

GENERAL PURPOSE STANDING COMMITTEE No. 1

Wednesday 7 June 2000

Examination of proposed expenditure for the portfolio area

SPECIAL MINISTER OF STATE

The Committee met at 8.00 p.m.

MEMBERS

Reverend the Hon. F. J. Nile (Chair)

The Hon. M. J. Gallacher
The Hon. A. B. Kelly
The Hon. C. J. S. Lynn

The Hon. A. B. Manson
The Hon. P. T. Primrose
The Hon. Dr P. Wong

PRESENT

The Hon. J. J. Della Bosca, *Special Minister of State, Assistant Treasurer, Minister Assisting the Premier on Public Sector Management, and Minister Assisting the Premier for the Central Coast*

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

Office of Drug Policy, Cabinet Office
Mr G. Barnden, *Director*

Motor Accidents Authority
Mr D. Bowen, *General Manager*
Mr M. Rashid, *Financial Controller*
Ms J. Muddle, *Manager, Insurance Division*

Dust Diseases Board
Mr G. Lansley, *Executive Officer*
Mr A. Ho, *Manager, Financial Services*

WorkCover Authority
Mr W. McDonald, *Acting General Manager*
Mr R. McInnes, *Assistant General Manager,*
Insurance Division
Mr P. Burrows, *Finance Manager*

Minister's Office
Mr M. Strassberg
Mr L. Daly
Ms F. Maguire
Ms J. Sibraa
Ms R. Wannous

CHAIR: I welcome you to this public hearing of General Purpose Standing Committee No. 1. First, I wish to thank the Special Minister of State and departmental officers for attending today. At this meeting the Committee will examine the proposed expenditure from the Consolidated Fund for the portfolio areas of the Special Minister of State. Before questions commence, some procedural matters need to be dealt with. As you would be aware, part 4 of the resolution referring the budget estimates to the Committee requires the Committee to hear evidence on the budget estimates in public. Under Standing Order 252 of the Legislative Council, this Committee has resolved to authorise the media to broadcast sound and video excerpts of its public proceedings held tonight. The Committee's resolution conforms with the guidelines governing the broadcast of proceedings adopted by the Legislative Council on 11 October 1994. The attendant on duty has copies of those guidelines.

I emphasise that only members of the Committee and witnesses before it may be filmed or recorded. People in the public gallery are not considered to be part of the proceedings and, therefore, should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, as with the reporting of the proceedings of both Houses of Parliament, you must take responsibility for what you publish or what interpretation is placed on anything that is said before the Committee.

While there has been provision in previous years' budget estimates resolutions for Committee members and substitute members to refer directly to their own staff at any time, there is no such provision in the current resolution. Members and their staff are therefore advised that any messages should be delivered through the attendant on duty or the Committee clerks. For the benefit of members and Hansard, and the effective operation of this Committee, it is important that departmental officials identify themselves by name, position and department or agency before answering each question. Wide latitude is allowed in asking questions on any of the budget estimates and related documents before the Committee. However, when a member is seeking information in relation to a particular aspect of a program or subprogram, it will help the Minister and the Committee, if the program or subprogram is identified.

The Committee has agreed to the following format for this hearing: First we will deal with WorkCover, then green slips, the Motor Accidents Authority and finally drugs. The Committee has agreed not to allocate specific blocks of time to individual parties or members. Members will be provided with an opportunity to pursue specific lines of questioning until such time as they have exhausted questions relating to that issue. I will endeavour to ensure this process is as equitable as possible and that all members are given an opportunity to ask questions. As you are aware, a period of two hours has been set aside for tonight's hearing. If, at the conclusion of the hearing, members have not exhausted the questions to which they require answers, the Committee may decide to hold additional hearings before it is required to report on 23 June. I declare the proposed expenditure open for examination. Are there any questions?

The Hon. C. J. S. LYNN: I direct my first question to Mr Warwick McDonald. On 26 May the Minister told the Legislative Council that gains in injury management and other reforms have stalled in the past six months. Could you give details of which gains have stalled?

Mr McDONALD: The Committee will understand that reform packages to the scheme had been put forward in previous years. Those reforms have resulted in improvements, but the latest actuarial measures of the scheme's performance suggested that the effect of those reforms have stalled.

The Hon. C. J. S. LYNN: Could their stalling be related to the delay in private underwriting?

The Hon. J. J. DELLA BOSCA: I think that that is a government policy question. It would fall fairly directly under Government policy deliberation. If the Committee is happy I will answer that question.

The Hon. M. J. GALLACHER: Point of order: I do not believe it is government policy. It is a question of fact whether the current chief executive officer of WorkCover is aware, as a result of work that he is doing, of any relationship between the situation raised by the Hon. C. J. S. Lynn and the delay in private underwriting of workers compensation. There was no question about policy; we are just asking whether there is a relationship. Yes or no?

The Hon. J. J. DELLA BOSCA: Am I able to answer that, Mr Chairman?

The Hon. A. B. MANSON: To the point of order: The standing orders state that policy issues can be answered only by a Minister and not by a public servant.

The Hon. C. J. S. LYNN: To the point of order: It is not a matter of policy.

CHAIR: That does seem to be the distinction, whether it is policy or not.

The Hon. A. B. KELLY: To the point of order: It should be the Minister's decision, whether it is policy or not.

The Hon. M. J. GALLACHER: Further to the point of order: No, it is for the Chairman to determine whether the question has been couched in such a way that we are asking a question on policy. We are not. We are asking him, as the Acting General Manager, whether in his view there is a relationship between the failure mentioned by the Hon. C. J. S. Lynn and private underwriting. He can answer yes or no. I am not asking for a detailed explanation.

The Hon. P. T. PRIMROSE: To the point of order: Surely it is the responsibility of the Minister to determine what is a matter of policy in his own department.

CHAIR: The simple solution would be for the officer to indicate whether he thinks it is policy. If it is, he can refer you to the Minister.

Mr McDONALD: I would have thought that it is a matter of policy.

The Hon. J. J. DELLA BOSCA: The short answer to the member's original question is no. If I might elaborate, I have pointed that out to the House, indeed to the honourable member who posed this question, during questions without notice during the present parliamentary session. The Government has made a clear distinction between the issue of private underwriting and the performance of the scheme. In any respect, logically, the honourable member is asking a question about a retrospective issue. I am sure you would all be aware that the deferral of private underwriting is a prospective issue; something that is yet to happen. If the honourable member is referring to the original deferral of private underwriting, the answer remains that the two questions need to be tackled, each on its merits.

The Hon. C. J. S. LYNN: Mr McDonald, when did you become aware that the gains were stalling?

Mr McDONALD: As you may be aware, I have been the Acting General Manager of the WorkCover Authority since the end of March. I would say it would have been very shortly after that that I became aware of the situation.

The Hon. C. J. S. LYNN: How did you find out?

Mr McDONALD: The scheme's actuaries produce reports on a six-monthly basis. The latest scheme report would have been discussed by the WorkCover Board shortly after my appointment.

The Hon. C. J. S. LYNN: Were you briefed? Did someone tell you they were stalling or did you read it in a report?

The Hon. J. J. DELLA BOSCA: I think the word "stalling" is a direct quote from a comment I made on the parliamentary record. It is not appropriate to force Mr McDonald to take possession of my terminology and work his way through it. I would have thought that I was the appropriate person to deal with this line of questioning.

The Hon. M. J. GALLACHER: The witness has not had any difficulty answering the question up to this point. I ask that the Special Minister of State refrains from interjecting when it would appear that the witness is prepared to answer the question.

The Hon. C. J. S. LYNN: What sort of further reforms in injury management are we talking about that will bring about lasting results?

Mr McDONALD: I think those are very definitely matters of government policy.

The Hon. J. J. DELLA BOSCA: Both the Hon. C. J. S. Lynn and the Hon. M. J. Gallacher are aware that I have made a number of statements in which I have indicated that in the very near future, indeed tomorrow, I expect to make a reasonably extensive statement to the House about proposals for the way forward for WorkCover. Until now I have reserved my rights with respect to the detail of that statement. I will follow the

usual form and provide a copy to the leaders of all parties before I make it. I would prefer, if I could, to make that statement to the House at the appropriate time.

The Hon. M. J. GALLACHER: Mr Donald, did you say that the actuarial advice given to you was provided on a six-monthly basis?

Mr McDONALD: It was the most recent report on the scheme, yes.

The Hon. M. J. GALLACHER: Did that report also forecast what was anticipated over the next six months?

Mr McDONALD: Yes, it did.

The Hon. C. J. S. LYNN: Mr McDonald, what would be the cost of maintaining adequate remuneration to insurers if the now stalled gains in injury management are to be reversed?

Mr McDONALD: Again, I would say that is a matter of government policy. I imagine that a range of measures could be taken that are in the Government's mind and no decision has been made on them.

The Hon. C. J. S. LYNN: Have you done an analysis of the options available?

The Hon. J. J. DELLA BOSCA: We are reaching the realms of future government policy. If the Hon. C. J. S. Lynn would like to ask that question again, I might have a fair stab at an answer. Again, it is inappropriate to address questions to Mr McDonald that effectively relate to government policy intention.

The Hon. C. J. S. LYNN: Minister, what will be the cost of maintaining adequate remuneration to insurers if the now stalled gains in injury management are to be reversed?

The Hon. J. J. DELLA BOSCA: That depends on the framework settled on, the basis on which the Government seeks to compensate insurers or whether any need will be determined to compensate insurers. It has not been determined, and at this point in time WorkCover has not been asked that by me. I am unable to say whether or not any officers of WorkCover have prepared a response in anticipation of that. I am sure Mr McDonald would be happy to answer that aspect of the question. I have not formed a view about instructing WorkCover on that issue.

