



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: Annual and financial reports 2003-2004)

Members:

MR R MULCAHY (The Chair)
DR D FOSKEY (The Deputy Chair)
MS K MACDONALD

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 31 MARCH 2005

Secretary to the committee:
Ms S Mikac (Ph: 6205 0136)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents relevant to this inquiry which have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

The committee met at 2.05 pm.

Appearances

Ms Katy Gallagher, Minister for Education and Training, Minister for Children, Youth and Family Support, Minister for Women and Minister for Industrial Relations

Chief Minister's Department—

Mr Mike Harris, Chief Executive

Ms Pam Davoren, Executive Director, Public Sector Management and Industrial Relations

Ms Margaret Cotton, Director, Office of Industrial Relations

Mr Warren Foster, Senior Manager, Employment Policy and Workplace Relations

Ms Shelley Schreiner, Senior Manager, Work Safety Policy

Mr Mark McCabe, Senior Adviser, ACT Safety First Project

Mr Glen Gaskill, Director, Corporate Management

Ms Susan Killion, Executive Director, Cabinet and Policy

Ms Sue Hall, Director, Community Affairs

ACT WorkCover

Mr Erich Janssen, Occupational Health and Safety Commissioner, ACT WorkCover

Mr Ian York, Manager, Corporate Services, ACT WorkCover

THE CHAIR: Committee members, minister, ladies and gentlemen, we will formally commence proceedings. I am required to brief you on a couple of procedural matters. For those who give verbal evidence to the committee today, a copy of the transcript will be emailed to them as soon as it is available for correction and also so that they might identify questions that are taken on notice. Please return responses to questions on notice to the committee secretary within five working days of receiving the transcript. To assist in the preparation of the transcript, witnesses need to state their full name and the capacity in which they are appearing on the first occasion that they give evidence.

Prior to the giving of evidence, I would like to inform each witness that you should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

Minister, I welcome you and your officials. Before we take any questions on matters of industrial relations, do you wish to make an opening statement or any opening comments for the benefit of the committee?

Ms Gallagher: No. I am happy to proceed to questions on the annual reports for last year.

THE CHAIR: As you know, we have covered a lot of the industrial relations areas,

possibly more broadly than the appropriations bill. From a personal point of view, I think most of the issues I had were dealt with in one way or another in that set of hearings. One thing we talked about that flowed from our previous meetings is related to the role in dealing with wage negotiations. I think we canvassed that pretty comprehensively.

Although this is probably not on the last year, it does span over the previous year. We have seen data presented showing growth in public sector employment in the order of 5.1 per cent, but we have also seen data presented today suggesting that, on one hand, we have growth coming and, on the other hand, we are about to see public servants possibly chopped from their jobs.

There seems to be some confused level of direction in that, on one hand, we are arguing that there need to be pay increases to be competitive, that there shouldn't be productivity offsets, that there should be growth—we are now seeing 5.1 per cent—but then we are getting the Treasurer saying in the *Canberra Times* today that people shouldn't be surprised if there are job cuts in the public sector. Can you provide some clarification of the policy direction in this area?

Ms Gallagher: I am not able to sit here and discuss matters currently being considered by cabinet through the budget process. I think the Treasurer's comments alluded to the fact that, over the past 18 months, we have been on the receiving end of a number of reports that have required extra resources to go into particular areas of government service delivery. The Gallop report, the McLeod report and the Vardon report found that there were areas which government, and previous governments particularly, had not resourced appropriately and that extra staff needed to be provided.

We have to remain competitive in an environment around wages. We have discussed this before. During the first round of bargaining, ACT public servants were at the bottom end of what the commonwealth pay scales were. We were way down the bottom. We are now mid-range but, by the end of the agreement, we will be slipping back down to the bottom half of the commonwealth pay scales.

It is just inevitable. We cannot not give pay rises to the public service; we couldn't not employ additional public servants in areas where there are demonstrated needs. Government has to keep a watching eye on all these things. Where decisions have to be taken in the context of budget discussions, governments have to be responsible. These are the challenges you face when you are in government.

THE CHAIR: There is one thing that is a bit distressing, though. I recognise that the Vardon report and the various other areas you have cited may require new staff to be recruited. Last Saturday's *Canberra Times* was full of jobs, including three CES positions and we have had advocacy for better pay and conditions—and we have had that discussion—but it seems to me that we have had the growth, rather than looking at any possible attrition. As a consequence of this, some of the people who are possibly not in these newly recruited areas are now potentially at risk through cuts.

It seems that there is not much management of that whole area. You are recruiting on one hand; you are increasing their pay and saying, "We are going to chop people"—and yet you are advertising for more. Wouldn't it make more sense, if you are under budgetary pressure and you feel that the pay increases are required, to encourage the meeting of the

needs possibly through some reallocation of resources?

Ms Gallagher: The bargaining process is a cycle. What happened, in the context of the last round of bargaining, was that the government did not seek productivity savings in return for wage increases.

THE CHAIR: Minister, I will have to suspend this hearing as we no longer have a quorum.

Short adjournment.

THE CHAIR: I will now formally resume proceedings. Minister, do you want me to go through that again, or have you got the drift?

Ms Gallagher: Yes, I have got the drift. I think my answer is largely based on the first answer I gave. In relation to advertising positions, those are not necessarily new positions; they are existing positions where there is a job to be done. Having said that, I do not think there is anything unusual about a government having a look at how it manages its agencies and the government asking agencies and agency heads to have a look at how they are operating their agencies. There may be areas that are no longer priorities or areas where resources could be better allocated to another initiative of the government. That is standard practice. I don't think there is anything unusual about the process we are going through and some of the discussions we are having in budget cabinet at the moment.

THE CHAIR: I do not think anyone would take issue with the reviewing of operations and priorities. I suppose the concern I have is that people now appear to be at risk of losing their employment in the territory and, at the same time, we are out there recruiting, expanding the public sector and paying more. From the perspective of those people, I would have thought the more desirable option would be to try to reassign them, rather than looking at job cuts that seem to be on the horizon.

