

# GENERAL PURPOSE STANDING COMMITTEE No. 1

Tuesday 2 September 2003

Examination of proposed expenditure for the portfolio area

## SPECIAL MINISTER OF STATE

The Committee met at 5.30 p.m.

### MEMBERS

Reverend the Hon. Fred Nile (Chair)

The Hon. Tony Burke  
The Hon. Janice Burnswoods  
The Hon. David Clarke

The Hon. Don Harwin  
The Hon. Peter Primrose  
Ms Lee Rhiannon

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### PRESENT

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

**Premier's Department**  
**Dr C. Gellatly**, *Director-General*

**Motor Accidents Authority**  
**Mr D. Bowen**, *General Manager*

**WorkCover Authority**  
**Mr J. Blackwell**, *Chief Executive Officer*  
**Mr. R. Seljack**, *General Manager, Occupational Health and Safety*

**Department of Commerce**  
**Ms K. McKenzie**, *Director-General*  
**Mr J. Voss**, *Chief Financial Officer*

**Cabinet Office**  
**Ms M. Thomas**, *Senior Principal Policy Officer, Office of Drug Policy*

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

**Corrections should be marked on a photocopy of the proof and forwarded by 30 September 2003 to:**

**Budget Estimates  
General Purpose Standing Committee Secretariat  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000**

**CHAIR:** I welcome everyone to this public hearing of General Purpose Standing Committee No. 1. I wish to thank, first, the Special Minister of State, the Hon. John Della Bosca, for his attendance and co-operation, and departmental officers for attending this hearing. At this meeting the Committee will examine the proposed expenditure from the Consolidated Fund for the portfolio areas of Special Minister of State, Commerce, Industrial Relations and Central Coast. Before questions commence, some procedural matters need to be dealt with for the *Hansard* record. The Committee has determined that the allocation of questions will be left in the hands of the Chair. I propose to allocate questions in approximately 20-minute segments to Opposition, crossbench and Government members.

I also propose to address the Minister's portfolio responsibilities in the following order: the WorkCover Authority, the Motor Accidents Authority, the Office of Drug Policy and the department. In addition, this Committee inquiry also covers home warranty insurance scheme, VicCorp—part of the HHH rescue scheme—and the Fair Trading Administration Corporation. Committee members have questions in those areas. In regard to the broadcast of proceedings, part 4 of the resolution referring the budget estimates to the Committee requires evidence on the budget estimates to be given in public. The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of these public proceedings. Copies of the guidelines for broadcasting are available from the attendants. I point out that, in accordance with the Legislative Council's guidelines for the broadcast of proceedings, 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 photos. In reporting the proceedings of this Committee, the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. In regard to messages, there is no provision for Committee members to refer directly to their own staff while at the table. Witnesses, 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 of the Committee and *Hansard*, would departmental officers and officials identify themselves by name, position and department or agency before answering any question referred to them. For those members of the Committee seeking information in relation to a particular aspect of a program or subprogram, it would be helpful if the program or subprogram were identified, as well as all page numbers, et cetera.

I declare the proposed expenditure open for examination. Does the Minister wish to make any opening statement?

**The Hon. JOHN DELLA BOSCA:** I wanted to refer to the correspondence I sent to you earlier to ensure that the Committee is aware that I share dual administration of the Home Building Act with the Minister for Fair Trading. For the information of the Committee I would like to remind them that the home warranty insurance scheme—VicCorp, part of the HHH rescue scheme—and the Fair Trading Administration Corporation for those purposes are the business of this Committee.

**CHAIR:** All Committee members have a copy of the memo. We will commence with questions from the Opposition.

**The Hon. MICHAEL GALLACHER:** You referred very briefly in your opening comments to HHH and the home owners warranty scheme. I do not intend to labour the point about home owners warranty because I really want to talk about workers compensation. What confidence can we have that recommendations of the Grellman inquiry into home owners warranty will not be ignored by the Government in the same way that the 1997 Grellman inquiry into workers compensation was ignored? I acknowledge that you are trying to pull back some of the \$3 million unfunded liability. Had the Government acted in 1997 and not sat on its hands we would not be in the situation we are in now. What assurances will we get that the recommendations will be implemented?

**The Hon. JOHN DELLA BOSCA:** The first assurance is the fact that the Government, in recognising the problem of the home warranty scheme, moved immediately after the election to set up the Grellman inquiry. As the question acknowledges, we have proceeded to work on some of the issues that were the subject of the original Grellman inquiry into workers compensation, and they have been prosecuted with a fair bit of vigour. It may come up in the business of the Committee later on. On a year-to-year basis the Workers Compensation Scheme is at the point of recovering more funds from premiums than it expends. Therefore, as you have heard me say previously, they are the first and vital steps in the financial recovery of the scheme.

**The Hon. MICHAEL GALLACHER:** I am sure you and I have discussed problems experienced by businesses in far northern New South Wales when competing with their Queensland counterparts only a matter of kilometres across the border. When one considers the petrol burden in New South Wales, the obvious taxation burden of competing in New South Wales and the differential in workers compensation premiums, what proposals is WorkCover offering or are you offering to businesses in far northern New South Wales that are disadvantaged by higher workers compensation premiums to prevent them from going across the border?

**The Hon. JOHN DELLA BOSCA:** The honourable member's inquiry contains two questions. The first is the differential in the cost of workers compensation between New South Wales and Queensland, which is a well canvassed point and one that the Government is sensitive to. It is probably important to realise that there is a very different heritage to the two schemes in terms of their operation, the level of benefits expected, and a whole range of other issues that all members of this Committee are fairly familiar with. We have a more generous benefits regime in New South Wales; we have more generous payments for various forms of permanent disability or permanent impairment, and so on.

I see that the member is familiar with the underlying cost reasons why the New South Wales scheme involves higher premiums for many industries and classifications of industry. I must point out that against the benefits that are experienced by the work force in a properly operating workers compensation scheme, it could be argued that they add to the quality of the work force over time. That is the answer to the first part of his question. I do not think there is any proposal by the Government to set up a workers compensation scheme purely in the context of it being to the lowest common denominator of the States, although we are very sensitive to ensuring that it is as competitive as possible, given the level of benefits and payments we seek to make under that scheme, which has fairly general support among New South Wales employers.

The second part of his question is about cross-border issues, which has been a longstanding issue in workers compensation. Because there are different schemes in each State jurisdiction, obviously the New South Wales-Victoria border and the New South Wales-Queensland border present special problems for employers and employees. We now have an intergovernmental agreement that the Commonwealth has reluctantly given its blessing to. We intend to proceed to put that in place after a further period of consultation.

**The Hon. MICHAEL GALLACHER:** Do you have a rough idea when?

**The Hon. JOHN DELLA BOSCA:** I would anticipate—and if I recollect correctly I have publicly stated—that it will be by the end of next year.

**The Hon. MICHAEL GALLACHER:** One company I have become aware of, Border Smash Repairs Pty Ltd, is relocating 12 administrative staff from its headquarters in South Tweed a short distance up the road to Coolangatta to reduce its workers compensation premiums by about \$30,000 a year, which is an average of about \$2,500 per employee. How many jobs does WorkCover estimate have moved from northern New South Wales to Queensland in the past five years to reduce the costs of the business?

**The Hon. JOHN DELLA BOSCA:** I do not believe that it is the function of WorkCover to collect estimates of economic statistics like that. I happen to know that we would not have figures which measure that point. I answer again, by way of a general recital, that while we are sensitive to ensuring that our scheme is as efficient as possible and that employers get good value for the premium dollar they pay, in principle it is clearly about making sure that those premiums are as low as practical. The Government is sensitive to the fact that we have a scheme that delivers proper benefits and also maintains proper compensation for levels of impairment.

**The Hon. MICHAEL GALLACHER:** I do not suppose you have these details to hand—perhaps one of your advisers might be in a position to offer some information—but it would be appreciated if you could provide details of differences in the WorkCover premiums paid by Queensland and New South Wales businesses across industries and job categories.

**The Hon. JOHN DELLA BOSCA:** I am happy to take that on notice, and we will provide that information to the Committee.

**The Hon. DAVID CLARKE:** I have a couple of brief questions on WorkCover. What is the level of duties performed by the seven employees of WorkCover within the \$27,606 to \$36,258 pay bracket?

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

**The Hon. DAVID CLARKE:** What is the level of duties performed by the seven employees of WorkCover within the pay bracket of \$27,606 to \$36,258? It is a higher pay bracket. You have seven employees in the pay bracket.

**The Hon. JOHN DELLA BOSCA:** Are you saying \$27,000 per year?

**The Hon. DAVID CLARKE:** Yes. WorkCover employs seven employees in that pay bracket.

**The Hon. JOHN DELLA BOSCA:** Do you mean \$276,000?

**The Hon. DAVID CLARKE:** No, \$27,000 to \$36,000. There are seven employees, each of whom fall into that pay bracket. What sort of work are they doing to warrant being in that pay bracket?

**The Hon. JOHN DELLA BOSCA:** I am not sure of the seven employees. We will have to take this on notice.

**CHAIR:** Was that annual salary?

**The Hon. DAVID CLARKE:** Annual salary, that is right, yes.

**The Hon. MICHAEL GALLACHER:** Would Mr Blackwell be in a position to answer that question?

**Mr BLACKWELL:** I am sorry, no, I am not.

**The Hon. DAVID CLARKE:** Is there no-one here who could answer that?

**The Hon. JOHN DELLA BOSCA:** I am not exactly sure what you are referring to. Obviously, there are a large number of WorkCover employees. I am not sure that there would be only seven in that salary range. I think there would probably be significantly more than that. I am not sure which seven you are referring to.

<2>

**The Hon. Jan Burnswoods:** Can we perhaps have the page of the budget papers that this relates to?

**The Hon. DAVID CLARKE:** I understand that there are seven employees of WorkCover who fall within that wage bracket. I just want to get an idea.

**The Hon. JAN Burnswoods:** Can you tell us where you are getting this piece of information?

**The Hon. DAVID CLARKE:** The annual report.

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, they would be administrative duties. We will try to provide some further information for the Committee. Certainly most of the inspectorate staff would be on a significantly higher salary rate than that, and the legal and professional officers would be on higher salaries than that. I think that they would be administrative staff who are probably doing clerical work.