The Hon. M. J. GALLACHER: Minister, do you have any information available to you in written form that details the Government's expectation of the cost?

The Hon. J. J. DELLA BOSCA: The only way for me to give an adequate answer to the honourable member is to take the question on notice and provide an answer to the Committee as quickly as I can.

CHAIR: Would you make the subject clear? The question did not state the subject.

The Hon. M. J. GALLACHER: What will be the cost of maintaining adequate remuneration to insurers if the now stalled gains in injury management are to be reversed? What information does the Minister have available to him about the cost? Will the Minister also indicate the figure? Who will recoup that cost?

The Hon. J. J. DELLA BOSCA: I will take that question on notice and provide an answer to the Committee as quickly as I can.

CHAIR: We understand that it is a transitional situation with WorkCover, that is the difficulty we face tonight. You cannot give a specific answer before a policy is decided.

The Hon. J. J. DELLA BOSCA: To be frank, I was not sure of the honourable member's question. I am aware, and my officers are aware, of costs to the authority of not proceeding. But the question asked by the Hon. C. J. S. Lynn and the Hon. M. J. Gallacher is somewhat different. The appropriate way would be to take with the question on notice.

The Hon. Dr P. WONG: What is the estimated cost of implementing changes to the Motor Accidents Compensation Scheme? How are these costs distributed?

CHAIR: We are dealing with WorkCover at the moment.

The Hon. Dr P. WONG: What is the estimated cost of implementing changes to the Motor Accidents Compensation Scheme? How are these costs distributed?

The Hon. J. J. DELLA BOSCA: I am in your hands, Mr Chairman.

CHAIR: We will deal with WorkCover in this section. Please keep that question for a moment.

The Hon. C. J. S. LYNN: Is it not a fact that if you could provide an injury management process for employees out of work for more than 52 weeks that focused on the return-to-work outcomes proposed by the former State Coalition Government in 1991, you would cut the cost of the scheme by one-third?

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

The Hon. C. J. S. LYNN: Is it not a fact that if you could provide an injury management process for employees out of work for more than 52 weeks that focused on the return-to-work outcomes proposed by the former State Coalition Government in 1991, you would cut the cost of the scheme by one-third?

The Hon. P. T. PRIMROSE: Point of order: In accordance with the guidelines for the content of questions in this House, estimates committees questions should not contain hypothetical matter. It seems very clear that the Hon. C. J. S. Lynn's question contains hypothetical matter and, therefore, is out of order.

CHAIR: I will allow you to reframe that question so that it deals with a factual matter.

The Hon. Dr P. WONG: Budget Paper No. 3, Volume 2, page 19-4 refers to an allocation of \$65.2 million in the 2000-01 budget with the objective of promoting the prevention of injuries and diseases in the workplace. Is the WorkCover Authority able to specify on what particular programs this allocation would be used, and the estimated cost of each of the programs?

The Hon. J. J. DELLA BOSCA: The budget for the promotion and prevention of injuries and diseases in the workplace has increased by \$11.6 million, a 22 per cent increase, due to a major restructure of the occupational health and safety resources, and better targeting of resources to improve effectiveness and achieve WorkCover service delivery. This includes western Sydney and regional New South Wales, and is reflected in increases in salary, and employee payments and related travel expenses. As approved by the Government, an additional 25 safety inspectors will be recruited to improve WorkCover's capacity to deliver enforcement and advisory services to New South Wales workplaces. This improved capacity is aimed at reducing accidents and injuries, and ultimately the costs of the WorkCover scheme. Contingent funding of \$7 million has been allocated for the introduction of occupational health and safety changes. I could list specific items, if you would like them. Do you want the specifics?

The Hon. Dr P. WONG: Not the specifics, no.

The Hon. C. J. S. LYNN: Is your Government committed to an injury management process for employees out of work for more than 52 weeks, which would focus on the same return-to-work outcomes of the former Coalition Government in 1991?

The Hon. J. J. DELLA BOSCA: I do not know if the benchmark we are necessarily committed to or are using is the performance of the previous Coalition Government. If the sense of the honourable member's question is whether we see better injury management practices or more comprehensive injury management practice as the way forward, that has been underlined by me in a number of my public remarks, by the previous Minister in his public remarks and by the Premier on any number of occasions. Injury management has been one of the principal focuses in the WorkCover Authority.

The question we probably need to focus on is the relationship between injury management and injury prevention. The Hon. Dr P. Wong might underline this: there is an increasing school of thought among occupational therapists, the medical profession in occupational health and safety, and medical professionals who deal with rehabilitation issues that the best way to discover prevention strategies is to manage injuries more effectively. Through the process of finding out how to manage injuries medical therapists, ancillary therapists and others involved in rehabilitation have the clearest views as to what are the causes of, and therefore what are the ways to prevent, injuries.

I am associated with two people who have a background in injury management. One happens to be a sports doctor and the other has a lengthy background in the insurance industry. They related an anecdote to me about this very question. If one compares the situation of an employee who is injured on the job and a sports person who is injured on a rugby league field or a hockey field, one sees that the person who sustains a high-impact injury on the rugby league field or the hockey field is often back playing football or hockey three weeks after the injury.

A similar injury sustained in the workplace often results in a worker being psychologically and physically worse off for much longer than three weeks. We will be searching for some of the formulas and culture changes in workplaces that will result in a similar kind of attitude. Some of the indications are that the difference lies not in blaming the victim, as it might have been in the old-fashioned mode, but more directly in the culture of the sporting team. If someone is injured, that person remains a part of the team and continues to train as part of the team.

The first person to talk to the injured sports person about the injury and how to manage it is the coach, an official or a professional trainer at the club. In the case of injured workers, they are often sent home and are deliberately made to feel unwelcome in the workplace. They are often left alone and, therefore, their morale is more likely to deteriorate. Therefore they do not get better or they take much longer to get better. It might sound a simple way to express it, but we are struggling to find ways of applying that fairly simple principle of injury management by the employer—not just in a sense of legal liability but in a more important psychological and cultural sense of affinity with the injured employee and working with the employee on the injury. Through WorkCover, the Department of Industrial Relations and occupational health and safety organisations we will provide a legal and advisory framework where possible to bring about a cultural change that will change the psychological elements in a worker's injuries.

CHAIR: There is also the problem with those associated with the rehabilitation side of a worker's accident, such as doctors and others. It is similar to the case of the repairer of a motor vehicle the subject of an insurance claim. There is a tendency for members of the profession not to see the urgency—as you mentioned in the example of the football player getting back on the field. They know it is a WorkCover job and will allow it to continue indefinitely.

The Hon. J. J. DELLA BOSCA: There are two aspects to that. The first is as you have said, that within the system all the elements tend to work to drive a wedge between the injured worker and the employer. In some respects that includes aspects of the way the current medical system operates. On the cost side, of course we know there is a large range of medical professionals and quasi ancillary professionals that display a fee schedule setting out the regular fee and an amount significantly higher for workers compensation matters. That is common practice throughout many medical and ancillary professions.

Mr McDonald has pointed out in relation to our forward estimates on that issue that in regard to the programs of promoting prevention of injury and disease in the workplace, the proposed increase for the budget years 1999 to 2001 is a 22 per cent increase. The program is to maintain workers compensation injury management service to employers and workers. There has been a 38 per cent increase in that, and a significant increase in a number of other similar areas oriented towards that issue.

The Hon. C. J. S. LYNN: How have you determined the cost of initiating a proactive injury management scheme? Perhaps Mr McDonald could answer that question.

The Hon. J. J. DELLA BOSCA: I was just checking the origin and if there were points to that terminology other than my words! The answer is that I have not determined that, nor has the WorkCover authority. We have committed to a program of examining the current scheme and working through some of the issues. I gather from the sense of the question that the Hon. C. J. S. Lynn is looking for a precise costing. One does not exist.

The Hon. C. J. S. LYNN: I am trying to find out whether you would use actuarial projections to determine the cost. What system would you be using?

The Hon. J. J. DELLA BOSCA: Can we return to the sense of the question? I am not sure of the point of that question.

The Hon. C. J. S. LYNN: I want to know how you have determined the cost of initiating a proactive injury management scheme, not what the cost is. Perhaps it is more a management decision.

The Hon. M. J. GALLACHER: What do you use in the process to determine it?

The Hon. J. J. DELLA BOSCA: There are two sides to the way you would cost it once you make determinations. The first is simply management costing, and the second is anything that involves risk premiums involves an actuarial assessment, which is somewhat different to the way normal management costings are prepared. If that is the sense of your question, both approaches would have to be used.

The Hon. C. J. S. LYNN: Can such projections give you a forecast and over what period of time do those forecasts operate? Is it monthly, quarterly, six-monthly?

The Hon. J. J. DELLA BOSCA: I have the feeling the question is related to something that I am unaware of. I can only say that WorkCover's actuaries have reported to the board in the past on a six-monthly basis on all aspects of the cost of the scheme.

The Hon. M. J. GALLACHER: When it reports on a six-monthly basis, does it look at the last six months or the next six months or both?

The Hon. J. J. DELLA BOSCA: It does both.

The Hon. C. J. S. LYNN: Now that the Government has announced plans to further delay private underwriting indefinitely, have you recommended reforms for injury management?

The Hon. J. J. DELLA BOSCA: I am sorry to sound like a broken record, but the short answer is that there will be some elaboration on that point tomorrow. However, in the current budget estimates there are no further changes other than those already disclosed in the budget.