Ms Gallagher: Not foreshadowing any decisions that cabinet may make in this budget, the redeployment/redundancy provisions are contained in the certified agreement that exists and is in operation. That is very clear about redeployment of staff if they are deemed to be excess to requirements. There is a whole range of processes there, where employees are covered with significant industrial rights. And there is a clear process as to how agencies are to handle that process. I think we are pre-empting here any decision by cabinet. I am not in a position to go into any more detail.

THE CHAIR: I understand. Lastly on that theme, I am not entirely familiar with the way in which you treat people in this category in the ACT sector. It may be Mr Harris's field, or you may answer, minister. In terms of unassigned employees of the ACT public service, do you have such a category? Would you be able to indicate how many people are employed and at what levels? Maybe it is something you could take on notice.

Mr Harris: We have a category called unattached—I believe that is the term we use for it—which is probably the equivalent of what you are talking about. As to how many we have, if we can take that on notice, we can provide the information. I do not have it at my fingertips. We have an approximation but I would prefer to give you an exact number on

notice, if that is all right with the minister.

THE CHAIR: Thank you.

DR FOSKEY: I was a little confused about which area of the Chief Minister's Department's report I should be paying attention to. The section I did pay attention to on this topic was output 1.4, work safety and labour policy. I have a couple of questions, none of which is burning. On page 31 the annual report notes that the workers compensation advisory committee has developed a number of documents. The first one mentioned—and we are in the last paragraph here—is a draft conciliation protocol. First of all, I would like to know whether it has gone beyond being a draft; whether it has been used and what the experience of using it has been.

Ms Davoren: That has been finalised but I do not have at hand any detail about how it has been used. I could certainly seek to get that for you and take that on notice.

DR FOSKEY: Thank you. What about the draft wages and earnings guide? What is the aim of that sort of document? How would you envisage it being used?

Ms Davoren: I think that is used in assessing what counts as wages and earnings for the purposes of calculating workers compensation.

THE CHAIR: Such as benefits and overtime versus ordinary time?

Ms Davoren: Yes.

DR FOSKEY: I refer to page 32, the Annual Leave Amendment Act 2004, which ensures that part-time workers are not disadvantaged in accessing annual leave. Is the Office of Industrial Relations in charge of regulating or overseeing this legislation?

Ms Gallagher: No. That is a matter that WorkCover is responsible for. We have officers from WorkCover here to deal with the WorkCover annual report as well, if you would like.

DR FOSKEY: I have a couple more questions in relation to that.

Ms Gallagher: Around the regulation of legislation?

DR FOSKEY: Yes. For instance, how will the impact of that legislation on part-time workers be monitored? Is there any way of doing that?

Ms Gallagher: I am trying to remember the amendment act. It was before the election. It was about permanent part-time workers who work over 25 hours, from memory.

Ms Davoren: Yes. It deleted the requirement for an employee to be engaged for a minimum average number of hours each week before they are entitled to annual leave. It kind of made more equitable access to annual leave, and it also reflected changes in part-time working arrangements. It was usual for federal awards to require employers to provide part-time workers with minimum hours each week. It adjusted the Annual Leave Act to reflect the fact that these minimum weekly engagement provisions have now been

removed from federal awards. It was an adjustment.

DR FOSKEY: It was not in response to a larger percentage of the work force being permanent part-time?

Ms Davoren: Not necessarily. Again it is going back a fair amount of time, but it related to aligning the provisions with changes to the content of federal awards and also removing the requirement for you to be engaged for a minimum number of hours every week before you got access to annual leave.

DR FOSKEY: Is there any thought of extending this sort of consideration to casual employees?

Ms Davoren: Yes.

Ms Gallagher: Casual employees receive a loading through their award to compensate for matters such as annual leave, or not receiving annual leave credits. There is a 15 per cent loading on their hourly rate.

THE CHAIR: Lots of industries have 25 per cent.

DR FOSKEY: It is often quite tricky taking leave, nonetheless.

Ms Gallagher: I share your concerns, but it is not something that I think we have the power to do. It is usually contained in awards set by the federal commission.

THE CHAIR: I think you will agree, minister, that there are case precedents that, for people involved in continuous and systematic employment, throw into grave doubt the legitimacy of them being deemed casual employees. If Dr Foskey is thinking of people who may be doing the same rosters every week and having trouble getting time off, then there is a body of law now—precedents—to establish that they may not be genuinely casual employees.

DR FOSKEY: You and I might be in agreement!

THE CHAIR: I am not saying I agree with anything; those are the facts of the situation as it presently exists.

DR FOSKEY: The Office of Industrial Relations prepared a submission for the ACT government to the Australian Industrial Relations Commission's 2004 national wage case. I am interested in how the office would establish a \$20 a week increase in the minimum wage. What is the thinking that goes into coming up with an amount at all?

Ms Gallagher: In 2004, and again this year, we joined with other states and territories in providing a joint submission to the national wage case. All states and territories supported a \$20 a week increase last year and again this year. Those submissions are public—that is my understanding.

If you look at the submission—it is about a 60-page document which goes into economic analysis of each jurisdiction—the states and territories used ACIRRT, which is

a research institute in Sydney, to compile some of the economic data and considerations behind that submission. It then went back to all ministers in jurisdictions, and to cabinets, to support the position.

It is not a figure just plucked out of the air, it is something that we think is reasonable. It is an increase of around four per cent on the minimum wage, moving it from about \$360 a week to around \$380. That is in line with wages growth around the country. I think all states and territories are particularly supportive of seeing that sort of wage growth at the bottom end of wages as a safety net for families. It is called the living wage case rather than the minimum wage case. This is a figure that we think is fair for people on minimum wages to live on. The commission awarded \$19 last week.

DR FOSKEY: Last year.

Ms Gallagher: Last year, I am sorry. They haven't had their 2005 case. It is yet to be determined. The ACTU is supporting an increase of about \$26 a week, and industry groups usually come in at about \$10 or \$11. The commission usually finds somewhere in between, based on the strength of the submissions. But the state and territory submission is available. It is a very comprehensive piece of work.

DR FOSKEY: I thought I would take a short cut and ask you.

Mr Harris: Mr Chairman, I took a question on notice from you about unattached officers. I have the information now.