**The Hon. DAVID CLARKE:** Thank you. Does WorkCover employ any junior clerical staff? I understand that there are no junior clerical staff employed on the pay bracket below \$27,606. Are you saying that there is no work there of a junior clerical nature?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I think we will have to take that on notice as well.

**The Hon. DAVID CLARKE:** As part of the general thrust, does WorkCover have a receptionist who deals purely with receptionist work?

**Mr SELJACK:** We have a general reception area in head office at Gosford. It is staffed by people who deal with incoming visitors on level two of that building and there are three receptionists behind that desk.

**The Hon. DAVID CLARKE:** Would you be able to give us the wage bracket for a receptionist?

**The Hon. JOHN DELLA BOSCA:** The salary bracket?

**The Hon. DAVID CLARKE:** Yes.

**Mr SELJACK:** I could get that.

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

**The Hon. DAVID CLARKE:** I will move on from that. If the number of new major claims coming to WorkCover increased between 2001-02 by 1.1 per cent, why did the number of clerical and administrative staff increase by 14 per cent? It is running at 13 times the rate.

**The Hon. JOHN DELLA BOSCA:** Could you repeat that question?

**The Hon. DAVID CLARKE:** Yes. If the number of major claims coming to WorkCover increased between 2000-01 and 2001-02 by 1.1 per cent, why did the number of clerical and administrative staff at WorkCover increase by 14 per cent?

**The Hon. JOHN DELLA BOSCA:** Simply because I do not think you can equate the workload of WorkCover as simply related to the number of claims being processed. I can give that fairly summarised answer, but if you want more detail I am sure that I can provide you with it.

**The Hon. DAVID CLARKE:** One would assume, in general circumstances, that an increase in claims would equate to a general increase in the employment of staff needed to deal with those claims. It seems that something is a bit out of kilter here. Do you think that it seems there is something out of kilter?

**The Hon. JOHN DELLA BOSCA:** No. I think there is a fairly logical set of answers. Firstly, the level of claims management actually will reflect some of the work required by the licensed insurance companies, for a start. The relationship between the number of claims and the number of clerical and administrative staff in WorkCover itself would not be a strong correlation. You need to consider that a large component of WorkCover's work force is involved in the occupational health and safety component of its operations. There has, of course, been a very significant expansion of functions. There have been a number of matters in relation to the changeover from the old Act and regulations to the new Act and regulations, so I think it needs to be considered as the whole of WorkCover's functions, not just the number and the throughput of claims, which, as I have said, are predominantly handled by the insurers.

**The Hon. DAVID CLARKE:** Would you agree that it is something that needs to be looked at, because, on the face of it, it seems a bit out of the ordinary that you have a 1.1 per cent increase in claims and a 14 per cent increase in the number of staff needed to deal with those claims. I am saying it is something that needs to be looked at.

**The Hon. JOHN DELLA BOSCA:** I am happy to look at it and provide you with a further explanation, but I think my preliminary explanation is probably a fair part of the explanation. I do not think it is extraordinary at all. I think it is quite logical in the context of changes to WorkCover's responsibilities.

**The Hon. DAVID CLARKE:** So if there was an increase of 5.5 per cent in claims and an increase of 100 per cent in staff, there would be something to look at if that trend continued, would there not?

**The Hon. JOHN DELLA BOSCA:** I think you are missing a fundamental point, which is that the bulk of the clerical work involved in processing claims is actually handled by the insurers, not by WorkCover itself. Creating a direct relationship between the number of claims processed in the scheme and the number of people employed by WorkCover is a very weak correlation. I am not saying that there is no correlation, but it would be very, very weak. Secondly, I would say that the expansion of clerical and administrative duties is more related to a change in functions in relation to occupational health and safety and a whole range of other matters that have been occurring over the past 18 months to two years. I think you will find that that is more likely to be the answer rather than what you imply, which is that there ought to be some very direct linkage between the number of claims processed and the number of clerical and administrative employees at WorkCover.

**The Hon. DAVID CLARKE:** When did WorkCover's staff travel overseas—of course, at taxpayers expense—to attend a meeting in New Zealand which related to new fire extinguisher standards? Was it really necessary to send representatives over there, or for them to attend a meeting in Switzerland to hear a keynote address? What was that keynote address?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I would like to correct one thing that is implied in the member's question: that the overseas visits, whichever they were, were at the taxpayers' expense. They were in fact at the expense of the scheme. WorkCover is a self-funding scheme. Can you tell me which particular matter you were referring to again?

**The Hon. DAVID CLARKE:** There was a meeting in New Zealand relating to new fire extinguisher standards.

**The Hon. JOHN DELLA BOSCA:** I will make a general observation. WorkCover is basically a standards and rules organisation which obviously follows international standards and rules—not that I am an authority—in relation to things like a conference on fire extinguisher safety. A lot of the standards are now international standards, so I am not surprised, being the responsible Minister, that a large number of engagements that WorkCover has to have—by senior WorkCover staff and WorkCover as an organisation—involve an international aspect. As I said, a lot of the standards that we have in Australia are adopted from international standards, and some of them are directly ascribed as international standards. We need to have technical officers, and sometimes even administrative officers, who are familiar with those standards and involved in the generation of them. While I will not attempt to answer specifically about the fire extinguisher conference, I will get some further information for you if you wish. The general answer is that I think it is appropriate and proper for senior officers and technical officers of WorkCover to be involved in those discussions.

**The Hon. DAVID CLARKE:** Thank you. Could you get the information on how many attended, and how many attended a meeting in Switzerland to hear a keynote address. I would also like to know what that keynote address was about.

**The Hon. JOHN DELLA BOSCA:** I will obtain that information.

**The Hon. MICHAEL GALLACHER:** Perhaps, Minister, in the brief time we have available, we might return to that hoary old chestnut of fraud in workers compensation. Perhaps as Mr Blackwell is now the chief executive officer, he could tell us how many staff are currently employed in the fraud investigation unit, or whatever the unit is called in Gosford. How many convictions were recorded in 2002-03 financial year?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I am quite happy to answer the question about compliance and fraud. The member's specific question is exactly how many officers?

**The Hon. MICHAEL GALLACHER:** How many officers in that unit, and how many convictions you got in 2002-03?

**The Hon. JOHN DELLA BOSCA:** As I think the member knows, the Government has introduced a comprehensive package of measures about workers compensation compliance and fraud. False claims and premium evasion add to the costs of the workers compensation scheme, and place unfair burdens on those people who do the right thing. I think that the member and the Committee are probably familiar with the work of Penny LeCouteur and Neil Warren, who made recommendations to substantially improve levels of compliance, particularly in relation to employer compliance in that particular instance. Recommendations from that report were implemented during the last round of legislation that was passed through this Parliament.

The 2002 reform package has strengthened the existing legislation and regulation matters. We have been conducting a series of target audits and blitzes. We have also got the Government's, or WorkCover's, data-matching technology which has enabled us to identify with greater efficiency instances of fraudulent claims. We have also changed the penalty regime in relation to making a false claim against the scheme. Those cheating the system now face much more severe penalties than they previously did. The provisions extend the coverage of the Act to also include all persons who play any part in a fraudulent act against the scheme. Under those provisions, fraudulent persons are subject to a maximum penalty of \$55,000 or two years imprisonment, or both.

**The Hon. MICHAEL GALLACHER:** That is fine, but I asked two specific questions: One was how many are in the unit and the other was how many convictions there have been. I am running out of time, and I do not want to eat into Ms Lee Rhiannon's time. Can you just answer those two questions?

**The Hon. JOHN DELLA BOSCA:** I had no idea the member was so considerate of Ms Lee Rhiannon. I will happily take that on notice.

**The Hon. MICHAEL GALLACHER:** Just as I thought!

**The Hon. JOHN DELLA BOSCA:** I will provide the exact number of people who work on fraud investigation. I may say for the sake of clarification—

**The Hon. MICHAEL GALLACHER:** I would have thought you would have been briefed up.

**The Hon. JOHN DELLA BOSCA:** It changes from time to time because of the intensity of our operations. Can I clarify that the member wants the exact number of persons employed in the fraud investigation team?

**The Hon. MICHAEL GALLACHER:** I want to have a look at those in the fraud investigation team. If you have a look at last year's questions upon notice, it is probably exactly the same.

**The Hon. JOHN DELLA BOSCA:** I thank the member for his consideration, and his consistency.

**CHAIR:** We will now move on to questioning by Ms Lee Rhiannon

**Ms LEE RHIANNON:** Minister, I have just noticed that in Budget Paper No. 3, Volume 2, page 19-11 WorkCover's key role is made very clear. It is set out there as promoting the prevention of injuries. In the light of that statement I am interested to know the position in relation to industrial manslaughter, because there are ongoing calls for legislation in this area. Why do you not see industrial manslaughter legislation as part of the brief that WorkCover has, which is to prevent workplace injuries?



**The Hon. JOHN DELLA BOSCA:** In commencing my answer, I do not know whether to be pleased or upset that the member has clearly changed her allegiance to being a supporter of a retributive framework of justice, Mr Chairman.

**Ms LEE RHIANNON:** You have said that to me before, and it is not working.

**The Hon. JOHN DELLA BOSCA:** It does not work?

**Ms LEE RHIANNON:** Life is flexible.

**The Hon. JOHN DELLA BOSCA:** You are not as consistent as the Hon. Michael Gallacher, but you have other strengths. I will briefly outline the Government's position in relation to industrial manslaughter. It is true that we have been very concerned about the ongoing number of deaths in workplaces. Clearly the Government is concerned with issues in relation to negligence and also the level of industrial accidents, risks and hazards in the workplace. What we have put in place—and I think the member is generally supportive of it—is a regime that is based on a rigorous set of general obligations and responsibilities by employers and employees for occupational health and safety.

I think there is a fair bit of evidence of a general culture shift in relation to safety in workplaces in New South Wales, partly as a result of the new Act. I think that will accelerate as a result of the new regulations and as the seminars, education and general shift of attitude to safety spreads throughout New South Wales workplaces. I am quite satisfied that we have achieved some real movement there. One of the things that has helped us to achieve that movement has been a fair bit of carrot with both employers and employees. There has also been a bit of stick. One of the things we have done is increased the penalties for the entire range of various occupational health and safety failures to adequately carry out responsibilities in relation to occupational health and safety.

