

**MINISTER FOR EDUCATION AND TRAINING,
MINISTER FOR INDUSTRIAL RELATIONS,
MINISTER FOR THE CENTRAL COAST,
AND MINISTER ASSISTING THE
MINISTER FOR FINANCE**

OVERVIEW

<i>Agency</i>	<i>Budget 2006-07 \$m</i>	<i>Budget 2007-08 \$m</i>	<i>Variation %</i>
Department of Education and Training			
Total Expenses	9,989.6	10,460.6	4.7
Capital Expenditure	573.1	617.0	7.7
Office of the Board of Studies			
Total Expenses	99.5	102.6	3.1
Capital Expenditure	0.8	0.5	-40.3
Building and Construction Industry Long Service Payments Corporation			
Total Expenses	99.7	107.0	7.4
Capital Expenditure	0.5	0.8	66.7
Motor Accidents Authority			
Total Expenses	38.7	24.9	-35.7
Capital Expenditure	0.2	0.1	-74.4
Office of the Motor Accidents Authority			
Total Expenses .....	...	15.1	n.a.
Capital Expenditure .....	...	0.4	n.a.
Workers' Compensation (Dust Diseases) Board			
Total Expenses	90.2	102.0	13.2
Capital Expenditure	0.1	2.7	2,577.0
WorkCover Authority			
Total Expenses	266.0	238.6	-10.3
Capital Expenditure	12.7	10.5	-17.3

<i>Agency</i>	<i>Budget 2006-07 \$m</i>	<i>Budget 2007-08 \$m</i>	<i>Variation %</i>
Office of the WorkCover Authority			
Total Expenses .....	...	123.7	n.a.
Capital Expenditure .....	...	...	...
Total, Minister for Education and Training, Minister for Industrial Relations, Minister for the Central Coast, and Minister Assisting the Minister for Finance			
Total Expenses	10,583.7	11,174.5	5.6
Capital Expenditure	587.4	632.0	7.6

In addition to the agencies listed above, the Minister is also supported by the Department of Commerce (Section 20) for the Industrial Relations portfolio area.

DEPARTMENT OF EDUCATION AND TRAINING

The Department of Education and Training provides schooling and vocational education services to over 1.6 million students each year through an extensive network of government schools, TAFE NSW Institutes, Adult and Community Education colleges and the Adult Migrant English Service. The Department also provides regulatory and quality assurance services to the vocational education and training sector and funding support for non-government schools.

RESULTS AND SERVICES

The Department has lead agency responsibility for coordinating with partner agencies to ensure the delivery of the following State Plan priorities:

- ◆ S4: Increasing levels of attainment for all students.
- ◆ S5: More students complete Year 12 or recognised vocational training.
- ◆ P4: More people participating in education and training throughout their life.
- ◆ P7: Better access to training in rural and regional New South Wales to support local economies.

The Department contributes to the improved social and economic wellbeing of the people of New South Wales through education and training by working towards the following results:

- ◆ Increased number of students meeting or exceeding minimum national benchmarks in literacy and numeracy.

- ◆ Increased retention rates and proportion of students completing Year 12 or recognised vocational training.
- ◆ Improved skill and qualification level of the NSW population, both urban and rural.
- ◆ Delivery of training that is flexible and relevant to industry and individuals, and is more accessible to regional and rural NSW communities.

Key services provided by the Department which contribute to these results include:

- ◆ quality teaching and education programs across all levels of schooling, ranging from the strong focus in the early years on basic numeracy and literacy through to the rigorous and internationally respected Higher School Certificate;
- ◆ quality vocational education and training provided by TAFE NSW for full-time and part-time students, trainees and apprentices;
- ◆ registration of training organisations and accreditation of courses for vocational education and training;
- ◆ promotion and regulation of apprenticeships and traineeships; and
- ◆ intervention strategies including Aboriginal education, equity programs for students in rural or disadvantaged areas, programs for students with learning difficulties and disabilities, and for gifted and talented students.

