

## HOUSE OF ASSEMBLY

Wednesday 19 September 1990

## ESTIMATES COMMITTEE B

**Chairman:**

The Hon. T.H. Hemmings

**Members:**

Mr S.G. Evans  
 Mr K.C. Hamilton  
 Mr V.S. Heron  
 Mrs D.C. Kotz  
 Mr E.J. Meier  
 Mr J.A. Quirke

*The Committee met at 11 a.m.*

**The CHAIRMAN:** I intend to adopt a relatively informal procedure. Changes in the composition of the Committee will be notified to the Committee as they occur. If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard*, and two copies must be submitted no later than Friday 5 October to the Clerk of the House of Assembly.

I propose to allow the lead speaker for the Opposition and the Minister to make an opening statement if they so desire of about 10 minutes but no longer than 15 minutes. A fairly flexible approach will be adopted to questioning, based on three questions per member, alternating sides. Members may also be allowed to ask a brief supplementary question to conclude a line of questioning before switching to the next member. I remind members that, yesterday, some difficulties were encountered because some members insisted on asking three part, four part and even five part questions. The end result was that a lot of time was wasted, and I had to give rulings. My job is not to waste the time of the Committee by speaking more than is necessary. If members have prepared questions, I direct that they ask only one part at a time. Members have plenty of time in which to ask questions during the day.

Subject to the convenience of the Committee, a member who is outside the Committee who wishes to ask questions of the Minister will be permitted to do so once a line of questioning has been pursued. I also remind members that there has been a change in Standing Orders to allow members of Estimates Committees to ask the Minister for explanations on matters relating to Estimates of Receipts. I insist that questions be based on lines of expenditure and revenue as shown in the Estimates of Payments and the Estimates of Receipts. Reference may be made to other documents; for example, the Program Estimates and the Auditor-General's Report. Members must identify a page number and the relevant line on that page when asking a question. Questions must be directed to the Minister, and not to the advisers, but obviously the Minister may refer questions to the advisers.

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Marine and Harbors, \$2 585 000

**Witness:**

The Hon. R.J. Gregory, Minister of Marine.

**Departmental Advisers:**

Mr E.J. Phipps, Chief Executive Officer, Department of Marine and Harbors.

Mr A.F. Herath, Director, Corporate Services.

Mr M.G. Travers, Manager, Corporate Finance.

Mr I.R.B. Pascoe, Director, Port of Adelaide.

Captain R. Buchanan, Director, Regional Ports.

Captain J. Page, Director, Marine Safety.

**The Hon. R.J. Gregory:** I should like to make a brief opening statement. In the past 12 months, the Department of Marine and Harbors has undertaken some significant reform. As a result of a consultancy that was requested by the department, conducted by Pak-Poy Kneebone, in the overheads of the administrative portion of the department, there were certain recommendations that the number of white collar staff could be reduced by 25 per cent with resulting efficiencies in that the department would operate more effectively. As a result of that, at the same time there was an examination of the corporate structure of the department so that it could be reorganised into a more responsive department to enable it to respond quickly and more efficiently to the pressures confronting the waterfront today.

We are all aware of the Waterfront Industry Reform Authority's desire to carry out the request of the Federal Government to reform our waterfront. That is being done in three parts: the seagoing side, the stevedoring industry, and the port authorities. Our port authority in South Australia, which is the Department of Marine and Harbors, covers the whole of the operations of commercial ports in South Australia. It has responded to the call by the Federal Government and by the Waterfront Industry Reform Authority more efficiently and quickly than other port authorities around Australia.

Members of the Committee will note from the accounts that this year we have moved into accrual accounting, that we are coming off budget, and that by the 1992-93 financial year we shall actually return a dividend to the Government. It is appropriate that the people of South Australia who own a commercial enterprise should expect a return like any other shareholder in any other business. We intend to operate the port in a competitive fashion.

Our port is under constant threat of competition from the ports of Melbourne and Fremantle and Australian National Railways. In the past 12 months officers of the department have responded to those challenges very well. I am confident that they will continue to respond to those challenges and will be able to increase the cash surplus in the forthcoming financial year in the same way as we have in the past three financial years.

The new corporate structure and efficiency of the department have seen the surplus cash funds of the department go from a negative \$1.8 million to a surplus of \$3 million last financial year, and the year before that there was a surplus of \$1.8 million. Later I shall detail more accurately the surplus that we expect to generate. As a commercial enterprise, the Department of Marine and Harbors should act in a business-like way and we intend to do that.

**The CHAIRMAN:** I declare the proposed expenditure open for examination.

**Mr MEIER:** I refer first to the Program Estimates, pages 441 and 442, where I note (and the Minister has alluded to this already in his opening remarks) that the broad objectives and goals of the Department of Marine and Harbors are:

To develop the Port of Adelaide's competitive advantage among Australian ports;

and, in developing the broad objectives in regional ports:

To develop and maintain a cost effective and efficient network of regional ports throughout the State.

