Premier and the Minister for Transport Services, when visiting the Parramatta rail link site in May, accepted an invitation by the construction company Hochtief Joint Venture, to drive a vehicle with a petrol-driven engine inside the tunnel, in clear breach of section 13 of the code of practice for tunnels under construction under the Occupational Health and Safety Act?

**The Hon. JOHN DELLA BOSCA:** No, I am not aware of that. We need to take that question on notice.

**Ms LEE RHIANNON:** Could we ask your WorkCover officers, Mr Blackwell and Mr Watson, if they know about this??

**The Hon. JOHN DELLA BOSCA:** Apparently the two gentlemen are not aware of this, but we will take that question on notice.

**Mr WATSON:** No, I am not aware.

**Mr BLACKWELL:** No, I am not.

**Ms LEE RHIANNON:** As Minister for the Central Coast what is your position in response to the proposed Bounty Oil and Gas gas exploration project 22 kilometres off the coast of the Central Coast, considering that while Bounty Oil and Gas has identified a potential \$4 billion in gas reserves, this project offers no benefits to the local community but many possible problems for the environment, local tourism and commercial fishing on the Central Coast and Newcastle areas?

**The Hon. JOHN DELLA BOSCA:** I am very keen to champion the voice of the Central Coast and the Central Coast regional identity, but I am really not in a position to declare it a nation state with oil and gas rights yet, and I do not think the member could reasonably expect me to. I am happy to take her question on notice. These sorts of developments, resource industry issues and their environmental implications are, of course, important—not only to the Central Coast but more generally to the people of New South Wales. I would have thought that was of a much broader scale and magnitude than simply the Central Coast. But I am very happy to take it on notice.

**Ms LEE RHIANNON:** Why do you need to take it on notice, Minister? I am just asking your position. Obviously I am not asking you to cut the Central Coast out of the rest of New South Wales, but you have a responsibility to advocate for this area. This is going to be a huge project with a considerable impact in this region. What is your position?

**The Hon. JOHN DELLA BOSCA:** I am happy to withdraw my election to take it on notice and simply answer that, of course, like any responsible member of this Parliament—and in my case I have a particular responsibility as the Minister for the Central Coast—I would be advocating that any decision about this matter be consistent with the context of environmental protection, protection of potential tourism and fishery resources, and so on. I do not take the view necessarily, in perhaps the direction that Ms Rhiannon is moving, that inherently such a resource exploitation initiative must, by necessity, have all those features. But I would be obviously doing everything I could in my power to make sure that the Central Coast's unique interests—if indeed the Central Coast does have any particular interests in respect to this venture—were represented in any decision made.

**Ms LEE RHIANNON:** You spoke about environmental protection and your commitment to it. Given that Bounty Oil and Gas has now delayed its plans to explore for gas until May next year, will you be pushing for a full and independent environmental impact study to assess the potential impact of such a project on what is Australia's most heavily populated and environmentally very sensitive section of coast?

**The Hon. JOHN DELLA BOSCA:** That is a question I will have to take on notice.

**Ms LEE RHIANNON:** Are you in a position to assure that seismic testing and drilling as part of this gas exploration project will have no adverse impact on the sensitive marine environments in this area?

**The Hon. JOHN DELLA BOSCA:** I will need to take that question on notice.

**Ms LEE RHIANNON:** Has WorkCover finalised the protocol, setting out procedures for the State Debt Recovery Office and the Attorney General's Department to share information about the recovery of fines with WorkCover?

**The Hon. JOHN DELLA BOSCA:** WorkCover has not finalised those guidelines yet.

**Ms LEE RHIANNON:** When do you expect them to be finalised?

**The Hon. JOHN DELLA BOSCA:** I am not in a position to give the member a timetable, so I will take the question on notice and provide the member with an indicative timetable as soon as practicable.

**Ms LEE RHIANNON:** As you would be aware, Mrs McGoldrick, the mother of Dean McGoldrick, who tragically died when he fell from a roof he was working on, went through additional stress when she found out that Dean's employer had not paid the fine imposed. What are you doing to ensure that victims are kept informed of the payment put in place by employers when a victim dies?

**The Hon. JOHN DELLA BOSCA:** The approach that has been taken on this matter is somewhat different to the one suggested by the member's question. As Minister I have been pressing the State Debt Recovery Office [SDRO] and the Treasurer on a number of policy matters in relation to fines and the collection of fines by the State Debt Recovery Office that involve matters of the type such as the McGoldrick prosecution, which was, to a degree, a workplace fatality or a serious occupational health and safety breach leading to injury. That is where that particular matter lies at the moment. The position that I have taken is that, because of the nature of these fines and the nature of the relevant prosecutions, they require a different approach on behalf of the State Debt Recovery Office. We have not yet definitively concluded the Government's position in relation to that matter.

**Ms LEE RHIANNON:** Have privacy provisions been used as a justification for not releasing this information? Is that something that you argue is a stumbling block?

**The Hon. JOHN DELLA BOSCA:** In general terms, the position of WorkCover, or my position as Minister, is that these sorts of fines—although the best utility to collect them is through the State Debt Recovery Office—fall into a different category to the vast majority of collection functions of the State Debt Recovery Office and they should be subject to a different set of principles. That is the position that I have been adhering to within government, and the Government has not yet reached a definitive decision on this particular policy point.

**Ms LEE RHIANNON:** Can you tell us when that will be?

**The Hon. JOHN DELLA BOSCA:** I can happily take it on notice and give the member an indicative answer.

**Ms LEE RHIANNON:** Mr Watson, when I asked a question about tunnels you spoke about revamping the code of practice. Were you referring to the code of practice for tunnels under construction?

**Mr WATSON:** That is correct, I did refer to that.

**Ms LEE RHIANNON:** I understand it has not been reviewed for 13 years. Could you inform the Committee if that is the case and what the time line is for revamping this code, considering the urgent need for an up-to-date code of practice?

**Mr WATSON:** I think, as I indicated in my previous answer, we already have assembled members of the community to review that—industry, union representation and specialist representation from both WorkCover and our industry itself—and we anticipate that the code will be reviewed and a new code put in place within the next few months. Sometimes these can be lengthy processes but we anticipate that because of the spirit of co-operation that appears to be within the tunnelling industry between both the unions and the employers, we would have a code finalised very quickly.

**Ms LEE RHIANNON:** Did you decide to revamp it after the worker on the site died?

**Mr WATSON:** The code of practice is always on the schedule for review as codes of practice represent the best practice within a particular industry for that specialty.

**Ms LEE RHIANNON:** Are you saying it has been waiting for 13 years to be reviewed?

**Mr WATSON:** No, not at all. Obviously, when it was put into force it represented practice within the industry at that time, and codes of practice get scheduled. Committee members may be aware that the occupational health and safety legislative framework within New South Wales was completely revised in 2000-01 and in September 2001, with the coming of the Occupational Health and Safety Act and the repeal of the construction safety legislation, that was the forerunner for that particular legislation. So as part of that review the codes of practice under the legislation were indeed scheduled for review and the tunnelling code of practice is just one of those.

**Ms LEE RHIANNON:** In summary, you are looking to finalise that by the end of the year?

**Mr WATSON:** Correct.

**CHAIR:** Time for questioning has now expired. I advise witnesses that the Committee has resolved to seek return of answers to all questions taken on notice within 35 calendar days. Will the Minister and departmental officers be available if further hearings are required?

**The Hon. JOHN DELLA BOSCA:** Of course, Mr Chairman.

**CHAIR:** I thank the Minister and departmental officers for attending.

**The Committee proceeded to deliberate.**

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