SCHOOL EDUCATION SERVICES

RECENT DEVELOPMENTS

During 2006-07, the Department continued to implement key Government initiatives directed at improving overall student performance and the performance of students that require additional educational support.

These initiatives include:

- ◆ reducing class sizes in the early years of schooling;
- ◆ improving teacher quality;
- ◆ expanding the range of support options for students with disruptive behaviour;

- ◆ providing literacy and numeracy programs;
- ◆ providing equity programs for disadvantaged students;
- ◆ improving learning opportunities for Aboriginal students; and
- ◆ implementing school maintenance and technology initiatives.

The Department is also establishing ten trade schools in several regions of the State, through new vocational education and training facilities within nominated schools and TAFE colleges. The Government has recently expanded this program to 25 schools, as part of its plan to address the national skills shortage.

STRATEGIC DIRECTIONS

The Department will focus on:

- ◆ delivering education and training that inspires students to succeed, fosters high expectations and prepares them for participation in society;
- ◆ providing a working environment that values staff, acknowledges their contribution and fosters their professional development;
- ◆ supporting the success of industry and individual learners through customised vocational education and training;
- ◆ maximising return on investment in education and training through responsive and sustainable management; and
- ◆ exercising strong leadership in Australian education and innovation, and shaping national policy and reform.

2007-08 BUDGET

Total Expenses

Total investment in school education services for 2007-08 is estimated at \$8,663 million. This represents an increase of \$416 million or 5 per cent on the 2006-07 Budget.

In 2007-08, the Department will begin implementing the following election commitments:

- ◆ \$81.6 million over four years for the *Literacy (The Best Start)* initiative to introduce a consistent literacy and numeracy assessment to better guide the learning of all Kindergarten students in public schools;

- ◆ \$38.8 million (excluding depreciation) over four years for the *Connected Classrooms* initiative to significantly expand technology-based learning in government schools;
- ◆ \$22.1 million over four years for the *Support for Beginning Teachers* initiative to enhance the quality and retention of permanent new teachers;
- ◆ \$11.5 million over four years for the *Transition to Year 7* initiative to provide support for students' transition from primary to secondary schools; and
- ◆ \$7.8 million (excluding depreciation) over four years for the *School Sport* initiative to promote and extend school sporting competitions and encourage students' participation in physical activity.

Financial support for non-government schools will increase by \$40 million to \$773 million in 2007-08. The Department will introduce the Grants Assistance Scheme for non-government school building works to replace the former Interest Subsidy Scheme.

In 2007-08, around \$220 million will be spent on school maintenance. This includes the painting of classrooms and general use areas, replacement of floor coverings, improvement of school grounds and preventative works to roofs, drains and electrical services.

Capital Expenditure

In 2007-08, the Government will spend a record \$531 million on the construction and enhancement of school facilities, compared to \$486 million budgeted for 2006-07. That is a 9 per cent increase.

This expenditure includes funding for the following election commitments:

- ◆ \$280 million over four years for the *Building Better Schools* initiative. This includes the upgrading of 800 science laboratories; construction of a further 18 primary school halls and ten high school gyms; and additional toilet upgrades, electrical upgrades and security fences;
- ◆ \$119 million over four years for the *Connected Classrooms* initiative, focussed on the use of video-conferencing and interactive whiteboards, and tools that enable the sharing of information in interactive environments; and
- ◆ \$18.9 million over four years for the *Learn or Earn* program which includes the provision of an additional 15 new trade schools across schools and TAFE colleges.

