PAC – ANNUAL REPORTS INQUIRY

Questions Taken on Notice at the public hearing of 1 December 2009

Question No	To	Subject
1	Minister for Industrial Relations	DIF - recovery of funds
2	Minister for Industrial Relations	Advice to the Minister from the Insurers Advisory Committee
3	Minister for Industrial Relations	Increase in net average claim size
4	Minister for Industrial Relations	Balance sheet
5	Minister for Industrial Relations	Legal advice provided by the Solicitor-General
6	Minister for Industrial Relations	Audit by Protiviti

Authorised for Publication

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE # 1

1 DECEMBER 2009

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COMMITTEE OFFICE

Ms Le Couteur - Asked the Minister for Industrial Relations upon notice on 1 December 2009:

In relation to the Default Insurance Fund, how much do you expect to recover and can you provide a percentage in relation to what you have paid out?
(Volume 1, pages 148-149)

Ms Gallagher - The answer to the Member's question is as follows:

The Collapsed Insurer Fund Paid out $0.6m in claims in 2008-09 and received $1.1m in recoveries from HIH (183% of claims expense). Most of the amount recovered is for claims paid out in prior years.

The Uninsured Employer Fund paid out $3.4 million in claims in 2008-09 and recovered $0.3 million from third parties (8.8% of claims expense).

Approved for circulation to the Committee.

K. Gallagher
Katy Gallagher MLA
Minister for Industrial Relations

Date: 23.12.09

Authorised for Publication

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE #2

1 DECEMBER 2009

Mr Smyth - Asked the Minister for Industrial Relations upon notice on 1 December 2009:

In relation to the Insurers' Advisory Committee, did the Committee give the Minister any advice on part 8.2 of the Act and if so what did the Minister do with it? (Volume 1, page 148)

Ms Gallagher - The answer to the Member's question is as follows:

The Minister did not request or receive any advice from the Advisory Committee on matters relating to part 8.2 (the DI Fund) of the Act during the reporting period.

Approved for circulation to the Committee.

K. Gallagher

Katy Gallagher MLA
Minister for Industrial Relations

Date: 23.12.09

Authorised for Publication

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE #3

1 DECEMBER 2009

Mr Smyth - Asked the Minister for Industrial Relations upon notice on 1 December 2009:

In relation to the Default Insurance Fund, the net average claim size has almost doubled from 2008 to 2009. Is there a reason for that?
(Volume 2, page 189, Note 4)

Ms Gallagher - The answer to the Member's question is as follows:

The net average claim size incurred but not reported (IBNR) detailed at page 189 is an actuarial assessment of the likely cost of claims determined at 30 June 2008 and 30 June 2009.

The increase in net average claim size for 2009 can be attributed to:

- Settlement of two asbestos related claims during the reporting period valued over $1m. Large settlements have a significant impact on the fund and actuarial assessments.
- Amendments to the *Workers Compensation Act* in 2006 made claimants eligible to entitlements such as weekly compensation, medical expenses and rehabilitation consistent with non DI Fund claimants. The number of claimants seeking these entitlements and the cost to the fund continue to rise.

Approved for circulation to the Committee.

K. Gallagher
Katy Gallagher MLA
Minister for Industrial Relations

Date: 23.12.09

Authorised for Publication

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE #4

1 DECEMBER 2009

Mr Smyth - Asked the Minister for Industrial Relations upon notice on 1 December 2009:

In relation to the Default Insurance Fund, the balance sheet on page 176 of volume 2 has cash and cash equivalents of $10.142m and investments of $9.388m, is that related to the $19.5m under the collapsed insurer fund or does it relate to the $10.1m in the uninsured employer fund? In your balance sheet you are only showing cash and investments of about $19.5m or is part of that held somewhere else?
(Ref: Volume 2, pages 176)

Ms Gallagher - The answer to the Member's question is as follows:

As at 30 June 2009 the Default Insurance Fund held cash and cash equivalents of $10.1m (Current Assets on the balance sheet), and Investments of $9.4m, (shown as Non-current Assets on the balance sheet) totalling $19.5m of cash and investments.

Of the $10.1m in cash and cash equivalents, $9.0m is held against the Collapsed Insurance Fund, and $1.1m is held against the Uninsured Employer Fund.

The $9.4m shown as Non-current Assets is held against the Collapsed Insurance Fund.

Approved for circulation to the Committee.

K. Gallagher

Katy Gallagher MLA
Minister for Industrial Relations

Date:...23.12.09...

Authorised for Publication

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE #5

1 DECEMBER 2009

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23 DEC 2009
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COMMITTEE OFFICE

Mr Smyth - Asked the Minister for Industrial Relations upon notice on 1 December 2009:

In relation to the ACT Construction Industry Long Service Leave Authority Annual Report in the section titled Expenditure (page 12), I note that the Solicitor General provided legal advice. Is it possible for the committee to see a copy of that legal advice?

Ms Gallagher - The answer to the Member's question is as follows:

No, but the Authority is willing to provide a brief on the advice if required.

Approved for circulation to the Committee.

Katy Gallagher

Katy Gallagher MLA
Minister for Industrial Relations

Date: 23.12.09

Authorised for Publication

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

QUESTION TAKEN ON NOTICE #6

1 DECEMBER 2009

Mr Smyth - Asked the Minister for Industrial Relations upon notice on 1 December 2009:

In relation to the ACT Construction Industry Long Service Leave Authority Annual Report in the section titled Expenditure (page 12), is the internal audit document publicly available?

Ms Gallagher - The answer to the Member's question is as follows:

It is not the generally the practice for ACT Government Agencies to release the detail of commissioned internal audits. However, for information, the summary of the recommendations, CMD response and actions to date of the 'Review of the Long Service Leave Governance Arrangements Internal Audit' are published in the 2008-2009 CMD Annual Report, Volume One, page 59.

Approved for circulation to the Committee.

K. Gallagher

Katy Gallagher MLA
Minister for Industrial Relations

Date: 23.12.09