**Ms LEE RHIANNON:** Are you saying criminal negligence legislation would not help to save lives?

**The Hon. JOHN DELLA BOSCA:** What we have at the moment is a regime that is based on the civil standard. It is based on strict liability. Although we do not refer to the crime of industrial manslaughter in our current legislative framework, we do in fact have a regime that allows for penalties which would be the equivalent of industrial manslaughter penalties.

<3>

People can face two years in gaol and very substantial fines for breaches. We have to understand that the next step along the path is criminal prosecution. We established a workplace deaths investigation unit, and I have made some statements about that. That unit has been quite busy; it has investigated a number of incidents. People with a background in criminal prosecution and investigation have been recruited to that unit. Obviously those matters need to be referred to the Director of Public Prosecutions for final prosecution.

The Government's attitude on industrial manslaughter to date, and it remains, is that the introduction of industrial manslaughter would not favourably impact on the number of successful prosecutions. There are more prosecutions for serious occupational health and safety negligence than for any other equivalent jurisdiction. If we were to change that direction we would probably need to put ourselves in a position where the strict liabilities that are allowed by the current occupational health and safety offences would need to be modified to take account of the liberties that people require when they face criminal prosecution.

**Ms LEE RHIANNON:** Minister, are you giving positive consideration to the proposal of WorkCover's Brian Russell that registered training officers should be given the power to accredit assessors and that WorkCover should have no further involvement with assessors?

**The Hon. JOHN DELLA BOSCA:** I am advised that there is to be a meeting between officers of WorkCover and various trade unions tomorrow to discuss that very issue. The question refers specifically to an officer of WorkCover making a statement.

**Ms LEE RHIANNON:** I have seen some material from Brian Russell. I am not sure of his position, but I am sure that your people know him, Minister. That material states that registered training officers should be given that power.

**The Hon. JOHN DELLA BOSCA:** Mr Seljack can give an answer to the question.

**Mr SELJACK:** The proposal is to add training as an element to the current scheme that requires people to gain licences to operate prescribed equipment such as cranes, tower cranes, scaffolding, et cetera. The proposal is not to dilute WorkCover's involvement, but to add training as an additional component that is not there now.

**Ms LEE RHIANNON:** So WorkCover will still be involved?

**Mr SELJACK:** Yes.

**Ms LEE RHIANNON:** Minister, I want to ask some questions about outworkers. Obviously the protection of outworkers from exploitation in New South Wales has been pretty good. But a few people around the traps are worried that New South Wales could be overtaken by other jurisdictions, because things may be slowing up a bit. I understand the Ethical Clothing Trades Council issued a report this year on the first 12 months of the new regime for outworkers. Have you received the report yet?

**The Hon. JOHN DELLA BOSCA:** I am happy to answer the question, but you have now deviated to the Office of Industrial Relations in the Department of Commerce.

**Ms LEE RHIANNON:** I thought we were asking any questions.

**The Hon. JOHN DELLA BOSCA:** I am happy to answer this question now or come back to it when it is in order. Does the member have any other WorkCover questions?

**Ms LEE RHIANNON:** No. If you have the paperwork in front of you, the Chair may allow you to answer.

**The Hon. JOHN DELLA BOSCA:** I am flexible, if the Chair is agreeable.

**CHAIR:** Yes, you may answer the question.

**The Hon. JOHN DELLA BOSCA:** As the honourable member is aware, the Behind the Label strategy is administered by the Office of Industrial Relations, which addresses the serious industrial occupational health and safety issues facing outworkers in the clothing industry. The key elements of the strategy are legislative change; the work of the Ethical Clothing Trades Council; the appointment of bilingual inspectors and advisers; industry assistance and research, particularly targeting individuals and groups within the outworker work force for education programs to increase their skills, and so on. Under the strategy hundreds of workers have been assisted in the other objective, which is under section 127, claiming a total of \$145,700 in unpaid remuneration.

The bilingual inspectors and advisers assist outworkers to resolve any remuneration claims without the need for legal action. The Ethical Clothing Trades Council reports to the Government on issues relating to industry compliance, on the activities of the clothing industry retailers and manufacturers in relation to their obligations under the current self-regulatory mechanisms. A key feature of the council's work has been the implementation of the retail ethical code of practice. Retailers who have signed account for more than 70 per cent of the clothing retail market in Australia and ensure that their local suppliers are paying all their employees their full and proper legal entitlements.

The strategy's education and training program has also been very successful with more than 355 outworkers from Chinese, Vietnamese and Khmer backgrounds successfully completing English language vocational education training courses since February 2002. It has run industry seminars in English and community languages and the publication of best employment practice guidebooks will provide employers and outworkers with practical assistance in meeting their industrial obligations and

knowing their industrial rights. Additional retraining and vocational educational opportunities are essential for outworkers to improve their employment options. An additional \$600,000 in funding will assist more outworkers to access training programs such as recognition of prior skills and workplace English language and literacy skills.

Those skills assist in building and sustaining already successful community-based programs to assist outworkers to access related training and other employment opportunities by increasing the number of training courses. That \$600,000 brings the amount of funding invested by the Government in the Behind the Label clothing outwork initiative to \$4.6 million in the period from 2001-02 to 2004-05.

**Ms LEE RHIANNON:** What is your timetable for the report? After you get the report when will you make your decision?

**The Hon. JOHN DELLA BOSCA:** The council has been charged with developing a code, which is, if you like, a parallel regulatory regime. The council is also charged with making a recommendation, which is relatively open ended—in other words it is in the council's hands to make a recommendation about whether there is any requirement for a statutory code or any blend of arrangements. Basically we are in the hands of the council as to the timing of that recommendation and what it will be. So far the co-operative arrangements between retailers, manufacturers and the union have produced some very satisfactory results indeed. They are well on their way to reaching a series of additional understandings. I am not in a position to give a date, but I suspect that there will be some developments during the next calendar year.

**Ms LEE RHIANNON:** Are you saying that the council determines dates?

**The Hon. JOHN DELLA BOSCA:** Yes, we are in its hands. Mr Chair, can I return to a question asked by Hon. David Clarke about overseas travel?

**CHAIR:** Yes.

**The Hon. JOHN DELLA BOSCA:** Regarding the trip to Geneva, which I think is the trip he was asking about, at that time Michelle Patterson was the Assistant General Manager of the Occupational Health and Safety Division. She has now left our service and has become the head of the WorkCover organisation in South Australia. She gave the keynote address to the International Association of Labour Inspectors in Switzerland.

**The Hon. MICHAEL GALLACHER:** That was not a good investment; she has now gone. Obviously whatever she was talking about was not working; or it was working for someone else.

**The Hon. DAVID CLARKE:** Do you have any information on the fire extinguisher standards?

**The Hon. JOHN DELLA BOSCA:** Regarding New Zealand, one officer from TestSafe attended the standards meeting. TestSafe is the component of the organisation that is involved in the testing of various industrial devices, and so on, as part of the initiative to achieve international consistency and standards. The general answer I gave is the correct, detailed answer.

**CHAIR:** I welcome visitors to the gallery. They are part of the Little Night Sitting, a special program organised by the Education Community Relations Unit of the Parliament to help educate the community about the operations of Parliament. This is an estimates committee investigating the budget for the Minister in charge of WorkCover and other areas. Minister, General Purpose Standing Committee No. 1 spent more than a year investigating matters relating to WorkCover. There was a lot of discussion about the unfunded liability. Can you bring the Committee up to date on the Government's position with the unfunded liability? Have the legislation and regulations helped to make your objectives?

**The Hon. JOHN DELLA BOSCA:** Mr Chair, I refer again to the general point I made in response to the opening question of the Leader of the Opposition. The scheme is now able to take in more premium income than expenditure against that premium dollar. That means, in its most direct

scheme, that the scheme is returning to financial health. The obvious second issue is the actuarial estimates about the scheme. As the Leader of the Opposition would be aware, the WorkCover scheme actuary is PricewaterhouseCoopers. It reported to WorkCover on the financial position of the scheme as at 31 December 2002. That latest valuation confirmed that the scheme is paying for itself, as I said earlier. The scheme actuary found that the Government's reforms to the workers compensation scheme had delivered a positive result for the scheme and saved an estimated \$919 million.

PricewaterhouseCoopers estimates that the 2001 legislative changes made by the Government will improve WorkCover's net financial position over the next five years. While the deficit is forecast to rise slightly this year, consistent falls are expected from next year. It is with some optimism that I am able to say that we are beginning to see the benefits of the workers compensation scheme. System or scheme changes effectively support injured workers and facilitate a return to work as early as possible. The scheme reported a profit from underwriting operations of \$193 million for the six months to December, an increase of \$83 million compared to the operating results for the period ending 30 June 2002. The results exclude the impact of external factors such as falling financial markets and changes in economic conditions. In other words, the apparently worse numbers are due to a lot of factors outside the control of the scheme or the Government.

The scheme's investments have returned a better result than many superannuation funds. However, they are not immune from global trends and external factors such as falling financial markets and changes in economic conditions. Inclusions of those factors result in a net loss of \$430 million, delivering a deficit at 31 December 2003 of \$3,230 million. The scheme's performance is the strongest it has been for more than a decade and compares very favourably with the unviable and financially haemorrhaging scheme that existed prior to the Government's legislative reforms. I would expect to receive the scheme valuation for 31 June 2003 in approximately September 2003; that is, some time this month.

**CHAIR:** In view of your answer that it seems to be working successfully, will there be any changes to premium levels? Are you planning any dramatic increases in premiums?

**The Hon. JOHN DELLA BOSCA:** No, I am not planning any increases in premiums. What I just referred to underlines the fact that the Government will be pursuing a program of making sure that the scheme returns to financial health before we would experiment with any other fundamentals in the scheme.

<4>

**CHAIR:** Minister, I refer you to the Occupational Health and Safety Act 2000, the Occupational Health and Safety Regulation 2001 and non-government organisations [NGOs] in the community services sector. There have been some reports of pressure and tension in the non-government area caused by the most complicated safety management requirements that are extremely demanding and expensive for NGOs. What type of assistance strategy is WorkCover considering adopting in order to facilitate NGOs meeting their legislative requirements?