In 2007-08, the Department will:

- ◆ commence 24 major new building projects in schools at an estimated total cost of \$211 million (\$25 million in 2007-08), including various upgrades, replacement of demountable classrooms with permanent facilities, as well as new libraries, halls and gymnasiums;
- ◆ spend \$60 million on major information technology projects, including the *Connected Classrooms* initiative;
- ◆ spend \$300 million on minor works, including continuation of air cooling projects, upgrading of student and teacher facilities, the purchase of computers for schools and the Commonwealth Government's *Investing in Our Schools Program*;
- ◆ continue the implementation of 42 major building works projects at schools commenced in previous years at an estimated total cost of \$319 million (\$93 million in 2007-08); and
- ◆ continue the provision of new schools under the Public Private Partnership arrangement at a total cost of more than \$106 million. Eight more schools will be completed by 2009 including public schools at Elderslie, Hamlyn Terrace, Hoxton Park South, Ropes Crossing, Second Ponds Creek, Tullimbar, a high school at Rouse Hill and new school facilities for Denison Secondary College Kelso Campus.

The Department's total capital expenditure for schools and TAFE over the next four years is projected to exceed \$2 billion, representing the largest public education and training capital works program ever undertaken in New South Wales. Some of the projects in this program will attract Commonwealth Government funding.

TAFE AND RELATED SERVICES

RECENT DEVELOPMENTS

TAFE NSW continues to be the largest provider of workforce training in Australia. At a time of significant technological change and skilled labour shortages, TAFE NSW is ensuring that it remains responsive to industry and community needs.

TAFE NSW is also committed to improving access to education and training through the provision of targeted programs and services for equity groups and more flexible delivery options for students such as workplace learning and online learning.

TAFE NSW programs and services are in strong demand to meet the skills required for a growing NSW economy. In response, it is increasing the number of training places in areas of skills shortages. In 2006, TAFE NSW continued to focus on skills shortages, resulting in an increase in enrolments by apprentices in the eight priority skills shortage areas identified in the current NSW Vocational Education and Training Plan. Significant growth occurred in a range of industry areas including utilities, engineering and mining, building and construction and automotive.

TAFE NSW has numerous partnerships with industry actively aimed at tackling business development needs, including skills shortages. It is continuing to deliver a range of programs designed to help NSW businesses remain internationally competitive as well as train skilled workers being sought after by emerging industries such as biotechnology and environmental sustainability.

In regional areas, TAFE NSW plays a major role in providing the skilled workforce needed to support the economic development of local communities. A greater use of technology is opening up new opportunities for regional students to improve vocational skills without having to leave their home towns.

TAFE NSW will play an essential role in contributing to the effort across the vocational education and training sector to increase participation in training including rural areas and ensuring more students complete Year 12 or recognised vocational training equivalent.

STRATEGIC DIRECTIONS

The TAFE NSW strategic priorities include:

- ◆ delivering a dynamic public training system which is responsive to the needs of industry, students and the community;
- ◆ addressing identified areas of skills shortages in conjunction with industry;
- ◆ assisting enterprises with workforce development; and
- ◆ improving vocational education and training services to increase employment opportunities for disadvantaged people in the labour market.

2007-08 BUDGET

Total Expenses

In 2007-08, the total investment in TAFE NSW and related services is estimated at \$1,798 million, an increase of \$55 million on the 2006-07 Budget.

The Department will begin implementing the following election commitments:

- ◆ \$46.8 million over four years for the *Training our Workforce* initiative to generate 33,253 additional training opportunities, including establishing a network of ten NSW Skill Centres; and
- ◆ \$50.1 million (excluding depreciation) over four years for the *Learn or Earn* initiative to improve trade skills by increasing take up and completion of apprenticeships, including the establishment of 15 additional trade schools across schools and TAFE colleges.

During 2007-08, TAFE NSW will continue implementing the National Annual VET Plan 2006-2008, including the provision of training for new apprentices in traditional trades and other areas of skills shortages, mature age persons and those with special training requirements.

Capital Expenditure

The TAFE NSW capital program for 2007-08 is \$86 million. This provides for the commencement of 11 new major projects at an estimated total cost of \$55 million (\$10 million in 2007-08). These include the upgrading of facilities at Blue Mountains (Katoomba), Dubbo, Newcastle, Nirimba (Schofields) and Randwick TAFE Colleges.

