

GENERAL PURPOSE STANDING COMMITTEE No. 1

Thursday 15 September 2005

Examination of proposed expenditure for the portfolio areas

SPECIAL MINISTER OF STATE, COMMERCE, INDUSTRIAL RELATIONS

The Committee met at 8.00 p.m.

MEMBERS

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

The Hon. M. J. Gallacher
The Hon. E. M. Obeid
The Hon. P. T. Primrose

Ms L. Rhiannon
The Hon. J. F. Ryan
The Hon. I. W. West

PRESENT

The Hon. John Della Bosca, *Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, Assistant Treasurer, and Vice-President of the Executive Council*

Department of Commerce

Mr M. Coutts-Trotter, *Director-General*

Ms P. Manser, *Deputy Director-General*

Mr A. Hunter, *Chief Financial Officer*

WorkCover NSW

Mr J. Blackwell, *Chief Executive Officer*

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

Motor Accidents Authority

Mr D. Bowen, *General Manager*

CHAIR: I declare this meeting open to the public. I welcome you to the first public hearing of General Purpose Standing Committee No. 1. I thank the Hon. John Della Bosca, MLC, and departmental officers for attending this evening. At this meeting the Committee will examine the proposed expenditure for the portfolio areas of Special Minister of State, Commerce and Industrial Relations.

Before questions commence I must deal with some procedural matters. I point out that in accordance with the Legislative Council 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 filming or photographs. In reporting the proceedings of this Committee you must take responsibility for what you publish and what interpretation you place on anything that is said before the Committee. There is no provision for Ministers or members to refer directly to their staff while at the table. Members and staff are advised that any messages should be delivered through the attendant on duty or the Committee Clerks. We have decided on a procedure and on the timing of questions but I will not go through those details now. I declare the proposed expenditure open for examination. Minister, do you wish to start with a general statement?

The Hon. JOHN DELLA BOSCA: No, I am happy to go straight to questions if that pleases the Committee.

CHAIR: Are there any questions from the Government?

The Hon. PETER PRIMROSE: No, not at this stage.

CHAIR: Are there any questions from the Opposition?

The Hon. JOHN RYAN: First, I have some questions about the government radio network, which I understand is administered in part by the Department of Commerce. How often is the government radio network off line during a year and which government agencies rely on that network as their primary source of communications? What backup do they have when the service goes off line?

Mr COUTTS-TROTTER: I will have to take the first question on notice. I simply do not know what the performance measures for the network are. The network is used by all emergency services other than the police, from my recollection. It is used by rail agencies as well. I will need to get more information to determine what backup arrangements there are.

The Hon. JOHN RYAN: Is it true that officers from various agencies have been forced to use multiple radios and their mobile telephones as a source of communication when the network is off line or when they are outside the digital footprint of the radio network?

Mr COUTTS-TROTTER: I am not sure. I do know that there is a trial going on at the moment in Armidale. The network has a pretty big footprint around the State but it does not cover every area of the State. The purpose of the trial is to determine the best way to extend communications coverage beyond the footprint of the network. One way is to extend the network itself. Another way is to look to match it with other technologies, such as Telstra's mobile telephone network or other technologies. I think at the moment it actually does work as a bit of a patchwork of technologies working in together and is designed for that. But, once again, as to the specifics of your question, I will need to take them on notice and respond to you.

The Hon. JOHN RYAN: Is the network being upgraded to a digital network? In upgrading it to a digital network, has any attempt been made to improve the footprint of the network and address some of the issues and limitations that are part of the current system?

Mr COUTTS-TROTTER: A significant amount of money is being spent to upgrade the network to digital capacity, which does a number of things, including enabling a much greater level of encryption—security protection. I think the network is, from memory, seven or eight years old so, inevitably, as it is extended it is improved. I have a bit of information to hand now on the digitisation of the network. There are four major components: establishing a disaster recovery site to back up the primary network operations centre, replacing 17,000 analog vehicle-mounted and handheld radios

with digital units, upgrading the telecommunications links that connect the remote radio sites to the network central switches, and upgrading the central switching software for digital operation. The works program for the coming year includes the establishment of eight new sites to expand coverage in the Shoalhaven around Yass and along the Monaro Highway.

The Hon. JOHN RYAN: Did the Department of Commerce write any specifications for this upgrade?

Mr COUTTS-TROTTER: This is very much a co-operative and collegiate venture. The network is our asset in an accounting sense; you see its expenses running through our books. But in an operational sense it is very much owned by the agencies that use it. So there is intense consultation about its design and upgrade and it is done to meet the needs of the agencies that use it. We are simply a steward of the network, if you like.

The Hon. JOHN RYAN: While other agencies use the network, where does the line in terms of your stewardship begin and end as far as those other agencies are concerned? I take it that you would be entirely responsible for any upgrade to the system, would you not?

Mr COUTTS-TROTTER: We fund it. It is undertaken by parties on behalf of the Government. I think Telstra and Motorola are the providers as well as, I would imagine, other specialist providers from time to time. So the asset is owned by us but it is operated out of a network operations centre that, as I understand it, is staffed not by us but by agency staff.

The Hon. JOHN RYAN: Does the Ambulance Service of New South Wales use it?

Mr COUTTS-TROTTER: Yes.

The Hon. JOHN RYAN: Why does it not meet the specifications of NSW Police and why was consideration not given to making it work for the police when the network was being upgraded to digital?

Mr COUTTS-TROTTER: This is a matter of bureaucratic history. It is a long-running issue. From recollection, that was a decision taken at least a decade ago. I think the police at that time were naturally concerned that they did not want to compromise the quality of the network they had and this was a new proposal. They have linked their system to it, so they are interoperable but they are separate from it. To be honest, I do not know whether there are plans to incorporate or not, but the system works at present between the government radio network and the police network pretty effectively.

The Hon. JOHN RYAN: So the police are able to communicate with all those agencies in the event of an emergency?

Mr COUTTS-TROTTER: Yes.

The Hon. JOHN RYAN: I have some questions about open source technology and the department's procurement policy in relation to that. Minister, can you confirm the Government's official position on the procurement and use of open source technology, given that an official from the Department of Commerce was quoted recently in the media as saying that he was wearing his metaphorical red hat and that there were no downsides to the use of open source technology?

The Hon. JOHN DELLA BOSCA: I am not aware of the particular comments to which you refer. I think it is important to understand that the Government's general position in relation to open source software is that we believe in a level playing field approach. There is clearly a series of possible situations where open source code and open source practice may well be preferable for agencies over proprietary arrangements. The Government does not take an ideological view as to whether it is better for government or government services to be delivered by agencies using either proprietary or open source software. Until recently, it was very difficult for any agencies to be able to use open source code. By creating a separate panel that agencies can utilise to go into the market to identify open source providers and functions or situations where open source might be applicable, I

think we have created a level playing field where people looking diligently to provide the best-value service for the application they are seeking have the open source option.

The Hon. JOHN RYAN: Who is Cameron Parle in the Department of Commerce?

The Hon. JOHN DELLA BOSCA: I have no idea. Mr Coutts-Trotter might know.

Mr COUTTS-TROTTER: The name is familiar. I think he works for the Government Chief Information Office, but I would need to confirm that.

The Hon. JOHN RYAN: Does he have something to do with this 11-member vendor panel open source?

Mr COUTTS-TROTTER: He may. I am sorry, I cannot confirm that.

The Hon. JOHN RYAN: The article to which I am referring states:

A New South Wales (NSW) government procurement official has publicly endorsed Linux, telling agencies the open source operating system has "no downsides".

In an address to delegates at a NSW Department of Commerce exhibition on Wednesday—

this is dated 7 September 2005—

official Cameron Parle touted the benefits of open-source to state departments and agencies, at one stage referring to wearing his own metaphorical "red hat", a reference to the Linux vendor of the same name.

"There's no doubt you can deploy Linux in any situation, it's truly robust and flexible," he said.

"It has the potential to save huge sums of money.

"You get it all with Linux, there's no downsides."

I am concerned that a government official making such comments does not seem to suggest that he is adhering to Government policy of not having a particular preference for proprietary software or open source.

The Hon. JOHN DELLA BOSCA: I can only answer that by repeating the Government's position that I have made very clear. I am sure I have spoken on this more often and with more authority than Mr Parle. I am not sure of the source from which you are quoting but I think perhaps in reference to the quotes you made, he may well be referring to his de Bono red hat rather than the proprietary name of Linux provider, in which case he would be quite accurate in using that description. The Government's position is absolutely clear. I would say—and I do not know in what context he is quoted, and also there is always a risk in associating a person's own views with the way they are reported by any media outlet—it is not beyond the scope of the Government's overall policy for a public servant to outline the advantages of a particular approach. I do not think it is necessarily something that I would want to seek to inquire into much further, but if you insist that we find out the circumstances of his comments, and what he meant by them, we are happy to do that.

Mr COUTTS-TROTTER: Indeed.

The Hon. JOHN RYAN: I would like some reference. My concern is those comments do not exactly sound like they reflect government policy. They were drawn to my attention by people who thought that they might not either, and it is important to work out whether this person holds a position in which he might be able to make that policy a de facto policy of the Department of Commerce on his own.

CHAIR: Would you take that question on notice and send a written reply?

Mr COUTTS-TROTTER: Yes.

CHAIR: In relation to the sale of Q Stores, State Mail and the Government Printing Service, will the Minister outline how the revenue from the sale of those businesses has been spent?

The Hon. JOHN DELLA BOSCA: Q Stores being sold, or any asset being sold, in a normal accounting sense, does not provide revenue, but I think I understand the general nature of your question.

Mr COUTTS-TROTTER: The profit on sale, although this is not an audited figure, is broadly \$13 million. We received a nice letter from Treasury this week asking us for the money, and we will provide it.

CHAIR: As a result of the implementation of the Behind the Label Program the Government has introduced the Ethical Clothing Trades Extended Responsibility Scheme. Will the Minister outline what funding has been allocated to the implementation of that scheme?

The Hon. JOHN DELLA BOSCA: There has been significant funding put behind the Behind the Label Program. The Chair is referring to the year going forward?

CHAIR: Yes.

The Hon. JOHN DELLA BOSCA: There are a number of issues in relation to that. We believe that the Behind the Label campaign has significantly changed the culture in the clothing industry. The introduction of what has now effectively become a compulsory code of practice in the industry has changed practice. A number of regulatory issues are still being pursued by the Government, but I think the most important area of concern, to which I take it your question refers, is the education component of that program. We are quite satisfied that we made the right call in mainstreaming that part of the program into the TAFE system. We think that the essential elements of the Ethical Clothing Trades campaign were to provide clothing trades or clothing outworkers whose remuneration was so low and the marketplace was so vulnerable that they were better off, if you like, going through a training program and taking up alternative employment within the clothing industry or developing alternative skill sets. That part of the strategy which was the subject of a separate vote has now been mainstreamed into the TAFE system.