CHAIR: There appears, in Budget Paper No. 3, Volume 2, at page 19-4 under the heading "2000-01 Budget", a list that contains two specific items, one relating to an estimate of \$65.2 million to promote the prevention of injuries and another for \$7.7 million for an education campaign. Does the \$65.2 million include also education for the worker? If so, which of those items includes expenditure for the television and radio advertisements?

The Hon. J. J. DELLA BOSCA: The \$65.2 million represents the cost of the injury management prevention section of WorkCover. The \$7.7 million is an additional amount of money for the television campaign that most honourable members would have seen, which is aimed at educating both workers and employers. I would like to take the opportunity to elaborate briefly to the Committee on that advertising campaign and its success. Since 1998-99 WorkCover has successfully run two \$7 million work and safety advertising campaigns. These have been so successful that WorkCover plans to spend \$7 million in the 2000-01 financial year targeting specific high-risk industries and work practices.

During the first year of the campaign workplace fatalities decreased by 10 per cent compared with the previous year. Workplace accidents decreased by 5 per cent and gross injury costs of all employment injuries decreased by \$50 million or 5.6 per cent. The work safety campaign is one contributing factor to this favourable trend. The second campaign in the financial year 1999-2000 is split into two elements: injury prevention, \$4.5 million, and injury management or return to work, which are some of those issues we canvassed in earlier questions, \$2.5 million.

I can advise the Committee that three independent specialists in social marketing campaigns all agree that the injury prevention campaign is achieving excellent awareness levels. WorkCover is pleased to note that there has been a 30 per cent increase in requests for information through its information hotline and Internet site. The current injury management campaign, which is programmed to end in June 2000, highlights the necessity for employers to develop and implement a return to work plan for the injured worker, doctor, employer and insurer. I might add that I believe, given the numbers I quoted for the apparent effect of this advertising campaign, although I am tempting fate and arguing post hoc ergo propter hoc, it is a good indication that the campaign has been successful.

The Hon. M. J. GALLACHER: I want to discuss WorkCover reform with Mr McDonald. On 24 May the Minister told the House that he was currently undertaking a complete review of WorkCover. Are you involved in that review?

Mr McDONALD: Yes, of course I am.

The Hon. M. J. GALLACHER: What is your role, Mr McDonald?

Mr McDONALD: I am the Acting General Manager.

The Hon. M. J. GALLACHER: And what is your role in the review?

Mr McDONALD: I am the acting chief executive of the organisation. If the Minister orders a review then clearly I am responsible for carrying it out.

The Hon. M. J. GALLACHER: So you will be the officer in charge of the review?

Mr McDONALD: I emphasise that I am the Acting General Manager.

The Hon. M. J. GALLACHER: Acting officer in charge?

Mr McDONALD: Correct.

The Hon. M. J. GALLACHER: What are you looking at in that review?

Mr McDONALD: The Minister has not made clear the precise nature of his intentions and, quite frankly, I think that we are again meandering towards government policy issues.

The Hon. M. J. GALLACHER: No we are not, nowhere near it. So we have got a review but we have not got a review?

The Hon. J. J. DELLA BOSCA: Mr Chairman, I think we clearly are in the realm of government policy. If I might take the—

The Hon. M. J. GALLACHER: Point of order: To assist in the Minister I might refer him to Odgers, page 431. I will read this to him and also to my colleague opposite who was very vigilant in raising this matter earlier. Odgers states:

The rule relating to the giving of opinions on matters of policy is designed to avoid public servants becoming involved in discussion or disputation with committee members about the merits of government policy—

the merits of government policy—

as determined by Ministers.

The crunch comes:

Public servants may explain government policy, describe how it differs from alternative policies and provide information on the process by which a particular policy was selected, but may not be asked to express opinions on the relative merits of alternative policies.

I did not ask for an opinion; I am looking at matters of fact.

The Hon. P. T. PRIMROSE: To the point of order: Page 7 of the advice given to all members specifically states in the last paragraph, "Questions of a policy nature should be directed to and answered by the Minister." It further goes on to outline the various precedents set. So if we are going to have a brawl about it that is the manual that we adopt.

The Hon. M. J. GALLACHER: Further to the point of order: If we are getting to the issue of what is policy and what is not, quite simply every question that is too hard for this Minister to answer will simply be claimed as involving policy, because absolutely everything that is done in a department can be construed as policy. I am simply asking for the Government's decisions to be explained. As I have just spelt out, it is clearly within the realm of members of the Committee to ask such questions and I ask you to rule that way.

CHAIR: I understand that the question relates to a review that is under way.

The Hon. P. T. PRIMROSE: Questions about the review are fine; it is just when you start asking questions about policy.

The Hon. M. J. GALLACHER: I did not ask a question on policy.

CHAIR: We will keep the question to fact, whether a review is under way.

The Hon. M. J. GALLACHER: So as yet, Mr McDonald, there are no outcomes to be achieved in relation to this review?

Mr McDONALD: That is so.

The Hon. M. J. GALLACHER: Mr McDonald, a new review was announced by the Minister but what happened to the findings of the 1998-99 review that the annual report of WorkCover states were implemented through 1999-2000?

Mr McDONALD: I was not with the WorkCover Authority during that period. Since I became Acting General Manager of the authority the Minister has asked for many briefings about the operations of the WorkCover Authority and I have supplied those briefings. But I have not as yet been instructed by the Minister because policy decisions may not have been made as to what is the next step.

The Hon. M. J. GALLACHER: Mr McDonald, what model is being used to determine the future of workers compensation by the Acting General Manager of WorkCover? Is the framework going to be used in light of current policy on workers compensation or the private underwriting proposal? If you are going to reform and review WorkCover you need to be looking at a review that is either consistent with what we have now or consistent with what is currently on the books.

The Hon. P. T. PRIMROSE: That is clearly a policy matter.

The Hon. A. B. KELLY: The Minister might not have told him.

CHAIR: All options available are being reviewed.

The Hon. J. J. DELLA BOSCA: That clearly has deviated into the realms of policy. With due respect to the honourable member's superior knowledge of Odgers, on the night at least, let me—

The Hon. A. B. KELLY: One page of it.

The Hon. J. J. DELLA BOSCA: Yes, one page of it. Let me clarify the issue for the benefit of the Committee. First, in respect of the use of the terminology "review", since I became Minister responsible for WorkCover a review in every sense has been ongoing. As Mr McDonald indicated, I have asked for extensive briefings from WorkCover officers. I have had a large number of meetings— I cannot enumerate them; we could if the Committee wanted us to—with Mr McDonald and other senior officers of WorkCover. I have started a fairly extensive round of discussions with what are otherwise called stakeholders—I do not particularly like the term "stakeholders"—that is, interest groups in the WorkCover area.

I have had extensive discussions with a number of my ministerial colleagues. There is a Cabinet subcommittee on WorkCover and workers compensation which has had at least two meetings since I became the Minister at which we have discussed a number of potential reform issues going forward. So in every sense of it there is a review. I am unembarrassed about the fact that we have not produced a magic bullet yesterday, and we do not expect to, quite frankly. The nature of the changes necessary in the WorkCover area start with the institutional framework, the financial underpinnings, but they go extensively to culture change. We want to achieve a whole range of things in a very comprehensive review.

In that sense the review has not been hatched as a formalistic exercise in the bureaucracy of WorkCover at this stage. I have had discussions with a number of WorkCover board members and I intend to have a formal meeting with the WorkCover board at the meeting after next, in July, to go through some of the issues I see that we need to work on. I expect that work to take 12 to 18 months. I do not expect miraculous answers ahead of that time frame and I will not be buffaloes into making pre-emptive statements about what should happen on the various challenges before us in WorkCover. Back to the specific question that the member asked—

The Hon. M. J. GALLACHER: It would be nice if you could get back to it at least.

The Hon. J. J. DELLA BOSCA: Could you repeat it? You fooled me again, Michael.

The Hon. M. J. GALLACHER: Mr McDonald, is Stephanie Garland still within the employment of WorkCover?

Mr McDONALD: She is.

The Hon. M. J. GALLACHER: Are you her immediate superior?

Mr McDONALD: I am.

The Hon. M. J. GALLACHER: It is unfortunate that she is not present because I would have loved to have had a chat to her this evening. How many personnel will be going to Gosford as a result of the relocation of WorkCover?

Mr McDONALD: I understand that it will be in the region of 440.

The Hon. M. J. GALLACHER: What will happen to your current premises in Sydney upon the relocation taking place?

Mr McDONALD: The lease on the building at 400 Kent Street, Sydney, which is commonly referred to as the WorkCover head office, runs out in January 2002. The premises will not be used by the WorkCover Authority again in the future. We currently have two leased sites in the Sydney CBD. The head office is an 11-storey building with an area of about 10,500 square metres. The make-good process is expected to commence in November 2001. The site would have required a complete refit had WorkCover remained in the building. Level 2 of 447 Kent Street has an area of 720 square metres. It is referred to as regional office metropolitan east. The lease on that building ends in May 2001. It houses largely the Occupational Health and Safety Division, building inspectors and their assistants.

In anticipation of the move to Gosford, WorkCover, through the Department of Public Works and Services, has moved to accommodate the people who currently are accommodated at 447 Kent Street. We are looking at a site in the southern CBD which will have approximately 1,000 square metres and which will accommodate the existing city-based inspectorate, which is about 58 officers. This number will increase because of the Government's recent announcement to increase the number of inspectors by 25. The site provides some temporary desks for officers from regional locations in New South Wales and clearly will be used by officers who are located permanently in Gosford when they need to come to the CBD to conduct business on behalf of the authority from time to time.

The Hon. M. J. GALLACHER: Mr McDonald, were you involved in the tendering process for the premises at Gosford?

Mr McDONALD: No, I was not.