I also refer to two documents that have been brought to my attention, namely, 'An Important Notice to all Employees: Future Directives of DMH' and a Commissioner for Public Employment document entitled 'Voluntary Separation Packages'. I note that these documents identify many proposals for the Department of Marine and Harbors and some agreements on restructuring the work force of the Department of Marine and Harbors. The Minister issued a press statement at the time of their release, I believe, and it was acknowledged there, and I acknowledge, that they include a voluntary resignation incentive package and a voluntary separation package.

I am well aware that discussions will still be going on in this respect: in fact, I have been shown various letters, particularly from the United Trades and Labor Council and the Federated Miscellaneous Workers Union of Australia. Just in passing, I would say that, in discussing this matter with quite a few employees of the Department of Marine and Harbors, I was interested to see that the term 'Dear Comrade', is still used in the UTLC. I raised that point with some of the members of the DMH, and I was surprised at their negative reaction to the use of that term: but, that is by the by. Will the Minister say who was involved in the preparation of future directions of the Department of Marine Harbors document? How many blue collar employees from the Port of Adelaide and regional ports were involved in the preparation of that document; and which unions were involved in its preparation?

**The Hon. R.J. Gregory:** That was a wide-ranging preamble to the question, so I think I will go right over it. The question of voluntary separation packages in the document to which the member for Goyder referred may have been better referred to in this afternoon's session when we deal with the votes for the Department of Personnel and Industrial Relations. If the member had that information, he would have noticed that a letter from the Commissioner of Public Employment to the Secretary of the United Trades and Labor Council set out three packages that would apply at appropriate times to people who were invited to participate in those packages. The first is a voluntary incentive retirement package which is available to people under the age of 55, and it operates on a basis of an initial eight weeks pay and two weeks pay for each year of employment. That would be available only to those people who were invited to participate in that scheme and that would be available only to employees of a department on the invitation and under the authority of the Commissioner for Public Employment. Prior to offering that, the department would have to have general approval from me as the Minister of Labour. The condition of the offer is that, when those people cease to be employed by the department, they take it up.

Their position is not filled: it becomes vacant and is dispensed with. The voluntary early retirement package has been on offer for some time. The member for Goyder might recall that it was first offered to Government employees by Mr Dean Brown, the Minister of Labour in the Tonkin Government. It was offered on a first come first served basis and did not prove to be very satisfactory. It has the same conditions applying as the voluntary incentive retirement package, that is, eight weeks of pay and two weeks of pay for each year of employment to a maximum of 52 weeks; that is only on invitation.

The voluntary separation package will be applied in departments where Cabinet determines that it can be offered to selected employees where major reorganisation is taking place. Its conditions will include eight weeks pay and three

weeks pay for each year of service up to 104 weeks pay. Nobody has been offered that. The only offer of the voluntary early retirement package in the past was to employees of the Department of Marine and Harbors. The package would have been last offered in the past 12 months. It has had a take-up rate of less than 25 per cent, but nothing has been offered recently.

With the reorganisation of the Department of Marine and Harbors, the whole waterfront industry is under compulsion from the Federal Government to reform itself. Indeed, the National Farmers Federation, of which I understand the member for Victoria is a member (and I would not be surprised if other members of the Opposition were members of it, also), demanded that the waterfront industry be reformed. Their demands for reform have been fairly brutal. They wanted people sacked immediately; they wanted waterside workers and seamen replaced immediately; and they wanted Australian operated and crewed ships replaced. Indeed, they wanted all sorts of things.

There has been some suggestion that the ports in South Australia ought to be sold. If my memory serves me correctly, the member for Victoria, who happens also to be the Leader of the Liberal Party at this stage, has suggested that, if he was the Premier of South Australia, we would not be here this morning discussing very much about the Department of Marine and Harbors because he would have sold the lot. He would have sold all the regional ports and most of the ports in the Port of Adelaide to people who were prepared to buy them. Maybe there would be a few wharves that nobody would want to buy, but he would have sold most of the operating parts that were profitable. That demonstrates to me that this high priest of private enterprise in this State is not competent enough and has no confidence in the shadow Marine Minister to operate the ports efficiently and profitably as we intend in the next two to three years.

As I said earlier, we have authority to reform our waterfront industry. We undertook that last year when the report from the Pak-Poy Kneebone consultancy was given to the department along with the reorganisation. As a result, we had discussions with the UTLC regarding the outcome of that report and the proposal to reorganise the department into more responsive units. Last December, a three-day seminar resulted, and all or most of the available shop stewards employed within the Department of Marine and Harbors attended. It was operated and conducted at St Vincent Street by the Trade Union Training Authority. The UTLC and our departmental officers had a considerable input.