THE CHAIR: Do you have the dollar figures associated with those, as to what the value of remuneration is?

Mr Harris: No, I don't. I can tell you the numbers.

THE CHAIR: The numbers would be interesting, initially.

Mr Harris: We have 12 excess or unattached officers in the public service at the present time. Seven of those are in health, two are in urban services and two are in InTACT.

THE CHAIR: Are any at the SES level?

Mr Harris: No.

THE CHAIR: Maybe you could let the committee know what the total remuneration is in relation to the 12 positions.

Mr Harris: Yes, we can do that. They would be held against appropriations within agency budgets, though.

THE CHAIR: Yes, I understand that. I would appreciate that. I assume it works similarly to what were the commonwealth unattached list principles—much the same as I was once familiar with.

Mr Harris: Yes.

THE CHAIR: I have nothing further in this area. I have a little bit about the workers compensation supplementation fund. I know Ms MacDonald has always had an interest in this topic but, unfortunately, she does not seem to be with us, so I will work with Dr Foskey on this issue. I refer to page 206 of the 2003-04 annual report, the use of consultants. In some cases here there is a bit of history that I am not familiar with. If you can help me out there, that will be most useful.

On page 206 there is a note under “details for 2001” that no details of external consultants have been provided in previous annual reports, yet there is an addendum to last year’s annual report for a schedule of consultants that was provided for 2002-03. Can you help me understand the inconsistencies on that?

Mr Gaskill: This was to improve the transparency of details, I think, when the auditor looked through the issues of contacts and things with the supplementation fund itself. We thought it was very prudent to go back through the figures and produce this sort of documentation over the last few years. It is basically a discussion with the auditor.

THE CHAIR: You say they were not included but, in fact, they were, weren’t they?

Mr Gaskill: They could have been included, but it wasn’t clear at the time. With the change in organisations from WorkCover to Chief Minister’s, we tried to get a clean slate following the audit.

THE CHAIR: You started afresh, almost, because of that.

Mr Gaskill: We went back through the files and tried to put down what we feel happens, in the interests of transparency.

THE CHAIR: Because they had not been appropriately recorded before?

Mr Gaskill: Yes, we believe that is so.

THE CHAIR: Do you know why? Was there any clarification on that?

Mr Gaskill: No. I think they were just part of the larger operation, and it was difficult to separate them at that time. This put the supplementation fund as a separate operation.

THE CHAIR: I am sorry, I don’t quite follow that reply.

Mr Gaskill: The supplementation fund was part of the larger WorkCover organisation in terms of nominal insurer and all the other things. In bringing the supplementation fund out under a separate fund manager, I believed that my responsibility was to try to make this transparent for the future.

THE CHAIR: So you really had it cleaned up a bit.

Mr Gaskill: I am just trying to tidy it up, yes. If there are some discrepancies, we will go back and check them.

THE CHAIR: Those discrepancies still exist, do they?

Mr Gaskill: I don't know. This was the best effort in producing the past so we could set the future.

THE CHAIR: There is a bit of real history here that probably predates a lot of us. There is a reference to Palmdale Insurance Ltd on page 138, which I am advised collapsed some time back in the 1980s, when most of us were probably doing other things. I understand how claims with insurance companies drag on endlessly. Is there a particular reason why this one has gone on for an extraordinary amount of time?

Mr Gaskill: The Palmdale one is completed. There are certainly two NEM claims that still continue. Those are the two claims I know about. People have been paid a weekly or monthly payment in terms of wages forgone, so we have never been able to get those to finality. We have started to look at those again. We have been pressing the supervisor insurer on those two as to how we might settle them. In some cases it is quite attractive to people to just get a regular weekly payment, rather than being paid out.

THE CHAIR: I see the rationale there.

Mr Gaskill: It is quite costly to take significant legal action to change that when, in fact, there might be no real advantage. We will review those regularly and see. There is nothing to stop—for some interesting purpose—some old claims coming in again.

THE CHAIR: In relation to Palmdale or some of the others?

Mr Gaskill: I don't see any coming, but you never quite know. Certainly with HIH, since we have taken over, there have been four additional claims. So they don't stop.

THE CHAIR: I understand. There is a \$9,000 payout there. That, you feel, is probably the end of it.

Mr Gaskill: Yes.

THE CHAIR: You are hopeful.

Mr Gaskill: Yes.

THE CHAIR: Looking at the fund itself, can you indicate to the committee, if you are in a position to, the balance of the fund at this stage?

Mr Gaskill: At the moment—this was about last month—the fund is around \$17.2 million.

THE CHAIR: In respect of the HIH claims, how many of those remain open at present?

Mr Gaskill: Around 50 remain open. That includes four new ones we got during the month. Probably around six of those have gone through the settlement process but the tidying up, in terms of courts agreeing or agreements being finalised, is still to go.

THE CHAIR: Do you know what the balance of those claims is estimated to be?

Mr Gaskill: The actuary has given us a recent update. It is \$4.9 million at the central estimate. We also get a 90 per cent risk margin estimate. It is \$8.8 million. So we have enough money in the fund to meet those.

THE CHAIR: Up to \$14 million would be the maximum exposure, on the worst-case scenario at the moment, and you have a balance of \$17.2 million.

Mr Gaskill: Yes.

THE CHAIR: This is possibly a ministerial or cabinet decision. I believe there was a \$10 million cash injection into the fund originally.

Ms Gallagher: More than that—\$30 million.

THE CHAIR: Initially there was \$10 million, then there was \$30 million, and then there was talk of possibly a levy going on business at one point. Is all of that off the agenda now?

Ms Gallagher: It is. We have not made any decision about that. I guess it is something we will keep a watching eye on in terms of the pull on the fund. I wouldn't say we are ruling any levy out forever. At the moment, there is more than enough money in there to cover what we know about. At this stage, there is no levy to be imposed.

THE CHAIR: You are not likely to be repatriated funds, I would assume, on the figures you have presented today.

Ms Gallagher: Again, it is something we just keep an eye on. Making the injection into the fund was a decision of the previous government. It is my understanding that, at the time, it was with the idea that, when the quantity, risk and exposure were known—whatever had to be done—it was to be returned at some point. At the moment, we are keeping a watching eye on it.