Work will continue on 18 projects at TAFE Colleges commenced in previous years at an estimated total cost of \$114 million (\$52 million in 2007-08). This includes works at Bankstown, Port Macquarie, Ryde, Tamworth and Wagga Wagga TAFE Colleges.

OFFICE OF THE BOARD OF STUDIES

The Office of the Board of Studies supports the Minister for Education and Training and the Board of Studies in their respective functions under the *Education Act 1990*. The Board develops syllabuses and curriculum support materials from Kindergarten to Year 12; registers and accredits non-government schools; administers home schooling registration; and prepares and conducts the School Certificate (SC) tests and Higher School Certificate (HSC) examinations. The Office of the Board of Studies also encompasses the Australian Music Examinations Board (NSW) and the Aboriginal Education Consultative Group.

RESULTS AND SERVICES

The Office is focusing on the following results:

- ◆ Children are learning from relevant and challenging courses of study.

- ◆ Continuing improvements in the proportion of students gaining the higher levels of achievement in the School Certificate and Higher School Certificate.
- ◆ Community confidence in the Board's quality assurance of NSW schools.

Key services provided by the Office to contribute to these results include:

- ◆ high quality syllabuses and support materials that promote high standards of primary and secondary education;
- ◆ internationally regarded, comprehensive, flexible and inclusive credentials that meet the needs of students and the community; and
- ◆ a program of inspections and monitoring that ensures non-government schools comply with statutory registration and accreditation requirements.

RECENT DEVELOPMENTS

The Board of Studies has expanded its range of Vocational Education and Training (VET) courses for the HSC. These courses give students the opportunity to gain nationally recognised industry qualifications as part of their HSC, assisting with the national skills shortage. Two new VET courses, Automotive and Electrotechnology, are being developed in 2007 for study by Year 11 students in 2008. Work is also in progress to give HSC credit to school-based apprentices and trainees for “on-the-job” learning.

In 2006, Year 10 students sat the first mandatory Computing Skills Test as part of their School Certificate. Over 54,000 students from 539 government and non-government schools across New South Wales sat the new online test over a three day period.

The Board's Assessment Resource Centre website was significantly upgraded during 2006-07. The Centre provides real, graded student work samples for all subjects, from Years 1 to 12. It helps teachers across New South Wales to consistently report student achievement against standards when using grades A to E. Parents and students also find it useful.

The Government amended the *Education Act 1990* in 2004 to increase the scope of the Board's regulatory role for the non-government school sector. The changes raised the standards expected of the more than 900 NSW non-government schools, including public disclosure of key financial and educational information in their annual reports. In 2006, all non-government schools published annual reports, 85 per cent of which were online.

STRATEGIC DIRECTIONS

The Office has strategies to address current and emerging developments, including:

- ◆ the continuing growth in HSC student numbers;
- ◆ the need for more efficient service delivery;
- ◆ the increasing use of information and communications technologies (ICT); and
- ◆ the Commonwealth Government's policies relating to national testing, student reports, annual school reporting and a nationally consistent curriculum.

2007-08 BUDGET

Total Expenses

Total expenses for 2007-08 are estimated at \$102.6 million, including \$89.1 million for the Board's Examinations, Assessment and Reporting Program, which includes the School Certificate tests and Higher School Certificate examinations.

Key expenditure initiatives in 2007-08 include:

- ◆ \$0.9 million to support the revision of the Board's syllabuses for Stage 6 Mathematics, Stage 6 Legal Studies and Kindergarten to Year 6 Science and Technology;
- ◆ \$0.7 million for increases in HSC candidature; and
- ◆ \$0.3 million for the development of VET curriculum frameworks in the Automotive and Electrotechnology industries and the development of a Stage 6 Board Endorsed Course in Industry Based Learning.

Capital Expenditure

The capital program for 2007-08 of \$0.5 million provides \$0.3 million for the replacement of the Office's ICT infrastructure and a further \$0.2 million for ICT services to assist examination candidates with disabilities.