Following the seminar and the introduction of the reorganisation in February this year, the Chief Executive Officer of the department visited every workplace within the department, and those employees who were at work on that day were invited to attend a meeting which he addressed and at which he outlined the department's future proposals. He told them about the restructuring, what had happened previously and that the department would become a profit centre for the Government; in other words, as a business enterprise, we would contribute funds to Treasury instead of being a draw on Treasury. Also, we would be operating the ports.

Following that, there were some discussions with the UTLC and in about June this year, as a result of discussions, a seminar was organised at the department's theatre in St Vincent Street, where consultative mechanisms were discussed with shop stewards at the seminar organised by the Trade Union Training Authority. Following that there was

some disputation about the privatisation of the Port of Adelaide, as we all know.

I am sure that some union officials must be confused about who is operating the department, because at no time has the Government ever said it would privatise the ports, whereas the Liberal Party claimed that it would do so. Following that, there was a settlement in the Industrial Commission that established a procedure for consultative mechanisms. At the first meeting of the consultative committee the department put on the table proposals for the reorganisation of the department. Those proposals have been around for some time.

As a result, the workplace resource centre was engaged to do a review of the Port Adelaide Service Centre, with the agreement of the UTLC, and that investigation was conducted in about April-May this year.

**Mr MEIER:** Before continuing with my questions, I raise a point of order in respect of notes being given by the Minister's press secretary to departmental advisers.

**The CHAIRMAN:** The point of order is relevant, although I have already dealt with the matter. A Chamber messenger has notified that person that he is not allowed to enter on to the floor of the Chamber. This matter came up last week and was dealt with then. We had a similar situation yesterday and members agreed with my ruling. Now that the point has been raised again, I indicate that any departmental officers or advisers to the Minister who are not sitting on the floor of the Chamber are not allowed to come on to the floor. If they wish to pass messages down, that is allowed, and there are many ways that that can be done, either through advisers sitting at the table or by members on either side of the Committee going into the gallery to obtain information. I am sure that any transgression was inadvertent and without malice, but I thank the honourable member for bringing this matter to the Committee's attention.

**Mr QUIRKE:** That also applies as in respect of members on the other side of the Committee, too, I presume. Legislative councillors of the other persuasion will not supply material in the same way.

**The CHAIRMAN:** Yes. That matter was dealt with yesterday, so there will be no transgression from either side of the political fence. This Committee is run with complete fairness.

**Mr MEIER:** As to the Minister's response, time will not permit me to identify and correct him on some of the fallacies he has advanced in respect of blanket privatisation of ports. The Minister knows as well as I do that that is not the position of the Liberal Party. The Leader has certainly flagged clearly that the ports are an area that need to be considered and weighed up as to whether private enterprise could run those ports more efficiently than they are currently being run. However, for the Minister to insinuate that all ports would be in private hands, that is clearly not the case. For a start, he has been Leader only since the beginning of this year, so it would be impossible to implement that. I would like further clarification from the Minister on who finally drafted the document entitled 'Future Directions of the Department of Marine and Harbors'. The Minister indicated that the UTLC had had briefings and that shop stewards had had briefings. I can only take his word for that. Some of the people to whom I have spoken—including at least one shop steward, and there could be several others because I do not usually ask people what is their position—have given me the distinct impression that there has been no consultation with the department on this issue. Who are the authors or who prepared that document?

**The Hon. R.J. Gregory:** The document was prepared by the department, as I said earlier, for consultation at the consultative committee that has been established with the United Trades and Labour Council to deal with the restructuring of the department. The department has put forward the document for discussion at that consultative committee. It is a broad outline of what the department thinks it should look like in the future. As I said earlier, if we do not have these changes we may not have a Department of Marine and Harbors operating as we know it.

**Mr MEIER:** It seems that the Minister will not identify the authors of that document.

**The Hon. R.J. Gregory:** I said that the department has put the document forward; it is a departmental document, and I think that that is clear enough.

**The CHAIRMAN:** The member for Goyder has been in this Committee system for some considerable time and knows that there may be times when any individual member of the Committee asks a question of a Minister and may not be satisfied with the answer. However, I suggest that, in order to avoid these asides, the member for Goyder grit his teeth and carry on with his line of questioning. The honourable member knows that the Chair has no power to direct any Minister appearing before the Committee, to demand or order that the Minister answer any question to the satisfaction of any Committee member asking the question. I suggest to the member for Goyder that, if he is unhappy, there are other ways that he can pass comment on the performance of this Committee at some later date.

**Mr MEIER:** Thank you Mr Chairman. I will refrain from seeking to vent my anger any further on this particular issue.

**The CHAIRMAN:** I am sure you will.

**Mr MEIER:** How many employees, both from the blue collar sector and from the administrative sector, does the Minister envisage are likely to accept the voluntary retirement packages? What could the average blue collar worker who is 60 years old and who has worked for the department since he was 20 years old expect to receive? What can an average blue collar employee, who is 55 years of age and has worked since he was 20 years old, expect to get? What is the expected amount for a 50 year old? Is there much incentive for people below the age of 50 years to take up one of the present options?