**The Hon. JOHN DELLA BOSCA:** Your colleague Reverend the Hon. Dr Gordon Moyes asked me a similar question earlier today during question time but I was unable to complete my answer regarding our initiatives. WorkCover had some significant discussions with the NGOs in the community services sector at the community services forum. It was agreed to work with the non-government sector to improve compliance with the newer occupational health and safety regulations by giving WorkCover the resources to fund a position at the Council of Social Service of New South Wales [NCOSS] to assist community services organisations with WorkCover, workers compensation and occupational health and safety issues; and to develop a simplified compliance strategy with occupational health and safety regulations or a regulatory checklist. The checklist is based on the success of the program that we have put in place for small business and the rural sector, which is a simplified toolkit that covers all key obligations but is presented in a form more oriented towards a small business framework. However, this checklist will be oriented more towards typical situations that non-government organisations must cope with, particularly in the welfare sector to which you referred, Mr Chairman.

WorkCover will assist in the provision of grants to a number of non-government organisations in relation to occupational health and safety frameworks and proposals to ensure that appropriate standards are put in place in a way that is financially and logistically manageable for them. We have also been conducting a framework of seminars, education promotion and door-to-door training—if you like—for small and even medium-size business. The seminars have been very successful—they have been very well attended. I might add that they are free seminars as distinct from those of other agencies, which charge a fee.

**The Hon. MICHAEL GALLACHER:** Nothing is free in workers compensation.

**The Hon. JOHN DELLA BOSCA:** No, good advice is free in this case.

**The Hon. MICHAEL GALLACHER:** If you know where it is and you can find it.

**The Hon. JOHN DELLA BOSCA:** I know where it is: it is at the WorkCover seminars. We will design a number of purpose-built seminars for non-government organisations. In my capacity as Special Minister of State I frequently come into contact with various NGO treatment providers. I am acutely aware of this issue. I have visited a number of organisations across the board that are grappling with this problem so I am aware of the difficulties they are experiencing.

**CHAIR:** Are you aware that NGOs are having particular difficulty with the Premium Discount Scheme? Do you have any proposals to make that scheme more suitable for NGOs?

**The Hon. JOHN DELLA BOSCA:** I am aware of that difficulty but I will have to take that question on notice and provide information about any initiatives we might be considering putting in place to make participation possible for NGOs. I am happy to provide that information subsequently.

**CHAIR:** So the main service you provide to help NGOs is seminars. Do you offer any other form of assistance?

**The Hon. JOHN DELLA BOSCA:** There is also the NCOSS project, which will be specific and task oriented—not just general seminars but implementation issues and the like.

**The Hon. MICHAEL GALLACHER:** I return to the issue of fraud and the workers compensation scheme. I asked you how many officers were in the fraud investigations unit and you took the question on notice. I also asked how many convictions there had been in the 2002-03 financial year and you took that question on notice as well. Is fraud still a priority for WorkCover and for your Government?

**The Hon. JOHN DELLA BOSCA:** The Leader of the Opposition is asking two questions. As to the general issue, our principal concern is both in terms of worker fraud and employer fraud—or employer non-compliance and worker non-compliance, depending upon which level of activity we are talking about. Our principal concern is that that causes a number of distortions. Those distortions include giving people an improper competitive advantage in the case of employer non-compliance or, in the case of employee non-compliance, enabling people to draw benefits to which they are not entitled. This means the total pool of theoretical benefits is not as generous as it might be otherwise and employers will not receive proper value for their premium dollar.

**The Hon. MICHAEL GALLACHER:** Are you monitoring trends to ensure that things are moving in the right direction?

**The Hon. JOHN DELLA BOSCA:** Yes, we are.

**The Hon. MICHAEL GALLACHER:** You have undertaken to provide the figures for 2002-03. Can you tell me what the trends have been indicating since the introduction of your legislation, which targets fraud by both employees and employers? For the purpose of this exercise we will focus on employee fraud. What are the trends over the past couple of years in that area following the introduction of the new tougher legislation? What are they saying? Surely you have some numbers that can give us an indication as to whether convictions are trending up together with employer satisfaction?

**The Hon. JOHN DELLA BOSCA:** I can give two answers to that question. First, my anecdotal answer is that I am quite convinced that the concern about fraud that existed in the system only two or three years ago when I was first charged with responsibility for WorkCover has reduced. There is a principle of policing—with which I think the Leader of the Opposition would be familiar—that states that the police exist not only to investigate and prosecute crime but also to reduce community fear of crime, which is a problem in itself that the police must deal with. I think WorkCover's campaigns in relation to fraud have been successful.

**The Hon. MICHAEL GALLACHER:** Apart from anecdotal interpretation, can you provide some hard figures?

**The Hon. JOHN DELLA BOSCA:** My second response is that I will be very happy to produce whatever figures I can to allow the Leader of the Opposition to draw conclusions about the trends of fraud in the system.

**The Hon. MICHAEL GALLACHER:** Can you produce those figures now?

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

**The Hon. MICHAEL GALLACHER:** Minister, I take it that you are not in a position to give me figures right now that show an increased number of convictions in the area of employee fraud, for example?

**The Hon. JOHN DELLA BOSCA:** If I were in a position to do so I would have given the Leader of the Opposition that information. I will take that question on notice and give the Committee that information.

**The Hon. MICHAEL GALLACHER:** Is Mr Blackwell, the Chief Executive Officer of WorkCover, in a position to give us an indication of those figures? This is the sort of information that employers and employees want. They do not want you to take the question on notice; they want to be assured that the issue is at the top of your mind in terms of numbers.

**The Hon. JOHN DELLA BOSCA:** I would rather answer the question myself so I will take it on notice. I will not ask Mr Blackwell to answer the question. However, I make the observation in closing on this point that prosecution numbers will not be the only performance indicator of the success of anti-fraud campaigns. As I was attempting to say before the interpolation or interjection by the Leader of the Opposition, reducing the culture of fraud in the scheme is probably more important than individual prosecutions, and I think we have been substantially successful in reducing the culture of fraud in the scheme.

**The Hon. MICHAEL GALLACHER:** But, Minister, I can make the observation that at this time you cannot give me any evidence—show me any numbers—to convince me that the situation is improving.

**The Hon. JOHN DELLA BOSCA:** I have indicated that I will give you those numbers subsequently.

**The Hon. MICHAEL GALLACHER:** How much money is being expended on the detection and prosecution of fraud within the workers compensation scheme? We can surely get our hands on those figures this evening.

**The Hon. JOHN DELLA BOSCA:** I think we need to get a couple of things straight. Several components of the scheme focus on fraud: the fraud investigations unit—

**The Hon. MICHAEL GALLACHER:** I am looking at the unit specifically.

**The Hon. JOHN DELLA BOSCA:** Please let me answer. The organisation has a number of specific components that deal with fraud. These are the fraud investigations unit and the data-matching and related intelligence-gathering components of the scheme. It must be understood that

resistance to fraud is being hardwired into the reform of the scheme. For example—this is an apparently unrelated matter—the admission of provisional liability is in my view the most significant anti-fraud measure that we have built into the scheme. It does not in itself have anything to do with fraud immediately; it simply takes one of the key motives for fraud out of the scheme and makes the issue of fraud detection much more simple and direct by resolving the first argument that used to bedevil the scheme: whether or not the employer accepted liability for an injury. A number of steps that we have taken hardwire the scheme against fraud. I take the honourable member's point that he wants to know our specific expenditure on fraud investigation. I am happy to take that question on notice and provide that information.

**CHAIR:** Do you argue that you are more successful if conviction rates go down?

**The Hon. JOHN DELLA BOSCA:** Changing the culture in the scheme is better than simply increasing expenditure on detection. However, I am happy to get the numbers for the Leader of the Opposition.

**The Hon. MICHAEL GALLACHER:** Can you do a comparison because at this stage I am not in a position to draw any conclusions in terms of the finances? For example, can you compare how much money is expended by WorkCover officials and the ministry on overseas travel with the amount of money spent on fraud detection by the fraud detection unit?

**The Hon. JOHN DELLA BOSCA:** The Leader of the Opposition can make his own comparisons from any number of answers that I might give or that might be available in the budget papers. I make it clear that, as I said, we have hardwired the system against fraud: all of our reforms have been about ensuring that the system is honest and transparent. We have responded to public concern about the specifics of fraud investigation and intelligence gathering, and I am happy to provide all the relevant numbers.

**The Hon. MICHAEL GALLACHER:** If you are going to give the expenditure on the fraud investigation unit will you also undertake to table all moneys expended by WorkCover on overseas travel?

**The Hon. JOHN DELLA BOSCA:** If the Leader of the Opposition or one of his colleagues asks me to provide that information I will be quite happy to do so.

**The Hon. MICHAEL GALLACHER:** Minister, will you provide the figures for all expenditure within WorkCover, and indeed within the ministry, on overseas travel?

**The Hon. JOHN DELLA BOSCA:** That information is already in the annual report and is publicly available.

**The Hon. MICHAEL GALLACHER:** Does that include money expended within the ministry on overseas travel?

**The Hon. JOHN DELLA BOSCA:** There is no ministry for WorkCover.

**The Hon. MICHAEL GALLACHER:** In your office.

**The Hon. JOHN DELLA BOSCA:** My ministerial office?

**The Hon. MICHAEL GALLACHER:** Yes.

**The Hon. JOHN DELLA BOSCA:** Why do you not ask me?

**The Hon. MICHAEL GALLACHER:** I just have.

**The Hon. JOHN DELLA BOSCA:** Why not ask what I have spent on overseas trips?

**The Hon. MICHAEL GALLACHER:** Not just you but the entire office.

**The Hon. JOHN DELLA BOSCA:** It is zero.

**The Hon. MICHAEL GALLACHER:** For the past 12 months?

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

**The Hon. MICHAEL GALLACHER:** I hope that the expenditure for the fraud investigations unit is a darn sight more than that!

**The Hon. JOHN DELLA BOSCA:** Your press release will not read nearly as well now!

**The Hon. DAVID CLARKE:** I return to the question of fraud, which is an area of major concern—I know it is of great concern to you, Minister. Are you saying that you have no details with you today about the number of prosecutions relating to fraud? Do you have any figures at all relating to prosecutions?

**The Hon. JOHN DELLA BOSCA:** I just made the point that I do not but I am happy to provide that information. It will not take me long to compile it and I will make it available to the Committee.