NSW INSTITUTE OF TEACHERS

The NSW Institute of Teachers was established in 2005 to ensure the quality of teaching for all students in NSW schools, and to improve the status and standing of teachers throughout the community. The Government has provided \$20 million to support the work of the Institute over the first five years of its operation. This funding is provided to the Institute as an annual grant through the Department of Education and Training. The Institute also receives income from teacher accreditation fees. In the longer term, the Institute will be predominantly self-funding.

RECENT DEVELOPMENTS

In 2006-07, expenditure is expected to be \$5.6 million. The focus of the Institute's work in 2006-07 has been on the development of policies for the accreditation of teachers at Professional Accomplishment and Professional Leadership; maintenance of accreditation at Professional Competence; and the approval of courses for initial teacher education. Systems have also been implemented to support online accreditation of teachers at the point of employment.

More than 19,000 teachers have been accredited with the Institute since its establishment. This includes teachers appointed to permanent, temporary, part-time and casual positions. Teachers are able to enter their details online and seek accreditation through the Institute's electronic Teacher Accreditation Management System. There are currently 1,615 teachers accredited at Professional Competence.

STRATEGIC DIRECTIONS

The Professional Teaching Standards developed by the Institute provides the foundation for the work of the Institute. In addition to core accreditation activities, the Institute will focus in 2007-08 on the approval of professional development providers and registration of courses and programs, and the achievement of mandatory professional development requirements by teachers.

The Institute will also take a leading role in the development of nationally consistent policies and practices for the approval of initial teacher education programs, including a focus on achieving nationally agreed standards for the teaching of literacy and numeracy.

The implementation of processes for the endorsement of professional development providers and the approval of professional development are expected to raise the quality and shift the focus of professional development for teachers towards better meeting the needs of teachers and their students.

Approval of initial teacher education courses will be on the basis of the program adequately preparing beginning teachers to meet the standards for graduate teachers. All initial teacher education programs and courses will be required to provide a strong basis for teachers to teach literacy and numeracy to students.

2007-08 BUDGET

Total Expenses

The Institute's total expenses for 2007-08 are anticipated to be \$6.2 million and will involve: the accreditation of teachers at Professional Accomplishment and Professional Leadership; the approval of initial teacher education courses and providers of professional development; and refining and streamlining of the teacher accreditation system and Institute business processes.

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

The Corporation administers the *Building and Construction Industry Long Service Payments Act 1986*. The Act provides workers in the building and construction industry with an industry-based, portable long service benefit scheme.

RESULTS AND SERVICES

The Corporation contributes to providing quality government services by ensuring that intended beneficiaries of the scheme receive their entitlements, their rights are observed and employer obligations are enforced.

Key services provided by the Corporation that contribute to these results include:

- ◆ maintaining records of service and the payment of entitlements;
- ◆ undertaking compliance programs such as auditing employers; and
- ◆ collecting levies.

RECENT DEVELOPMENTS

The Corporation continues to provide important benefits to the building and construction industry through the long service scheme. Record numbers of workers received payments last financial year and substantial numbers have entitlements in the scheme that can be claimed in the future.

In January 2007 a new worker registration system was introduced to provide new and improved services to the industry. The new system provides internet capabilities to allow employers and workers to access their own records and provide relevant information to the Corporation electronically.

STRATEGIC DIRECTIONS

The Corporation is continuing to examine and implement ways in which customer service and the effectiveness and efficiency of the organisation's operations may be improved.

Long service benefits from the scheme are required to be readily available when members decide to claim them. The Corporation cannot control the numbers of claims that may be made in any year, and therefore disbursements and cash flows may vary significantly from year to year and from budget figures.

Budget figures for scheme liabilities, long service payments, investment and levy income are essentially based on the latest actuarial advice whilst current year projections take into account both actuarial advice and the latest circumstances and experience.