CHAIR: In relation to the Smart Buy On-line Procurement system, will the Minister outline what savings have been made since the Smart Buyers' system was introduced? It is an expensive system. What savings have been made? What has been done to increase the number of suppliers using that service?

Mr COUTTS-TROTTER: The budget for smart buying is \$55 million over five years, and we are a couple of years into it. There are now 59 user agencies on the system and I would have to check for you the number of suppliers. It includes agencies such as Railcorp, Health and Attorney-General's. It might be worth dwelling briefly on why it can deliver savings. The reason it can deliver savings is because an average purchasing process is a 14-step process that, on an average transaction, will cost \$100. Smart Buy allows one to turn that into a 10-step process, most of it automated, and reduce the cost of the transaction to \$30. The potential is there, as the volume of expenditure running through it mounts, to achieve savings.

CHAIR: Can you quantify the savings?

Mr COUTTS-TROTTER: We are working very hard to do just that. I will take that question on notice. The cost of the system this year is \$13 million. Estimates are that the savings from the system are by that means and by the fact that expenditure within agencies is directed to pre-established government contracts. So in an agency someone might pick up the phone to buy a pen, and buy it from somebody other than the government supplier they are contracted to us. Smart Buy prevents that happening, and channels the expenditure to contracted suppliers. So that is the other source of savings. The business plan for it this year is predicated on the cost of the system being more than met by savings, so \$13 million at least. But we would be more than happy to provide you with a detailed written response, and report on it at the end of the year.

Ms LEE RHIANNON: I do not have any questions on commerce.

CHAIR: Do members of the Government have any questions?

The Hon. PETER PRIMROSE: Not at this stage.

Ms LEE RHIANNON: How many displaced public servants does the Department of Commerce have?

Mr COUTTS-TROTTER: There are 87 displaced public servants, 79 of whom are either seconded to jobs within our agency or jobs elsewhere in the public sector—sorry, 76. I think there are three—I will have to check that—or a handful who are on leave without pay, leaving eight people who are in a Career Transition Program, which is our efforts to work very hard with people to retrain them either outside the agency or elsewhere. Without being specific, I should also say that a number of the people, of those eight, have medical conditions that are currently being assessed that, in our view, prevent them from working. We have a full-time equivalent work force of 3,245. Eight people are in the Career Transition Program.

The Hon. JOHN RYAN: The 87 displaced have they been reported to the Redeployment and Relocation Services Unit and the Premier's Department?

Mr COUTTS-TROTTER: Yes, we report every displaced staff member we have.

The Hon. JOHN RYAN: Does that only include the people who have self-nominated or other people who have not?

Mr COUTTS-TROTTER: No, that is everybody who is displaced within our agency.

The Hon. JOHN RYAN: How many are self-nominated and how many are not?

Mr COUTTS-TROTTER: I do not know. To put it in context, within the past year about 530 people have left the department, and in the past two years, nearly 750, so there has been an extraordinary turnover of staff. So while our aim would be to have no displaced people not in permanent work, the reality is, in the context of that sort of change, it takes time to place people. As I say, of the 87, 8 are not in secondments or on leave without pay.

CHAIR: Does your department conduct exit interviews with the 700 that have left?

Mr COUTTS-TROTTER: Sporadically, and I think we could do more of it to find out the obvious: what they thought about working for the public sector and specifically our agency. It has been done with certain work forces from time to time, but it needs to be done more consistently.

The Hon. JOHN RYAN: Can you supply this Committee with the number of both nominated and non self-nominated displaced staff, and specify those two numbers separately?

Mr COUTTS-TROTTER: Yes.

The Hon. JOHN RYAN: If I could return briefly to the question on open source software. Does the Government have a long-term strategy on its use of open source technology that accommodates the fact that from time to time the fundamental coding of open source software can change? What is the Government spending on training staff to cope with those changes and accommodating those changes with patches and so forth, to ensure the software it has now continues to operate when, apparently, that free operating system can change?

The Hon. JOHN DELLA BOSCA: I think, in answer to at least part of your question, the proprietary systems change as well; in fact, they change very frequently.

The Hon. JOHN RYAN: But you do not actually have to accommodate the change itself. You just buy it in.

The Hon. JOHN DELLA BOSCA: But someone needs to know how to patch them. To put at its simplest, I could answer at the policy level. If you want more detail, we can supply that. But our overall approach, not only to this whole area of information technology internal to the public sector

but also to the overall approach to the whole-of-government initiatives that the Department of Commerce runs across government services, is to raise the competency of, generally, the people within agencies. So, inherent in our approach to procurement is ensuring that the people within agencies have the ability to make their own assessments and utilise either the equipment or, in this case, information technology. So, implied in all the things we are doing is an increase in the capacity and skill of the public servants using the technology. And, where relevant, of course there are certain features of open source technology where people do take up options on open source that we would need to be able to assist those agencies that to develop the competencies that they require.

The Hon. JOHN RYAN: I might ask about the online business licensing project. To date, how much has the Government's new online licensing system cost? How does that figure compare with the original estimate for the project at this stage?

Mr COUTTS-TROTTER: There is the government licensing project, which is the major project, and a component of that is the online licensing project. The online licensing project, from memory, is about \$2 million or \$3 million. The major project has a budget of \$49.5 million.

The Hon. JOHN RYAN: I think I am referring to the larger project.

Mr COUTTS-TROTTER: It is \$49.5 million. I would need to confirm exactly how much has been spent to date. We are within budget. There is \$49.5 million for the development and implementation of the project within the first four agencies, and there is a further \$14 million agency implementation fund, which will fund further implementations over the next few years.

The Hon. JOHN RYAN: How many government agencies currently use the online system? Will the project be completed in 2008, as was planned?

Mr COUTTS-TROTTER: The On-line Licensing Renewals System [OLRS]— the smaller \$2 million or \$3 million component has been in place with the Office of Fair Trading for, I think, 18 months. It is used to provide online renewals of a range of business names and business licences, and it accounts for about 30 per cent of all renewals at this stage. The major system is due to be accepted by the Government in the next week or so, and the major system is an adaptation of a software called Siebel, which is a customer relationship management software, which has been adapted to support all of the business processes that are common to most forms of licensing. That is one element of it. Another element, which is in place already, is a link between this system and the RTA's Drives database, which holds digitised drivers licence images. And the third element is the online component, which allows people in their homes or in their offices to get online and use the system. That is due for acceptance by the Government next week. The first licence to be implemented on that will be the Valuer's licence in the Office of Fair Trading, and that is due to be implemented within the agency on 7 November. Then there are, I think, 16 other licence types to be implemented over the coming 12 months.

Is it on track for 2008? It has been delayed by about nine months—in part, because the photo licensing component was to have been put in place later, but concerns raised during ICAC investigations into the integrity of a number of occupational licences caused the steering committee to determine to put that in place earlier. So there has been a delay. We are hoping to catch up the time. But, as I say, the major system is being accepted next week. Fair Trading, in part, is using it already, and Fair Trading is the first agency to continue to implement licences on it.

The Hon. JOHN RYAN: So, at the moment, there are no other agencies other than Fair Trading using it?

Mr COUTTS-TROTTER: That is right.

The Hon. JOHN RYAN: The Valuer is due to use it from next week?

Mr COUTTS-TROTTER: Yes.

The Hon. JOHN RYAN: And you expect 16 others in the next 12 months to be using it?

Mr COUTTS-TROTTER: I would need to check that figure for you, but it is about a dozen licences over the next year.

The Hon. JOHN RYAN: What agencies will they be?

Mr COUTTS-TROTTER: The Office of Fair Trading, the Department of Gaming and Racing, the Department of Environment and Conservation, and WorkCover.

The Hon. JOHN RYAN: You said earlier, when I asked a question about how much the system has cost to date, that you were on budget.

Mr COUTTS-TROTTER: Yes, we are.

The Hon. JOHN RYAN: Could I press you and ask how much it has actually cost you to date, instead of leaving it at saying that you are on budget.

Mr COUTTS-TROTTER: I am sorry. What I said was that I would be guessing at an exact figure, so I would rather take that on notice and provide it to you.

The Hon. JOHN RYAN: You will provide that on notice?

Mr COUTTS-TROTTER: Yes.

The Hon. JOHN RYAN: How many agencies do you expect to use the system once it is finished?

Mr COUTTS-TROTTER: When the project was initiated, there were 19 agencies within its scope. I forget the number of different licences, but certainly it will replace 40 existing licensing system technologies. So that is its advantage. Instead of having to replace 40 different computer systems in 19 different agencies, you do it once and you put all the licences onto it.

The Hon. JOHN RYAN: Can you supply the Committee with a full list of what was intended?

Mr COUTTS-TROTTER: Yes.

The Hon. JOHN RYAN: How many non-government consultants are currently employed working on this project, and what is the cost of employing those?

Mr COUTTS-TROTTER: This is a project being jointly delivered by a team of staff within Commerce. I think there are 40 people in that team. Our private sector partner is Accenture, and I do not know how many people Accenture has on the project. I would need to check the value of Accenture's contract.

The Hon. JOHN RYAN: Is there some reason why the project's web site appears to have been updated only as recently as about 2002 or 2003? I was looking at the web site, and it simply stopped at 2002.

Mr COUTTS-TROTTER: We will attend to that.

CHAIR: Minister, can I ask you a question about the management of the State motor vehicle fleet? It is costing \$121 million to provide good running of the State's motor vehicle fleet. Have you taken into account sufficient reserve for the rapidly rising cost of fuel?

The Hon. JOHN DELLA BOSCA: I will ask Mr Coutts-Trotter to respond as it is essentially a procurement question.

Mr COUTTS-TROTTER: You probably know the background to it. The arrangement used to be that the Government's motor vehicle fleet was provided under a lease. It was actually owned by Macquarie Bank and leased to the Government. I think it is 23,000 or 24,000 vehicles. From 1 July

2003 Macquarie Bank no longer wanted to continue that arrangement, and the Government began buying tranches of vehicles. They would turn over every few years, and as they turn over we replace leased vehicles with purchased vehicles. State Fleet buys the vehicle and then at the end of the period of use sells it. The lease cost to agencies of using it is calculated on the cost of purchasing the vehicle and its resale value, and the loss there, together with estimates of running costs. These costs are provided a year in advance.

What happens during the course of the contract is that, if estimates about the resale value of vehicles prove to be wrong—either too high or too low—the next year's leasing arrangements are adjusted to account for that cost. The same thing would happen with fuel. The Government has a very good contract for the purchase of fuel. But, obviously, it, along with the cost of fuel everywhere, is rising—although I think we are still enjoying a 5 to 7 per cent discount compared with other large users. Those costs will have to be picked up in the next round of lease fees within State Fleet. Most of the costs you see here are, if you like, the depreciation costs of the vehicles.