The Hon. M. J. GALLACHER: Who was?

Mr McDONALD: The tendering process for Gosford was conducted through the Department of Public Works and Services.

The Hon. M. J. GALLACHER: You had no input into it whatsoever?

Mr McDONALD: No, I did not.

The Hon. M. J. GALLACHER: Did anyone from your department have input in relation to the tendering process?

Mr McDONALD: From the WorkCover Authority?

The Hon. M. J. GALLACHER: Yes.

Mr McDONALD: Yes.

The Hon. M. J. GALLACHER: Did Ms Garland play a role in relation to that?

Mr McDONALD: She would have been involved. Her responsibility area includes the accommodation of the authority.

The Hon. M. J. GALLACHER: Minister, is there a reason why Ms Garland is not here this evening, as this is a significant piece of the Government's platform?

The Hon. J. J. DELLA BOSCA: I am not aware of a reason. I did not ask Ms Garland to be here or not to be here. I basically asked Mr McDonald to be present and to bring other officers as he saw fit. Under the prevailing circumstances I would have been quite happy if Mr McDonald had turned up unaccompanied and I would not have thought there was anything unusual about that. I think we are competent to answer any questions about budget matters in relation to WorkCover that might come up.

The Hon. M. J. GALLACHER: I put on record that we reserve the right to call Ms Garland at a future hearing to discuss the tendering process in relation to the Gosford relocation. It is a significant piece of this Government's future budgetary expenditure and it has been raised in a number of its publications up to this date. It is current now as it will be in the future and I wish to put that issue onto the record.

CHAIR: Could you put a specific question to the Minister that can be answered?

The Hon. A. B. KELLY: Can't you put it on notice?

The Hon. M. J. GALLACHER: I will be asking further questions.

The Hon. P. T. PRIMROSE: You can put them on notice.

The Hon. M. J. GALLACHER: With all due respect, I will ask questions as I see it fit. I do not need you to assist me. Because this gentleman was not involved in the tendering process, it would be unfair and improper for me to ask him questions about the tendering process. Mr McDonald, how many of the employees who will be part of the relocation to Gosford live on the Central Coast?

Mr McDONALD: I am not aware of the precise answer to that question.

The Hon. M. J. GALLACHER: What is WorkCover offering in the way of relocation relief for those who do not reside on the Central Coast?

Mr McDONALD: The normal government arrangements. During the past year or so WorkCover has discussed the relocation with its staff and has asked staff to indicate their preference, whether they want to stay with the authority. A number of staff have decided not to stay. I cannot give you the precise numbers.

The Hon. J. J. DELLA BOSCA: Mr Chairman—

The Hon. M. J. GALLACHER: That answer was sufficient, thank you Minister. Mr McDonald, will those who elect not to remain with WorkCover be offered redundancy packages?

Mr McDONALD: Over the past 12 months or more redundancy packages have been offered to a large number of WorkCover staff. The WorkCover restructure has now moved from looking at just its resources and, if you like, a transactional position to a transformational position. In 1998-99 and 1999-2000 WorkCover expended \$8.4 million and \$7.5 million respectively on voluntary redundancy payments and salary payments to displaced staff. As at the end of May 2000, 183 WorkCover staff had accepted offers of voluntary redundancy. Overall, WorkCover will achieve annual savings—and I emphasise annual savings—of about \$6.6 million as result of the redundancy program. The savings have been transferred to operational areas.

The Hon. M. J. GALLACHER: That is sufficient. In relation to the relocation to Gosford, are you aware of recent reporting that a building is to be put into the centre of Gosford somewhere in the vicinity of about \$25 million?

Mr McDONALD: I am aware that last week the Premier made an announcement that there will be a building in Gosford, yes.

The Hon. M. J. GALLACHER: I am not asking your opinion but I put it on the record that that is a substantial building to be placed in Gosford without there being any sort of formal contract signed between the WorkCover Authority and the owners of that building. Has an agreement been signed at this stage?

Mr McDONALD: The building to be constructed is a new building.

The Hon. M. J. GALLACHER: Yes. What formal agreement do you have with the operators of it?

The Hon. J. J. DELLA BOSCA: Mr Chairman, that really is a matter that relates to another Minister's portfolio and is a question for the estimates committee dealing with the portfolio of the Minister for Public Works and Services.

The Hon. M. J. GALLACHER: I thought the witness might have been in a position to assist. I refer briefly to the workers compensation debt. Mr McDonald, as Acting General Manager, do you have any forward projections available to you regarding workers compensation?

Mr McDONALD: Forward projections about workers compensation?

The Hon. M. J. GALLACHER: The financial viability of workers compensation?

Mr McDONALD: The question is fairly general.

The Hon. J. J. DELLA BOSCA: If I might attempt to be of assistance to the Hon. M. J. Gallacher, I think he is referring to the deficit or tail of the scheme; is that correct?

The Hon. M. J. GALLACHER: Please feel free to answer the question whatever way you wish, Minister.

The Hon. J. J. DELLA BOSCA: Mr McDonald or I could answer the question in relation to the deficit in the scheme, which is the difference between the assets currently held and what is thought to be the amount that will have to be paid out in claims at some future point. The December 1999 valuation—and I believe this is information of which the Leader of the Opposition is already aware—provided information on the deficit in December that year. That valuation said that the deficit was \$1.8 billion. The valuation also predicted a deficit of \$2 billion as at June 2000. That is a projected deficit. The actual result at June 2000 will not be known until audited accounts are available for the scheme in October this year. The deficit is projected to increase because scheme costs exceed current premium levels of 2.8 per cent. As I have said in the Parliament before, this Government intends to address the cost problems for the scheme by reducing costs below current premium levels. I anticipate that the deficit will be retired over time.

The Hon. M. J. GALLACHER: That is sufficient. Mr McDonald, in light of that answer and also in light of a number of answers that have been given regarding projections that have been available to you and, indeed, to the Government in terms of the ongoing financial viability of workers compensation or the workers compensation tail, as the Minister has referred to it, how are projections presented to you? Did you say earlier on a six-monthly basis?

Mr McDONALD: Yes, the WorkCover's actuaries present reports on a six-monthly basis.

The Hon. M. J. GALLACHER: Mr McDonald, do you have actuarial information—I am not after the figure—that indicates what the projected tail will be in December 2000?

Mr McDONALD: In December 2000?

The Hon. M. J. GALLACHER: Six months from now.

Mr McDONALD: No, we do not.

The Hon. M. J. GALLACHER: Why not?

Mr McDONALD: As I understand it—and I must be careful because of my inexperience in dealing with actuaries—the last report was for the end of last year with a projection to the middle of this year.

The Hon. M. J. GALLACHER: Were there no further projections at all beyond that point?

Mr McDONALD: I am sorry, I have been slightly in error. We have projections for June 2000 and 2001.

The Hon. M. J. GALLACHER: Would you mind telling the Committee what those projections are?

Mr McDONALD: We do not have those figures, but I will take the question on notice.

The Hon. J. J. DELLA BOSCA: I will undertake to ensure that that information is provided promptly to the Committee.

The Hon. M. J. GALLACHER: Mr McDonald, can you explain why you gave an answer a short time ago that you did projections every six months but immediately prior to my asking this question you gave a much larger timeframe when explaining why projections were not available for December?

Mr McDONALD: The answer is my relative inexperience in dealing with the sequence of actuarial reports that are presented to WorkCover.

The Hon. M. J. GALLACHER: Is there any other witness present this evening who is in a position to give the Committee the actuarial projections for December 2000?

The Hon. J. J. DELLA BOSCA: That is a technical question, which we will have to take on notice. We will provide the information to the Hon. M. J. Gallacher and the rest of the Committee as quickly as we can.

The Hon. M. J. GALLACHER: I will finish with workers compensation and move on as I am aware that there are other matters to consider. I will not labour the point. I direct this question to you, Mr McDonald, in the absence of Ms Garland. Recognising that the Corporate Services Division under your control is responsible for providing information about the implementation and review of policy and legislation, will you explain—from a WorkCover perspective—what is meant by schedule 1 of the amendment of the Workplace Injury Management and Workers Compensation Act 1998 that was announced earlier today?

Mr McDONALD: Did the Minister make that announcement today?

The Hon. M. J. GALLACHER: No, it was announced in another place.

Mr McDONALD: Would you please repeat the question?

The Hon. M. J. GALLACHER: In your role as the acting chief executive officer responsible for providing information about the implementation and review of policy and legislation, as spelt out in your annual report, will you explain what is meant by schedule 1 of the amendment of the Workplace Injury Management and Workers Compensation Act 1998 that was announced earlier today?

Mr McDONALD: I will have to take that question on notice.

The Hon. M. J. GALLACHER: Were you involved in the formulation of the bill presented in Parliament earlier today with respect to the deferral of private underwriting?

Mr McDONALD: I was not involved directly in the drafting of it, no.

The Hon. M. J. GALLACHER: What impact will the passage of that legislation have on WorkCover?

Mr McDONALD: I understand that it will defer the move to private underwriting that was previously the statutory position.

The Hon. M. J. GALLACHER: Will it not, therefore, also have a significant bearing on any future review of WorkCover in terms of your future directions?

Mr McDONALD: It will be a factor.

The Hon. M. J. GALLACHER: I direct this question to Rod McInnes, recognising his role in the finance area of WorkCover. What is the anticipated cost to the insurance industry of this unlimited delay?

The Hon. J. J. DELLA BOSCA: We will undertake to collect the information that the Hon. C. J. S. Lynn and the Hon. M. J. Gallacher seem intent upon acquiring. Unless I am mistaken—I will allow Mr McInnes to correct me—unless information about WorkCover is collected separately, the information regarding the cost to the insurance companies currently resides in the estimates of the private sector.