**The Hon. R.J. Gregory:** I am amazed. The member for Goyder is a school teacher; yet he cannot work out what these people would get. It is fairly simple. He seems to have in his possession copies of correspondence from the Commissioner for Public Employment to the United Trades and Labor Council, and supposedly confidential documents that were given out at consultative committee meetings. But as I said as an aside earlier, once something is put on paper, nothing is confidential.

I do not know how many people will accept an offer, because it has not been offered yet. Cabinet has not even determined that it be offered. I do not know what will happen because this matter is not open to negotiations with the United Trades and Labor Council. It has indicated verbally to the Department of Personnel and Industrial Relations and me that it will consider the correspondence from the Commissioner for Public Employment in respect of those separation packages and respond to it. I think they are having a meeting tomorrow and on Monday about it—I am not sure. They will get back to us in time to have some discussions about the correspondence.

Until agreement can be reached between the Government and the United Trades and Labor Council on these matters, nothing will be fixed. We need to clear up some misappre-

hensions. This Government has a policy of no retrenchments. What that means is that, if the worst came to the worst, and people were declared surplus to the requirements of the Department of Marine and Harbors, the job transfer scheme would be used, and those people would be offered employment elsewhere in the Government service.

As the member for Goyder and everyone else in South Australia knows, the South Australian Government employs just over 100 000 people, and I am sure that work could be found elsewhere for those people. If the position they were offered paid less than their current position, an income maintenance arrangement would provide for those people who move into those lower paid jobs for up to two years. As the Chairman, I remember that very well. It was one of the first things I negotiated with the then Minister of Industrial Affairs (Dean Brown) following the election of the Tonkin Government. There were a number of problems in the Engineering and Water Supply Department at the time and people were being transferred from one department to another. I remember negotiating that.

That income maintenance scheme has been varied slightly. I am not sure of its effect but that is applying at this time. I do not know how many people will take up the offer. It has not been offered yet, so I have no idea of the uptake. We will have to wait and see what happens following the outcome of discussions with the United Trades and Labor Council and the consultative committee process that was established as a result of agreement between the UTLC and the Department of Marine and Harbors.

**Mr MEIER:** I am very disappointed with the Minister's answer. By way of a supplementary question: can I say to the Minister that I endeavoured to work out the package with some employees until I was shown further details of the voluntary separation package, and some people questioned whether my workings were on the right track. They showed me two equations. The first equation relates to employees with less than 25 years of service, and is as follows:

$$\begin{aligned} \text{Incentive Payment} = & \text{Age Factor} \times \text{Final Salary}/1\ 000 \times \text{Years} \\ & \text{of Service} \\ & \times (-0.48905 \times \text{Final Salary}/1\ 000 + \\ & 78.247) \end{aligned}$$

The second equation is for employees with 25 years or more years of service, and is as follows:

$$\begin{aligned} \text{Incentive Payment} = & \text{Age Factor} \times \text{Final Salary}/1\ 000 \times \text{Years} \\ & \text{of Service} \\ & \times (0.0063576 \times \text{Final Salary}/1\ 000 \times \\ & \text{Years of Service}) \\ & - (0.6479912 \times \text{Final Salary}/1\ 000) \\ & - (1.017211 \times \text{Years of Service} + \\ & 103.67727) \end{aligned}$$

And the Minister suggests that I should be able to work out what these people would get! I do not pretend to be a mathematical genius, and I find those formulae fairly difficult.

**The Hon. R.J. Gregory:** I am surprised at the faked anger of the member for Goyder. Earlier I said that a person being offered the voluntary separation package would be offered eight weeks pay to start with and three weeks pay for every year of service. That is fairly simple. So, one multiplies each year of service by three, finds out what is the weekly salary of the person and multiplies it by the number of weeks, and adds that to the eight weeks pay. I do not know what is the problem with that. I also said that another package offers eight weeks pay and two weeks pay for each year of service. There is a caveat in both packages. For a person who qualifies for three weeks pay for every year of service, there is a maximum of 104 weeks payable. In the second case, the maximum is 52 weeks pay.

I am not aware of the formulae quoted by the member for Goyder. All I can say is that the correspondence forwarded by the Commissioner for Public Employment to the United Trades and Labor Council forms the basis of certain things in the relationship between the Government and the UTLC. I think that the council will negotiate with the Government about it. These things may change; they may not. I do not know. We will not know until the council has responded to the correspondence and discussions have been held.

**Mr QUIRKE:** On page 142 of the Auditor-General's Report for 1989-90, it was stated that the department's commercial operations showed a surplus. Will the Minister expand on this result and explain what factors contributed to it and how it compared with previous results.