CHAIR: I notice that you provide expert technical advice to agencies and the community.

Mr COUTTS-TROTTER: Yes.

CHAIR: I wondered why \$21 million is being spent on providing advice on water management, when I would expect this to be covered by the Department of Energy, Utilities and Sustainability.

Mr COUTTS-TROTTER: That relates to a business called Sustainable Water Solutions. If you will forgive a little bit of boasting, I will boast about them and say they are a collection of world-class water experts. Their expertise is in the design and construction of water recycling systems, in the design and construction of dams, and in the monitoring of all water sources, and that is a service we provide to Sydney Water, that we provide to the Department of Infrastructure, Planning and Natural Resources, or the Department of Planning. That is on the expenses of the business. The business has income that more than meets the expenses. But we are, proudly, home to some international experts on water recycling.

CHAIR: A final question from me concerning Pillar Administration. What percentages of Pillar Administration's dividends are reinvested in the company, and what percentages are taken out by the Government for other purposes?

The Hon. JOHN DELLA BOSCA: I would like to take that question on notice. I think I know the answer, but I would feel much more comfortable taking the question on notice.

CHAIR: All right. Thank you.

The Hon. JOHN RYAN: Could I ask about the broadband network? How much has it cost so far to build the Government's broadband network, including legal fees, consultancy fees and other costs?

The Hon. JOHN DELLA BOSCA: I would like to do some boasting about the broadband network before I address the essential point of the question. Broadband technology has provided the New South Wales Government with the ability to do some very significant work for regional New South Wales. This is part of what we have done to overcome the difficulties imposed by the size of our State and some of the inadequacies of telecommunication investment across the State. Given those points, the New South Wales Government has chosen to adopt as a requirement for broadband services a multi-agency approach to the purchase of broadband telecommunications. That model has included the use of our State-owned infrastructure—for example, the use of optic fibre already deployed over the high voltage electricity transmission networks owned by TransGrid.

As part of this approach, we asked industry to bid for the supply of broadband solutions to the New South Wales Government. On 1 February 2005, an extensive tender process identified Soul Pattinson Telecommunications Pty Ltd, and I announced it as the successful supplier of the core network for module A of that tender for the Government Broadband Service. There are five foundation agencies in the network—the Department of Commerce, the Department of Education and

Training, NSW Health, NSW Police and the Attorney General's Department. As can be seen, those are agencies which, by nature of their service provision, do most transfer of information across distances, and have the largest volume requirements.

The overall minimum commitment on this project from the New South Wales Government was \$10.3 million over five years, which will be funded from the agencies' existing budgets, and which otherwise would have been used perhaps less effectively and less efficiently on the broadband information-type initiatives. However, the agencies are likely to use significantly more bandwidth than the contract as a minimum. The Government broadband services four key components, as I have described: first, a core network to provide broadband services to 24 separate population centres in regional New South Wales using optical fibre and micro infrastructure; second, a series of network access points in the population centres and in Sydney to provide interconnection points to a competitive range of suppliers, including local access services to other government sites; and, third, Internet access services with a high-capacity, high-speed access to the Internet at reduced cost to the Government. Finally, the integrated management services will enable agencies to integrate management of data services on an end-to-end basis to some, or all, the sites around the State.

Potentially this service will reach more than 2,000 sites. Obviously the Department of Commerce will be the continuing co-ordination agency for this important project. A telecommunications unit has been established with a budget of \$975,000 per annum, and will enable the Government to accelerate activities such as on-line learning, and advanced health services such as electronic patient records and telemedicine initiatives. The new broadband service will also help the Government improve services to people living in regional and rural New South Wales, such as specialist teaching in remote schools, expert medical advice in regional hospitals, distribution of complex real-time information for emergency purposes including emergency service purposes, and crises such as bushfires and the like, videoconferencing of court and other proceedings, and the sharing of geospatial data for the integrated planning and conservation work between local government agencies and other applicable points.

SPT, as I said earlier, is currently providing that core network. It has established the location of all the network access points across regional New South Wales. The core network is expected to be available in the next two months. The final two parts to the Government's broadband service project is presently being completed to best and final offers stage. Those two stages are in module B, the local access services, and module C, the Internet services. Final negotiations are being undertaken and contracts are expected to be in place by the end of September.

The Hon. JOHN RYAN: When I was asking what the total cost had been to date the only thing you mentioned was \$10 million. Am I right?

The Hon. JOHN DELLA BOSCA: Yes.

The Hon. JOHN RYAN: Why does all the press reporting refer to figures such as \$300 million, \$400 million and so on?

Mr COUTTS-TROTTER: Probably that relates to the total expenditure through the system. Savings we have obtained from this arrangement are savings of about \$10 million a year, but I point out the basis of the assumptions behind those savings. The savings assume that prices will fall by 40 per cent over the next four years. In other words, we have not taken telecommunications prices today; we have said, "Let us assume that there is a big price fall in the market and then let us use this arrangement to see what prices we can get compared to that assumption." The prices we have returned yield savings of \$10 million a year after all the costs of setting it up within Commerce and anywhere else.

The Hon. JOHN RYAN: What has been the cost to date of setting this up?

Mr COUTTS-TROTTER: I do not know.

The Hon. JOHN RYAN: Does the Government know?

Mr COUTTS-TROTTER: There will be an accounting for it, of course. We can find out.

The Hon. JOHN RYAN: But do you know?

Mr COUTTS-TROTTER: No, I do not. I do not have the figure to hand.

The Hon. JOHN RYAN: When were the savings calculated?

Mr COUTTS-TROTTER: The savings were most recently calculated in December last year when the proposal was put before the Government, and it was approved by the Government. But there is a capacity within the arrangements to check the assumptions, in other words to go back to the market after two years and thereafter every year so that if our assessment of what was going to happen to telecommunications prices—40 per cent fall—prove wrong and lower prices were available in the market we have the capacity to leave the supplier and go and get prices elsewhere. I think it is a very good arrangement.

The Hon. JOHN RYAN: Is the network still relevant, given that broadband prices have decreased since the policy was developed in 2002?

Mr COUTTS-TROTTER: Yes. As I say, the decision finally to commit to it was taken only in December last year against a very conservative assessment of what would happen to prices.

The Hon. JOHN RYAN: Is the roll-out of the network and the use of the network proceeding according to your original plan, given that there have been references in the media of the project being delayed in part? Are you still on track in terms of the timing?

Mr COUTTS-TROTTER: Yes, it is still on track and the aim is to have the network up and running in a couple of months time.

The Hon. JOHN RYAN: Who is using it now?

Mr COUTTS-TROTTER: Nobody is using it yet. It is still being constructed by SPT and its suppliers.

The Hon. JOHN RYAN: When will it start being used?

Mr COUTTS-TROTTER: It will start being used, I am told, in a couple of sites in the next few weeks, but as a whole, in a couple of months time.

The Hon. JOHN DELLA BOSCA: I am not sure whether the honourable member might have something confused in terms of press reporting. Savings to the Government of the broadband network are approximately \$10.3 million, that is, savings to those agencies based on a very conservative view of the prices they would otherwise have paid in the market. The second thing is that in order to fulfil the contract SPT is required to build \$43 million worth of infrastructure, which is why this is such a good project and why it is such a valuable contribution to regional New South Wales. That infrastructure will then be leveraged into the private sector. SPT providing that infrastructure for the New South Wales Government, obviously getting a cash stream out of the service provision it is making to the various government agencies, will then be able to leverage that to local businesses and the like. That probably gets to the other figure, which is not the figure that I have claimed—a substantially larger amount. You could value the overall economic effect of putting forward this network by several decades beyond where it might have otherwise been had we relied on the current situation.

Mr COUTTS-TROTTER: It is bringing broadband capacity into 24 regional towns, including Orange, Dubbo, Grafton, Coffs Harbour and Wagga Wagga. It is quite an extensive work of infrastructure building as well.

The Hon. JOHN RYAN: Is the network duplicating any existing private sector broadband networks, and if it is not can you explain where it is not duplicating?

Mr COUTTS-TROTTER: It is bringing competition to Telstra in some of those centres for the first time.

The Hon. JOHN RYAN: But where is it duplicating it?

The Hon. JOHN DELLA BOSCA: Duplicating and competition—I am not sure whether you can draw a distinction between those. The Leader of the Opposition may or may not be able to confirm this, but until a few weeks ago he would have had to pay a large amount of money to have access to broadband on the Central Coast, where he lives. Surely that will no longer be a problem for him. I am one of the Government's constituents on the Central Coast. Very shortly a private firm called Cirrus will leverage the infrastructure that SPT has built and the New South Wales Government will be able to connect Mr Gallacher and hundreds of other people who live in more isolated parts of the Central Coast to broadband.

The Hon. JOHN RYAN: Is the Government going to become a broadband network competing service?

The Hon. JOHN DELLA BOSCA: No, we are an intelligent purchaser of broadband services, which is why we have asked the market to deliver advanced infrastructure for us, which SPT has done. So far it is delivering data and we are quite satisfied that it is being delivered on time. It will deliver the savings we require. We know that because we know what prices we will have to pay for it. We will not own a data network: SPT will own it and operate it. We will simply purchase services from it. The fact that SPT has us as a customer in regional areas means that it will then be able to leverage that infrastructure into the private sector and give private sector businesses—small, medium and large—households, universities and schools in regional New South Wales access to broadband that they otherwise would not have had.

The Hon. JOHN RYAN: Could you give the Committee details of the numbers of people that the Department of Commerce has employed to manage the network?

Mr COUTTS-TROTTER: From memory it is about six, but I will confirm that figure for you.

The Hon. JOHN RYAN: How many payroll computer systems are operating throughout the New South Wales public sector?

The Hon. JOHN DELLA BOSCA: We would have to take that on notice.

The Hon. JOHN RYAN: It would be true that there is more than one?

Mr COUTTS-TROTTER: There are different softwares in place and there are various implementations of common softwares, indeed.

The Hon. JOHN RYAN: Is there any justification as to why the State Government has more than one? Would it not be preferable if we had one operating right across the New South Wales public sector?

The Hon. JOHN DELLA BOSCA: We have something to say at a policy level on that. Recently I accepted a recommendation from the Department of Commerce to appoint a Government Chief Information Officer. Mr Paul Edgecumbe was recruited to that post. A number of functions related to the job, but one of the principal roles is to become a peer leader for executive officers in various public sector agencies in New South Wales who require or provide substantial amounts of information. The Department of Education and Training and the Department of Health are the obvious ones, and agencies all around government services. One of the issues we have identified as a strategic challenge for government—not just our government, but all governments facing this issue—is to look at changing the way in which this kind of information technology is secured.

That would not necessarily mean us prejudicially saying, "We will have only one type of software for everybody for every purpose and that will be imposed upon every agency", but rather looking at more intelligent whole-of-government purchasing of various standardised components of

information technology or software so that we can spend much more on better services rather than what has become the back-end software, such as personnel management software, accounting software and the like. The general area to which you are taking this question is something to which we have already responded. We expect to produce some important benefits to Government over the next budget cycle.