THE CHAIR: You would well recall that my colleague Mr Smyth reported anomalies with contractual arrangements for the supplementation fund to the Auditor-General last year.

Ms Gallagher: Yes.

THE CHAIR: And that the Auditor-General found, among other things, that the processes for the selection of providers of legal services and other services were not in accordance with government procurement legislation policy guidelines. The provisions of relevant legislation concerning the public availability of information on government contracts were not adhered to. The powers of the fund manager, in managing the relationship with the supervising insurer, had apparently not always been exercised in an efficient and effective manner. Can the committee now be assured that these issues have been addressed?

Ms Gallagher: Yes.

THE CHAIR: Everything is now in order.

Ms Gallagher: Yes; we believe so.

THE CHAIR: If you look at pages 205 and 206, there is new information appearing for the first time. We have new providers of legal advice—they appear for the first time this year. If we go back through previous annual reports to the list of consultants, we see that these two firms are not included. Could you explain what has happened there in relation to firms appearing on the list that seem to have suddenly come out of left field?

Ms Gallagher: We are looking at pages 205 and 206 in relation to—

THE CHAIR: I guess it is Hunt and Hunt, and Cush and Associates.

Mr Harris: We have a panel from which we choose. I think what you are seeing is simply more people attracting business.

Mr Gaskill: The key issue is that there was a range of contractors that we had in the previous panel, which the auditor looked at. The majority of that panel actually have ongoing cases for us; so we cut off the old panel but we still maintained the previous companies in terms of delivering the services they were continuing to deliver. Some of these cases go over a significant amount of time. We have introduced the new panel, which actually includes two of the original people plus a new one. Of course, from the end of that year we allocate all the new cases in rotation to the new panel of three. So for some time you will see five or so companies that we have been engaging, that we have an ongoing engagement with, if that makes sense.

THE CHAIR: But they do not appear in the past, do they? They were not mentioned in any of the documents that were supplied previously to the public accounts committee.

Mr Gaskill: No, all these should appear.

Ms Gallagher: Which ones are you worried about?

THE CHAIR: Hunt and Cush just turned up there. I do not have an issue with the firms. In fact, I know one of those, as you know. I am just curious to know the story.

Ms Gallagher: Cush is there.

THE CHAIR: What arrangement do we have with these firms?

Mr Gaskill: They are in the other three years.

Mr Harris: They are in the previous years as well.

Mr Gaskill: They are in the other years. They were part of the original panels.

THE CHAIR: But those relationships were not previously reported, were they, even though they were there for earlier years?

Mr Gaskill: I cannot answer that, but we will check it up.

THE CHAIR: Are they providing specific advice or broad advice? What is the arrangement?

Mr Gaskill: They will be providing specific advice on particular cases.

THE CHAIR: And their contracts would be on the BASIS web site, would they?

Mr Gaskill: Yes. We negotiated with those that had some outstanding cases a new contract as well.

THE CHAIR: So these are outstanding cases that relate to the collapse of HIH.

Mr Gaskill: Yes.

THE CHAIR: And you have negotiated new contracts with both of those firms.

Mr Gaskill: We will have extended their current contracts to cover the existing cases they were managing but no new cases.

THE CHAIR: Right. Are you establishing new contracts with them as well?

Mr Gaskill: No. We have a contract with them to cover the existing cases that they have, a continuing contract until they are finalised, and we have a new panel for all new cases. Some of those in the old panel are in the new panel as well, two of them. We keep those quite separate in terms of our recording, so I can give you the details of how many cases each person had, if you want that information.

THE CHAIR: Right. The confusion for me is that they are starting from 1 July 2004 and they do not appear on the pre-July 2003 database; is that correct?

Mr Gaskill: Are you talking about the BASIS web site?

THE CHAIR: Yes.

Mr Gaskill: I will look at that for you.

THE CHAIR: Were those contracts part of the Auditor-General's review?

Mr Gaskill: The contracts were part of the Auditor-General's review and, as part of that process, we went out to a new panel contract.

THE CHAIR: Was she aware of those contracts being in place?

Mr Gaskill: Yes.

THE CHAIR: As for its not being reported in previous years—

Mr Gaskill: It is a transparency issue for us.

THE CHAIR: And a transparency issue for us as a committee, but in terms of its not appearing previously—

Ms Gallagher: Are you talking about Hunt and Hunt and Ken Cush not appearing in other reports?

THE CHAIR: Yes.

Mr Harris: I think that Mr Gaskill is trying to say that it is true that lots of things did not appear in previous reports but, having taken over this activity, what we have tried to do in order to give readers of the report some capacity to have comparability between this year and previous years is to go back and reconstruct the previous years to the best of our ability. To the extent that we have been able to re-create the past, we have done so. I think Mr Gaskill is also saying that we cannot actually, hand on heart, 100 per cent guarantee that we have re-created the past absolutely accurately.

THE CHAIR: So there still could be some deficiencies there.

Mr Harris: It is possible, although I would feel confident in saying that where we have quoted numbers and firms here those dollars and those firms are accurate. If there is an inaccuracy, it would be that there is still an omission that is not recorded and has never been recorded.

THE CHAIR: Would that explain the difference in your annual reports in 2003-04, 2002-03 and 2001-02? The annual reports tallies for legal costs in those years, respectively, were, in round figures, \$991,000, \$1,082,000 and \$719,000, yet the Auditor-General's figures reflect differences of \$165,000, \$228,000 and \$784,000.

Mr Harris: I cannot comment on that because we, collectively, have only just had responsibility for the fund. This is our first reporting period. The Auditor-General, in her investigation, found a number of issues that we have attempted to address in the way we have now reported. I do not have the capacity to answer that question because it predates my control of the fund.

THE CHAIR: You would assume that the Auditor-General was not aware either of some of these payments because those two firms, for example, were not identified on the list of payments made to panels, I understand from the Auditor-General's inquiries. So it is really due to oversight or a lack of tidy records that this information was not presented.