Mr McINNES: They have not provided WorkCover with a cost impact of the deferral.

CHAIR: Were the insurance companies aware that this postponement would occur?

The Hon. J. J. DELLA BOSCA: Upon Cabinet's making a determination in relation to the amendments currently before the other House, I had cause to invite the CEOs—or controlling officers, as they tend to be called in the insurance industry—to a meeting on the parliamentary premises. That meeting was convened by me and attended by Mr McDonald from the Motor Accidents Authority, Mr Bowen from WorkCover, the chairman of the Motor Accidents Authority and several other WorkCover officers. I outlined to that group, comprising mainly CEOs of insurance companies, the fact that the Government intended to propose to defer the move to private underwriting and I underlined the broad reasons for that decision. Unfortunately, some of that information became public—I do not claim to be accountable for the means by which it was made public; as yet I have no views about how it happened—prior to the meeting. On the morning of the meeting, the *Daily Telegraph* carried a small article outlining what was then a rumour. I subsequently confirmed some aspects of that rumour and denied other aspects of it.

The Hon. M. J. GALLACHER: I direct this question to Mr McInnes. On 23 May the Minister told the House that a shift to the Australian New Zealand Standard Industry Classification [ANZSIC] system will create winners and losers. Will you detail who those winners and losers will be?

The Hon. J. J. DELLA BOSCA: I am sure that Mr McInnes will give an eloquent answer to that question—he would probably be far more eloquent than I—but he is being asked to take possession of terminology that I used in this place under parliamentary privilege. It seems to me to be a bit unfair to ask a public servant to take immediate ownership of my terminology.

The Hon. M. J. GALLACHER: I do not ask him to take ownership of it. Mr McInnes, can you inform the Committee what the impact will be when the Government shifts to the ANZSIC industrial classification system? I have removed the words "winners and losers" from my question. Will anyone be disadvantaged by its introduction?

Mr McINNES: The ANZSIC system of classification is completely different from the system that currently applies. It contains some 500 different industry classifications versus the current system that contains only 100. Embedded within the existing classification system is considerable cross-subsidy, and the move to ANZSIC will go a long way towards removing that cross-subsidy. As the Minister said, there will be winners and losers as a result of that process. As to the exact outcome, there are some 350,000 employers in the State and to detail the results for each of those 350,000 employers would be an extensive task. I am sure that the results would be beyond the level of detail that the Committee wants at this stage. I am not sure what more I can add at this point.

The Hon. M. J. GALLACHER: You said that there will be losers. Who will be the losers?

Mr McINNES: In some industries the premiums will increase.

The Hon. M. J. GALLACHER: Who are they?

Mr McINNES: Off-hand I am not in a position to say; of the 500 I do not have them readily to memory.

The Hon. A. B. KELLY: Obviously the ones that were subsidised before?

Mr McINNES: It would be those that are currently subsidised; yes, they would face increases.

The Hon. M. J. GALLACHER: And small businesses?

Mr McINNES: Yes, some would be small businesses.

The Hon. M. J. GALLACHER: Are you talking about tens of thousands of small businesses?

Mr McINNES: Potentially, yes. As I said, there are some 300,000 businesses in the State and certainly some tens of thousands would face increases.

CHAIR: The Committee will now deal with the Motor Accidents Authority portfolio.

The Hon. Dr P. WONG: Minister, what is the estimated cost of implementing changes to the Motor Accident Compensation Scheme and how are those costs distributed? How much money was spent on an education campaign in the past year in relation to changes to the green slip policy?

The Hon. J. J. DELLA BOSCA: Of the changes introduced in the course of introducing the new scheme?

The Hon. Dr P. WONG: Yes.

The Hon. J. J. DELLA BOSCA: Mr Bowen will answer that question on my behalf.

Mr BOWEN: I draw the honourable member's attention to page 19-1 that shows an increase of \$1.9 million in the budget of the Motor Accidents Authority, which primarily goes towards the costs of implementing the new scheme.

The Hon. C. J. S. LYNN: Minister, have you read a letter that was sent to you and to the Premier from Mr Max McCorkell of Wynyard, Tasmania, on his daughter's behalf, regarding a motor vehicle accident in November 1999?

The Hon. J. J. DELLA BOSCA: I am familiar with that correspondence. I referred it to Mr Bowen.

Mr BOWEN: We have established a claims advisory service within the Motor Accidents Authority. Upon receipt of that letter one of my officers contacted Mr McCorkell and the relevant solicitor, FAI; arranged a preliminary conference; had the insurer fly Mr McCorkell from Tasmania to Sydney; and the matter was resolved at that preliminary conference to Mr McCorkell's satisfaction.

The Hon. C. J. S. LYNN: Are you satisfied that this issue has been resolved?

Mr BOWEN: Mr McCorkell is satisfied that it has been resolved. I regard it as no longer being an outstanding complaint.

The Hon. C. J. S. LYNN: Has conciliation for that been in writing from Mr McCorkell? Did he sign off?

Mr BOWEN: Mr McCorkell attended the conference in Sydney to discuss his daughter's claim and was satisfied with the outcome.

The Hon. C. J. S. LYNN: Is the outcome as stated in the letter, that Miss McCorkell has been granted a carer for only one hour a day, and despite her being permanently injured and dependent for basic assistance, she is not entitled to any compensation? Is she happy with that?

Mr BOWEN: The outcome was a level of care to Mr McCorkell's daughter, who was the claimant, to her satisfaction.

The Hon. C. J. S. LYNN: And to his satisfaction?

Mr BOWEN: Yes, he was happy with the process. My officer spoke to him after the conference and he said he was happy with the way that the matter had been handled, and the outcome.

CHAIR: Do you mean he signed and accepted the offer?

Mr BOWEN: Mr McCorkell was not the claimant. He made a complaint in relation to his daughter. We involved Mr McCorkell, but he was not a party to signing off any settlement agreement, because it was his daughter's claim.

CHAIR: She signed it?

Mr BOWEN: The agreement relates to the ongoing provision of rehabilitation services, pending final settlement. The claim has not settled at this stage.

The Hon. C. J. S. LYNN: Minister, can you identify a person in New South Wales who has received a \$100 reduction in green slip premiums pursuant to your legislation? If not, why not?

The Hon. J. J. DELLA BOSCA: I can identify a more important statistic for the Hon. C. J. S. Lynn. I advise that 70 per cent of premium payers are paying below the \$330 premium that was prescribed in the legislation. Given that that is \$100 less than the average premium in the previous year, if that is the statistic that he is looking for, I can satisfy him and this Committee that I can identify 70 per cent of motorists in New South Wales as recipients of the benefits of the new scheme in green slip costs. I could conduct a survey and establish any number of persons that have experienced that. As I said, the statistics speak for themselves.

CHAIR: To make it clear, you can identify 70 per cent?

The Hon. J. J. DELLA BOSCA: Yes, 70 per cent.

The Hon. C. J. S. LYNN: You say that 70 per cent of people had a \$100 reduction in green slip premiums?

The Hon. J. J. DELLA BOSCA: Yes, 70 per cent of motorists are paying \$330 or less, which is \$100 less than the average premium payable last year.

The Hon. C. J. S. LYNN: The headline stated a \$100 reduction, which the Government got a lot of value from. In my research in setting up a green slip watch in south-west Sydney not one person claimed to have received a \$100 reduction.

The Hon. P. T. PRIMROSE: Because no-one wrote back to you. They did not want to talk to you.

The Hon. C. J. S. LYNN: A lot of people did write back. I am sure the honourable member would have been aware of that.

The Hon. J. J. DELLA BOSCA: The simplest way to explain the variance here is to repeat that I have gone through the average premiums, and they are at least \$100 less than the average premium for 70 per cent of motorists. There is no doubt that almost all of the examples that the Hon. C. J. S. Lynn could produce would be motorists paying \$100 more than current premiums had the Motor Accidents Authority Scheme reforms not been introduced.

The Hon. C. J. S. LYNN: That was not a headline that they were responding to.

The Hon. J. J. DELLA BOSCA: I do not write headlines, I am not Rupert Murdoch.

The Hon. C. J. S. LYNN: You create headlines.

The Hon. J. J. DELLA BOSCA: I will take that as a compliment.

The Hon. C. J. S. LYNN: Some headlines are misleading as far as the people in south-western Sydney are concerned.

The Hon. J. J. DELLA BOSCA: I do not attack hard-working journalists. They do their best to get the facts across. If the Hon. C. J. S. Lynn misreads them, that is his problem.

The Hon. C. J. S. LYNN: Minister, what is your proposal regarding reduced premiums for green slips in light of your failure to deliver the \$100 average reduction in premiums?

The Hon. J. J. DELLA BOSCA: I think you need a question time committee. I have answered the question about the \$100 reduction. As I said, 70 per cent of motorists are paying a premium \$100 less now than the equivalent average premium in the previous year. Regarding an average cut to motorists, almost all

motorists—with a couple of exceptions in categories which the Hon. C. J. S. Lynn could question me about subsequently, and may well do—would be paying at least \$100 more for their premiums if the scheme had not been changed.

The Hon. C. J. S. LYNN: Minister, what proposals do you have for green slip premiums when the legislation expires on 1 October, pursuant to schedule 5, part 2 (14), of the Motor Accidents Compensation Act 1999?