The Hon. JOHN RYAN: How many email systems operate within the New South Wales public sector?

The Hon. JOHN DELLA BOSCA: I take that question on notice, but I answer it the same way: We are looking at providing a much more intelligent approach.

The Hon. JOHN RYAN: I understand that the United Kingdom has one for its entire government sector.

The Hon. JOHN DELLA BOSCA: In Munich they have only open-source software. People have different things all around the world.

The Hon. JOHN RYAN: Has any analysis been made of resources that are wasted in transferring officers from one system to another when departments are relocated or restructured, or when officers are transferred from one department to another?

The Hon. JOHN DELLA BOSCA: I do not think there is a document I can give you, but that is exactly the task of Mr Edgecumbe and the peer group he has established within the public sector—to look at these issues and deliver both savings and more efficient services. I am quite confident that we have those matters generally in hand. If you wanted me to attempt to make an assessment along the lines you have suggested, I would be happy to make inquiries and provide you with whatever information I can get to hand. But the policy question is that we have already very strongly embraced the issue of making sure that the dollar we spend on information technology is not spent repetitively on the same software from one agency to the next.

The Hon. JOHN RYAN: Is there any arrangement to stop agencies from procuring additional software packages until you have been able to design a method by which you can rationalise these, or is that just going to go on unabated?

Mr COUTTS-TROTTER: Mr Edgecumbe has convened a group of 19 of the Government's chief information officers representing most of its information technology purchasing, and the aim of that group is to work on precisely the sorts of policies and changes you are talking about. Obviously, agencies within that group are not going to move until they have thought it through. Quite an effort is going into Treasury and directly with agencies to ensure that people do not make decisions that they might regret.

The Hon. JOHN RYAN: Does the Department of Commerce know how many people are engaged in procurement right across the New South Wales public sector? What efforts have been made to rationalise procurement across the New South Wales government sector to ensure that procurement functions are not being unnecessarily duplicated?

The Hon. JOHN DELLA BOSCA: The answer to the last part of your question is that we are taking a series of strategic actions, some of which have already been outlined to you, to ensure that there is not unnecessary duplication. I think the first part of your question is quite important. It is important to understand that what you actually want to achieve by procurement is to cut out people whose job it is to be procurement officers, except at the higher end of that function, if you like. In other words, people are responsible to a certain extent for procuring their own basic implements of work, whether they are mobile phones, pencils, rubbers or computer software, if that is applicable. I think it is important to understand that people who might have a wide variety of functions within any agency might also have some procurement responsibility, and that is a good thing.

The Hon. JOHN RYAN: Does the Department of Commerce know how many laptops and desktop computers have been purchased by New South Wales government departments over the past 12 months and how many might be procured in the next 12 months?

Mr COUTTS-TROTTER: No, I do not have that figure to hand. We could see if we can obtain it. Bear in mind, Mr Ryan, that we have information about purchases that take place through period contracts or whole-of-government contracts, but not all agencies are required to use them. Some agencies are not required to use them. Some do use them, but not all do, so it would not be a complete picture.

The Hon. JOHN RYAN: That is exactly where the next question is going. Why do departments such as Education and Training and Police, for example, go so often to the market to procure items such as desktops and laptops instead of using purchasing procedures in order to harness the purchasing power of the whole-of-government approach to these reasonably standard items? I would not imagine that a computer in NSW Police would have to be wildly different from a computer in Education and Training or in most government organisations.

Mr COUTTS-TROTTER: We recently took advantage of the whole-of-government contract to buy some equipment from Dell and saved approximately \$4 million towards the end of last year. Police actually choose, even though it is not required to do so, to run its purchasing through the system administered by the State Contracts Control Board, so it is an agency that is doing a lot of work to aggregate its purchasing. As I have learnt, as a lay person who has come into it during the past year or so, aggregation is not necessarily the best way to get savings. For example, the Roads and Traffic Authority, when purchasing cars, was able to specify that it wanted a fixed number of white cars to be delivered in June. It could get a better price on a fixed number of white cars to be delivered in June than we can negotiate on the purchase of 10,000 vehicles because we cannot commit to definite volumes and definite delivery dates. So while it is true that aggregating expenditure in many cases does save money, it does not always save money.

The Hon. JOHN RYAN: I will ask just one final question on the Commerce portfolio to assist my colleague the Hon. Melinda Pavey, who asked the Minister for details of external leasing companies that had been contracted to provide information technology and communications equipment, and the names of the external leasing companies. The Minister's answer was published on 13 September this year:

The Government's policy in relation to the procurement of information technology and communications equipment is to purchase using capital funds, rather than to lease.

You referred her to a Treasury circular stating that there is a policy to change over, but it indicated that all departments were to provide you with details of leases that were still extant and the dates on which they would expire. Is there any reason why you could not provide the Hon. Melinda Pavey with the information she requested, which was what leasing companies were still being used within the New South Wales public sector?

Mr COUTTS-TROTTER: I will revisit that for you.

CHAIR: We will move on to the Motor Accidents Authority. Do the Government members wish to ask any questions?

The Hon. PETER PRIMROSE: Not at this stage.

CHAIR: I would like to ask a couple of questions relating to the Motor Accidents Authority. How many people last year required compensation for injuries sustained in motor vehicle accidents? Has the frequency of injuries from vehicle accidents increased or decreased over the past 10 years?

Mr BOWEN: The exact number who have made a claim in the last year has been compiled and put into our annual report. As an indication, the approximate number would be around about 13,500 to 14,000 notifications a year. That includes accident notification forms, some of which transfer to full claims, and the full claims would be around about 11,000. The frequency has been dropping over the last five years.

CHAIR: Significantly?

Mr BOWEN: Reasonably significantly. That is not a New South Wales alone phenomenon. It is dropping throughout all of Australia and indeed quite a bit throughout the western world. There is a lot of speculation as to why that is, including things like divided roads and better vehicles. Australia has a fairly old fleet of vehicles but as the safety features that were introduced in the late eighties and nineties find their way through, that is having an impact. I believe the urban zone has an impact in reducing injury.

The Hon. PETER PRIMROSE: We are satisfied. We are very happy with the service.

CHAIR: We will move on to the Rental Bond Board.

The Hon. JOHN DELLA BOSCA: While I am the senior Minister, the Rental Bond Board comes under the control of the Minister the Fair Trading. I think it will probably be better if that is picked up by the Minister for Fair Trading, the Hon. Diane Beamer.

CHAIR: We will move on to WorkCover. Will there be any questions from Government members on WorkCover issues?

The Hon. PETER PRIMROSE: We are satisfied with the service.

The Hon. MICHAEL GALLACHER: Mr Blackwell, can you give the Committee an indication of how many staff WorkCover employs?

Mr BLACKWELL: Approximately 1,000.

The Hon. MICHAEL GALLACHER: Can you indicate to the Committee how many displaced employees the department has?

Mr BLACKWELL: One.

The Hon. MICHAEL GALLACHER: Is this number just the number who have self-nominated, or are there others who have been displaced but are not self-nominated?

Mr BLACKWELL: The one particular person was not self-nominated.

The Hon. MICHAEL GALLACHER: But do you have others who have self-nominated?

Mr BLACKWELL: No.

The Hon. MICHAEL GALLACHER: Is this the number you have reported to the Relocation and Redeployment Services Unit [RRSU] of the Premier's Department?

Mr BLACKWELL: I believe it would be. I will have to check on that.

The Hon. MICHAEL GALLACHER: Could you indicate to the Committee whether your 1,000 employees include outsourced administrative staff?

Mr BLACKWELL: No, they do not.

The Hon. MICHAEL GALLACHER: How many of them would you have?

Mr BLACKWELL: There are 17.5.

The Hon. MICHAEL GALLACHER: How many positions are outsourced to firms, and which firms have those contracts?

Mr BLACKWELL: Outsource Australia is the firm we hav, and it employs 17.5 full-time people.

The Hon. MICHAEL GALLACHER: How many inspectors does WorkCover currently have?

Mr BLACKWELL: Three hundred and one.

The Hon. MICHAEL GALLACHER: And they are, of course, included in your 1,000?

Mr BLACKWELL: Correct.

The Hon. MICHAEL GALLACHER: Does each of these inspectors attend businesses for inspections, or are some required to remain permanently in the WorkCover building to fill administrative managerial positions?

Mr BLACKWELL: Some of them are in managerial positions.

The Hon. MICHAEL GALLACHER: How many, sir?

Mr BLACKWELL: I do not have that in detail with me. I will have to provide it.

The Hon. MICHAEL GALLACHER: On another issue, I believe there was a police investigation in relation to an incident that occurred on 30 June 2005, so I am told, involving the building.

Mr BLACKWELL: Could you say that again?

The Hon. MICHAEL GALLACHER: I am told there was an incident that required some degree of police investigation involving the external part of the building.

Mr BLACKWELL: Yes.

The Hon. MICHAEL GALLACHER: Could you tell me how that investigation is proceeding?

Mr BLACKWELL: I do not know the current status, in fact. There was an investigation that was commenced in relation to some projectiles that were apparently fired at the building, if that is what you are indicating?

The Hon. MICHAEL GALLACHER: Yes, shooting at the building.

Mr BLACKWELL: Exactly. I do not have an update on that, but I do not believe that the police investigations have been completed at this stage.

The Hon. MICHAEL GALLACHER: Can you indicate to me to the best of your knowledge how many projectiles? Were they in one location or were there a number of locations?

Mr BLACKWELL: They were in one location, and there were two.

The Hon. MICHAEL GALLACHER: Where exactly were those projectiles fired in terms of the building?

Mr BLACKWELL: On the ground floor on Donnison Street.

The Hon. MICHAEL GALLACHER: Can you indicate to the Committee what time of day or night this occurred?

Mr BLACKWELL: Yes.

The Hon. JOHN DELLA BOSCA: It is a police investigation.

Mr BLACKWELL: I was in the building at the time, but they missed me. I am sorry, this is the subject of a police investigation. It really would not be wise for me to talk much more about it.

The Hon. MICHAEL GALLACHER: But without getting into police investigations, when we are talking about projectiles, we are talking about bullets, of course?

Mr BLACKWELL: We do not know.

The Hon. MICHAEL GALLACHER: You do not know?

Mr BLACKWELL: No.

The Hon. MICHAEL GALLACHER: You are not discounting that it was from a firearm, I take it?

Mr BLACKWELL: We do not know. The police are investigating.

The Hon. MICHAEL GALLACHER: Were there any employees who were likely to be in danger at the time this attack took place?

Mr BLACKWELL: No-one was injured.

The Hon. MICHAEL GALLACHER: But were there any employees in that location?

Mr BLACKWELL: There were.