Mr Harris: It is a combination of factors. As Mr Gaskill indicated before, the supplementation fund as it sits with the Chief Minister's Department now is, if you like, a standalone entity. It is easy to see. It has been deliberately established as a standalone entity. In the past, it was subsumed in a much broader entity, with a combination of funds, contracts and other things. Had we not bothered to try to reconstruct the past for comparability purposes, some of your questions probably would not have arisen because the information would not have been there in order for you to come to those conclusions. As I said before, I cannot answer the question you are asking because I do not think that the information is available to answer the question. I think that is part of what the

Auditor-General found.

THE CHAIR: In summary, I think I am hearing that things were in a less than desirable state of management before in terms of trying to work out what was going on, but you feel that you have it in a far better shape today than existed previously; is that a reasonable explanation?

Mr Harris: That was the conclusion that the Auditor-General came to and we took the Auditor-General's findings and attempted to change the system—the case management, the reporting and other things—in order to reflect the Auditor-General's findings and move the fund forward. As we move forward, those years will drop off and we will have much better information, hopefully.

THE CHAIR: More comparative data.

Mr Harris: More comparative data, yes. I am confident that the 2003-04 numbers are accurate.

THE CHAIR: There being no further questions concerning the workers compensation supplementation fund, we will move to questions concerning WorkCover.

MS MacDONALD: I would like to have an update from WorkCover about inspections.

THE CHAIR: I do not have any question of Mr Janssen at this stage. Thanks to the minister's office, I was provided with a briefing recently in one of my other capacities. It was productive and I appreciate that. Mr Janssen, if the minister is agreeable, do you want to take up Ms MacDonald's invitation to report on the status of your inspections?

MS MacDONALD: I will ask a specific question so that you will not be going round in circles. I noticed a bit of publicity in, I think, Tuesday's *Canberra Times* about inspections of construction sites and some complaints by the master builders or the Housing Industry Association. Do you want to give us a bit of a rundown on that? I know that it is not about the 2003-04 report, but I am always interested in hearing about the areas on which you are focusing in terms of inspections and the work that you are doing.

Mr Janssen: I am aware of the story in the *Canberra Times* that you referred to. I think that it was probably more of a beat-up than a reality. We are conducting, as part of a programmed series of inspections, inspections in the Gungahlin area of house building and dwellings, and that story, I think, suggested that there was some concern among contractors working on those sites that inspectors were attending those sites. Those inspections have gone pretty well. Up until now, we have completed quite a range of visits. I may even have some figures here somewhere. At the end of business yesterday, there had been 68 workplaces visited.

THE CHAIR: Is that in Gungahlin?

Mr Janssen: In Gungahlin. These would be 68 different building sites there. Again, we are talking about small cottages, houses, townhouses and so on. There certainly was not anywhere near the extent of the story suggested in the *Canberra Times* of people

downing tools, although there have been one or two instances where, as inspectors arrived, people have ducked for cover, which would suggest that there was a good reason why we should be there.

THE CHAIR: Does that suggest that breaches are occurring, or is there some other reason?

Mr Janssen: The behaviour would suggest that there are reasons that these people might want to do that, but they are actually very much in the minority and the latest information I have is that, while there have been some compliance issues, only a small number of notices—I think in total four different notices—have been issued over quite a range of sites.

THE CHAIR: Have you had any dialogue with the MBA or the HIA, just as a courtesy, on that program?

Mr Janssen: We have regular dialogue with all of those organisations, as well as the chamber and so on, on our inspection programs. Part of us announcing that the visits will be taking place on the very first day that they are is a way of ensuring that the industry is aware of that. We do try to make sure that it is not too much of a surprise, although, I would have to say, on occasions when we have consulted with the MBA it has been put to us that giving advance warning is not necessarily going to give us a clear picture of actual behaviour as against arriving unannounced.

MS MacDONALD: Strangely enough, when you let them know that you are coming they actually clean up the site and make it all tidy, don't they?

Mr Janssen: That is right, although if that is the outcome it is a good compliance outcome, if things are going to be done properly.

THE CHAIR: I guess prevention is the ideal outcome rather than apprehension.

MS MacDONALD: I know that my next question gets asked on a regular basis and the information may be in here. How many inspectors do you have at the moment? I believe that some of those people are not necessarily out doing inspections, even though they are trained inspectors. Is that correct?

Mr Janssen: Are you talking about at the end of the last financial year or currently?

MS MacDONALD: Do it for the end of the last financial year and then you can tell me whether you have increased the numbers. If so, I would be happy to hear about that.

Mr Janssen: I think that the position at the end of the last financial year was addressed in some detail in the 31 May estimates hearings. In fact, there was a question on notice on that. At that time, the workplace safety section had 18 staff, 16 of whom were involved in compliance and two of whom were support staff. The dangerous substances, gas and plant section had 13 staff, of whom 11 were involved in compliance work and two were support staff. The workers compensation section had 12 staff, of whom 10 were involved in compliance work and two were support staff.

MS MacDONALD: Have the numbers increased since then? Is that the impression you were trying to give?

Mr Janssen: The total number of staff at ACT WorkCover, including temporary and part-time staff, at the beginning of March was 67. Nineteen were in the OH&S inspectorate—there has been an increase there; 14 in dangerous substances, an increase in the figure I quoted before; and 14 in workers compensation, an increase on the 12 previously; and the remaining 20 were spread across corporate services, human resources training, communications and the executive.

MS MacDONALD: My recollection is that you were planning to focus a bit more on the retail side. Is that true?

Mr Janssen: That is right.

MS MacDONALD: How is that going?

Mr Janssen: There have been a number of activities in the retail area. Again, are we talking about this financial year or the annual report year?

MS MacDONALD: I had better stick to this financial year because the annual report is for 2003-04.

Mr Janssen: I will need to put some pages together. For example, in workplace safety—these are occupational health and safety visits—of the 1,121 inspections that had been completed by the end of February this year, this financial year, the largest number were conducted in the retail sector, 384. In relation to workers compensation, we had a considerable compliance campaign in that sector this year. The total number of compliance checks and/or workplace visits in the retail trade was 775 this year out of a total number of compliance actions and visits of 1,742 for the workers compensation area.

MS MacDONALD: Apart from compliance inspections, is your education unit focusing on the retail sector specifically?