**The Hon. DAVID CLARKE:** Do you have any details relating to fraud convictions?

**The Hon. JOHN DELLA BOSCA:** The answer is the same.

**The Hon. DAVID CLARKE:** Do you have any details relating to expenditure on fraud detection?

**The Hon. JOHN DELLA BOSCA:** I think that is the same question that the Leader of the Opposition just asked. I have already given my answer.

**The Hon. DAVID CLARKE:** So you do not have any raw details. Do you have any idea of the percentage of the budget?

**The Hon. JOHN DELLA BOSCA:** If you do not have the raw numbers it is pretty hard to calculate percentages.

**The Hon. DAVID CLARKE:** So we have been given no figures of any type relating to fraud. We do not know whether the war on fraud is successful because we have no figures. We do not know whether the level of fraud detection is increasing or decreasing. We do not know whether expenditure on fraud detection is increasing or decreasing. We do not have any figures at all.

<5>

**The Hon. JOHN DELLA BOSCA:** It started with a concern about fraud and suddenly we have elevated it to fighting a war on fraud. We have hard wired the system to be transparent.

**The Hon. MICHAEL GALLACHER:** Where did that new term, "hard wire" come from?

**The Hon. JOHN DELLA BOSCA:** It is better than a war on fraud. I mentioned the early acceptance of liability. Independent medical assessment also prevents fraudulent claims. Now when someone makes a claim for permanent impairment the nature of their injury and the circumstances of their injury is subject to a very detailed independent assessment by an independent medical practitioner. That is another example of the way that we have fundamentally changed the system so that the parameters are no longer about fraud. It is no longer about workers and bosses running around taking videos of one another. It is about getting people back to work. It is about getting them back to work as healthy as possible, so they can return to their normal lives.

**The Hon. DAVID CLARKE:** I hope that the term "war on fraud" is not a concern and that we pursue this as a war on employer fraud and employee fraud.

**The Hon. JOHN DELLA BOSCA:** I was never in the Cadets.



**The Hon. DAVID CLARKE:** Are you aware of the Federal parliamentary committee report setting out that \$1 in every \$6—a fairly high figure—of workers compensation premiums goes to the administration of the scheme? What action has your Government taken in response to that Federal report to cut the administrative costs of WorkCover?

**The Hon. JOHN DELLA BOSCA:** What is the Federal report to which you refer?

**The Hon. DAVID CLARKE:** It is the Federal parliamentary committee report into workers compensation tabled in May/June, unless I am mistaken.

**The Hon. JOHN DELLA BOSCA:** The WorkCover Authority has responsibility to manage the WorkCover Scheme that is funded from contributions paid by insurers and self-insurers. The current value of the contributions is 4.1 per cent of premiums, or approximately 4¢ for WorkCover for every premium dollar coming out of the pool. In 2003-04, the total budget for WorkCover is \$242 million to manage the occupational health and safety injury prevention systems, manage the WorkCover Scheme itself, meet the costs of dispute resolution processes and meet the costs of claims lodged against uninsured employers and failed claims. This is an increase of approximately \$20 million over the previous year which will be applied to major initiatives, such as improved education, compliance fraud prevention, as Ms Lee Rhiannon mentioned, injury prevention such as the range of responsibilities, implementation of the company grouping provisions, review of medical bills and insurer performance contracts.

Comparisons over recent years of the administration costs across all workers compensation schemes in Australia, throughout the overall costs of administering New South Wales workers compensation scheme, compare very favourably to the national average. The significant investment by WorkCover by making workplaces safer is for the benefit of employees, their families and, indeed, for employers across New South Wales. I think the Hon. David Clarke is talking about a standard that presumably is set by a Federal parliamentary committee. My best advice is that the rate of contribution is 4.1 per cent of premiums, which I think would not be an unusually high administrative figure for a scheme as complex as our workers compensation and occupational health and safety regime.

**The Hon. DAVID CLARKE:** I understand that 3.5 per cent of the total liability goes to insurance companies. A total liability of \$7.6 billion as at 30 June last year, translates to \$266 million. Can anything be done to reduce that figure, which is what insurance companies take from the scheme?

**The Hon. JOHN DELLA BOSCA:** They are the fees for administering the claims.

**The Hon. DAVID CLARKE:** Yes, that is right. Can the 3.5 per cent be reduced?

**The Hon. JOHN DELLA BOSCA:** As I have announced on a number of occasions, the Government will produce its proposals for scheme redesign soon. There will be a series of initiatives which will aim to enhance claims management of the scheme, including initiatives that get better value for the dollars expended on the insurance component of the scheme. I am afraid the answer is basically "Watch this space". At the moment I am unable to announce a further development.

**Ms LEE RHIANNON:** I was interested to read about the Office of Best Practice Information Technology and Corporate Services. Does the shared services focus to which you refer in Budget Paper No. 3, volume 2, on page 19-3 reflect a commitment to open shared software?

**The Hon. JOHN DELLA BOSCA:** The Government has been investigating the issue of so-called open source software. I am not surprised in some ways that Ms Lee Rhiannon is interested in this matter because the whole debate is about the current monopolistic practices of major software providers. Obviously, the Government is keen to pursue options that will allow us to access effective software to do the various task that are required more economically. I suppose our principal requirement is that it be of a high integrity in terms of its capacity to do the jobs sought by the Government. The Government has not announced a particular definitive position on open source software but is exploring all of the options available to it.

**Ms LEE RHIANNON:** How much of the budget is allocated to software, and to the support and maintenance of the software?

**The Hon. JOHN DELLA BOSCA:** The total New South Wales Government budget?

**Ms LEE RHIANNON:** I admit that I am not sure of your responsibilities under the Office of Best Practice Information Technology and Corporate Services. I am interested in that division.

**The Hon. JOHN DELLA BOSCA:** That is a very good question, and one that should be answered. However, I do not have the answer. It would not be something that would, as a matter of course, fall within the brief of this portfolio.

**Ms LEE RHIANNON:** Whose portfolio is it? I have other questions that build on that question.

**The Hon. JOHN DELLA BOSCA:** The amount of money across all agencies spent on software?

**Ms LEE RHIANNON:** Yes.

**The Hon. JOHN DELLA BOSCA:** Regrettably, the answer could only be achieved by asking each portfolio its software expenditures in the current budget framework.

**Ms LEE RHIANNON:** Would you take my question on notice?

**The Hon. JOHN DELLA BOSCA:** Yes, I am happy to do that and if I can provide Ms Lee Rhiannon with a more comprehensive answer I will.

**Ms LEE RHIANNON:** Are you aware that labourers on the Western Sydney Orbital are working about 60 hours a week for which they take home about \$600 while labourers on the lowest rate working on the Cross City Tunnel for a similar number of hours take home \$1,200? What is your interpretation of that vast difference in money?

**The Hon. JOHN DELLA BOSCA:** As the Minister for Industrial Relations I can only be the regulator of industrial relations: I cannot negotiate each package for employees or set their wages.

**Ms LEE RHIANNON:** Minister, you know I am not asking you that.

**The Hon. JOHN DELLA BOSCA:** No, but I am making that very clear when I answer the question. In the way the question is couched it seems to be one of those anomalous things that might happen, but there could be other reasons outside our knowledge as to why two groups of labourers are paid quite different amounts of money.

**Ms LEE RHIANNON:** Last week the Australian Workers Union and the Construction, Forestry, Mining and Energy Union (The United Mineworkers Union likened your Government to Tony Abbott's Government and said that there was slave labour on the Western Sydney Orbital. They also said that the \$1.7 billion project is being run in ways that are not in keeping with best practice industrial relations. One of their specific concerns is that the contracting companies for the Cross City Tunnel pay the same money as a host employer whereas on the Western Sydney Orbital the contracting companies have negotiated a deal that allows them to pay labourers at a much lower rate.

**The Hon. JOHN DELLA BOSCA:** I am not surprised.

**Ms LEE RHIANNON:** I thought the Government negotiated the Western Sydney Orbital contractual agreement—I do not have the exact title—in order to avoid these problems. Do you take some responsibility?

**The Hon. JOHN DELLA BOSCA:** I think Ms Lee Rhiannon is asking questions that are probably the province of the Roads and Traffic portfolio. In regard to industrial relations, I can only answer questions about the regulation of industrial relations, about the commission and about the

current industrial laws in New South Wales. We have been in fairly robust discussions with both employers and employees in regard to the obligations of employers under labour hire arrangements, and the like, which has some implications to the question asked by Ms Lee Rhiannon. I also point out that the Western Sydney Orbital is one of those projects over which the Commonwealth Government has attempted to exercise some general control in terms of employment conditions and circumstances on that particular site. I point to the logical flaw in the argument of Ms Lee Rhiannon, that is, both those projects have components of State Government involvement. One could be accused of being overly generous on the one hand and not so generous in the other in relation to both those projects. One could draw any number of conclusions. It is really outside my responsibility to try to draw those conclusions.

**Ms LEE RHIANNON:** Do you agree that the contracting casualisation phenomenon is one of the most serious threats to working conditions in this State? As Minister for Industrial Relations what are you doing about this trend?

**The Hon. JOHN DELLA BOSCA:** Ms Lee Rhiannon has already asked me about outworkers who are at the most serious end of the spectrum in regard to what might be called vulnerable labour market problems. She has accurately pointed out that the fragmentation of full-time employment which is not a recent phenomena—it has been going on for much of the past 20 years—has presented a whole lot of new challenges for governments to have a framework that allows for decent employment contracts and employment relationships between employers and employees, particularly for a Government has committed as we are to the provisions of collective bargaining, as appropriate.

A number of the initiatives we have been taking include work in respect to labour hire arrangements. We have been working through a number of initiatives in regard to the regulation of labour hire. Currently, before the Industrial Relations Commission [IRC], as Ms Lee Rhiannon would be aware, the Labor Council has a test case about casual employment.

**Ms LEE RHIANNON:** Will you support that case before the IRC?

**The Hon. JOHN DELLA BOSCA:** Ms Lee Rhiannon knows the attitude of the Government to that case. On 5 August the Labor Council of New South Wales filed an application in the Industrial Relations Commission of New South Wales which seeks to vary our own Crown employees award, the Public Service employees skills case award, and to replace some private sector awards to require that all reasonable steps be taken to provide secure employment. Proposed clauses seek to provide permanent employment for regular casual labour hire employees after six months if there is no ongoing work, bar lesser wages and conditions for labour hire employees in relation to the award and establish a process for consultation and dispute resolution in relation to contracting employment. On 14 August a preliminary conference of all parties was held with Vice-President Walton to discuss timetabling issues. At this meeting dates were set for further conferences. The matter is unlikely to proceed before April 2004.