The Hon. J. J. DELLA BOSCA: Is this what the party of Menzies has come to? At that date the scheme reverts to a market-based scheme. At the moment it is a controlled premium. The Hon. C. J. S. Lynn would be aware of that provision from the extensive debates we have had in this Chamber. That provision was aimed at setting a price initiative to the insurance companies out of legislation. The member is alluding to the fact that the legislation requires them to file premiums for various categories of motorists as at that date. I have sanguine expectations about that. I probably do not have the faith in the marketplace that the Hon. C. J. S. Lynn has, but, given the framework we have established, I believe that the average cost of the green slip will remain well and truly reasonable after the October date.

CHAIR: There is nothing to stop the Government deciding to set a new cap, is there?

The Hon. J. J. DELLA BOSCA: I think you know the answer to that, Mr Chair. The Government or a majority of the Parliament could establish a new cap; that is correct.

The Hon. C. J. S. LYNN: Minister, to help us make sure that we get the headlines right next time, will you provide a guarantee that 70 per cent of people will pay \$330 or less for their green slips after 1 October 2000? Will you provide a guarantee that 70 per cent of people will pay an average of \$100 less than pre-October 1999 prices for their green slip premiums after 1 October 2000? If not, why not?

The Hon. J. J. DELLA BOSCA: I have no intention of fanning the King Canute society. The legislative framework has established a basis for a fair, open market that, as rapidly as possible, fairly settles disputes between parties and allows insurers to price rationally. Although I have no particular concerns at this stage, it is true that because of actuarial considerations some insurers, particularly those that have a relatively small part of the market, will still, even over a 12-month period, be flying relatively blind. My expectation is that the price leaders in the area, the larger insurers in the green slip arena, will be filing premiums roughly consistent with those that operated last year. I cannot give a guarantee. I think the Hon. C. J. S. Lynn knows the reasons why.

CHAIR: You have a system in place where, with competition, prices could be forced down, or they will not become exorbitant.

The Hon. J. J. DELLA BOSCA: Over time that is the case. As I said, I remain sanguine about the outcome. I think I have answered the Hon. C. J. S. Lynn's question as best I can.

The Hon. M. J. GALLACHER: I elect that the Committee finish on motor vehicles, unless the Hon. Dr P. Wong or my colleagues opposite have any further questions. Before I get the opportunity to examine the Special Minister of State on drugs, I want to ask a couple of questions about his shareholding responsibilities as a Minister, which I believe I am entitled to do. Minister, how many State-owned corporations do you hold shares in?

The Hon. J. J. DELLA BOSCA: I am trying to do a mental tally. I believe it is 21, but I would have to confirm that. I will be able to do that within the next half-hour or so.

The Hon. M. J. GALLACHER: How often do you meet with the boards or managing directors of these corporations?

The Hon. J. J. DELLA BOSCA: As provided for in the legislation, the State-owned corporations have an annual process which is akin to the annual meeting process in the private sector. They produce a statement of corporate intent similar to an annual report that a private sector company might produce for each shareholder. Determinations are made about the company's commercial and public activities and are signed off by the shareholding Ministers.

The Hon. M. J. GALLACHER: Will you take on notice a request by the Committee about the meetings you have had with the boards or managing directors of those corporations? I am talking about formal meetings where minutes have been taken. Will you elect to supply the Committee with the dates you met with them?

The Hon. J. J. DELLA BOSCA: To supply the minutes?

The Hon. M. J. GALLACHER: No, just the dates of the formal meetings.

The Hon. J. J. DELLA BOSCA: Of course, I have no problem with that. I will provide that to the Committee.

The Hon. M. J. GALLACHER: The Treasurer refers to himself as the senior shareholder. Apart from his age, is it true that no such position exists and that both of you are equal shareholders in State-owned corporations?

The Hon. J. J. DELLA BOSCA: You have to understand that my colleague the Treasurer is a Labor traditionalist at heart and believes in seniority. He is the senior shareholder in the sense that he is a little bit older, he has been a shareholder since the formation of some of the stocks and early in the history of most of them, and he is the incumbent Treasurer and Leader of the House. We have established a convention between us that the Treasurer will answer questions about shareholder issues in this Parliament. I think that is a sensible arrangement.

The Hon. M. J. GALLACHER: Would you agree with me that by law you are equal shareholders and there is no seniority?

The Hon. J. J. DELLA BOSCA: That is correct, but not in relation to the procedures of this Parliament.

The Hon. M. J. GALLACHER: By law sometimes the procedures do not always hold up. Under the provisions of the State Owned Corporations Act 1999 you are allowed to call for special reports from any of these companies, if required. Have you called for any special reports since becoming a shareholding Minister? If so, how many?

The Hon. J. J. DELLA BOSCA: Can I take that on notice and subsequently advise the Committee of the details?

The Hon. M. J. GALLACHER: That is fine.

CHAIR: The Minister was not warned that he would be questioned about these matters.

The Hon. M. J. GALLACHER: No, but I am sure the next question will be fresh in the Minister's mind. As a shareholding Minister, were you aware of problems at Integral Energy before they were raised by the shadow Minister for Energy and in the media?

The Hon. J. J. DELLA BOSCA: Could the member elaborate as to what he means by problems? It is a fairly general term.

The Hon. M. J. GALLACHER: Some serious matters have been raised in recent times in this Chamber. I would have thought as a shareholder Minister not only would you know of those matters, you would have been aware of them before they were raised in Parliament.

The Hon. J. J. DELLA BOSCA: All corporations—private sector, State-owned or public corporations—have problems. They face risks and exposure from time to time and have to confront a range of management issues. Those issues confront the shareholders. If I now understand where the member is coming from, I reaffirm that as a shareholder—and I am in a position to speak on behalf of the co-shareholder and spokesperson on shareholding matters in this Parliament, the Treasurer and Leader of the Government in this place—at all times we have acted in accordance with the prescriptions of the State Owned Corporations Act. Further, we have acted more than adequately with respect to the analogy that one could reasonably draw between the activities, rights and duties of shareholders in relation to the boards and management of companies. I hope that answers the question.

As to the Integral matter, I would have to study my diary, work out when I first became aware of any particular issue in relation to Integral and measure that against the first time the Hon. D. J. Gay raised the matter in this place and public comments were made. To give an honest, proper and detailed answer to the member, which his question deserves, I will take it on notice and provide an answer to the Committee as soon as I can.

The Hon. M. J. GALLACHER: The Minister has raised the subject of his diary. Will the Minister give an undertaking to supply a copy of the page of his diary showing when he first became aware of the matters?

The Hon. J. J. DELLA BOSCA: Unlike some of my colleagues, I do not keep a narrative diary. I only diarise appointments, but they will trigger my memory. I will be able to provide an accurate answer. However, my diary is no secret.

The Hon. M. J. GALLACHER: Do you agree that as a shareholding Minister you should have been kept informed by Integral Energy about the problems faced by that company?

The Hon. J. J. DELLA BOSCA: This really depends on what criteria one categorises problems. It is important to re-emphasise that every corporation, especially those going through transformations like a lot of the State-owned corporations are, faces problems and challenges. Some of those problems have serious management impacts and some of them have commercial performance impacts. As shareholders we have, at all stages, taken appropriate action, including in the case of Integral. I will correct my previous answer. I estimated I was a shareholder of 21 entities, but it is 18 or 19. I could read them onto the record, if you would like.

CHAIR: You could incorporate them.

The Hon. J. J. DELLA BOSCA: I could read them fairly quickly. I will be expeditious. They are Hunter Water Corporation, Sydney Water Corporation, Great Southern Energy, Advance Energy, Australian Inland Energy, Energy Australia, Integral Energy, NorthPower, Delta Electricity, Macquarie Generation, TransGrid, Freight Rail Corporation, Railway Services of Australia, Newcastle Port Corporation, Port Kembla Port Corporation, Sydney Ports Corporation, New South Wales Lotteries and Colleambally Irrigation Corporation.

The Hon. C. J. S. LYNN: What are the major impediments preventing the Government from setting up the heroin injecting room that it announced after the Drug Summit, which is now more than 12 months ago?

The Hon. J. J. DELLA BOSCA: I could ask you to elaborate on what you mean by "impediments".

The Hon. C. J. S. LYNN: Major impediments; what are the major difficulties?

The Hon. J. J. DELLA BOSCA: The Government is waiting upon the application of a licensee. I have repeatedly given answers to questions from the Chairman as well as other members in this place about the trial of a medically supervised injecting room. As I have said previously, the planning for the medically supervised injecting centre is moving along and real progress has been made. That progress includes the development of the internal management protocols; the identification and funding of the centre's referral services; the employment of staff; the appointment of a director and general manager; the development of police protocols that will form part of a comprehensive training program for all Kings Cross police; the development by Kings Cross police of a specific strategy for the centre; and the co-ordination by the Office of Drug Policy of the Kings Cross Drug Action Plan, which is underpinned by an extensive consultation process involving many agencies and individuals in the community.

The trial is only one part of this community plan to reduce drug harm. The advice prior to tonight's meeting is that the Uniting Church Board of Social Responsibility is well advanced in its preparation of the licence application, which the Government expects to receive in the very near future. Depending on the finalisation of the licensing process, operation of the centre is likely to commence in October this year, not June as initially expected. Obviously, there has been a comprehensive process of consultation. It is a trial, as has been repeatedly pointed out. The Government has not sought or urged potential proponents to rush ahead with the matter inappropriately, because it is a sensitive matter. Although it needs to be dealt with expeditiously it also needs to be dealt with sensitively. The proponents are proceeding along those lines.

The Hon. C. J. S. LYNN: What sort of problems has the Uniting Church raised with you?

The Hon. J. J. DELLA BOSCA: Would you mind elaborating on that a little bit?

The Hon. C. J. S. LYNN: What sort of problems has the Uniting Church raised with you in regard to the conduct of heroin injecting rooms?