Mr Janssen: Prior to the workers compensation audit, a series of workshops or seminars was presented to retailers in each of the four major shopping centres in the ACT that were the subject of that inspection program and those were hosted by the ACT and Region Chamber of Commerce and Industry, the centre managements and us. In some of the centres there was more than one opportunity for retailers to attend these seminars.

MS MacDONALD: Were they well attended?

Mr Janssen: I understand that overall some hundreds did attend. I do not have the exact figures, but significant numbers did attend.

DR FOSKEY: You said that there were approximately 60 people working for WorkCover. Quite often, departments report in annual reports on the number of people of a non-English speaking background, gender issues and so on. My particular interest is in whether you have a number of people from an indigenous or non-English speaking

background and whether an effort is made to ensure that all people have access to the same opportunities. What practices do you have in place to ensure that? Is there a table somewhere on that?

Ms Gallagher: There is one in the annual report of WorkCover, page 34.

DR FOSKEY: Do you feel that the workplace environment allows for the smaller percentages, because they are quite small? I note that you have two people with a disability. That is an area where sometimes the public service falls down in employment. Do you have a workplace where people in such small enclaves feel that they have equal opportunities to progress?

Mr Janssen: I think that the answer is yes. These are voluntary disclosures and I probably could not even identify the two who have declared that they have a disability.

DR FOSKEY: The disabilities are not readily evident.

Mr Janssen: That is right. We certainly could not pick it. The other probably reflects Australian society. We have all sorts of people from all sorts of backgrounds, linguistically and culturally.

THE CHAIR: Minister, I have two more questions in relation to the supplementation fund. We do not have the benefit, obviously, of being able to recall Hansard at a minute's notice, but could you or Mr Harris clarify for me whether you said that the two law firms I mentioned were on the legal panel prior to 1 July 2004 and could you indicate clearly to me whether the Auditor-General was aware of these two firms when she undertook her report?

Mr Harris: Chairman, I think it was Mr Gaskill who answered your question, not either me or the minister, and he is not with us anymore. I would be happy to take the questions on notice and provide you with a complete answer in his absence.

THE CHAIR: If you would, please, just on those two points.

Ms Gallagher: We will get an answer to the question on notice so that it is all there and clear, but my understanding is that the Auditor-General had access to every piece of information about the supplementation fund—that is certainly the advice I was given—as she went through and did her audit report. That is my understanding, but we will get back to you on that specific question with the fund manager who has been involved in the reform process.

Mr Harris: I should point out that I can only answer questions that come within the realm of my responsibility. I cannot answer on behalf of the Auditor-General.

THE CHAIR: I understand. I guess the issue is whether the Auditor-General had all the information at her disposal.

Mr Harris: To the best of my knowledge, she had access to whatever information she sought access to.

THE CHAIR: I look forward to getting the replies back. Minister, if my colleagues are happy, we will now move on to questions of you in your capacity as Minister for Women.

DR FOSKEY: I have a number of questions. I am hoping that the relevant material is in the annual report of the Chief Minister's Department.

Ms Gallagher: Yes. The Office for Women sits within the Chief Minister's Department.

DR FOSKEY: The annual report says that the ACT women's plan—at that stage it was in the future—would identify key outcome areas from the recommendations of the Legislative Assembly select committee's report on the status of women in the ACT. Am I given to understand that that report happened in the Assembly before last?

Ms Gallagher: The previous Assembly, the Fifth Assembly, yes, because I chaired the select committee.

DR FOSKEY: Okay, but that was the last Assembly.

Ms Gallagher: Yes.

DR FOSKEY: I could not find the government's response. Isn't it normal to publish information on that in annual reports?

Ms Gallagher: The progress on the recommendations?

DR FOSKEY: Yes. I could not find that.

Ms Gallagher: We have had that up on the web site. We have been continually updating the progress against the 52 recommendations in the select committee's report, but a select committee is only established for the duration of an inquiry. We reported against that in the previous annual report. In fact, we are about to stop updating the government's progress against those recommendations because the women's plan has taken over the work that the select committee had done. It was a recommendation of the select committee and now we are going to be reporting against progress with the women's plan. It is probably still on the web site, but I am happy to give you the latest copy of that.

DR FOSKEY: In that case, the select committee inquiry fed directly into that women's plan.

Ms Gallagher: Yes.

DR FOSKEY: I take it that there is also quite a bit of consultation in the community as well as distinct from the committee process.

Ms Gallagher: Yes.

DR FOSKEY: I am particularly interested in the government's consultations with indigenous women and other groups of women whose voices so often are not heard and

who do not turn up to consultations, so you have to go out and look for them. I am interested in whether you felt that you actually did connect with those women—I would appreciate getting an answer that reflects that—and in why you think that it is essential to consult indigenous women separately and whether you think that that will continue to be necessary.

Ms Gallagher: Are you talking about the Ngunnawal country indigenous women's circle?

DR FOSKEY: The review of the indigenous women's action plan. The consultation on Boomanulla Oval was a planning day open to all women, but it was meant to feed into the directions of the Ngunnawal country indigenous women's circle. I am interested in the progress in all of that.

Ms Gallagher: I will let Ms Hall, who is head of the Office for Women, answer that question, but you have made a good point. It is a point that the select committee made. One of the key findings of its report was about how to get in contact with the women who do not get in contact with us, do not want to get in contact, do not know how to or cannot. In fact, one of the main findings of the select committee was that isolated and marginalised women were exactly the people that we needed to get in touch with. It is extremely hard to get them involved and to hear back from women in that situation on how we can best help them.

To a large extent, we rely on the peak organisations providing services to women to advocate on their behalf, organisations such as Toora and Beryl, particularly for women who experience domestic violence, and Winnunga Nimmityjah in relation to issues affecting indigenous women, although consulting with indigenous groups in the ACT has its own challenges in terms of whose views are being put forward. We have gone to enormous lengths to try to get in touch with those women that we think we need to be getting in touch with, but it is not easy at all. Ms Hall has been very involved with it since the select committee reported. I will let her speak to that.