The Hon. MICHAEL GALLACHER: How many?

Mr BLACKWELL: A number.

The Hon. MICHAEL GALLACHER: And the number is?

Mr BLACKWELL: It depends on what you mean by "location". The ground floor of the building on that side has, at a guess, about 100-odd employees.

The Hon. MICHAEL GALLACHER: The implications therefore are quite serious. Is that correct?

The Hon. JOHN DELLA BOSCA: It is the subject of a police investigation, so I think that the police are determining whether it is serious. What the police then intend to do about it I think—

The Hon. MICHAEL GALLACHER: I would have thought that WorkCover would deem whether it was serious or not, given that you would jump down any other employer's throat very quickly. I would have thought that WorkCover would be in a position to determine whether it was serious or not, given that over 100 employees are in an area where a couple of projectiles have been fired through windows.

The Hon. JOHN DELLA BOSCA: That is a your opinion, Mr Gallacher.

CHAIR: Minister, I remind you that you are dealing with a former police prosecutor. He does know the limits of the questions.

The Hon. PETER PRIMROSE: Unfortunately, that is not particularly obvious on many occasions.

The Hon. MICHAEL GALLACHER: Has the New South Wales WorkCover Authority ascertained if the person responsible was most likely a disgruntled employee or a disgruntled employer, or whether it was perhaps a former Federal leader driving past? I mean, do we have any idea who it might have been?

The Hon. JOHN DELLA BOSCA: I think we have made our point, Mr Gallacher. It is the subject of a police investigation. I think we have given you a fair bit of ice to skate on. I think we know the point you are trying to make and I think you are drawing a long bow. Anyway, if you want to use your time on this line of questioning, you will.

The Hon. MICHAEL GALLACHER: Was this shooting at a WorkCover building made public, Mr Blackwell?

The Hon. JOHN DELLA BOSCA: I think you know very well it was a public matter, but it was a police investigation and it is taking place. It is still taking place and we are not going to answer any more questions about it.

The Hon. MICHAEL GALLACHER: Were your staff warned? Forgetting the police investigation for the moment, in terms of your responsibility and your duty of care as the employer, did you warn the staff?

Mr BLACKWELL: Warn the staff of what, I am sorry?

The Hon. MICHAEL GALLACHER: Your concerns in terms of the risk?

The Hon. JOHN DELLA BOSCA: I am afraid you may have some knowledge of police procedure, but I think you are drawing a long bow in terms of the requirements to provide a safe workplace. Clearly, WorkCover takes that responsibility very seriously, including any unusual incidents such as this matter, which I think you know was publicly canvassed at the time. It is the subject of a police inquiry and we have not yet been advised of the outcome by NSW Police. We will not comment any further, but we are happy to make everything that the police service makes available to us available to the Committee, if that makes you happy?

The Hon. MICHAEL GALLACHER: Good.

CHAIR: I have a couple of other questions that follow up in a slightly different vein. Was trauma counselling available for employees who may have been in the vicinity?

Mr BLACKWELL: Yes, it was.

The Hon. MICHAEL GALLACHER: How many employees took advantage of that trauma counselling?

Mr BLACKWELL: I do not have the figures. The people in that area received an overall briefing, if you like, from a trauma professional. A number of staff did use the facility that was offered to them, and I will have to find the numbers for you at some other stage.

CHAIR: Would a risk analysis be undertaken because of this one event? Would you therefore undertake a risk analysis with future events as part of your duty of care?

Mr BLACKWELL: Yes.

CHAIR: Has that been done? I did ask you would you do it, and you said "yes". Has it been done?

The Hon. JOHN DELLA BOSCA: The point is that this is clearly a police matter. It is clearly in relation to potential criminal conduct and it should stay a police matter until the police conclude it.

CHAIR: I appreciate that, but a risk analysis subsequent to the event is quite okay to talk about.

The Hon. JOHN DELLA BOSCA: We would have to suggest to you that all the reasonable risk analysis that could be taken has taken place with WorkCover. It is important to understand that in the context of WorkCover's duty of care, as with every other employer in New South Wales under the

Occupational Health and Safety Act, it is a question of control. The Leader of the Opposition would understand that point and the distinction between that and the criminal investigation.

The Hon. MICHAEL GALLACHER: Not wishing to transgress onto the criminal investigation, of course, but are any of the employees who were affected by this incident currently on sick leave?

Mr BLACKWELL: Not that I am aware of.

The Hon. MICHAEL GALLACHER: As a result of this incident, were the employees in that vicinity moved? Was a reconfiguration done, or is it exactly the same configuration in terms of the employees' location now as it was prior to the event?

Mr BLACKWELL: There was a temporary move, but they are all back in their original places.

CHAIR: They moved away from the window.

The Hon. MICHAEL GALLACHER: Could you give some information on the issue of the National Certificates of Competency Renewal Program, both State and national? What percentage of WorkCover-issued National Certificates of Competency Records are not supported by paperwork within the NCIS system?

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

The Hon. MICHAEL GALLACHER: What percentage of the WorkCover-issued National Certificates of Competency Records are not supported by paperwork within the NCIS system?

Mr BLACKWELL: Six per cent.

The Hon. MICHAEL GALLACHER: On the same issue, what percentage of classes issued with that supporting documentation does WorkCover believe may have been illegitimately issued?

Mr BLACKWELL: We do not know that at this stage because we are going through a process of trying to match documents with every single licence that has been issued over the past few years.

The Hon. MICHAEL GALLACHER: How many classes have been checked to date, and how many licence holders does this represent?

Mr BLACKWELL: I will take that on notice and provide the detail at a later stage.

The Hon. MICHAEL GALLACHER: What is the total expected cost of the renewal program over the total two-year period?

Mr BLACKWELL: I will take that on notice as well.

The Hon. MICHAEL GALLACHER: If I can assist you, does the figure \$2.150 million ring a bell?

Mr BLACKWELL: I will take that on notice too.

The Hon. MICHAEL GALLACHER: Has a premises been chosen to house the 30 administrative staff required to run the renewal program? Was the Londonderry accommodation option eventually approved?

Mr BLACKWELL: No, it was not.

The Hon. MICHAEL GALLACHER: Has a premises been selected?

Mr BLACKWELL: The additional staff have been spread across our existing office locations.

The Hon. MICHAEL GALLACHER: No additional location has been selected?

Mr BLACKWELL: No.

Ms LEE RHIANNON: I want to move onto other issues. Minister, many people appreciate the support that you have given to the Behind the Label campaign. Considering that money has now run out, I am interested to hear from you whether you will allocate more resources to the community development program that was undertaken with outworkers over the past four years.

The Hon. JOHN DELLA BOSCA: While you were out of the room, Ms Rhiannon, Reverend the Hon. Dr Gordon Moyes asked me quite a few questions. I indicated that we identified a very serious problem with regard to the exploitation of clothing outworkers. Obviously you are aware of that. We took a number of steps in relation to that. Some of it was about community awareness but a lot of it was about regulatory and legislative changes which culminated in the passage of the Industrial Relations (Ethical Clothing Trades) Bill. We then went through a process under my previous assistant Minister, the Hon. Reba Meagher, about whether to make the code or the regulation that exists under that legislation a mandatory or voluntary code.

Eventually, after some extensive consultation with stakeholders, we decided to make it a mandatory code. The third component of that program was a labour market program, if you like. I am sure you are familiar with the fact that in regard to that labour market retraining approach, while still operating the TAFE system, much of that ceased to be a State Government function back in the 1980s, but because of special needs of clothing outworkers we provided a package of assistance to allow clothing outworkers to transform the situation, that is if they wanted to exercise the option of upgrading their skills. In some very positive cases, they undertook fashion and design courses. In many cases those who suffered a language deficit took English competency courses and upgraded their skills so they could easily get other jobs or take up other entrepreneurial opportunities in the clothing industry.

Some departed the clothing industry because of the issue of market erosion of outworker-type jobs created by the obvious impact of our policies that had increased the costs of outworker-provided material. That was part of the objective of the policy. But we had made the decision that in regard to that third component, we have effectively mainstreamed that part of the program into the TAFE network. We still seek to encourage clothing outworkers, where relevant, to pursue an upgrading of their skills. We no longer, as the Department of Commerce or the Office of Industrial Relations, operate in the education component of the program.

Ms LEE RHIANNON: I understood that the Department of Education and Training [DET] was always paying that, and you paid for support with transport costs, and sometimes with child care. That was support to get people into courses. It sounds like nothing has changed on the DET side, but you have pulled away that support. That is a big worry.

Ms MANSER: My department is responsible for the Office of Industrial Relations. You are quite right. The elements of the program include community development in organisations such as Asian Women at Work, the Cambodian-Australian Welfare Association and a number of others. We are to meet with the Department of Community Services shortly to see whether we can encourage it to foster some of the community outreach work that was done by those organisations through our program. We have also mainstreamed the compliance elements of the program. Our own inspectors—we have four bilingual inspectors who started with Behind the Label who have moved into the Inspectorate General—have mainstreamed the enforcement elements.

We have also conducted extensive programs for the retail industry and manufacturers and suppliers to make them aware of the code and to make them aware of how they should manage their operations differently in relation to the existence of the code. We have also, of course, encouraged the DET to continue the programs it was running so that outworkers will still have access to them.

Ms LEE RHIANNON: In terms of additional support, people would have to find it elsewhere. You do not have that focus program that you had before?

Ms MANSER: No, that is right.

Ms LEE RHIANNON: Will money be allocated to police the mandatory code?

Ms MANSER: In the sense that a number of our inspectors will concentrate on this particular industry and how that is all working out within the industry, yes.

Ms LEE RHIANNON: How many inspectors and how much of the time?

Ms MANSER: I cannot give you a precise number. We have 93 compliance staff in the department and they will all be involved. The four bilingual inspectors will be used when necessary for translation. We use our 93 compliance staff right across the State in all industries. They will all have a responsibility. It is what we call a targeted campaign and it focuses on low-complying industries. As you are well aware, this is one of them.

CHAIR: To follow up on that whole area of ethical clothing trades, I had assumed that most of the Australian footwear manufacturing had moved offshore. I have become aware that there is now a growing Australian footwear manufacturing industry. Again, it seems you may have problems with outsourcing and local manufacturing, garage-type manufacturing. Are you making sure that your people are looking at the issue of not just clothing but also footwear?

Ms MANSER: We work with the Textile, Clothing and Footwear Union of Australia. It certainly keeps us posted about what is happening in those areas. Interestingly, when the Behind the Label strategy was devised, footwear was not being made in Australia. It is a more recent occurrence, in effect, of that coming back into the industry.

CHAIR: That is quite good, but we do not want to see it coming back with all the obnoxious problems.

Ms MANSER: That is right.

Ms LEE RHIANNON: What proportion of New South Wales public sector employees would come under Federal jurisdiction as a result of the Commonwealth's use of corporation powers?