<6>

As a result, Parliament passed the new Public Sector Employment and Management Act 2002 in the budget session last year, and for the first time this made it clear in the Act that the usual method of employment in the public service is ongoing, as a permanent officer. The Act has three categories of employment in public service departments: ongoing as an officer, temporary or casual. Since 1997 in excess of 2,700 long-term temporary employees have been made permanent through an amendment to the previous legislation, and this ability is continued in the 2002 Act.

Casual work is justified in certain circumstances, for instance, where there are unplanned absences in critical front-line positions. In the Act casual work is defined as employment for work that is irregular and intermittent. Casual employment is only to be used where a department's workload needs to be addressed in the short term or in an urgent or emergency situation. Direct engagement of casual employees is to be preferred to the use of staff provided by labour hire firms. The Government is currently negotiating with unions for the guidelines on temporary and casual employment to support the legislation. It is expected an agreed outcome will be reached for those guidelines in the near future.

**Ms LEE RHIANNON:** Does that not sit rather awkwardly with your plans to intervene in the part-time casual case that has been brought by the Teachers Federation in the Industrial Relations Commission? Are you not planning to intervene in that case?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I would have to get some detail to reply to the member in regard to that specific case.

**Ms LEE RHIANNON:** Will you take that question on notice?

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

**Ms LEE RHIANNON:** I have real concerns, and I think it contradicts the answer you gave previously on the whole issue of casualisation. If you are opposing the case on economic grounds, does that not suggest you have a conflict of interest in your roles as Minister for Industrial Relations and Minister for Commerce?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, conflicts are things that need to be resolved on an ongoing basis. As I said to the honourable member, there are a number of aspects in regard to the Government's position on casual employment. We have made a strong case in the public sector. That is on the record. That is legislation that was in this Parliament as recently as last year. In respect to the secure employment test case, the Government is monitoring that case and has obviously discussed it with the Labor Council and other parties to the matter. I cannot really give a better answer than that. In regard to the teachers case that the honourable member asked about, I will provide the Committee with information as soon as practicable.

**Ms LEE RHIANNON:** How many staff do you have?

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

**CHAIR:** I would like to ask a general question regarding the Department of Commerce. Some members of the public have said there is some confusion about the way it has been reorganised in having an Office of Fair Trading in the Department of Commerce and also a Department of Fair Trading. How do you relate those areas to avoid any confusion in the mind of the public? If members of the public have complaints about fair trading, some may be going to the Office of Fair Trading and others may be going elsewhere.

**The Hon. JOHN DELLA BOSCA:** I think there must be some confusion. The Office of Fair Trading within the Department of Commerce is the Department of Fair Trading, or what was referred to as the Department of Fair Trading.

**CHAIR:** What does the Minister look after?

**The Hon. JOHN DELLA BOSCA:** The Minister for Fair Trading is the Minister for all of the functions in the Office of Fair Trading. She is also the Assistant Minister for Commerce.

**CHAIR:** So there is a Minister for Fair Trading and an Office of Fair Trading in your office?

**The Hon. JOHN DELLA BOSCA:** With respect, Mr Chairman, the same argument could apply to me in respect of being the Minister for Industrial Relations as well as there being an Office of Industrial Relations within the Department of Commerce. So there is a parallel situation there.

**CHAIR:** Have you experienced any confusion with the public since the new arrangement commenced?

**The Hon. JOHN DELLA BOSCA:** None that have inhibited the efficiency of the functions, no, I have not. The additional information I can provide on that is that we have kept the same brandings, contact numbers and contact officers. We find that people are able to access the kind of information they want from each of the different officers.

**CHAIR:** So the role of the Minister for Fair Trading is to deal with warnings about products and so on?

**The Hon. JOHN DELLA BOSCA:** And the Office of Fair Trading performs all of those functions, and the Minister then directly reports to the Minister for Fair Trading on those matters.

**The Hon. DAVID CLARKE:** Minister, I have a couple of questions relating to your commerce area. Many IT companies have voiced concern over the Government's tendering process in relation to IT, particularly companies that are concerned that small businesses are not getting the same level of consideration when it comes to large-scale IT. Does the Government have any plans to review the tendering process in relation to this area?

**The Hon. JOHN DELLA BOSCA:** Yes, we do.

**The Hon. DAVID CLARKE:** What do you have in mind?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, Ms McKenzie from the Department of Commerce might answer that question.

**Ms McKENZIE:** I think we have commenced that process by having a roundtable with a number of IT companies represented, and we are now about to launch into a planned series of consultations with those people to have a look at how our IT contracting arrangements can be improved.

**The Hon. DAVID CLARKE:** As part of that process, are you looking at establishing a register of IT lobbyists and consultants dealing with the Government, to ensure transparency in negotiations?

**Ms McKENZIE:** Not at this stage.

**The Hon. DAVID CLARKE:** Is that something you are prepared to take on board?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I think there is a process here where the Parliament recognises lobbyists for the purpose of identifying them. I had not considered that matter until it was raised by the member. I suppose we are prepared to take it on board and consider what veracity it might have.

**The Hon. DAVID CLARKE:** Particularly from the point of view of transparency. Finally in this area, are you able to table a list of all IT lobbyists who have been dealing with the Government, say this year for instance?

**The Hon. JOHN DELLA BOSCA:** I do not know what an IT lobbyist would be.

**The Hon. DAVID CLARKE:** A consultant, one of those who lobby for the purpose of obtaining government IT contracts. It is a pretty big area, and it is a growing area.

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I think it would be impractical to keep a list of the lobbyists. As I said, I am not sure what IT lobbyist specifically would mean. Nor am I certain that it would be practical for a government to keep a list of lobbyists. Lobbyist would mean a lot of different things. I am not sure what the member is asking.

**The Hon. DAVID CLARKE:** Those who represent IT companies that are seeking contracts from the government and government departments.

**The Hon. JOHN DELLA BOSCA:** They go through the normal contract and tendering processes.

**The Hon. MICHAEL GALLACHER:** My question is to John Voss, the Chief Financial Officer of the Department of Commerce. Recognising there was no Department of Commerce budget

for 2002-03 because the department did not exist, for 2003-04 how many media or public relations advisers are expected to be employed by the Department of Commerce?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, we would need to take that question on notice. The member wants to know the number of employees involved in media monitoring?

**The Hon. MICHAEL GALLACHER:** Public relations or media.

**The Hon. JOHN DELLA BOSCA:** Would you care to define public relations a little more precisely?

**The Hon. MICHAEL GALLACHER:** Whatever you define PR to be within the Department of Commerce.

**The Hon. JOHN DELLA BOSCA:** We will meet that challenge and come back to the Committee with an answer.

**The Hon. MICHAEL GALLACHER:** Mr Voss might be able to indicate therefore how much of the 2003-04 budget is in fact budgeted to be spent on monitoring by Rehave Australia Monitoring Services.

**The Hon. JOHN DELLA BOSCA:** I think I can probably answer that question.

**The Hon. MICHAEL GALLACHER:** We have asked Mr Voss to come along. Why not give him a go, Minister?

**The Hon. JOHN DELLA BOSCA:** The question seeks the media monitoring costs for the Department of Commerce. The Department of Commerce uses a range of media services for monitoring issues of relevance to the offices of Fair Trading, Industrial Relations, Government Procurement, Government Business, and Best Practice Information Technology and Corporate Services. It is anticipated that the Department of Commerce will be able to reduce these costs as we examine a whole-of-department media monitoring service. During the 2002-03 financial year the Office of Fair Trading spent \$126,074 on monitoring services for print and electronic media. During the same period the Office of Industrial Relations spent \$21,740 on media monitoring services. The former Department of Public Works and Services spent \$24,463.11 in the last financial year on media monitoring.

**The Hon. MICHAEL GALLACHER:** Mr Voss, could you explain why Fair Trading is spending \$126,000 when the other two agencies combined are not spending anywhere near that figure, just over \$46,000?

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, again that is a question that I am happy for Mr Voss to answer. However, I think it is really a policy question and that I should answer it. The Office of Fair Trading essentially is a public information agency. A good deal of its function, in fact its core function, is informing consumers of their rights and entitlements. So media monitoring and a media function are the core business of the Office of Fair Trading, or the former Department of Fair Trading. I also make the observation that I made when introducing my answer. That is that we are looking at ways of sharing and streamlining that information between the agencies.

**The Hon. MICHAEL GALLACHER:** At this stage is that trend continuing, and they will be three separate agencies with three separate Rehave budgets?

**The Hon. JOHN DELLA BOSCA:** We are looking at streamlining that.

**The Hon. MICHAEL GALLACHER:** Minister, you indicated to the Committee that Mr Voss could answer the question. Mr Voss, is there anything you would like to add to the Minister's answer?

**Mr VOSS:** Apart from what the Minister just said in terms of streamlining and looking at the unfolding of the new Department of Commerce, there is nothing at this stage.

**The Hon. MICHAEL GALLACHER:** Following on a similar theme in terms of budget, what is the anticipated budget for advertising for 2003-04 for the Department of Commerce—first as a combined total, and then what is the breakdown?

**The Hon. JOHN DELLA BOSCA:** If I could respond on behalf of Mr Voss. We will take that question on notice and get an answer to the Committee as soon as practicable.

**The Hon. MICHAEL GALLACHER:** Mr Voss, could you indicate what the budgeted legal fees will be for 2003-04? What is the budget for anticipated legal fees during the course of the year within the Department of Commerce? That is the starting point.

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, could I seek clarification from the honourable member? What does the member mean by "legal"? Does he mean external legal consultants?

**The Hon. MICHAEL GALLACHER:** I noticed Mr Voss was agreeing. He said yes, so he obviously knew what I meant. I am talking about the total cost of legal fees that are worked into the budget of the Department of Commerce. Once we get started, we can then open that up a little bit more.

**The Hon. JOHN DELLA BOSCA:** It is bundled into the various users. It would take a bit of time to try to disaggregate it. In fact, I am advised that we might not be able to disaggregate it, but that we could provide the global information.