Ms Hall: In relation to the women's plan and the consultation around that, we did attempt to address the consultation issue. From memory, we ran a couple of large consultation forums where, as the minister said, we had the peak bodies, interested individuals, government agencies, et cetera. But as well as that, we also ran focus groups, some of them through organisations such as Women with Disabilities ACT and the Migrant Resource Centre. Through the Women's Centre for Health Matters we ran groups with older women, the older women's network.

I suppose the other layer on top of that is that we worked with the YWCA and with Toora and had workers for those organisations that have links with women who are even more isolated within the community. They ran a series of surveys with those women for us. Of course, we also consulted through the Ngunnawal country indigenous women's circle. We do have a consultation report, and I am quite happy to provide you with a copy of that, if you are interested.

DR FOSKEY: Is the Ngunnawal women's circle an ongoing thing that is self-motivated or is it something that needs a little bit of help or secretarial advice or meetings to plan?

Ms Hall: The indigenous women's circle came out of a consultation forum that we held in, I think, 2002. We ran two large consultation forums with indigenous women in the community and they were very well attended. The purpose of that was to have a discussion about issues specific to indigenous women in the community. That was for our information and also to feed into the national indigenous women's action plan. Following those forums, the women who were at the forum wanted to continue some sort of flexible working group arrangement with a mechanism whereby they could get together and raise issues and follow things through, if need be. So we made the commitment to assist them with that and the Office for Women since then has been providing secretarial support.

As with any group, there are phases and ups and downs in terms of energy and involvement. At the moment we have an indigenous policy officer in the Office for Women. She is at the moment reviewing the circle and meeting both with indigenous organisations in the community and with women in the community to get some feedback on how we can better support them now and what direction they want to take and what role they want that circle to have when there is information sharing.

DR FOSKEY: Is that person an indigenous woman?

Ms Hall: Yes, she is. She is an Aboriginal woman.

DR FOSKEY: Has she been involved in community sector activities?

Ms Hall: She has. She has been in the ACT community for a long time. She has worked in government agencies and she has also done a lot of work with other indigenous communities around Australia, particularly in Queensland.

THE CHAIR: Minister, I understand that there is \$100,000 allocated for each of the next four years to a women's grants program.

Ms Gallagher: Yes.

MS MacDONALD: And an excellent thing that is, too.

THE CHAIR: The principle, I think, is excellent, but I refer to a recent report in the *Canberra Times* about a grant made under this program to an all-female motorcycle group. What was the basis for this grant, minister?

Ms Gallagher: Girls on the Move. There are two elements to this grants program. There were two categories. The first would strengthen the capacity or the effectiveness of women's organisations in the ACT. The second category was special projects. This supported one of the six goals of the ACT women's plan. There was a panel, and I am trying to think who was on the panel—someone from the ministerial advisory council on women.

Ms Hall: There was an officer from the Office for Women, Ara Cresswell from ACOSS and a representative of the ministerial advisory council on women.

Ms Gallagher: Those three people went through all the applications. I think there were

60-odd applications, totalling over \$500,000. A list of projects was selected by that panel and recommended to me and I supported the recommendations of the panel to fit it in under \$100,000. My memory of the motorcycle grant is it is about teaching women motorcyclists how to be safe on their bikes.

THE CHAIR: Is it right that your colleague Senator Lundy was a beneficiary of the grant through her participation in that group?

Ms Gallagher: Senator Lundy?

THE CHAIR: Yes.

Ms Gallagher: I have no knowledge of Senator Lundy getting a grant, no.

THE CHAIR: You are not aware of that?

Ms Gallagher: What, that she is a member of Girls on the Move?

THE CHAIR: It was suggested. I was wondering if you are aware that she is part of it and if she made any representations or lodged any application.

Ms Gallagher: No. I have not spoken to Senator Lundy since we lost the federal election.

THE CHAIR: What processes are in place for evaluating these grants that you are dishing out?

Ms Gallagher: This is the first year. Are people writing reports at the end? When you look down the list, it grows from getting \$1,500 to the total of just over \$10,000. So they would have to acquit that money to us. But it is the first year. If we did not think they were supporting the goals of the women's plans, we would look at how we manage that process. I think all of the projects are very worthy and in the acquittal of those grants, we will no doubt hear about how fantastic that money has been in helping them do what they wanted to do.

THE CHAIR: I do not understand. People in the community would normally pay money to learn to ride bikes and drive cars. Why are we funding people to learn to do those things? Are they a disadvantaged group?

Ms Gallagher: It is not unusual to have grants programs in particular areas of government. We had the multicultural grants. In education we had schools as communities. Those grants provide this sort of money. To me, women's organisations in the ACT have not been well supported by governments. I would like to see more money going to women's organisations and capacity building.

Many of these organisations are voluntary organisations or have very low levels of funding. I remember in my first year as minister, a women's organisation came to me. They wanted to hold some sort of conference and they had no money to arrange the conference. When we started talking and looking through, there was no money anywhere to support particular projects that women's organisations might have or to build capacity

within those organisations to grow bigger and seek funding elsewhere. I was lucky enough to get cabinet to agree to a very small grants program in last year's budget.

Even though it is only \$100,000, there are 21 organisations that are getting a little bit of cash from the government to help further the aims of their organisations. In that sense, it is a great thing. I have not had too many people complaining about it.

THE CHAIR: I do not think the issue is whether it is appropriate for sporting groups or women's groups and so forth. I think the issue that I am addressing is really the review process and whether this is the best way to spend taxpayers' funds. It does not sound like there is rigor applied there. Are you saying there is a report on these grants or is it that, once it is expended, there is no more accountability?

Mr Harris: All of our grants programs go through a review of some sort at some point. They are all at some point in time subject to internal audit, acquittal, probity and so forth, as far as governments are concerned. There are rules applied to the provision of grant moneys to organisations right across the board, be they women's organisations, sport and recreation, indigenous or whatever, where commitments are entered into in order to receive the money and acquittals made in order to provide information about how the money was expended. The governance arrangements that apply to these grants are as rigorous as the governance arrangements that apply to any other of our grants programs.

THE CHAIR: I have no further questions on that area, minister. Ms MacDonald, do you have any matters you would like to raise?

MS MacDONALD: No.

THE CHAIR: Dr Foskey, do you have any questions?