The Hon. JOHN DELLA BOSCA: That is a bit of an open question at the moment. Some of this is guess work because we have not seen the detail. Ms Manser has had the opportunity to talk to Commonwealth officers about what they are broadly proposing, I have had the opportunity to speak to the Federal Minister on one occasion at the Workplace Relations Ministers Council. Up to 50 per cent of the current New South Wales public sector, as we broadly understand it, would come under the Commonwealth. Clearly those who would be definitely excluded are those currently covered by the various Crown employee awards. They are the only ones we would be absolutely certain would remain in the New South Wales system as it is currently constituted.

Ms LEE RHIANNON: Have you taken Crown Solicitor's advice on what you can do to protect all workers under State awards from the worst aspects of the Federal industrial relations changes?

The Hon. JOHN DELLA BOSCA: First of all, we have taken Crown Solicitor's advice on those matters. We have canvassed our own resources and also canvassed extensively public opinion about that. You might be aware that the Office of Industrial Relations, with its interstate analogues, sponsored a seminar about this in Sydney some months ago. A lot of opinions were expressed by leading industrial relations practitioners, including academic lawyers and a number of very senior constitutional lawyers. There were a couple of different views about the way in which the corporations power would operate. There was one more conservative view, both literally and figuratively, that suggested that only a relatively small number of New South Wales public servants could properly be covered by the Commonwealth's proposition.

Ms LEE RHIANNON: What plans do you have in place to retain the State's industrial relations system?

The Hon. JOHN DELLA BOSCA: I have to take the Cabinet fifth on that. As you have heard me rehearse and recite on a number of occasions, the Government takes the Commonwealth Government's industrial relations power grab very seriously as a threat to not only the welfare and proper management of our own public sector but also to the welfare of New South Wales families and the living standards of New South Wales workers. We take that matter very seriously. Cabinet has discussed on a number of occasions various options that we would and could pursue if the Commonwealth does continue with its power grab. It has the form and we believe it will—and it is widely reported that the Commonwealth intends to pursue it.

We have taken the view that until we see the legislation we will not be pre-emptive. The current Premier and the former Premier, Mr Carr, indicated that if there were any basis at all for a High Court challenge, that would be the first port of call. So I suppose that is the first and most significant action we would contemplate, both on technical grounds and on more general public interest grounds. There are a number of other matters that we would pursue. It is our view as the regulator of industrial relations, apart from the overall policy view, if you like, that the Commonwealth power grab would be bad for the New South Wales community. As an employer and a regulator we are in that uncomfortable position into which governments are sometimes placed: we are very concerned for our employees.

We think we get good value out of the public service in New South Wales in general, as does the New South Wales community. We would not want to see our public servants thrown into a conflict-ridden system that reduced many of their entitlements and made the process of working for the public service a lot less rewarding for most people. As an employer we take the strong view that we want to retain the elements of a decent industrial relations system for New South Wales public sector workers. We will take whatever action we can, intelligently advised, to ensure we keep as many of them as possible under a good system.

Ms LEE RHIANNON: Are you confident that your Federal Labor colleagues will commit to repealing legislation similar to that introduced by John Howard?

The Hon. JOHN DELLA BOSCA: I think Ms Lee Rhiannon is stepping a little out of the scope of estimates committee questions. I appreciate the importance that Ms Lee Rhiannon places on these matters, but I think it is impossible for me to answer that question.

CHAIR: I think that is a policy matter; it is not a budget matter.

The Hon. JOHN DELLA BOSCA: It is someone else's policy, yes.

Ms LEE RHIANNON: How many companies have been refused government contracts in the last financial year because they failed to meet the basic labour standard set out in the public works procurement policy?

The Hon. JOHN DELLA BOSCA: I am afraid I will have to take that question on notice. It is important to understand that the procurement policy sets a series of standards. It is worthwhile noting that many companies such as the ones the member is describing would not even attempt to place themselves in a position as a government tenderer, or onto one of the panels, if they were not meeting our benchmarks. Ms Lee Rhiannon asked a fair question. I will attempt to obtain an answer.

Ms LEE RHIANNON: When you take that question on notice will you supply me with information relating not just to how many, but what jobs they were knocked back for?

The Hon. JOHN DELLA BOSCA: Is Ms Lee Rhiannon asking specifically from a construction point of view, or generally?

Ms LEE RHIANNON: No, not at all. You have jobs going on.

The Hon. JOHN DELLA BOSCA: I take your point. I think many employers who do not have quality industrial relations will not even bother coming to us. So we filter them out before they even get to that point. I understand the member's question and I will take it on notice.

Ms LEE RHIANNON: Has the Minister or any members of his staff or the staff of the Office of Industrial Relations met with representatives of the Australian Independent Contractors Agency?

The Hon. JOHN DELLA BOSCA: I have a very busy diary. I am not sure whether I can accurately answer Ms Lee Rhiannon's question. I am almost certain that I have not but I would need to check my diary. In relation to the Office of Industrial Relations, perhaps Ms Manser can answer that question.

Ms MANSER: No, we have not.

The Hon. JOHN DELLA BOSCA: In relation to my staff I will provide that information separately by way of notice.

Ms LEE RHIANNON: What measures is the Government taking to reduce the number of casual employees in the public sector?

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

Ms LEE RHIANNON: Really? That is a worry. Is the Minister sure he does not want to answer it?

The Hon. MICHAEL GALLACHER: Does the Minister want to ring a friend?

The Hon. JOHN DELLA BOSCA: No, I do not think I will ring a friend. I will provide the information to Ms Lee Rhiannon fairly promptly, but I would like to give her a considered answer to her question.

Ms LEE RHIANNON: What involvement does the Office of Industrial Relations have with working conditions of prisoners in New South Wales gaols?

Ms MANSER: Very little. We have had some contact with the Department of Corrective Services over issues such as the making of clothing in gaols, but there is a strong Corrective Services policy position on that which is difficult to shift.

Ms LEE RHIANNON: What are you referring to?

Ms MANSER: I believe it has been through government policy procedures and is determined as government policy that people, for example, in corrective services institutions might make clothing. They do not make clothing; they make linen much more frequently. So it is an issue that is outside our purview to some extent. But they are not paid award rates for doing that.

Ms LEE RHIANNON: I did not understand when you said there was a strong policy position.

The Hon. JOHN DELLA BOSCA: I think I would like to take that question on notice. The policy position to which Mrs Manser is referring, of course, is not a policy position. I do not have direct portfolio responsibility for that. I will consult the Minister for Corrective Services and provide the member with an answer to her question.

Ms LEE RHIANNON: I wish to ask a few more questions just to flesh out that matter. Do you monitor Corrective Services Industries in any way? Is there a position that prisoners should be paid award wages for the work that they undertake?

The Hon. JOHN DELLA BOSCA: I will take that question on notice. I do not believe that is the case.

Ms LEE RHIANNON: What measures are in place to ensure that contracts that depend on the labour of prisoners who are paid low hourly rates are not allowed to undercut contracts of businesses operating in New South Wales?

The Hon. JOHN DELLA BOSCA: That is an issue in which the Department of Commerce has had a fair bit of involvement. I will take that question on notice and provide the member with a detailed answer.

The Hon. MICHAEL GALLACHER: Mr Blackwell, are you aware of the Women's Sport and Physical Activity Day 2005 held on Tuesday 8 March 2005?

Mr BLACKWELL: No, I am not.

The Hon. MICHAEL GALLACHER: Minister, are you aware of the Women's Sport and Physical Activity Day 2005 held on Tuesday 8 March 2005?

The Hon. JOHN DELLA BOSCA: In what context is the Leader of the Opposition asking that question?

The Hon. MICHAEL GALLACHER: I am interested in the Minister's knowledge of it on that day.

The Hon. JOHN DELLA BOSCA: I am afraid that I cannot enlighten the honourable member.

The Hon. MICHAEL GALLACHER: I am told that WorkCover held this event. Mr Blackwell, are you not aware of it?

Mr BLACKWELL: When was this event?

The Hon. MICHAEL GALLACHER: I am told that the Women's Sport and Physical Activity Day 2005 was held on Tuesday 8 March 2005?

The Hon. JOHN DELLA BOSCA: I think—

The Hon. MICHAEL GALLACHER: Is it coming to the Minister now?

The Hon. JOHN DELLA BOSCA: It is International Women's Day. I am assuming that this is now getting a bit like "How to Become a Millionaire." Unless the Leader of the Opposition is a little more specific about the question, Mr Blackwell and I will simply have to take it on notice.

The Hon. MICHAEL GALLACHER: Mr Blackwell, you are aware of International Women's Day. What knowledge do you have of programs and events held by WorkCover on 8 March?

Mr BLACKWELL: There were some events. I cannot recall exactly what they were at this point in time.

The Hon. MICHAEL GALLACHER: Perhaps I can refresh your memory. Some of these events included things like the expenditure of business premiums on Pilates, personal training, beauty tips and make-up workshops for staff during work hours. Does that sound familiar?

The Hon. JOHN DELLA BOSCA: I want to correct one assertion. That would not have involved the expenditure of business premiums.

The Hon. MICHAEL GALLACHER: So it came out of the public purse?

The Hon. JOHN DELLA BOSCA: No.

Mr BLACKWELL: There was a lunchtime seminar for women in WorkCover. It involved people from local sporting facilities coming and talking to the women. It was at no expense to WorkCover.

The Hon. MICHAEL GALLACHER: So the whole thing was for free?

Mr BLACKWELL: Yes.

The Hon. MICHAEL GALLACHER: But it was the case that on the day they covered things like beauty tips, make-up, workshops, Pilates and personal training?

Mr BLACKWELL: No, they were not. I actually attended that.

The Hon. MICHAEL GALLACHER: I will leave that issue then.

Mr BLACKWELL: Essentially, there was some discussion around Pilates, gym exercises, et cetera, that women could do as part of relaxing.

The Hon. MICHAEL GALLACHER: I wish to refer to an issue that I first raised in 2003, that is, catering bills for WorkCover. I am sure everyone remembers that great day. Is it correct that some changes have been made to catering in WorkCover?

Mr BLACKWELL: I am not sure what sorts of changes you are alluding to.

The Hon. JOHN DELLA BOSCA: The coffee has not improved, if that is what the member is asking.

The Hon. MICHAEL GALLACHER: No. Mr Blackwell might recall that we discussed in this room the many hundreds of thousands of dollars that were being spent over the course of a year on WorkCover's catering. I am interested to hear from you what changes have been made. Is that still the case or is it no longer the case?

Mr BLACKWELL: Expenditure on catering this year was slightly larger than previous years by about \$1,000. That represents 0.07 per cent of the WorkCover budget. Catering is provided for consultation processes with a range of key stakeholders that we have. To my mind that sort of level of expenditure, 0.07 per cent of our budget, is not unreasonable when we have a number of stakeholders to consult with and a number of interests, if you like.

