

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Friday 26 August 2022

Examination of proposed expenditure for the portfolio area FINANCE, EMPLOYEE RELATIONS

ANSWERS TO QUESTIONS ON NOTICE

- 1. Please provide a copy of any modelling showing the estimated take up rate of First Home Buyers' Choice, and its likely geographical distribution, that is not Cabinet-in-Confidence. (p. 3-4)**

It is estimated that around 6,200 first home buyers per year would opt into property tax on average over the first 4 years. Together with other first home buyer assistance initiatives, these measures in total offer support to around 97 per cent of first home buyers when purchasing their first home. These figures were modelled based on the volume of first home buyer transactions, opt-in rate of first home buyers and the price threshold of \$1.5 million for the purchase of a home that applies to First Home Buyer Choice. The modelling underpinning these estimates draws on aggregate revenue data, which does not indicate the geographic spread of expected first home buyer purchases.

- 2. What are the conflict of interest procedures for NSW government procurement? (p. 5)**

The NSW Government Procurement Policy Framework requires that agencies must ensure staff follow their agency's procedures to manage conflicts of interest, both real and perceived.

The NSW Procurement Board's Supplier Code of Conduct also requires NSW Government agencies and suppliers to disclose any perceived or real conflicts of interest.

Questions regarding procurement processes conducted within an agency should be directed to that agency.

- 3. Has the NSW Government engaged external consultants for advice in relation to the rail dispute? (p.13)**

The Department of Premier and Cabinet has not engaged external consultants for advice in relation to the rail dispute.

- 4. How many of the 80-odd enterprise agreements that expired at the end of June 2022 have been renewed or remade? (p.13)**

5. Leaving aside the issue of gender segmentation, which I know is a big problem, what are you doing to make sure, in the SEB branch, that men and women are getting equal pay for doing equal or comparable work? (p. 21)

The NSW Public Service Senior Executive Remuneration Management Framework (Available at: https://www.psc.nsw.gov.au/sites/default/files/2022-07/2022-23_nsw_public_service_senior_executive_remuneration_framework.pdf) provides a fair and transparent approach to determining executive remuneration. The Framework includes an explicit intent to ensure that all decision-making processes relating to executive remuneration support the principle of equal remuneration for men and women doing work of equal or comparable value.

Senior Executive roles in the Department of Premier and Cabinet (DPC) are evaluated in line with the Mercer Job Evaluation methodology that assesses the scope, complexity and demands of the role. The use of this methodology and adherence to DPC's Senior Executive Remuneration Policy Statement allows for an analytical review, which is dependent on the role, not the person, and addresses the risk of any gender-based pay parity issues for this role.

Further, the Public Sector Commission works closely with the Behavioural Insights Unit of the Department of Customer Service to implement practical ways all public sector agencies can:

- increase female applications for leadership roles
- reduce bias in recruitment and promotion processes.

6. Please provide an update on the Revenue NSW payroll tax case against Uber (p. 22)

Notices of Assessment were issued on 25 February 2021 for the 2015 to 2020 financial years. The taxpayer lodged an objection on 26 April 2021. Revenue NSW finalised this objection on 31 August 2021.

The taxpayer lodged an appeal with the Supreme Court on 1 November 2021. The latest mention was on 19 August 2022 when the defendant was given until 16 September 2022 to serve its expert evidence. The next directions hearing is listed for 7 October 2022. It is expected that a hearing date will be set at this hearing.

7. Please provide a status update on the 3 newly completed gig economy investigations. (p. 23)

The three investigations completed since the March 2022 Budget Estimates hearings each resulted in Payroll Tax assessments being issued to the taxpayers.

8. Please provide a update on the Hungry Panda case from icare. (p.24)

The outcome of this case, *Wei v Hungry Panda Au Pty Ltd & Ors* [2022] NSWPICT 264 (2 June 2022) is reported at: <https://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/nsw/NSWPIC/2022/264.html>

9. Please provide an update on the Fredy family/Uber case. (p.24)

This matter is listed for a hearing before the Personal Injuries Commission on 24 November 2022.

10. When was Oracle first provided with a HBCF policy? (p.39)

4 December 2012

11. When was the six-month or twelve-month check prior to May 2022 for Oracle, and what, if any issues were identified in that check? (p.39-40)