The Hon. J. J. DELLA BOSCA: Obviously, a number of issues have been raised with me by Reverend Herbert, who has been appointed to liaise with me, my office, the Office of Drug Policy and the health ministry about the trial of a medically supervised injecting room. I will assume you are referring to community consultation, as that is one of the issues that has been significant. Consultation has been extensive in the preliminary period, and it will be ongoing throughout the life of the trial. It is essential that the local community have a voice on this important program. The Kings Cross local community has been consulted through a variety of names as the trial has progressed.

The Uniting Church Board of Social Responsibility and the appointed officers of the trial of the medically supervised injecting room have convened a number of public meetings, and a number of different interest groups have held individual meetings with the Uniting Church and its representatives. A community consultative committee has been established consisting of residents and business groups, State and local government representatives, local drug and alcohol services, the police and the church. Surveys of drug users have been conducted to determine access and related matters.

A Kings Cross Drug Action Plan has been developed, and a second round of consultation on the plan will commence soon. This is not an exhaustive or final list of the consultation exercise undertaken by the Uniting Church. As I said, this is a trial where the Government took a deliberative view to seek a licence application from an appropriate organisation. So many of the details of the consultation have been worked out and will be the subject of the licence application of the Uniting Church, which the Government is yet to receive. As I said previously, the trial is unique. The Uniting Church has had to work through a number of issues.

I have said to the groups, and I would like to make it clear, that any licence application has to be in accordance with the legislation. The Uniting Church and any other potential licensee would have to demonstrate to the Government and the community that it has the experience, the authority and the capacity to establish a professionally managed medical facility. The licensee would also have to demonstrate a strong ethical foundation to form the necessary internal management controls, provide an assurance to the licensing authorities that the centre can provide a high standard of assistance to the users of the facility, and demonstrate that it has the capacity to meet the other requirements of the Drug Summit Legislative Response Act.

We also need an organisation—which I believe the Uniting Church is—that is committed to the task and goals of the Drug Summit and the legislation, and that has identified a specific site and engaged in public consultation in relation to that site. As honourable members are probably aware anecdotally and from the news media, where the headlines do not always go everybody's way—they go bad one way and the other from time to time—the Uniting Church has been working hard to consult extensively not only about the medically supervised injecting room generally in the Kings Cross area but about the specifics of the site that it has selected and will propose to the Government in the licence application.

CHAIR: You mentioned the specific site. Is that still the pinball parlour opposite the Kings Cross railway station?

The Hon. J. J. DELLA BOSCA: It is no longer a pinball parlour but, yes, I happen to know that its previous commercial life was as a pinball parlour.

CHAIR: What will be required from the Uniting Church for its licence to be approved to confirm that it has police support, the health authority's support and the local community's support, which are part of the requirements of the legislation?

The Hon. J. J. DELLA BOSCA: I will separate those two issues. The actual consent authorities for the licence application are the Director-General of Health and the Commissioner of Police. They will assess the application on the basis of its conformity with the legislative response bill, as well as the issues referred to in your question. The Uniting Church Board of Responsibility, Reverend Herbert, and his team have extensively canvassed opinion, which is one of the reasons things have taken a fair amount of time. We have been patient about it because these things take time to do properly. It appears from all the reasonable information at our disposal to have been undertaken in a proper and fair manner.

CHAIR: That is because of strong objections to the injecting room by the local community and the Chamber of Commerce. How do you prove you have community support?

The Hon. J. J. DELLA BOSCA: Mr Chairman, I mean no disrespect. The two issues we have seen overlap but are slightly different. On the one hand some public attention has been given to the Chamber of

Commerce's attitude and that of a number of people who presented themselves as spokespersons for the Chamber of Commerce at Kings Cross, and also a number of news media reports have dealt with that issue.

I refer the Committee, indeed the public, to the general point that the spokespeople for the Chamber of Commerce indicated repeatedly that it supports the notion of a medically supervised injecting centre. Indeed, as you know, it appeared at one stage to be considering applying for a licence. We are not sure what stage that has reached. The second point is the specifics of a particular location. That becomes a bit of a trade-off issue. As I said, Reverend Herbert and his team are doing a good job of identifying the qualities of that location in the context of the overall community acquiescence to the notion of a medically supervised injecting room trial.

The Hon. C. J. S. LYNN: Did you say the Chamber of Commerce was interested in running a heroin injecting room?

The Hon. J. J. DELLA BOSCA: I believe it is a matter of public record.

The Hon. A. B. KELLY: Yes, it was in the papers.

CHAIR: In another location.

The Hon. J. J. DELLA BOSCA: It has been pointed out that they have made written inquiries about it.

The Hon. C. J. S. LYNN: You said earlier the heroin injecting room will be ready to operate in October 2000. Given that it has been such a long, drawn-out consultation period, is there any coincidence that October 2000 is just one month after the Olympics?

The Hon. J. J. DELLA BOSCA: We heard today from the Chief Secretary of the Welsh Parliament that word "serendipity". It is pure coincidence. There is no relationship between the timing of the Olympics and the projected date for the commencement of the medically supervised injecting room trial. I repeatedly corrected that mistaken assumption in public.

CHAIR: Melbourne City Council has vetoed an injecting room that apparently was built by the Wesley Centre at a cost of \$500,000. Have there been assurances from South Sydney City Council, under whose jurisdiction I assume this centre comes, to approve the shooting gallery, injecting room.

The Hon. J. J. DELLA BOSCA: With respect, Mr Chairman, can I make a correction. The terminology is "medically supervised injecting room trial". For the record I correct the use of certain words by honourable members. I believe someone said heroin injecting room and you, Mr Chairman, said shooting gallery. That terminology is quite different and for the purpose of the record I correct it. A shooting gallery is—

The Hon. C. J. S. LYNN: Politically correct.

The Hon. J. J. DELLA BOSCA: It is not just a question of political correctness; there is an appropriate technical distinction. However, not to quibble about terminology, I shall move on quickly to what I believe is the substantive answer to the question. I am advised that documentation that will be part of the licence application by the Uniting Church will include documentation by South Sydney City Council. I am not in receipt of the licence application. I understand, though it has not been drawn to my attention formally, that the council's position indicates general support for the idea of medically supervised injecting rooms and no opposition to the site proposed, that is, no formal opposition by the council. I understand that is the status at the moment. I have not been formally advised of that, but I understand that that material will be included in the Uniting Church's application when it is made. The Wesley injecting room and the trials that have been suggested in Melbourne have proceeded without any legislative framework. Therefore there were some flaws, but that is in another jurisdiction. It is something that the people in Melbourne will have to give an account of.

The Hon. C. J. S. LYNN: How much has the Government spent on or committed to the establishment of the injecting room?

The Hon. J. J. DELLA BOSCA: I had a funny feeling you would ask that. Actually I thought Reverend the Hon. F. J. Nile would ask it! I like to be precise with numbers, so I will turn up the page. Over the course of the trial \$1.8 million has been set aside from the Drug Summit funding to facilitate and assist in the

establishment and operation of an 18-month trial of a medically supervised injecting room. This represents 1.16 per cent of the total Drug Summit funding allocation of \$155 million. It should be noted that the allocation of \$1.8 million has been sourced from the confiscated proceeds of crime account, that is, from the proceeds of criminal activity account. In other words, the confiscated proceeds predominantly of drug traffickers will be paying for the trial.

CHAIR: That is what the State has to pay. What will the Uniting Church be paying?

The Hon. J. J. DELLA BOSCA: I understand it will be a range of costs. You will be in a better position to get that information than I! Maybe you should go to the Synod's estimates committee to follow that up!

The Hon. C. J. S. LYNN: Does that \$1.8 million include the projected total establishment costs and the projected recurrent expenditures to keep the injecting room going?

The Hon. J. J. DELLA BOSCA: I am not sure in what sense the Hon. C. J. S. Lynn uses the expression "recurrent". There is actually no recurrent allocation because it does not come from the budget sector; it comes from the confiscated proceeds of crime account. So, that is not classified as a recurrent item. As Mr Barnden has pointed out to me, the trial has a life of only 18 months, so it cannot be classified as a recurrent expenditure item or would not properly be characterised as a recurrent expenditure item.

The Hon. C. J. S. LYNN: What sort of consultation has been undertaken in establishing police protocols for the injecting room? In particular, which community groups have been asked for input?

The Hon. J. J. DELLA BOSCA: I am very happy to have that question answered, but I will probably have to take it on notice and ask my colleague the Minister for Police to give a detailed answer as obviously it would be a quite extensive answer. I am aware that a lot of work has been co-ordinated with respect to police protocols and a police education program. I believe that the Minister for Police has undertaken to ensure that a number of officers who will be directly involved with the Kings Cross command during the time of the trial will be observing and studying practices overseas and have spoken to Victorian police officers who have been overseas on an extensive examination of these kinds of trials or facilities, as the case may be.

The Hon. M. J. GALLACHER: I should like to explore a couple of things and I ask you to pardon my ignorance if you have raised these matters before. How many individuals do you estimate on a daily or weekly basis will go through the Kings Cross centre? I will not say shooting gallery, as I would not want to offend you.

The Hon. J. J. DELLA BOSCA: The application will indicate hours of operation. The hours of operation are only very indicative at the moment. It is very hard to give a precise estimate. Any estimate would be just a guess. It would be best if I take the question on notice and try to get the honourable member a serious evaluation of how many persons are likely to use the centre per day.

The Hon. M. J. GALLACHER: If 50 or a hundred people a day are going into the centre in Kings Cross—I do not know what sort of figure you are looking at—each and every one of those individuals will have a different tolerance. Some people will buy heroin at a much higher grade on the street than other individuals will. I recognise that you say that you are going to use the proceeds of crime. Therefore I suspect that you are talking about confiscated drugs to be used in conjunction with the centre. Are you going to use confiscated heroin or will these people be buying their own?