DR FOSKEY: I do have some questions. I am sorry to detain you a little longer.

Ms Gallagher: That is all right.

DR FOSKEY: I am tempted to answer Mr Mulcahy's question.

THE CHAIR: I think it is the minister's job, Dr Foskey.

DR FOSKEY: That is right. The policy framework *Justice options and prevention: working to make the lives of ACT women safe* includes an annual action plan. Has there been any funding dedicated to the implementation of this plan, and how has it been implemented? I assume it involves a whole-of-government approach.

Ms Gallagher: There has been money allocated to things that support the antiviolenence framework, for example, the opening of Betty Searle House for older women. That is something that is linked to the framework. One of the goals of the framework is the protection of women—justice for women, options for women and prevention of violence. There are a number of things that happen across government. Agencies are required to report in their annual reports against how they are doing their business in line with this plan.

In terms of whether there is a specific allocation or appropriation for this framework, there is not. It is a whole-of-government framework that guides agencies and that agencies need to report against. I could say that the women's grants program supported elements of the framework as well. There are different things we are doing. Some of the money that has gone in through the homelessness strategy again would support the goals of this framework.

One of the most useful things, certainly from my point of view, is the fact that agencies need to report. They need to be thinking all the time about how they are supporting this framework in every aspect of what they do; for example, urban services in their street lighting program. It goes to that level in terms of ensuring that that program is rolled out in a way that supports the goals of this framework.

DR FOSKEY: One of its impacts is that it actually will not just make women safe. It is actually about making people safe. Often it is not understood that a community in which women are safe is probably a community in which most people are safe.

Ms Gallagher: Yes, children.

DR FOSKEY: I often wonder if there is some way we could use the language so that the people who jump up and down when you single out women can feel comforted that it might have good impacts for them, too. The ACT women's register assists in identifying women interested in being appointed to boards, committees and authorities.

Ms Gallagher: Yes.

DR FOSKEY: First of all, I am interested in the diversity of women on this register, how many women are on the register, how people get on the register, the degree to which the register is used to look for women to be members of boards and whether there is some sort of stricture on government departments or whatever, wherever the board is coming from, to seek some sort of gender equity on those bodies.

Ms Gallagher: The women's register is a voluntary register, so you have to want to be on the register to be on it. My advice is there are 122 women currently on the database. In relation to the government's policy on board appointments, yes, as vacancies come up and go through the cabinet process, bodies are required to consult with the Office for Women. One of the questions on the appointment form is: are there 50 per cent of women on this board? So there is some rigor in that.

Part of my job in cabinet is to always look at those appointment forms and make sure that those things have been done. At the moment, we have control over appointments to about 48 per cent of boards and committees because there are boards where organisations nominate. That is a bit different, although, from memory, it is not too different from that figure. In certain areas you would be surprised how many women there aren't! An example is the podiatrists board. There do not seem to be a lot of female podiatrists. There are a number of health boards. That seems to be an area where we struggle to get women appointed.

But, yes, we do a lot of work. The register was for ACT government boards and we have recently extended it so that other organisations, community organisations and industry

groups who are looking for women on their boards, can access information with the consent of the person who has put her name on the register. This week I spoke at an Ernst and Young breakfast and someone asked me about my main goals for women. One of them is to get this register better known, with more women on it, particularly women who do not think they should be on it because they are probably the ones who should be on it. I want to really have it out there, pushing not only for government boards but also for boards and organisations across Canberra. When there is balance on a board, it is a good outcome for the organisation in a whole range of areas. I think I have covered most of your questions. I think there was one that I did not.

DR FOSKEY: That was diversity, and I think you have covered that. You are not aware at present of the level of diversity? It is by way of self-nomination, so that might give an indication.

Ms Gallagher: There is enormous diversity on that list. It ranges from businesswomen to activists in the community, women with a whole range of different interests expressing interest in a range of different boards and committees. I want to see more women on the paying boards.

THE CHAIR: Which one?

Ms Gallagher: The paying boards, where they would receive remuneration. That level is a bit lower. It is around 40 per cent for women on those boards. There is an overrepresentation of women and a lot fewer men on the boards that do not pay and have a lot of workload. Funny, that!

MS MacDONALD: How is the register being advertised these days?

Ms Gallagher: We had some fairly big days early last year. We ran a course—women as decision makers—where the register was really promoted. That was about giving women the skills and confidence to take these roles on. It is easily accessible. It is on the internet. Do we advertise in other ways? I talk about it all the time.

Ms Hall: We have a pamphlet and, whenever an opportunity presents, we take it along. The women as decision makers series is done in conjunction with the YWCA. There are a number of forums within that series and it is promoted very strongly through that. We also have a lot of interaction with the Australian Institute of Company Directors. They are aware of it. There are a number of groups in the community that are aware and they also promote it.

MS MacDONALD: I am sure it has come through my office at some point. Can you send me some brochures and I will put some out and take them with me to different things?

DR FOSKEY: Yes, that is a good idea. Is there a selection process of any kind or is it that if you apply, you are in?

Ms Gallagher: It depends. For community organisations and private sector bodies, how they determine it is their business. In the ACT government, where the government has control of boards and committees, they can be advertised. Certainly some of mine have

been advertised. In fact, I think most of them are. There is a whole range of things. It could be a casual vacancy, where someone resigns. But there is a proper process. It goes through cabinet, with papers attached outlining why this person is good, and ministers take the responsibility for that.

DR FOSKEY: I was actually wondering about getting on the register, per se.

Ms Gallagher: I do not think so.

Ms Hall: The Office for Women acts more as a brokerage point. It is outlined in the pamphlet. The information we take on good faith and we provide that to the boards and committees that are interested, with a disclaimer, and then they follow their usual processes for selection from that.

MS MacDONALD: Are there similar registers in the states? Is that what we have based it on?

Ms Hall: They do. Not in all states. There is a national register and a number of states have registers. South Australia has one and a couple of the other states have them as well.

THE CHAIR: I will adjourn the hearing now. Thank you, minister, Mr Harris, Ms Hall and the other officials for attending. We appreciate your cooperation.

Ms Gallagher: Thank you very much.

The committee adjourned at 3.29 pm.