2007-08 BUDGET

Total Expenses

Total expenses are estimated to be \$107 million of which \$96.7 million relates to long service payments to beneficiaries and movements in the liability for future payments.

Total income is estimated at \$109.9 million, of which \$72.2 million is income from the long service levy and \$37.7 million in investment earnings from funds invested through NSW Treasury Corporation.

This will result in an operating surplus of \$2.8 million in 2007-08.

Capital Expenditure

An amount of \$750,000 has been budgeted for the replacement of existing information technology equipment, improvements to core operating systems and for other minor capital purchases.

MOTOR ACCIDENTS AUTHORITY

The Motor Accidents Authority of New South Wales monitors and supervises the Compulsory Third Party (CTP) Scheme for motor vehicles registered in New South Wales. Competing licensed insurers sell CTP insurance (known as the 'Green Slip') to the public in New South Wales.

RESULTS AND SERVICES

The Authority's aim is to ensure an affordable, fair and accessible CTP Insurance and Compensation Scheme.

It services the community by undertaking the following:

- ◆ monitoring the operation of the CTP Scheme;
- ◆ collecting and analysing statistics on the Scheme;
- ◆ publishing and disseminating information on the Scheme;
- ◆ providing funding for the reduction of trauma as a result of motor vehicle accidents;
- ◆ issuing certain guidelines to ensure compliance with the Act;
- ◆ providing advice to the Minister on the efficiency and effectiveness of the Scheme;
- ◆ providing support and advice to the Motor Accidents Council;
- ◆ performing specific functions to support the provision of acute care treatment, rehabilitation, long-term support and other services for persons injured in motor accidents;
- ◆ providing claims and medical dispute resolution services and an advisory service;
- ◆ promoting public education and awareness of the Green Slip and various road safety initiatives; and
- ◆ monitoring and reviewing legislation and policy coordination.

The Authority has statutory functions in connection with third party insurance, including its role as the Nominal Defendant, and in the licensing and supervision of insurers.

RECENT DEVELOPMENTS

On behalf of the Crown Finance Entity, the Authority manages HIH payments to claimants and service providers through its agent Allianz Insurance Co. Ltd. The actuarial valuation of HIH claims liabilities was estimated at \$91.1 million (discounted value, net of reinsurance and including claims handling expenses) as at 30 June 2006. The Crown Finance Entity assumed the liabilities for third party motor insurance after the collapse of HIH.

The Authority was closely involved with the setting up of the Lifetime Care and Support Authority of New South Wales to administer care needs to the catastrophic injury victims of motor accidents.

STRATEGIC DIRECTIONS

The Authority aims to administer its programs in an effective, efficient and economical manner, whilst ensuring compliance with all relevant statutory requirements.

The Authority is committed to maintain an affordable, fair and accessible CTP Insurance and Compensation Scheme by:

- ◆ being an effective regulator;
- ◆ promoting appropriate treatment of injured persons;
- ◆ providing medical and claims assessments in disputed cases;
- ◆ providing advice to the Minister, Board and other stakeholders;
- ◆ supporting injury prevention initiatives; and
- ◆ providing services as the Nominal Defendant.

2007-08 BUDGET

Total Expenses

The Authority's total expenses in 2007-08 are estimated to be \$24.9 million. This includes \$7.5 million in grants for road safety and rehabilitation projects.

The Authority derives income primarily from a levy on CTP insurance premiums collected by licensed insurers. For 2007-08, this levy is set at 4 per cent. Though this represents an increase from last year, when the levy was 2.5 per cent, the Authority's revenue is not projected to increase significantly due to an expected decline in the underlying insurance premiums. In 2007-08 a projected deficit of \$1.1 million will be funded from the Authority's retained earnings.

Capital Expenditure

The Authority's capital expenditure program relates solely to office related equipment such as computers, office machines and furniture and is budgeted at \$50,000 for 2007-08.