**The Hon. R.J. Gregory:** The department's commercial ports operations achieved a surplus of \$3.059 million for the 1989-90 financial year. This result represents an improvement of \$1.209 million over that result achieved in 1988-89. The surplus for 1989-90 was \$1.850 million compared to a deficit of \$1.868 million in 1987-88. The total improvement achieved therefore over the past three years by the department is \$4.927 million.

The most significant factor which contributed to the 1989-90 results was an increase in revenue of \$1.459 million to a total of \$45.272 million. This increase was the result of a general rate increase of 4.5 per cent effective from October 1989 which raised approximately \$1.1 million, with the balance being achieved through increased trade levels, particularly containerised traffic. The retention of tonnage rates at the 1985 levels effectively meant that shipping charges increased by only a weighted average of only 2.8 per cent. In addition, the rate increases were contained well within the inflation figure of 6.7 per cent for this State. The department's expenditure increased by \$250 000 from that level incurred in 1988-89. This result however represents only a .5 per cent increase in the department's expenditure, which compares very favourably to the increase in the consumer price index of 6.7 per cent for the same period.

The final surplus from the commercial ports operation equates to a 17.3 per cent rate of return before financing charges and 3 per cent after financing on assets valued at written-down historical cost, which is a considerable result for the department.

**Mr QUIRKE:** At page 438 of the Program Estimates the department highlights the return on assets achieved for 1989-90 and then refers to new accounting arrangements at page 451 of the same paper. Will the Minister expand on what the new accounting arrangements will mean for the operations of the department? How do they impact on the future rates of return targets? How do those targets compare with Federal Government business enterprises, and will the department be required to make dividend payments in future?

**The Hon. R.J. Gregory:** The response to the last question is, yes. The Department of Marine and Harbors operates within a highly commercial and competitive environment with increasing pressures from industry and Government to maintain the operations of the ports in the most cost-effective and efficient manner. To meet that challenge the department has undertaken a major review of its accounting and financial procedures over the past 18 months. That review has involved officers of the Treasury and the Auditor-General's Department and has covered matters such as the identification and valuation of assets employed, the adoption of business plans to reduce the department's net draw on the State budget to zero over an agreed time frame, the introduction of accrual accounting principles, the new

financial management reporting system and the introduction of appropriate financial targets.

The outcome of that review has been the development of a new financial charter for the department. This charter transfers the financial arrangements of the department from a Consolidated Account funded agency to that of a Government sector business enterprise operating through a special deposit account. The charter allows the introduction of accrual accounting which creates a more meaningful financial environment to meet the challenges of the department in the commercial arena and which will allow the further development of appropriate financial performance indicators and targets. The new financial charter was approved in June 1990 and was implemented on 1 July 1990.

The department, in conjunction with the adoption of the new financial charter, has now defined its operations in two distinct financial areas, Commercial Ports Services and other Business Units (which covers the department's other commercial activities such as fishing industry and community service activities). The department has also redefined its performance budgeting program description titles to better relate the services provided to output-type financial reporting. The new programs have been included for the first time in the 1990-91 Program Estimates and Information Budget Paper recently released as part of the State budget for the 1990-91 financial year.

Two principal financial targets have been developed for the department as a result of the adoption of the new financial charter and the implementation of the department's draft business plan. These targets are, first, the achievement of a net call of zero on the Consolidated Account by the 1992-93 financial year and, secondly, that an appropriate rate of return on assets, determined at 7 per cent, should be achieved within a reasonable time period.

Budget planning and profit and loss analyses indicate that both are achievable. The department's 1989-90 budget surplus of \$3.059 million represents a strong financial base from which to continue the financial strategies required to achieve both those targets.

The Government, as owner of the department's assets, has a right to a return on them. That is related to a long-term real cost of finance which in turn reflects the required return on commercial investment decisions. The department's assets are funded by borrowings and by direct equity.

Under the new financial charter the department has taken over responsibility for debt for loan-funded assets and will meet the relevant industry charges. For assets in which the Government has a direct equity holding, the department must endeavour to earn a similar return compared with its debt funded assets. That return will be paid to the owners—that is the Government—in the form of a dividend.

The ability to pay a dividend in a year will be determined by the operating results achieved by the department. It is anticipated that the department will be in a position to make its first dividend payment at the conclusion of the 1992-93 financial year in conjunction with the achievement of an overall target rate of return on assets of about 7 per cent. It should be added that that target return on assets is planned to be achieved by productivity improvements, cost savings and maintaining revenue increases at less than annual CPI inflationary movements.

The department is already achieving a 3.6 per cent rate of return based on the 1989-90 result, and that compares well with other Government business enterprises such as Australia Post, which has a 1 per cent return, Australian National Line, which has a minus 2.3 per cent return, the Australian Water Industry at 1.5 per cent, Qantas at 4 per cent and Telecom at 5.5 per cent.

