



STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY
Ms Leanne Castley (Chair), Ms Suzanne Orr (Deputy Chair), Mr Johnathan Davis MLA

Inquiry into ACT Budget 2021–22
ANSWER TO QUESTION ON NOTICE

Asked by PETER CAIN MLA: To ask the Minister for Industrial Relations and Workplace Safety—

Ref: Office of the Work Health and Safety Commissioner

In relation to: Budget Statements B 2021-22

1. Worksafe ACT
 - a. In 2020-21, how many improvement, prohibition and infringement notices were issued?
 - i. What was the total value of revenue raised from notices?
 - b. Are you able to provide an indication of how much of your staffing budget is spent on administration and management, versus workplace inspection and enforcement?
2. ACT Work Safety Council
 - a. In addition to the Chair's annual base remuneration, please provide an itemised list of any other financial receipts or allowances received by the Chair in the past three financial years.
3. EBT Class 1 (1.1) Public Sector Workers Compensation Fund
 - a. Please explain why your asset to liability ratio, indicator 'c' (BS B, p. 295), was 27% last financial year (2020-21), despite a target of $\geq 100\%$.
 - b. What was it in 2019-20? The outcome figure wasn't published in the 2020-21 budget papers (see BS B, 2020-21, p. 289)
 - c. Do you have a plan to bring the ratio up to the target of $\geq 100\%$ in 2021-22 and beyond?
4. ACT Long Service Leave Authority
 - a. Does the ACT Long Service Leave Authority board have a conflict of interest policy, and how often is it updated?
 - b. Looking at your Statement of Intent for 2021-22, your total comprehensive income is projected to be $-\$5,479,000$ (p. 14) for the financial year, and remain negative in the forward years. Please provide detail on any plans you have to bring it back to neutral.

MICK GENTLEMAN MLA: The answer to the Member's question is as follows:–

1. Worksafe ACT

- a. Under the *Work Health and Safety Act 2011*, WorkSafe ACT issues improvement, prohibition and infringement notices. In 2020-21, WorkSafe ACT issued:
 - 96 Infringement notices
 - 1,840 Improvement notices, and
 - 459 Prohibition notices.
 - i. Revenue from Infringement notices totalled \$285,984.
- b. WorkSafe ACT reports annually to Safe Work Australia as part of the Comparative Performance Monitoring project on the number of field active inspectors in the Australian Capital Territory.

Field active inspectors are gazetted inspectors whose role is to spend the majority of their time ensuring compliance with work health and safety and associated legislation. Duties of field active inspectors may include worksite visits, investigations, conducting audits or other activities to improve the work health and safety capability of businesses and workplaces. Managers of the inspectorate are included in the number of field active inspectors.

Using this definition, 67.8% (\$4,354,803) of WorkSafe ACT's staffing budget is spent on Compliance and Enforcement.

2. ACT Work Safety Council

- a. The WHS Council Chair's annual remuneration is determined by the ACT Remuneration Tribunal. No allowances or payments have been made in the last three financial years or are payable to the Chair of the ACT Work Health and Safety Council under the Remuneration Tribunal's determination or the *Work Health and Safety Act 2011*.

3. EBT Class 1 (1.1) Public Sector Workers Compensation Fund

- a. The amount receivable from Comcare for claims liabilities transferred to the Public Sector Workers Compensation Fund on 1 March 2019 was not received prior to 30 June 2021 as expected. At its 25 June 2021 meeting, the Safety, Rehabilitation and Compensation Commission agreed to grant an extension of the transitional provisions in the Territory's self-insurance licence, to 31 December 2021. Once received, the assets will raise the funding ratio and the target will be achieved.
- b. 22% (see CMTEDD 2019-20 Annual Report Vol2.2, p 259)
- c. See response to point 3a.

4. ACT Long Service Leave Authority

- a. The ACT Long Service Authority's Governing Board has a Conflict of Interest Policy which has an annual review date. The Governing Board also has a standing agenda item for declarations of personal interest/conflicts of interest, which is the first agenda item for each Governing Board meeting.

- b. The Authority's actuary is required to review the appropriateness of the scheme levy rates at least once every three years. The latest triennial actuarial review conducted in 2020 resulted in a Governing Board decision to increase the Community Sector scheme's levy rate by 40 basis points (from 1.2% to 1.6%) and to reduce the Contract Cleaning scheme's levy rate by 13 basis points (from 1.2% to 1.07%) from 1 July 2021, with the levy rates for the Building and Construction and Security Industry schemes to remain the same. This is to ensure that the assets over liability ratio for all schemes are kept at or towards the current target of 110%.

The investment performance assumption used for the 2021-22 budget was 4.5% per annum, which is the expected rate of long-term assets return under the Authority's current asset allocation strategy. The Authority achieved a better-than-expected investment outcome of 21.1% in 2020-21, although this should be looked at in the context of Authority's target return (2.5% above AWE averaged over 5 years). Investment returns averaged over a five-year period to the end of 2020-21 are 9.9%, above the target of 5.18%.

The cleaning scheme's asset over liabilities ratio was 178% at the time of the 2020 triennial actuarial review, prompting the Board to reduce the levy rate as noted above. While this is expected to result in a gradual reduction of assets over liabilities towards target it also means operating deficits, at least for the cleaning scheme, are expected to continue across the next few financial years from a reduced levy income and increased scheme liability.

Approved for circulation to the Standing Committee on Economy Gender and Economic Equality

Signature: 

Date: 9/4/2021

By the Minister for Industrial Relations and Workplace Safety, Mick Gentleman MLA