OFFICE OF THE MOTOR ACCIDENTS AUTHORITY

The Office of the Motor Accidents Authority of New South Wales was established under the *Public Sector Employment and Management Act 2002*. It has statutory functions in connection with the provision and management of personnel services to the Motor Accidents Authority of New South Wales and the Lifetime Care and Support Authority of New South Wales. Lifetime Care is a statutory corporation established on 1 July 2006 under the *Motor Accidents (Lifetime Care and Support) Act 2006*.

RESULTS AND SERVICES

The Office of the Motor Accidents Authority supports the Motor Accidents Authority and the Lifetime Care and Support Authority by undertaking the following tasks:

- ◆ providing and managing manpower services; and
- ◆ providing shared corporate services including business systems, payroll, financial and executive management services.

STRATEGIC DIRECTIONS

The Office of the Motor Accidents Authority aims to implement effective, efficient and economical management practices for the two authorities.

2007-08 BUDGET

Total Expenses

The Authority's total expenses in 2007-08 are estimated to be \$15 million. This includes \$14 million in employee related expenses. The Authority's income is derived from personnel and corporate services charges to the two authorities. The body is expected to run a balanced budget position.

Capital Expenditure

The Authority's capital expenditure program relates solely to office related equipment such as computers, office machines and furniture, and is budgeted at \$376,000 for 2007-08.

WORKERS' COMPENSATION (DUST DISEASES) BOARD

The Workers' Compensation (Dust Diseases) Board was established under the *Workers' Compensation (Dust Diseases) Act 1942*. Under the Act, the Board is required to determine eligibility for, and award compensation to, workers and dependants of deceased workers. The Board is also responsible for administering the Workers' Compensation (Dust Diseases) Fund and the payment of monies for compensation, awards, research grants, fees, salaries and other costs of administering the Act, including the operating expenses of the Dust Diseases Tribunal.

RECENT DEVELOPMENTS

Investment income was significantly stronger than budgeted in 2006-07, due to higher equity prices.

The Board estimates its liabilities on the basis of incurred but not reported claims. The Board's expenses are mostly comprised of compensation payments made, costs associated with claims and any additional dust disease compensation liabilities recognised. Claims expense estimates are based on actuarial advice.

The Board is projecting to have total assets of \$1.6 billion as at June 2008, comprised mainly of \$729 million of cash and other financial assets and \$848 million of receivables, mainly future levy income, to offset total liabilities of \$1.6 billion.

STRATEGIC DIRECTIONS

The Board's policy is to maintain the Dust Diseases levy rate for 2007-08 at a level sufficient to meet liabilities associated with reported claims and claims incurred but not reported over a medium to longer term.

The Board's fundamental objective is to compensate and improve the care, dignity and health of workers suffering from dust diseases. The Board also provides a mobile respiratory screening service for industry and funds numerous research programs including the construction of a \$6.9 million laboratory to research asbestos-related diseases at Concord Repatriation General Hospital and promotes awareness in occupational respiratory health.

Investment returns are not expected to be as strong in 2007-08, with the Board estimating investment income of \$70 million in 2007-08 (\$82.6 million in 2006-07).

2007-08 BUDGET

Total Expenses

Total expenses in 2007-08 are estimated at \$102 million, of which claims payments comprise \$72.3 million.

Capital Expenditure

The Board is budgeting to acquire \$2.7 million of assets in 2007-08, comprising computer equipment, computer software and scientific equipment upgrades.

WORKCOVER AUTHORITY

WorkCover Authority (WorkCover) is a statutory authority with its primary objective being to work in partnership with the NSW community to achieve safer workplaces and effective recovery, return to work and security for injured workers. WorkCover:

- ◆ promotes the prevention of injuries and diseases at the workplace and the development of healthy and safe workplaces;
- ◆ promotes the prompt, efficient and effective management of the return to work of persons injured at work; and
- ◆ regulates the operation of workers' compensation insurance arrangements.