**Mr QUIRKE:** The Auditor-General's Report highlights trade figures for the 1989-90 financial year for the department as a whole. What has been the growth in trade volume in Port Adelaide and regional ports over the past financial year? What is South Australia's share of national cargo and how does it compare with other States?

**The Hon. R.J. Gregory:** The financial year 1989-90 showed a total trade of 19.3 million tonnes, which was .3 million tonnes (or 2 per cent) greater than in the previous year. A gain was made in exports—plus 555 000 tonnes (or an extra 5 per cent)—while imports declined by 185 000 (or 3 per cent). Imports and exports fell at Port Adelaide. Imports fell by 230 000 tonnes (or 10 per cent), and exports fell by 10 000 tonnes (or 1 per cent). Gains were made in the out ports in imports at 40 000 tonnes (or 1 per cent) and exports at 565 000 tonnes (or 6 per cent).

For the container trade, the end of year results showed that through the application of a highly focused operating program with quantifiable targets, total traffic in full containers through the port increased by 2 188 20-foot equivalent units, which is 8 per cent. Overseas container traffic increased by 8 per cent to a total of 29 857 full containers or equivalent units in 1988-89. Overseas exports were up 5 per cent and imports increased by 12 per cent. While imports increased more than exports, South Australia still exported over one-third more than it imported.

In non-containerised trade the financial year 1989-90 showed total non-containerised trade of 18.9 million tonnes, which was .3 million tonnes greater than the previous year. That was made up of 18 million tonnes of bulk cargo and .9 million tonnes of break-bulk cargo. Principal break-bulk cargoes included live sheep, motor vehicles fully assembled, basic products of iron and steel, lead, zinc, newsprint, timber and postal cargo.

The principal areas of improvement included: exports of iron and steel products from Whyalla increased by 130 000 tonnes; exports of dolomite from Ardrossan increased by 85 000 tonnes; exports of gypsum from Thevenard increased by 30 000 tonnes; exports of iron and steel scrap from Port Adelaide increased by 20 000 tonnes; and exports of salt from Thevenard increased by 60 000 tonnes.

The Port of Adelaide handled 2.6 per cent of total Australian full container movements in 1988-89 and 1989-90. The Port of Adelaide was able to maintain its share of total container traffic. That share is expected to increase with the consolidation of the shipping services that have been established over the past 18 months.

**Mr S.G. EVANS:** The Minister has indicated that there is to be a restructuring of the department and that matters relating to the deployment or retirement of employees are still to go before Cabinet after they have been discussed further by the union movement. That means that the department must have some idea of the type of restructuring that it wishes to carry out. It must also have some idea of the number of personnel who are likely to be surplus to the department's requirements over an approximate given period, whether it be 12 months or two years. Even though it is obvious that the Minister cannot give any detail, how many people are likely to be invited to accept retirement or apply for it? The department must have some idea of the number of personnel who are surplus to requirements if the restructuring goes ahead.

**The Hon. R.J. Gregory:** I draw the honourable member's attention to various statements that I have made in the House from time to time in respect of that matter. The draft business plan called for a reduction in the work force of about 25 per cent. It is possible that it may be more than that in the long run. I draw the member for Davenport's

attention to demands which the Liberal Party has made nationally, and which the Farmers Federation, the Business Council and, indeed all the employing organisations in Australia have made over a long time—the waterfront needs to be reformed, and that reform means a reduction in the number of people employed on the waterfront. It is no secret; it has been the subject of Commonwealth Government intervention, and I believe that the Waterfront Industry Reform Authority, through the work it is doing, is bringing about an orderly reform of the waterfront.

If we were to adopt the measures and methods suggested by some of the people with whom the member for Davenport associates in the same Party at a national level, we would have wholesale disruption on our waterfront. Instead, the Labor Governments are going about it in an appropriate way, discussing it with the trade unions. As I have said earlier, nobody will be retrenched but, if people's positions are surplus to requirements, they will be offered employment elsewhere in Government departments.

**Mr S.G. EVANS:** I thank the Minister for the lecture. If other departments do not want employees and are not in the category where they can get the retirement benefits, what does the Minister envisage happening to those employees?

**The Hon. R.J. Gregory:** I have said earlier in response to the last question, they would be offered employment in other Government departments where vacancies occurred. If my memory is correct, when answering a question from the member for Goyder, I indicated that, if those positions were paid less than the position they currently held, income maintenance would be paid. I do not know whether the member is aware that, following my representations when I was the Secretary of the United Trades and Labor Council, on behalf of the unions, and members employed by the Government, we were able to convince the Liberal Government to introduce a job transfer scheme, and that still applies. It is administered from the Department of Personnel and Industrial Relations, and every week it lists vacant positions. It meant that, for the first time, blue collar workers or wages employees (and I must admit that some wages employees wear white collars to work) had the opportunity to transfer from their positions within Government employment to positions in other Government employment and, indeed, many people do that. Prior to the introduction of that scheme, wages employees were not allowed to transfer as were other public servants. They are all treated the same; that is what will happen.