**The Hon. MICHAEL GALLACHER:** So, for example, can you tell me exactly how much was spent by the Department of Fair Trading on legal fees for the year 2002-03?

**The Hon. JOHN DELLA BOSCA:** The answer is no, Mr Chairman. It is part of general operating expenditure.

**The Hon. MICHAEL GALLACHER:** The Minister has taken a number of Department of Commerce questions on notice. I was hoping that we could get some detail this evening.

**The Hon. DAVID CLARKE:** Minister, in respect of your responsibility as Minister for the Central Coast, I think you would agree that this question of the manning of the Kincumber police station has been a matter of festering concern to people on the Central Coast. It was built by the Government seven years ago, but to this day it has never been manned by police officers. Can you tell us what the Government has in mind for the Kincumber police station?

<7>

**The Hon. JOHN DELLA BOSCA:** By way of clarification, obviously, the appointment as Minister for the Central Coast involves a role as a regional champion within Cabinet. It is a role that I as Minister for Central Coast; Minister Costa, as Minister for the Hunter; Minister Campbell, as Minister for the Illawarra; and Minister Beamer, as Minister for Western Sydney carry out. But the various components of the Government's functions—Police, Transport, et cetera—are still conducted by the Ministers responsible. The Minister for Education and Training may or may not listen to the detail of any representations I make, but I am happy to take that question on notice and get an answer from my colleague the Minister for Police.

**The Hon. MICHAEL GALLACHER:** I am sure that commerce and the development of Gosford are near and dear to your heart, as they are to the hearts of some of the members who are with you. You are aware of the Spurbest development, which submitted development plans to Gosford City Council, and of the request that the plans be put on display? On several occasions the Premier suggested that he would have government officers step in to rectify the problem if council did not reach a decision to have those plans put on display. Now that Gosford City Council has failed to reach such a decision will the Government commit funds to an investigation aimed at overriding council and having these plans put on public display? The development relates to a commercial interest for the centre of Gosford, the heart of the central business district.

**The Hon. JOHN DELLA BOSCA:** I am pleased to hear the member speaking with such passion about a Central Coast issue. The first port of call is to say that Gosford City Council seems to have been divided on bipartisan lines, even across partisan lines. Even people who are members of the Liberal Party appear not to be able to make a decision about the Spurbest development. Members from the—

**The Hon. MICHAEL GALLACHER:** But they are independent members, are they not?

**The Hon. JOHN DELLA BOSCA:** Are they?

**The Hon. MICHAEL GALLACHER:** They are independent members on council. They are not elected as Liberals. However, I believe that there are endorsed Labor members on that council. We should bear in mind that distinction.

**The Hon. JOHN DELLA BOSCA:** To correct the member for the purpose of the record, there are no endorsed Labor members; members of the Labor Party are on the council. I think you will find that most of the ALP members on the council support the Spurbest application going on public display. In fact, I think they all do. As I was saying, not that it is really all that pertinent, there is divided opinion among people who might represent a persuasion that one might describe as conservative, and divided opinion among people who might represent a persuasion that one might perhaps describe as Green, for the benefit of Ms Rhiannon.

There is a lot of intense debate about this, and I think the member is aware of that because he has some personal knowledge of it. He has made it clear, as I have made it clear on a number of occasions—and as Minister for Infrastructure and Planning, the Hon. Craig Knowles, and the Minister Assisting the Minister for Infrastructure and Planning (Planning Administration), the Hon. Diane Beamer, have made it clear—that the expectation is that Gosford City Council would be in a position to take the step to put the Spurbest development on public display for public comment. There may or may not be other actions that the Minister would consider in response to representations by people like me, as well as many people in the Central Coast community.

It is important that we understand that anything we do would be in response to the Carr Government having made a very significant investment in jobs and the lifestyle of the Central Coast region, particularly with a view to ensuring that the Gosford CBD—the Gosford town centre—is as dynamic and oriented towards as much employment as possible. So far we have spent \$1 million on the redevelopment of Gosford Hospital, which obviously has health benefits. It is also a major boost to the amenity of the town centre. The Gosford railway station car park is a \$4.5 million project.

I notice that the honourable member for Gosford is present at this hearing. He received some very interesting coverage today in the local press about some of these matters. The WorkCover relocation, a \$30 million project and investment, will bring 500 quality jobs to the very centre of Gosford. The project, which the honourable member for Gosford was sceptical about, was very nearly scuttled by Gosford City Council. I think I have been able to address his scepticism because he now realises that WorkCover has made a great contribution to the Gosford town centre. It has been widely reported that the private sector is experiencing difficulties following the Government's stimulation of the local Gosford economy.

It is publicly acknowledged that council's principal environmental planning issues are very much out of date. Back in 1968 they were state-of-the-art when some very well-known figures of the Central Coast were involved in their development. Since then they have been amended on some 440 occasions. The planning instruments are very impractical. There have been very productive discussions between members and officers of Gosford City Council and both the Premier and the Minister for Infrastructure and Planning. The options are currently being considered to assist Gosford and the region to ensure that it is able to get the right balance between environmental and employment issues.

**The Hon. MICHAEL GALLACHER:** In short, the money will not be there for the investigation.



**The Hon. JOHN DELLA BOSCA:** In short, I am suggesting to the member that he should watch this space, and that there will be developments to ensure that the Gosford town centre and the prospect of jobs for the Central Coast move forward.

**The Hon. DAVID CLARKE:** You would be aware that the very busy Erina Fair police station was closed down to allow the extensive renovations to Erina Fair. Now that those renovations have been increased—it is now a large shopping complex—what are the Government's proposals to re-establish the Erina Fair police station?

**The Hon. JOHN DELLA BOSCA:** I will get an answer from the Minister for Police to the question.

**The Hon. MICHAEL GALLACHER:** I wish to ask a question on law and order.

**The Hon. JOHN DELLA BOSCA:** Law enforcement?

**The Hon. MICHAEL GALLACHER:** Law and order on the peninsula. Businesspeople and private citizens alike on the peninsula—an area that is very dear to your heart—are now afraid to leave their homes, particularly in Umina, the heartland of the Labor electorate of Peats. As the Central Coast champion of those people—

**The Hon. JOHN DELLA BOSCA:** It has a great soccer team, too.

**The Hon. MICHAEL GALLACHER:** As a champion of the Central Coast and a very senior member of his Government, what plans do you have to curb youth crime in Umina?

**The Hon. JOHN DELLA BOSCA:** I am somewhat staggered by some of the assumptions in the member's question. For a start, I am not aware of people being in fear of walking down the street in Umina or Woy Woy. I certainly have not observed that, and I think I spend a fair bit more time in both Woy Woy and Umina, and around the Woy Woy peninsula than even the member—who has a renowned capacity to get around. In relation to law enforcement, there is an overwhelming sense by the police to whom I speak that all the fundamentals of street crime in the Brisbane Waters Command, especially in the peninsula region, are favourable in terms of community amenity. Some issues need to be grappled with, and they are being dealt with both by the police and other agencies. I think they are being dealt with very effectively.

The Premier's Department has put a new officer in place management on the peninsula to examine youth services and as co-ordinator of youth activities. A number of community figures, including senior police officers, have made the observation to me that we do not place enough faith as a community—not only on the Central Coast, but generally—in our young people. I cannot speak highly enough of the young people of the Central Coast. The police indicate that consideration should be given to the fact that there are a large number of vulnerable older people on the Central Coast and there are large numbers of young people. We have a classic demographic of two extremes. People in my age group who are supposed to be supervising kids are often commuting to and from their workplaces in the city, and therefore we have a lot of unsupervised young people.

The rate of youth disaffection and crime is remarkably low. There have been remarkable achievements and improvements in schooling and education on the peninsula with the introduction of the Brisbane Water College. The police youth citizens club has been a resounding success, as have the surf clubs. I was not joking about the soccer clubs. We also have rugby league clubs. The sporting spirit of the peninsula is alive and well. Frankly, I do not think it is true that anybody is in fear of anything on the Central Coast, particularly on the peninsula. Evidence from the police overwhelmingly indicates that most of those trends are favourable.

**Ms LEE RHIANNON:** Last June your senior public servants would have received a memo from the Premier in which he used quite strong language, warning them about using consultancies. He called on them to cut back on the use of consultants unless it was not so expensive. Would you tell me about your use of consultancies and the change in habits of your senior public servants after they received the Premier's memo?

**The Hon. JOHN DELLA BOSCA:** The Department of Commerce spent \$2,286,947 on consultants during the year 2002-03. This figure comprises the use of consultants across the former Department of Public Works and Services, Industrial Relations, Fair Trading and the former Office of Information Technology. The Premier's Department circular 2000-47, "Guidelines for the Engagement and Use of Consultants", sets out the key expectations of the Government in relation to the engagement of agencies and use of consultants. The Department of Commerce follows these guidelines closely when considering the use of consultants. The department already has in place a policy on the use of consultants that which specifies that a consultant will be used only when it is not cost effective for a service to be provided within the department, when it is necessary to overcome urgent workloads, when expertise is not available within the department, and when the independent assessment of activities is required.

In 2002-03 the Office of Fair Trading spent \$1,022,894 on consultants. The increase in 2002-03 from previous years was due substantially to the continuing commitment of the office to the delivery of online customer services, which includes the online Customer Assistance System, voice recognition technology for the register of encumbered vehicles and the delivery of other electronic service initiatives. The Office of Fair Trading total for consultancies over \$30,000 was \$754,299. The Office of Fair Trading also incurred expenditure for 15 consultancies for values under \$30,000, totalling \$268,595. The Office of Industrial Relations reports total expenditure of \$24,600, involving a single request for advice concerning the Office of Industrial Relation's "Behind the Label" initiative. This request for advice involved the provision by Sydney university lecturers Dr Pamela Cawthorne and Ms Christina Ho of a statistical profile of outworkers in Sydney and whether clothing outworkers are from established or emerging communities.