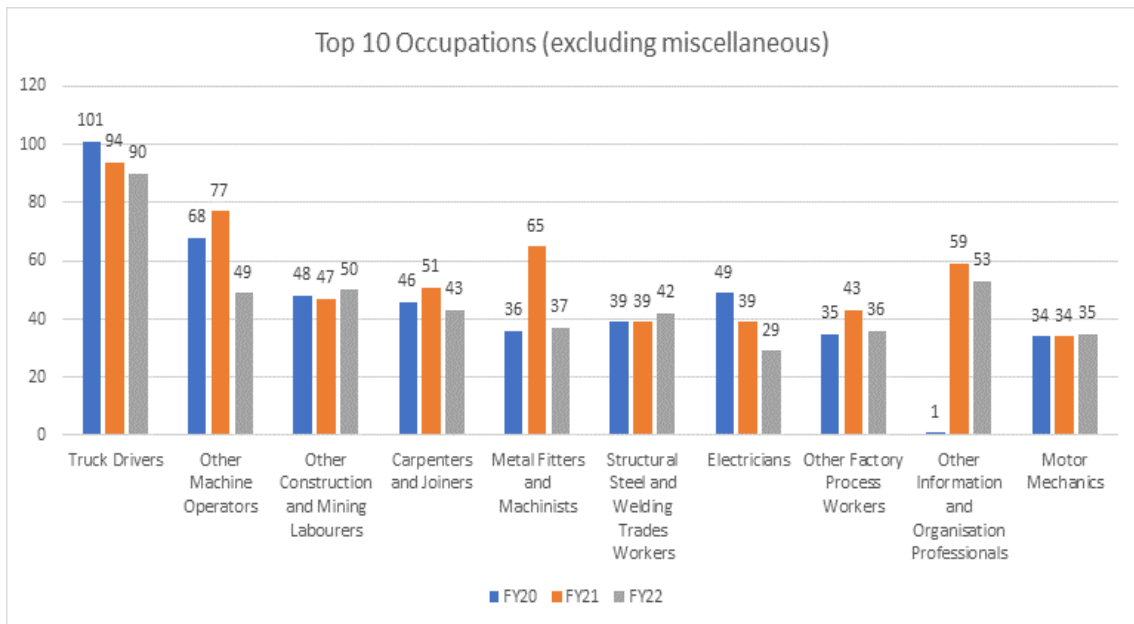
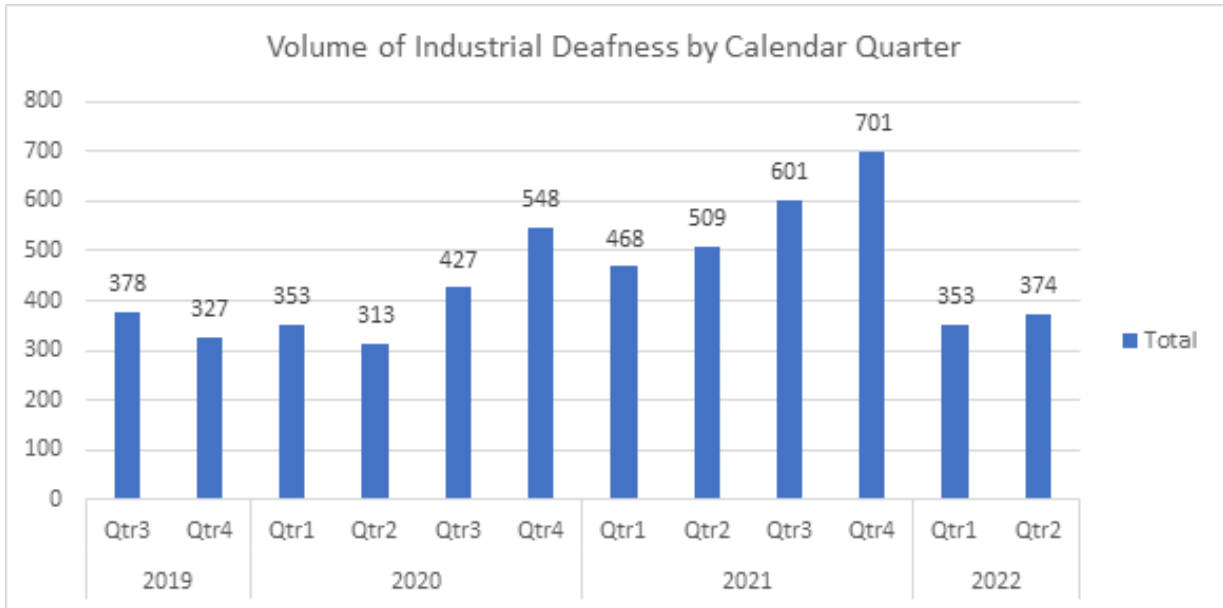
Oracle was on annual review cycle. In May 2022, icare identified that Oracle no longer met the criteria for being eligible for HBCF insurance and suspended the builder in line with its guidelines.

12. In 2018 was icare advised that reinsurance might be necessary for the HBCF? Did icare undertake an analysis of the effect of the collapse of a major builder on the HBCF in 2018? Did that analysis yield a recommendation for icare and the Government's consideration about obtaining reinsurance? Did icare then obtain that reinsurance? If icare did not obtain that reinsurance, what were the reasons for icare not choosing to reinsure the HBCF in 2018? (p.43)

icare has engaged with select reinsurance markets since 2018, exploring both for transferring the legacy tail and for ongoing reinsurance support. Based on preliminary market soundings, icare found extremely limited market appetite for either form of reinsurance over the HBCF portfolio, and nothing on a cost-effective basis.