**Mr S.G. EVANS:** I thank the Minister for his guarantee that persons will not be put in a position where they will not be able to be placed with another department. Why is it proposed that a person who has served more than 32 years and who is in the category of receiving three weeks for each year of service, plus the eight weeks, has that cut-off point, because they would be the longest-term employees, and most probably would be most seriously disadvantaged in trying to seek other employment. They cannot guarantee what future inflation will be. Nobody knows exactly how much is needed for retirement, as people must look to be active and employed for as long as possible, because so many people have learnt the insecurity of what occurs through inflationary trends. I do not know the numbers of people in the department who have served more than 32 years, but I should not think the figure would be very great; the amount of money to be calculated in that area to take it above that 32-year period is something that would concern me if we just ignored the service given by those employees.

**The Hon. R.J. Gregory:** I do not want to appear nasty, but we were scheduled to discuss Labour this morning and Marine and Harbors this afternoon. The matters that are being raised by the members for Davenport and Goyder are more properly in the province of the Department of Personnel and Industrial Relations. However, if they want to waste time dealing with questions that should be directed to me as Minister of Labour whilst we are on the matters under the Minister of Marine, I will talk about those things.

Through the Department of Personnel and Industrial Relations, the Government made an offer to the United Trades and Labor Council. Like all things, it has a beginning and an end. Nothing is open ended, and the offer that has been made to the United Trades and Labor Council is exactly what it is, an offer, and it is not directed specifically at Department of Marine and Harbors employees. It is an offer for voluntary separation packages to apply in Government departments, where Cabinet determines that they ought to apply and where there are such major reorganisations that Cabinet considers that it would be a suitable package to offer.

Until Cabinet determines to offer the package, it has not been offered to anyone. In fact, it has been suggested to the United Trades and Labor Council that this is the Government's intention, and the council has indicated to the Government that it will consider it and come back to us. It may or may not wish to negotiate with us about it; I do not know yet, and, as such, it is an offer. It has not been applied, and I do not know when or whether it will be applied; it is a decision that Cabinet will make in the future.

**Mr HAMILTON:** I refer to page 441 of the Program Estimates. I note under '1990-91 Specific Targets and Objectives' that it is intended to complete work on the extension of the berth at the Outer Harbor No. 6 container terminal. What completion work will that entail, what costs are involved, and why is this extension proposed?

**The Hon. R.J. Gregory:** As the Committee would be well aware, the Department of Marine and Harbors has a container terminal No. 6 berth, at the Port of Adelaide. The department has been very successful in securing additional calls at the port, and those extra calls have meant that, on some occasions, ships have had to queue. It is the view of the department that, if we want to keep those ships calling, we must reduce the average queuing time. So, it was determined after extensive investigations and discussions within the department that we could extend that berth by what is known as a half and what is called by some people No. 7 berth and by others No. 6 berth: we have put out tenders. It will involve a steel pile front with a concrete decking. When it is finished, we will be able to service more ships from April next year; we will be able to offer a better service, and this means that the importers and exporters using the Port of Adelaide, and container vessels calling here, will be able to save between \$300 and \$400 per container. That will mean more jobs for South Australian people. The cost is \$7.4 million plus or minus 10 per cent with savings primarily in design and contingency and the purchase of steel piles.

**Mr HAMILTON:** I know it is a fair way down the track, but can the Minister advise the Committee in relation to the multifunction polis what role he sees Outer Harbor playing in terms of the industries that may be attracted to South Australia? What consideration has his department given to the utilisation of the Port of Adelaide and Outer Harbor in terms of what may be attracted by the multifunction polis? What understanding does the Minister have of the role and amount of utilisation of the port that would accrue perhaps from the multifunction polis? I know it is a

fair way down the track; but nevertheless I hope that the Department of Marine and Harbors is already addressing this issue.

**The Hon. R.J. Gregory:** It is something that the Department of Marine and Harbors is fully aware of and is working towards. It is part of our long-term plan. We are confident enough to think that our port in South Australia can work more efficiently and effectively than other container ports because we in South Australia must try harder to succeed. We have retained a considerable amount of land at Outer Harbor for the construction of a transport hub. With the multifunction polis being very close to Adelaide Airport, railway terminals and a sea terminal, we think we ought to be able to operate a very efficient and quick exchange of cargoes.