The research was used by the Office of Industrial Relations to inform the design and delivery of community-based programs to assist outworkers to access information, training and other opportunities. The Office of Best Practice Information Technology and Corporate Services, formerly the Office of Information Technology spent a total of \$639,453 on consultants during the last financial year. This comprised \$335,197 on engagements over \$30,000 and \$304,256 on those under \$30,000. The Offices of Government Procurement and Government Business engage a range of consultants to provide specialist advice to management, including strategic planning and review of the operations and structure of the office. Consultants have been engaged principally to deal with strategic planning and other professional management services in the areas of computing, finance, telecommunications and management reviews. The cost of consultants for 2003-04 year is expected to be \$1 million compared to an estimated cost of \$0.6 million in 2003-03 due to the reallocation of resources due to the information of the Department of Commerce.

**Ms LEE RHIANNON:** I think you would agree that election campaigning starts long before the writs are actually issued.

**The Hon. JOHN DELLA BOSCA:** That is what Pauline Hanson found out.

**Ms LEE RHIANNON:** Could you inform the Committee how you determine which of your activities are paid for out of public money and which activities are paid for by your party? When the writs were issued this year on 28 February did this division change with less public money being spent on your political activities?

<8>

**The Hon. JOHN DELLA BOSCA:** Is the member asking me about my personal activities?

**Ms LEE RHIANNON:** Yes. You have a working week, and before 28 February I am interested in how you determined which activities you paid for as part of your ministry work and when it was paid for by the party. How did you make that decision? Did that change after 28 February?

**The Hon. JOHN DELLA BOSCA:** I can give an assurance to the member—

**Ms LEE RHIANNON:** I am not saying that anything wrong has been done. I am just asking how you decide where you draw your expenses.

**The Hon. JOHN DELLA BOSCA:** I can give an assurance to the member that I am not a split personality. However, while I am a Minister, I am also member of the Australian Labor Party and a member of this Government. I am not able to verify for her an accurate, hour-by-hour assessment of what capacity my brain is operating in at any particular time—or if it is operating at all, for that matter.

**Ms LEE RHIANNON:** My question was not about your brain; it was about your expenses. You incur expenses when you go to different functions, and coming into the election, there is an election campaign. My question is: When is it election campaigning, and when is it your work as the Minister for Industrial Relations?

**The Hon. JOHN DELLA BOSCA:** I think that question is a bit like asking how long is a piece of string. Mr Chair, I think the only answer I can give is that I do not use any ministerial resources except for ministerial purposes.

**Ms LEE RHIANNON:** With regard to your responsibility for industrial relations and as the Special Minister of State, I was wondering how closely you involve yourself with job creation in New South Wales. I have a specific question relating to National Rail and FreightCorp. I am wondering, seriously and in a general sense, how closely you look at job creation.

**The Hon. JOHN DELLA BOSCA:** I think that in a general sense the policy initiatives described as job creation tend to fall under the auspices of the Minister for State Development, and of course it is my colleague the Treasurer who carries that portfolio. Obviously every member of the Carr Government, inside and outside the Ministry—and I am sure almost all members of this Parliament as well—are very concerned about ensuring that there are adequate jobs for all of the people of New South Wales. In the general discharge of our duties we would all be concerned about jobs, employment and employment levels. I think it is built into all of our activities as Ministers.

**Ms LEE RHIANNON:** I have one further question to ask, and we will see if you are happy to answer it or whether I should take it to another Minister. I am interested in what the Government has done about the 54 jobs that Chris Corrigan let go when he purchased National Rail and FreightCorp, which is now known as Pacific National. I understand that when Corrigan purchased National Rail and FreightCorp from the Federal Government and the State Government, it was with a clear understanding that he was required to maintain job security for workers for three years.

**The Hon. JOHN DELLA BOSCA:** I am afraid, Mr Chairman, that the member will have to ask her second best friend, the Minister of Transport Services, that question. That is really his portfolio area. He would be the best person to answer that.

**Ms LEE RHIANNON:** I look forward to that.

**CHAIR:** I have some questions regarding the Kings Cross medically supervised injecting centre [MSIC]. Minister, in the July 2003 report of the MSIC evaluation committee, one of the key recommendations was that consideration should be given to the monitoring and support of the referral process to ensure that levels of referral to treatment are optimised. The implication of that part of the report was that the referral system was not working adequately. People may have been referred or told to go somewhere, but whether they physically turned up, whether they actually went through a program and whether they concluded that program, is not clear. What procedures does the Government have in place to ensure that clients who are referred to treatment actually undergo treatment?

**The Hon. JOHN DELLA BOSCA:** I think you have asked me similar questions on a number of occasions. In answering that question, and for the purpose of the record, I think I should refer to two very important points. The first is the extent to which—and this goes right back to the origin of this debate on the medically supervised injecting room trial and the way in which the facility would operate—one of the elements attracted community support and, if you like, tipped the Government over to a view that a trial should be supported. That was the idea that the centre could be provided without increasing any crime rates or negative effects—that is, the honey pot effect—and that it could increase community amenity. That, of course, is the underlying justification—and I have

talked about this on many occasions—for similar services in other jurisdictions, generally speaking outside of Australia and in Europe.

But we had always taken the view that very important reasons for supporting such a service or such a trial were that it would save lives that would otherwise be lost to overdoses and intervene in respect to potential overdoses, and form a potential gateway to treatment for users of the service—bearing in mind and understanding that the people who would be using the service would be people who would often be well and truly entrenched in injecting drug use behaviour and habits and addictions. We found that that particular point was very much upheld from the evaluation. The average age of user was 35 years and they were predominantly male. I am sorry, I am being corrected: The average age of user was 31 years who must have been using for 12 years. That person was a member of a community or group of people who were entrenched in the injecting drug using habit.

So we did have a tough expectation—a very hard expectation—that this centre might provide an opportunity to get such people referred to treatment and services, and in doing so we established a set of criteria for the evaluation. Mr Chairman, I think you will accept that the evaluators were quite a tough group of people in terms of their academic rigour, and they put in place a very complex and tough assessment of the extent to which this centre functioned as a gateway to treatment. You would have studied as closely as anybody the methodology that was reported on in the evaluation. Any fair-minded person would concede that, given that the category of people using this service often times have fairly chaotic lifestyles, it was a high expectation that they would keep a card, remember to give it to a service provider, counsellor or doctor, and then give it to a potentially busy non-government organisation, and then return that card to the service so that it would become part of the evaluator's record of outcomes. That was a very difficult and tough test.

What it showed was that, even on that very difficult test, there were successful referrals to treatment. We know that much. That is scientifically indisputable. I take this opportunity to make the comment that the staff at the medically supervised injecting service and the licensee of the service have done a fantastic job in fulfilling all the different parts of the brief—and that is irrespective of what one thinks about the philosophy behind the centre. These people have taken on a very hard brief in a very difficult set of circumstances in an attempt live up to a set of high expectations. I am among many people who think that the evaluation was as tough as it could be and that the way in which the centre subsequently performed—a large number of people going through and so on—indicates that even more lives have been saved and drug overdose deaths averted by its operation.

Of importance also is the fact that many people who have had overdoses and who may not have died but have been left in lanes, doorways, private houses or even in illegal shooting galleries in circumstances of having overdosed for long periods, would have sustained serious other harm—such as brain damage caused by a lack of oxygen. Again, intervention by centre personnel has made sure that such people are kept alive longer in as good a health position as possible. I am answering this question the long way round because it is important to get it all on the record. But as I have said before, we want to focus on the outcomes of the gateway to treatment issue. We think the evaluation as it turned out—and this is not a criticism of the evaluators—was a very harsh test, and I think that the service has actually performed better than could reasonably have been expected as a gateway to treatment.

But that remains the threshold to a new approach for dealing with this kind of drug problem. We would like to see, as would the licensees, further improvements made to the process. An extension period will be used to trial and assess new approaches to engaging drug users in treatment. For example, a special case manager will be appointed by the licensees themselves to set out to build relationships with clients and service providers in the area and to take a proactive approach to client referral and follow-up. We are taking that additional step to try to tighten up the gateway to treatment issue. We are the only jurisdiction that is attempting to provide a service that emphasises the saving the lives of drug users as well as giving them an opportunity to seek treatment. That is why I think there has been a fair bit of emphasis on that aspect, but that is not to take away from the excellent job already done by the service.

**CHAIR:** The report states that there is some doubt about how many lives were saved in any case. They are vague in their evaluation—that it could have been four per year. Are you aware of that?

**The Hon. JOHN DELLA BOSCA:** I am aware of that. Given that the evaluation component of the trial went for 18 months, that means that the evaluators are effectively saying that there are six covering the valuation period. It needs to be said, as you say, that this statistic is vague, but the vagueness can operate the other way. There is a suggestion in the evaluation that there could have been significantly more than that number—more than the six conceded by the tough evaluation—saved by the intervention of centre personnel. It has been pointed out to me, and I think publicly pointed out on a number of occasions by Dr Van Beek and by Reverend Herbert, that the centre now has a much higher weekly—and therefore monthly—throughput, and that those interventions probably mean that the number of lives saved per year is much higher than the six estimated over the 18-month evaluation. I think that is a fair summation of the situation. It is probably accurate to say after the evaluation that the increasing number of people using the service means that more lives are saved by those interventions.

**CHAIR:** In conclusion, I mention one of the other concerns—and obviously all evaluations are been based on this—and that is data material. The report states that they discovered 339 errors in the program's "relational data management system". It is very important that the Government ensures the future accuracy of the data management system—the subsequent accuracy and any other further analysis of the injecting room.

**The Hon. JOHN DELLA BOSCA:** Mr Chairman, I might take a comprehensive answer to that on notice. I would make the observation, however, that whenever you undertake something new, regardless of one's view of the centre—and you and I have different views about the utility of this service and its potential contribution—it is a fair point to make that there will always be issues about the way in which data is collected and the way in which systems are put in place. I will come back to you with a detailed response, but I just make that general observation.

**CHAIR:** I thank the Minister and his staff for their attendance. That brings us to the conclusion of our allocated time. No documents were tabled during this hearing. The framework for the return of answers to questions taken on notice at the hearing has been resolved by the Committee to be 35 days from the initial hearing, starting from when the questions are sent by the Clerk to the Minister. Are you happy with that?

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

**CHAIR:** I am sorry that we did not get to the Motor Accidents Authority.

**The Hon. JOHN DELLA BOSCA:** The officers of that authority are not worried.

**CHAIR:** I was going to ask you questions about P plates and L plates, among other things. I might put those and other questions to you on notice.

**The Committee proceeded to deliberate.**