From 1 July 2005 the Nominal Insurer is the insurer for the NSW Workers Compensation Scheme (the Scheme). The Nominal Insurer is responsible for issuing workers compensation policies, managing claims and managing the Workers Compensation Insurance Fund (the Fund). WorkCover exercises the powers of the Nominal Insurer and acts on its behalf.

The State's employers primarily fund WorkCover through a levy on workers compensation premiums. As such, industry bears the direct cost of occupational health and safety services and the management of the workers compensation system in New South Wales.

While the operations of WorkCover are included in the Budget, the Nominal Insurer, the Scheme and the Fund are independent of the Government and do not form part of the State accounts.

RECENT DEVELOPMENTS

The financial position of the Scheme continues to improve. The Scheme, which was \$3.23 billion in deficit in December 2002, was estimated to be \$416 million in surplus as at December 2006.

As a result of the Scheme's improved performance, premium rates have been reduced by 25 per cent over the last 18 months providing cost savings of \$675 million to the State's businesses.

To support injured workers, permanent impairment benefits were increased by 5 per cent in 2005 for workers who suffer serious spinal injuries. There was a further 10 per cent increase across the board from January 2007. This takes the maximum lump sum available to injured workers suffering permanent impairment and pain and suffering to \$281,000, up from \$171,000 prior to the 2001 workers compensation reforms.

STRATEGIC DIRECTIONS

WorkCover is committed to ensuring safe, secure and productive workplaces by working in partnership with the NSW community. Work related fatalities and employment injury rates continue to fall and have dropped to their lowest levels in 18 years. In line with Government priorities, WorkCover is supporting a strong and growing small business sector by improving compliance with workplace safety and workers compensation obligations through a number of initiatives, including:

- ◆ \$12.5 million package to help small businesses via a three-year Small Business Safety Program including \$500 rebates for small businesses that install safety equipment or make safety modifications to their workplace; and
- ◆ 1,500 free safety workshops and seminars across New South Wales, in both metropolitan and regional areas, to provide information and advice on workplace safety and workers compensation obligations.

2007- 08 BUDGET

Total Expenses

Total expenses for 2007-08 are budgeted at \$238.6 million, including:

- ◆ \$74.2 million for the safety inspectorate and the prevention of injuries and diseases at workplaces;
- ◆ \$32.8 million for the resolution of disputes including funding of the Workers' Compensation Commission; and
- ◆ \$26.9 million for the oversight and regulation of workers' compensation insurance arrangements including the support of employers and employees with injury management and return to work programs.

Capital Expenditure

The capital program of \$10.5 million in 2007-08 includes:

- ◆ \$2.5 million for infrastructure solutions to improve the technology platform on which the core business activities of WorkCover are based;
- ◆ \$2.5 million for the ongoing upgrade of regional office accommodation including Wollongong and Londonderry;
- ◆ \$2.3 million for a range of software applications to facilitate Scheme reform and related occupational health and safety initiatives; and
- ◆ \$0.8 million for the purchase of minor technical and computer equipment.

OFFICE OF THE WORKCOVER AUTHORITY

The Office of the WorkCover Authority was established under the *Public Sector Employment and Management Act 2002* as part of the State's WorkChoices insulation legislation. The Office provides personnel services to:

- ◆ WorkCover Authority;
- ◆ Building and Construction Industry Long Service Payments Corporation;
- ◆ Workers' Compensation (Dust Diseases) Board;
- ◆ Workers' Compensation Commission; and
- ◆ Sporting Injuries Committee.

STRATEGIC DIRECTIONS

The Office aims to implement effective, efficient and economical personnel services to the recipient agencies.

2007-08 BUDGET

Total Expenses

Total expenses in 2007-08 are estimated to be \$123.7 million, which solely comprises the cost of providing personnel services to the recipient agencies. The Office has no operating surplus as it only receives funding from the recipient agencies equal to the value of the personnel services it provides to them.

Capital Expenditure

The Office has no capital program.