The Hon. MICHAEL GALLACHER: Could you equate that percentage to dollars?

Mr BLACKWELL: It was \$175,095 last year.

The Hon. MICHAEL GALLACHER: Obviously dieting was not covered on the Pilates day.

The Hon. JOHN DELLA BOSCA: The point was well made briefly by Mr Blackwell, but I wish to labour it a little. WorkCover conducts lots of seminars and it has lots of consultations. When it does that, it asks people to give of their time for free, whether they are business people, stakeholders, union officials, or a whole range of people from the business community. When it does that it provides them with limited hospitality—the type of hospitality that is evident in this room: pots of coffee and tea, sandwiches and biscuits. It provides exactly the same kind of hospitality. WorkCover, as a democratic organisation, undertakes a great deal of consultation. We are pushing the envelope on broader community consultation and we have those kinds of expenditures. However, as I said earlier, the coffee has not improved.

The Hon. MICHAEL GALLACHER: Mr Blackwell, were you at what can only be described as the world's biggest morning tea on 27 February? On that day a morning tea was arranged for the new licensing team manager. Surely you are not including those sorts of things in catering? Are those sorts of things not done internally? You had 50 or 60 people at a morning tea, which I am told was a "getting to know you" function?

Mr BLACKWELL: I was not at that function.

The Hon. MICHAEL GALLACHER: Are you aware of that function?

Mr BLACKWELL: No, I am not.

The Hon. MICHAEL GALLACHER: Are those sorts of things included in this \$175,000, or do you have a bit of a whip around the office?

Mr BLACKWELL: Sometimes we bring in our own food for those sorts of functions. I cannot tell you whether that occurred on that occasion.

The Hon. MICHAEL GALLACHER: I am told that it was all to do with getting to know the new team manager. Do you have any idea how long he had been there before he was invited to this function?

Mr BLACKWELL: No, I could not give you that detail.

The Hon. MICHAEL GALLACHER: Are you in a position to indicate to the Committee whether the cost of the morning tea to which I referred was picked up by the public purse?

Mr BLACKWELL: It was not picked up by the public purse, but I can give you the details.

The Hon. EDDIE OBEID: Who gave you those questions, Michael?

The Hon. MICHAEL GALLACHER: They are turning out to be true.

The Hon. JOHN DELLA BOSCA: It is one up from the question about the colour scheme in the ladies toilet.

The Hon. MICHAEL GALLACHER: You ended up having to change that, too.

The Hon. JOHN DELLA BOSCA: I do not know; I do not go into the ladies toilet at WorkCover.

The Hon. MICHAEL GALLACHER: Is it commonplace to hold these sorts of events—such large morning teas—at WorkCover?

Mr BLACKWELL: We do have morning teas. We have morning teas for a range of issues.

The Hon. MICHAEL GALLACHER: Turning to another issue, what is the implementation date for the government licensing system [GLS]?

Mr COUTTS-TROTTER: Allow me to assist with that. The program for WorkCover's implementation, from memory, is around November next year.

The Hon. MICHAEL GALLACHER: Is the WorkCover Authority's contingency plan still in place?

Mr COUTTS-TROTTER: It is being worked up at the moment between us, the RTA and WorkCover. If it went ahead it would involve WorkCover connecting to a section of the government licensing system, which, in turn, would connect into the RTA's database.

The Hon. MICHAEL GALLACHER: Was the contingency plan implemented because of WorkCover's concern about the delivery time frame?

Mr COUTTS-TROTTER: Yes, it was.

The Hon. MICHAEL GALLACHER: Is it a fact, therefore, that the original time frames for the GLS have not been met?

Mr COUTTS-TROTTER: That is right. As I said earlier, it is about nine months behind schedule.

The Hon. JOHN DELLA BOSCA: That is a matter of public information.

The Hon. MICHAEL GALLACHER: That is fine. How much has the GLS cost the New South Wales WorkCover Authority to date?

Mr COUTTS-TROTTER: That I do not know.

Mr BLACKWELL: We will have to take that question on notice and give you an accurate figure in writing.

The Hon. MICHAEL GALLACHER: Mr Coutts-Trotter, perhaps you might be able to assist with how much the GLS has cost the Department of Commerce to date?

Mr COUTTS-TROTTER: We are returning to you with that information.

The Hon. MICHAEL GALLACHER: Minister, can you indicate to the Committee the current definition of "worker"?

The Hon. JOHN DELLA BOSCA: I gather from the tone of the question that the honourable member is referring to the current consideration and consultation that has been ongoing for some time by WorkCover to establish a definition of "worker" for the purposes of premium collection. As he knows, a number of legal factors need to be considered when determining the status of contractors and deemed workers. In a relatively small number of cases the normal common law distinctions or the distinctions that might be made by the Australian Taxation Office, or for that matter the New South Wales Office of State Revenue, are not suitable for WorkCover purposes in terms of determining whether someone should be a worker from the point of view of collecting a premium.

To make the definition clearer, the Government is currently undertaking a wide-ranging review of the definition of "worker" in workers compensation legislation to address concerns that in a minority of cases employers are experiencing difficulty in determining who is a worker, particularly where dependent contractors are concerned. WorkCover released a discussion paper for circulation and has consulted widely with stakeholders, including the presentation of several information seminars around the State. In fact, the epicentre of some of this discussion has been our own sunny Central Coast, where a number of local business people have been assisting us in clarifying these matters.

More than 50 submissions were received that highlighted a number of issues relating to independent contractors, labour hire workers and outworkers. To assist in the review process, an independent panel was formed to advise the Government on changes to the definition of "worker" under current workers compensation laws. Justice Macken, a former judge of the Industrial Relations Commission of New South Wales—who, I might say, was one of the most distinguished judges of the commission—was appointed as the panel's independent facilitator. The panel comprises 10 representatives from industry bodies, small business and unions. It will consider stakeholder comments from the initial consultation that I described and make recommendations to the Government through WorkCover in the near future.

WorkCover recently announced a moratorium on some late payment fees related to workers compensation wage audits. WorkCover does not intend to penalise employers who undergo an audit and are found to have underdeclared wages due to a lack of understanding of issues involving contractors and deemed workers. The moratorium extends to wage audits that have occurred since January 2003 and to those late payment fees ordered in respect of contractor and deemed worker issues. Employers who have had audits completed after January 2003—this is when the issue began heating up because people feared that they would be disadvantaged as they could not distinguish between a worker and a contractor for premium payment purposes—and who have already paid

additional premiums and late payment fees in respect of deemed worker issues can apply to WorkCover to have their circumstances reviewed.

The moratorium will continue until 30 June 2006. Employers will be advised of changes that come about as a result of the current review of defining what it is to be a "worker", and an extensive education campaign will obviously take place at that time. I am on the public record as recommending on a number of occasions that any employers with concerns in this regard should contact WorkCover for more information.

The Hon. MICHAEL GALLACHER: It is fair to say, therefore, that if the moratorium goes to 30 June 2006 and WorkCover's own timetable for the introduction of the new definition of "worker" was to commence at 4 p.m. on 30 June 2005 that you are having substantial problems phasing it in.

The Hon. JOHN DELLA BOSCA: I am not sure what you mean by "phasing it in". The actual definition of "worker" is in the current Act. I have been hoping to clarify with you that there is a range of ways in which that definition is unsatisfactory given changes that have occurred in the economy and in the way that people contract for labour. We obviously want to make sure that everybody who is likely to be placed in a position where they have an accident and need to be covered by workers compensation premiums is, in fact, covered. By the way, that protects both employees and employers. If employers are found to be liable, should have paid a workers compensation premium and have not done so, the consequences will be not only catastrophic for the employee but a problem for the fund and absolutely catastrophic in business terms for the employer, who is often unable to continue in business after such a claim.

The Hon. MICHAEL GALLACHER: I recognise that. But it is fair to say, Minister, that you are 12 months behind in changing the definition.

The Hon. JOHN DELLA BOSCA: Yes. Like all exercises in definition, particularly those that attempt to deal fairly with a whole range of changing and changed circumstances, it has taken us longer than we first programmed.

The Hon. JOHN RYAN: I have a question for Mr Coutts-Trotter while he is at the table. Did you receive instructions from Col Gellatly of the Premier's Department or Mr Michael Gadiel of the Premier's office in regard to removing people from the displaced persons list prior to 30 August 2005? If so, what were those instructions?

Mr COUTTS-TROTTER: To the best of my recollection, no, I did not.

The Hon. JOHN RYAN: Mr Blackwell, did you receive any instructions from Col Gellatly or Michael Gadiel from the Premier's Department and office in regard to removing people from the displaced persons list prior to 30 August 2005?

Mr BLACKWELL: Not that I can recall.

Ms LEE RHIANNON: I want to move to the Special Minister of State portfolio. Why has the draft exposure bill on the medical use of cannabis not been introduced despite the promise by the previous Premier, who stated in May 2003 that such a bill would be introduced at the earliest opportunity?

The Hon. JOHN DELLA BOSCA: I think the most important thing to explain to Ms Lee Rhiannon is that, in accordance with comments on the public record on this matter—perhaps even in response to questions that she or her colleagues asked in the House—the issue was left effectively in suspension. I had some discussions on behalf of the New South Wales Government with Mr Abbott, the Commonwealth Health Minister. I thought we had made some significant progress in relation to the things that the Commonwealth would need to do to facilitate that trial. But it is fair to say that those discussions have not gone any further since the last time I commented on them publicly in the House, which is now some months ago.

Ms LEE RHIANNON: Are you saying that unless the Federal Government moves on the issue you believe New South Wales is not in a position to take it further?

The Hon. JOHN DELLA BOSCA: That would be subject to a Cabinet decision and obviously I cannot anticipate what Cabinet might decide from time to time. But I have to say that I made the position of the Government clear at that time, which is that we were attempting to secure Commonwealth Government co-operation in a trial. I think at that time the Prime Minister and the Commonwealth Health Minister accepted the bona fides that we were looking at the possibility— notwithstanding some reservations on the Prime Minister's part—that cannabis-type products in certain limited circumstances could be a valuable medicine for people suffering some sorts of illnesses. I am trying to recollect in what month I last spoke to a Commonwealth Minister about this—it was at least four months ago. I will check and get back to you. But we have not been able to prosecute the matter any further.

Ms LEE RHIANNON: Are you aware that the Canadian Government has approved a pharmaceutical cannabis product called CetaVex for medical use?

The Hon. JOHN DELLA BOSCA: Indeed. I thought Ms Lee Rhiannon would know that that is one of the matters we had under discussion with the Commonwealth.

Ms LEE RHIANNON: Yes. I am trying to have another go at ascertaining whether you would take a lead on this issue in New South Wales, considering that you are in a position to do that legally.