13. How much have workers' compensation claims for damage to hearing escalated over the last 3 years, broke down by occupation if available? (p. 45)

Volume of industrial deafness claims by calendar quarter over the past three years



14. Do you have any reflection on the methodology used by Golder Associates in relation to silica screening? (p. 45)

Golder Associates was engaged by SafeWork NSW to undertake research to determine the burden of silica disease in NSW. Based on NSW Health advice, it was thought that the burden of disease in NSW would come from triangulation of information from the three agencies – NSW Health, icare and SafeWork NSW.

icare considers the Golder report provided an independent evaluation of the data captured, the outcomes of which have validated the need for the centralised mandatory notification process - which was implemented in July 2020.

15. What was the cost of the application that made in February 2022 “to seek a termination of the bargaining agreement” with the RTBU? (p. 47)

There was no application made in February 2022 “to seek a termination of the bargaining agreement”. An application was made in February 2022 to suspend or terminate protected industrial action.

The legal costs were \$105,082.22.

16. What was the cost of the application made in May 2022 “to terminate the bargaining period”? (p.47)

There was no application made in May 2022 “to terminate the bargaining period”. Applications were made in June/July 2022 to suspend or terminate protected industrial action.

The legal costs were \$124,629.48.

17. What is the cost to date involving all proceedings in the New South Wales Industrial Relations Commission as they involve the dispute with the NSW Teachers Federation? (p. 47)

As at 29 August 2022, \$392,806.

18. What is the cost to date involving all proceedings in the New South Wales Industrial Relations Commission as they involve the dispute with the NSW nurses’ association? (p. 47)

As at 29 August 2022, \$106,831

19. When was advice given and when was drafting commenced in relation to the Industrial Relations Amendment (Dispute Orders) Bill 2022?

Drafting instructions were provided to the NSW Parliamentary Counsel’s Office on 19 July 2022.

20. How many fines are currently outstanding against the New South Wales nurses association, and what is the value of those fines? (p. 48)

There are no current outstanding fines against the NSW Nurses and Midwives’ Association.

21. What is the current status of proceedings against the New South Wales Teachers Federation for breach of IRC orders? (p. 48)

The NSW Teachers Federation contravention proceedings are listed for hearing in the NSW Supreme Court on 5 October 2022

22. How much has been collected in fines in the last 12 months from registered industrial organisations of any kind? (p. 49)

One fine has been imposed against a registered organisation under industrial legislation in the last 12 months. A fine of \$30,000 was imposed on the NSW Teachers Federation

23. Which registered industrial organisations have paid those fines or have those fines outstanding? (p.49)

As at 9 September 2022 the \$30,000 fine imposed against the NSW Teachers Federation remains outstanding.

24. What was the investment return last year for the TMF and what was the investment benchmark for the TMF? (p. 49)

The investment return for FY22 was -4.2% which exceeded the market benchmark return of -4.6%.

25. What was the lowest the accounting insurance ratio for the TMF reached in FY2021/22? (p. 50)

In May 2022 the funding ratio was 96% and the insurance ratio was 115%.

26. What are the new targets for Return to Work rates? (p. 54)

For FY 2022/23 the Return To Work targets are:

- 4 week - 65.4%
- 13 week – 77.5%
- 26 week – 82.1%
- 52 week – 85.6%,

27. What is the anticipated time frame for getting to the 25,000 electric vehicle rebates? (p. 57)

The Electric Vehicle Rebate Guidelines (revised August 2022) (available at: <https://www.nsw.gov.au/sites/default/files/2022-02/EV-rebate-guidelines-261021.pdf>) state on page 5:

There are 25,000 rebates available for eligible electric vehicles in NSW. The NSW Government publishes online [<https://www.nsw.gov.au/sites/default/files/2022-07/20220331-EV-Strategy-Dashboard.pdf>] the number of rebates paid. The information is updated quarterly. When the total rebate allocation is nearly exhausted, more frequent updates will be provided and new applications will be limited and prioritised based on submission time.

Questions about the anticipated time frame for exhausting the allocation of rebates are best directed to the Treasurer, and Minister for Energy.

28. Over the last three years, by year, how many applications to Revenue NSW for difficulty with payment have there been? How many people have been put on a payment plan and how many on a work development order? How many have had a fine reduction? How many have had a debt write-off? (p. 57)

	2019/20	2020/21	2021/22
Hardship Review Board	23	16	9
Payment Plan	193,256	207,360	217,515
Work and Development Order	27,117	24,883	21,709
50% Fine Reduction	N/A	484	234
Debt Write-Off	60,707	40,976	83,312

29. How often does icare meet with SafeWork NSW and who are the SafeWork representatives at these meetings? (p. 58)

icare has scheduled quarterly meetings with Better Regulation Division (BRD)/SafeWork NSW. There have been three meetings in the past year.

Attendees from icare are the CEO; Group Executives for Workers Compensation, Insurance for NSW, Lifetime Schemes, Strategy & Office of CEO; General Managers for Prevention, Insurance for NSW Underwriting and Chief Medical Officer.

Attendees from BRD/SafeWork NSW are Deputy Secretary BRD, Executive Directors for Community, Policy & Strategy, Licensing & Funds, Investigations & Enforcement, Business Operations Performance & Assurance; Directors for Health and Safe Design, WHS Regional.