The Hon. J. J. DELLA BOSCA: To correct the mistaken view, the Government will not be supplying any heroin to any of the persons using the facility. I think the honourable member knows that.

The Hon. C. J. S. LYNN: Minister, you mentioned before that police protocols have been developed. When will they be published?

The Hon. J. J. DELLA BOSCA: I believe that I have tabled them in the Parliament, as has the Minister in the other place. I am happy to ascertain the date and provide it to the Hon. C. J. S. Lynn. If I am mistaken in my recollection I am happy to get the appropriate protocols and forward them on to him.

The Hon. C. J. S. LYNN: Minister, will you give a commitment, particularly for the benefit of the local community, that draft protocols will be published for comment before the police commissioner signs off on them?

The Hon. J. J. DELLA BOSCA: The police commissioner has already drafted protocols for the Police Service. It would be highly irregular for there to be some kind of disputation process about the commissioner's direction to his officers. I think that is a question of legislative responsibility. We are also getting out of the area of Drug Summit implementation into purely the police portfolio. I would have to confer with my colleague the Minister for Police before I gave any further details about police protocols.

CHAIR: On page 2-35 of Budget Paper No. 3, Volume 1, there is a figure for "Drug Policy" of \$960,000. You gave a figure of \$1.8 million, which you said comes from confiscated assets in criminal cases. Why do you not show the income in confiscated assets and expenditure in the budget papers, or does that \$960,000 supposedly relate back to the injecting room?

The Hon. J. J. DELLA BOSCA: I am sorry, Mr Chairman. I have lost the thread of your question, with respect. Would you mind repeating it for me?

CHAIR: It is very difficult to deal with your portfolio of Special Minister of State because there is no section for drug office in the budget papers. The only reference I can find is in the Premier's Office on page 2-35 of Budget Paper No. 3, Volume 1, which refers to drug policy. The amount is \$960,000. I assume that you have some role in regard to that. If not, why does the Government not show \$1.8 million as the anticipated cost for the injecting room and \$1.8 million as income from confiscated assets? In other words, how do members of Parliament understand what is happening in the area of expenditure on this—

The Hon. J. J. DELLA BOSCA: The \$960,000—

CHAIR: It is like a hidden project.

The Hon. J. J. DELLA BOSCA: No, it is not a hidden project. I will answer the inquiry. If you look over the page it becomes obvious that the \$960,000 actually refers to the amount of money for the operation of the Office of Drug Policy within the Cabinet Office. The Office of Drug Policy was established, I remind members, in August 1999 following a specific recommendation of the May 1999 Drug Summit. The office has been established as a small unit within the Cabinet Office. It is provided with a core of approximately five officers with additional ad hoc support through secondments, temporary appointments and small consultancies, primarily to assist in the development of project management and systems.

The establishment of the office has imposed no additional burden on consolidated funding. The office is funded from contributions from the confiscated proceeds of crime account—\$300,000 for two years—and by contributions from six government agencies totalling about \$660,000 for two years. The year one expenditure is projected to be approximately \$800,000. The functions of the Office of Drug Policy are probably self-evident but they are to provide leadership and facilitate integration of drug programs and policies; to implement and monitor the Government's drug action plan; to oversight agency programs and monitor and advise on evaluation programs; to monitor and advise on regional drug programs and service delivery; to provide support and service to the Cabinet committee on drugs and the expert advisory group on drugs; and to monitor expenditure of funding by agencies and provide advice on national drug policy, including that from the Ministerial Council on Drug Strategy and the intergovernmental committee on drugs.

The item in regard to the medically supervised injecting service is dealt with under the health budget. All of the \$172 million comes out of various agency budgets. None of it is hidden. It can be identified in various capital and recurrent allocations, predominantly within Health and Police but also in Juvenile Justice, DOCS, Attorney General, Education, Premier, and a range of other departments in which specialised co-ordinated programs have been put in place.

CHAIR: Does that come under your ministry? That is the impression we get, that you are the Minister for drugs.

The Hon. J. J. DELLA BOSCA: I am the Minister for Drug Summit implementation.

CHAIR: Is that unit under your administration? Is it responsible to you?

The Hon. J. J. DELLA BOSCA: Yes, the Office of Drug Policy is answerable to me.

The Hon. C. J. S. LYNN: Minister, what evaluation criteria have been drawn up as benchmarks to measure the impact of the injecting room trial?

The Hon. J. J. DELLA BOSCA: I will take that question on notice. It is something I would have to finalise with the Minister for Health before I could report back to the Committee. But I can very quickly get a comprehensive answer from the Minister and provide it to the Committee.

CHAIR: Could you include in that some assessment of the possible increase in drug use at the time of the injecting room operating? The impression we get is that if there is a reduction of 10 overdose deaths people will say that the injecting room was a great success, but it should be measured by other criteria such as the overall impact on drug use, whether it went up or down, and whether more young people are using heroin. The information needs to be synchronised with the opening and operation of the injecting room.

The Hon. J. J. DELLA BOSCA: Over the next few months and years you, I and other members will have a lot of data to argue about. I might have difficulty providing the specific data you ask for expeditiously in terms of the immediate Government purview or actually implemented by the Government. A study of the impact of the medically supervised injecting centre on levels of crime will be undertaken by the Bureau of Crime Statistics and Research. The project has already received an allocation of \$65,000 and has commenced. A series of studies will be undertaken by the National Drug and Alcohol Research Centre, NDARC, a body which I am sure you are very familiar with.

Among the topics to be examined in the project are operational and feasibility aspects, effects of overdose, referral of clients and their treatment, patterns of treatment, uptake of treatment, outcomes, and overall co-ordination and development of the evaluation protocols. The detailed proposal from NDARC, costed at around \$146,000, is currently under consideration. A third project will be undertaken by the National Centre for HIV Epidemiology and Clinical Research. It will cover issues in relation to blood-borne infections, injecting behaviour, needle and syringe disposal and so on, as you might gather from the nature of that research group.

Of course, there will be a healthy economic analysis in relation to the economic impact of issues such as overdose costs, costs of radical trauma from drug overdose and those sorts of issues as opposed to a more managed process dealing with injecting drug problems. I cannot actually give that information because we do not really know but I can say with some comfort that we will have a hell of a lot of research to draw on to make our assessments, no matter from which viewpoint we approach it.

The Hon. C. J. S. LYNN: How many ministerial staff do you have?

The Hon. J. J. DELLA BOSCA: Eight.

The Hon. C. J. S. LYNN: How would you evaluate and measure benefits anticipated by the advocates of the injecting room, such as a gateway for referral for treatment and counselling, saving lives through medical supervision, a reduction in the spread of disease, a reduction in drug-related crime and the reduction of public nuisance?

The Hon. J. J. DELLA BOSCA: The simple answer—as I have already outlined and I will not repeat myself for the obvious reason of time constraints—is that a large number of studies are taking place and obviously there will be some internal evaluations by the police and also an expert advisory group on drugs chaired by Professor Webster, as well as an evaluation by the Uniting Church, so we will have a wealth of serious academic and policy evaluations.

The Hon. C. J. S. LYNN: How can the trial be measured? Will there be control groups for comparison of the incidence of drug-related disease, users achieving abstinence and recovery, and reduction in drug-related crime?

The Hon. J. J. DELLA BOSCA: I will have to take that question on notice and get back to the Hon. C. J. S. Lynn with an answer. The Department of Health is dealing with the specifics of that.

The Hon. A. B. KELLY: Can you please give the Committee details of the proposed development of the regional service delivery plan?

The Hon. J. J. DELLA BOSCA: I am pleased that there has been at least one question about public sector issues. The regional service delivery plan is a planning exercise aimed at bringing all agencies together to make whole-of-government decisions about structural change. The plan will articulate a plan of action to fully implement integrated service delivery for government services outside the metropolitan area. It is anticipated

that it will provide a consolidated, co-ordinated, whole-of-government effort in regional New South Wales, improve cost and service efficiencies to the public, and enhance equitable access for customers of government services.

The Premier's Department, through the regional co-ordination program, has undertaken a statewide review of service delivery provision across government, with an initial focus on regional New South Wales. This review has informed the development of a rural affairs statement to be released by the Government in June 2000. The regional service delivery plan outlined how the New South Wales Government will make sure that the community receives the best possible services from government agencies and uses the resources the Government has in regional New South Wales to strengthen local communities. This will facilitate greater access to government services in regional areas through seamless service delivery and reduced red tape.

The broader strategy will be supported with a capital funding pool of \$3.5 million in the 2000-01 financial year. This funding pool will assist government agencies to meet those costs above their core funding to move towards seamless service delivery. Some examples of strategies include providing one-stop-shops for information and over-the-counter government transactions; using technology to provide wider access to remote communities; certain specialist, face-to-face services will be integrated and delivered from one place or co-ordinated by one person; making arrangements for recruiting staff across agencies more flexible; and looking at opportunities for joint purchasing locally and sharing of resources between departments such as meeting and videoconferencing facilities, vehicles and office equipment.

The regional service delivery plan will be rolled out over the next five years but will be reviewed by local regional managers and updated each year. Of course, the views of local communities will be taken into consideration as part of this annual review. This process is also designed to build on the collaboration and goodwill already in the regions and will incorporate the myriad of service modelling being trialled across the State. It is anticipated that broad consultation will occur as projects in the regional service delivery plan are progressed. Unions and peak representative bodies have been briefed about this process throughout its progress.

The Committee proceeded to deliberate.