The Hon. JOHN DELLA BOSCA: I would have thought that Ms Lee Rhiannon might have understood the difficulties we have and the reasons why we want to do this co-operatively with the Commonwealth, apart from the issue of fame and infamy. We know why we want to do this. The former the Premier was very clear in his public view on this matter. We do not want this to become some sort of political football when people are suffering. On the one hand, that is one of the reasons why we want Commonwealth co-operation. The second reason is a very practical one: It is not possible for us to import these substances, even as medical products, unless the Commonwealth gives us permission to do so. Perhaps cannabis could be given a possible exemption by the Commonwealth. That is the very nub of the discussion that we are having with the Commonwealth.

Ms LEE RHIANNON: Are you satisfied with how the cannabis cautionary system is working in New South Wales?

The Hon. JOHN DELLA BOSCA: The Chairman should point out to Ms Lee Rhiannon that I am no longer the Minister responsible for drug and alcohol policy. I think that was made clear in the allocation of acts and responsibilities. The Minister for Health, Minister Hatzistergos, is now the Minister responsible for drug and alcohol policy.

Ms LEE RHIANNON: With medicinal cannabis—

The Hon. JOHN DELLA BOSCA: I am being very tolerant of Ms Lee Rhiannon on the assumption that I will continue to handle that matter as Special Minister of State.

Ms LEE RHIANNON: So you are handling the issue of medicinal cannabis but not other—

The Hon. JOHN DELLA BOSCA: It is my understanding—I have not considered it in depth—that I would still deal with that matter in so far as I was dealing with it under the direction of the former Premier. Unless and until I am directed by Premier Iemma to do something different, I will continue to handle that matter. But I am definitely no longer the Minister responsible for drug and alcohol policy.

Ms LEE RHIANNON: There go my questions!

CHAIR: No, the Minister for Health will appear before this Committee at a later time.

The Hon. JOHN RYAN: I have a question for both Mr Blackwell and Mr Coutts-Trotter. How many displaced public servants were taken off the list for your departments between 27 July and 30 August 2005?

Mr COUTTS-TROTTER: Answering for my part, we removed only those who we were able to place in work. As I have said, we have 87 people on the list, the overwhelming majority of who are engaged in work within our agency or other agencies. The number changes from time to time but only because people are displaced from the department and put into jobs.

The Hon. JOHN RYAN: How many displaced public servants were taken off the list for your departments between 27 July and 30 August 2005?

Mr COUTTS-TROTTER: Only those that we were able to place in work. As I say, we have 87 people on the list, the overwhelming majority of whom are engaged in work within our agency or other agencies. The number changes from time to time but only because people are displaced in the department and put into jobs. So the information, I suggest, is that there is a concerted effort all the time to try to place displaced people into work.

The Hon. JOHN RYAN: Was there an effort to place people, particularly after 27 July and 30 August?

Mr COUTTS-TROTTER: No, there was not.

The Hon. JOHN RYAN: Can you provide details of how many might have moved during those two dates on notice?

Mr COUTTS-TROTTER: Yes, of course.

Mr BLACKWELL: We have one displaced, and that person is undertaking a project.

The Hon. JOHN RYAN: That is now. I am talking about prior to 30 August and after 27 July. What was the situation then?

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

The Hon. JOHN RYAN: In reference to the Premier's memo 96/5, how many employees are displaced public servants who have not elected redeployment?

Mr COUTTS-TROTTER: Not elected to be redeployed? So people who have refused an offer of redeployment?

The Hon. JOHN RYAN: Evidently they have an option not to elect.

The Hon. JOHN DELLA BOSCA: Are you asking of the agencies or as a general question of policy?

The Hon. JOHN RYAN: Of the agencies.

The Hon. JOHN DELLA BOSCA: We will have to take it on notice. I do not have the benefit of a photographic memory so I am not sure of the Premier's memo.

The Hon. JOHN RYAN: An item in the memo states that the chief executive notifies work force management centre of employees or elect redeployment, as well as implements immediate action to redeploy within the organisation. That seems to suggest that there are people who do not elect.

Mr COUTTS-TROTTER: To be honest, I am not familiar with that memo, and there would have been many memos subsequently that would bear on it. Our approach is pretty straight forward. Where we can find a job within the agency or another agency we would expect staff to take it. If they did not, that would be a disciplinary matter.

CHAIR: A certain amount of latitude has to be allowed for fishing.

The Hon. JOHN RYAN: In relation to the home warranty scheme, does the Government collect information from licensed home warranty insurance providers about the amount of premium they collect from compulsory home warranty insurance policies in New South Wales and any details of the number and values of claims made under those policies?

The Hon. JOHN DELLA BOSCA: The reforms we have introduced in the home warranty area collect extensive data information. I believe it is that specific data information but I will take that question on notice and get back to you.

The Hon. JOHN RYAN: I understand that under previous arrangements a regulatory requirement existed for insurance companies to make that information available to the Government. Could you explain the details you have received in relation to the amount of premium collected?

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

The Hon. JOHN RYAN: Is the Minister aware of information presented to the Victorian Parliament that in that State approximately \$400 million worth of premium was collected for the home warranty insurance scheme and that resulted in only six claims being lodged? Now that it is a last-resort scheme the chances of lodging a successful claim are very limited because the builder has to have either disappeared, died or become bankrupt.

Mr COUTTS-TROTTER: I might be able to help you with some aspect of that. I think the premium pulled nationwide is \$100 million, and within New South Wales there have been 375 claims on the scheme since the scheme changes.

The Hon. JOHN RYAN: Settled or made?

Mr COUTTS-TROTTER: Made.

The Hon. JOHN RYAN: Do you know how many have settled?

Mr COUTTS-TROTTER: No, I do not have the settlement.

The Hon. JOHN RYAN: One of the things that has been raised with me by some constituents is that since the changes were implemented it has become a much more expensive premium.

The Hon. JOHN DELLA BOSCA: Which changes are you talking about?

The Hon. JOHN RYAN: The changes you implemented that were initiated—

The Hon. JOHN DELLA BOSCA: I am most surprised by an assertion that it is a more expensive scheme.

The Hon. JOHN RYAN: It is certainly more expensive. Even though it became a last-resort scheme, it is phenomenally more expensive than it used to be when it was a first-resort scheme. The premiums are now in the order of well over \$1,000 per job.

The Hon. JOHN DELLA BOSCA: I think you are comparing apples with pears. The difficulty is that in the scheme that existed immediately prior to the reforms—I cannot remember the economic term to describe it—there was about 60 per cent non-participation. A large number of people could not price insurance at all. There was no price for insurance because they could not get it at all.

The Hon. JOHN RYAN: It was compulsory to have the insurance and everybody had it.

The Hon. JOHN DELLA BOSCA: But as you are aware, they were unable to get it. Notionally the price was priceless, so we have now brought that under control. People are able to purchase home owners warranty scheme insurance. They are only waiting a relatively short period of time for it.

The Hon. JOHN RYAN: I am speaking of the period before the collapse of HIH.

The Hon. JOHN DELLA BOSCA: In the context of insurance, though, that is now ancient history, I am afraid to say.

The Hon. JOHN RYAN: It is not ancient history.

The Hon. JOHN DELLA BOSCA: I am afraid it is. The insurance market globally and in Australia has fundamentally changed since the collapse of HIH. A number of things have happened both in terms of the world's underwriting market and the Australian domestic insurance product. It is an unrealistic assertion to suggest that prior to HIH a whole range of premiums were different entirely to what they are now, and particularly those sorts of schemes which only had statutory schemes and only delivered relatively small amounts of premium where, frankly, the larger underwriters simply, as we know, vacated those markets. So that is the very reason we had to confront the problems we did.

The Hon. JOHN RYAN: Given that it is a compulsory scheme and does not operate under normal market conditions, it is not unreasonable for the public to ask what is the profitability of the scheme?

The Hon. JOHN DELLA BOSCA: The intent of our reforms is to make the regulatory framework absolutely transparent. We can provide that information to you and certainly the way the scheme has been set up is to make sure that that is able to be determined.

The Hon. MICHAEL GALLACHER: What is the title of the award under which inspectors from WorkCover are employed?

Mr WATSON: John Watson, General Manager for Occupational Health and Safety at WorkCover. It is an independent WorkCover Inspectors Award alongside the Crown Employees Award.

The Hon. MICHAEL GALLACHER: Was that award introduced on 11 July 1996?

Mr WATSON: I would have to take that on notice.

The Hon. MICHAEL GALLACHER: For how long did WorkCover intend the award to remain in force when it was introduced? I understand that it was supposed to remain in force for 12 months.

Mr WATSON: I think that may be correct, and the award has been reviewed on many occasions under the statutory requirements of the industrial relations conditions. It is currently under renegotiation.

The Hon. MICHAEL GALLACHER: Is it a fact that WorkCover management—probably yourself—told the Public Service Association [PSA] that a new award would be finalised shortly?

Mr WATSON: As I say, it is currently under negotiation and WorkCover and the PSA are in negotiations. It is the intention of WorkCover's management to finalise negotiations as soon as we can get agreement between the PSA and WorkCover.

The Hon. MICHAEL GALLACHER: I have been told that on 17 July the PSA bulletin indicated that the matter would be finalised within two months. That being the case the award should be in place by 17 September. Will that be the case?

Mr WATSON: It is not going to be the case. I am afraid that I am not sure that the PSA documentation would be an accurate reflection of the status of the negotiations.

The Hon. MICHAEL GALLACHER: Has the PSA got it wrong or has someone involved in negotiations with the PSA told them, shall I say, untruths?

Mr WATSON: No.

The Hon. JOHN DELLA BOSCA: If I can intervene, it does not all mean that. First, I should point out to the Committee that WorkCover inspectors are members of a vocational sub-branch of the PSA. They separately represent themselves and although they are members of the PSA they operate a separate sub-branch similar to officers of the Corrections Service. Second, they negotiate directly with WorkCover management, and while the union obviously participates in those negotiations at a global level, their conditions, and the basis of their award, is negotiated extensively by the WorkCover vocational branch with WorkCover management. Third, it is not unusual, having been on both sides of industrial negotiations, for them to take somewhat longer than one first thinks they will. But that is not necessarily a problem; that can sometimes be the solution and actually get a better result if parties talk for longer. I do not necessarily think that there is any great difficulty from some of the observations you have made.

The Hon. MICHAEL GALLACHER: It is fair to say that officers who have been under an award since July 1996 that has been continually under review for a number of years, and is currently under negotiation, have been told a deadline that will not be met, want some certainty?

The Hon. JOHN DELLA BOSCA: Obviously that is part of the process of negotiating a set of industrial arrangements. I do not find anything unusual about that.

CHAIR: Do Government members want to have the final word?

The Hon. PETER PRIMROSE: Congratulations, Minister. We are very satisfied.

CHAIR: Minister, I thank you and the members of your department for your attendance. You will be aware that answers to questions taken on notice have a time limit of 35 days.

The Committee proceeded to deliberate.