We have in a conceptual stage, if you like, long-term plans for sheds to be built at Outer Harbor, and for the Port of Adelaide to be a centre at which cargo arrives, which cargo can then be distributed to Sydney and Melbourne. There have been occasions when problems existed in the Port of Sydney and ships have unloaded at Adelaide and containers have been railed back to Sydney. When we move further down the track in this respect, with specialised carriages to carry double containers, one on top of the other on specialised trains, I am confident that, with the implementation of a unified transport system of railway cargo, we will be able to move cargo very quickly from Outer Harbor to Sydney or Melbourne. The only restriction on the Melbourne run would be the provision of some tunnels but, with the engineering skill and expertise that I have seen overseas, we will be able to provide that in South Australia, and it will result in a very quick movement of cargo.

With cargo that is needed very quickly, and indeed with the high value of cargo, it may mean that, with all these efficiencies that we are putting into place, South Australia could actually distribute some cargoes to Melbourne and Sydney instead of Melbourne distributing them to Adelaide.

**Mr HAMILTON:** I believe there is a rejuvenation of the port, with companies such as Super K and many others having invested large amounts of money in anticipation of the rejuvenation of the western suburbs of Adelaide. As a member representing that area, I am pleased to hear that, because I believe that more and more people are coming to understand what the western suburbs of Adelaide can offer.

The 1990-91 specific targets and objectives on page 441 of the Program Estimates include:

continue work on a single-berth common user oil tanker facility including the installation of firefighting equipment and berth modifications.

The Minister would know of my interest in this area because of correspondence on another matter. Will the Minister provide detailed information as to what that single berth common user oil tanker facility will entail and say what type of firefighting equipment and berth modifications we can expect?

**The Hon. R.J. Gregory:** As anyone who has been down to the port would be aware, the oil terminals are in a dilapidated state, and this proposal will replace them with one common user terminal. It is proposed to provide fixed firefighting facilities at the existing M berth to the standards recommended by the Association of Australian Ports Management Authority's tanker terminal firefighting resources guidelines, which are endorsed by the South Australian Metropolitan Fire Service, as well as to upgrade vehicular access to standards recommended by the South Australian Metropolitan Fire Service. It also includes a common user oil pipeline system and provision for marine loading arms which will be installed and maintained by the oil companies. This proposal was approved by Cabinet in May this year,

and it is estimated that the final cost will be about \$6.12 million.

Separate from that project, but closely related to it, is a proposal for replacement of old unsafe timber berthing and mooring dolphins at M berth. This proposal was approved by Cabinet on 17 July 1989 at an estimated cost of \$1.87 million. Final negotiations are currently under way for the contract components of the firefighting project. It is currently estimated that the project will be effectively completed in December next year.

**Mr HAMILTON:** As a supplementary question, I take it from the Minister's response that this proposal which has been endorsed by Cabinet has received the endorsement of the appropriate unions that will operate the equipment?

**The Hon. R.J. Gregory:** They were consulted.

**Mr HAMILTON:** And they agreed?

**The Hon. R.J. Gregory:** Yes.

**Mr MEIER:** It is quite clear from the Minister's answers that little if any discussion has occurred with employees who will be affected by the restructuring of the Department of Marine and Harbors. Again, I emphasise that in this respect there is great concern and uncertainty amongst the employees both in the Port of Adelaide and the regional ports. I acknowledge that it is a package to be put to the employees, but I believe that the cart has been put before the horse. This package has a potentially huge impact on people and their families, and those who are likely to be affected should have had a real say before the announcements were made. In a sense, it is as if the horse has bolted.

Whilst the Minister tried to allude to possible trouble on the waterfront if the Liberals were in power, I say in all seriousness to the Minister that, unless things are handled in a much better way from now on, and in a more conciliatory fashion involving the ordinary employees, there will be very serious trouble on the waterfront.

In relation to the voluntary separation package, I notice that, if a person seeks to take that package, there is a requirement to sign an undertaking not to seek re-employment in the South Australian public sector within three years from the date of separation. As some of the figures given to me indicate that a person could obtain a maximum of two and a bit years salary from that package, would not the Minister see this package as causing unnecessary hardship because they do not get three years salary in the normal terms and are not allowed to work for that period of time in the public sector?

**The Hon. R.J. Gregory:** The package that the member refers to is something which the Government has offered to the UTLC and which is subject to negotiation between the Government and the UTLC. It may or may not be agreed between the Government and the council. I will not know the position until the finalisation of those negotiations. There is reasonable expectation that, if people were to accept an offer, after receiving the package, they should not immediately obtain a job in another Government department. As I said earlier, the whole basis of these schemes is that, when people accept them and leave the employ of the Government, their position ceases to exist, that is, if such a package is offered. That is how the voluntary early retirement packages have operated in the past. When people accept those packages, their positions ceased to exist. As I have said, and I emphasise again, there has been enormous consultation within the department, and I will ask the Director to outline to the Committee just what consultation has taken place because there is an inference that no consultation has occurred.

**Mr Phipps:** In October last year the draft corporate plan for the department was released. It followed an exercise

lasting about three months in which representatives of employees of the organisation formed a task force with an international consultancy joint venturer, Pak-Poy KH. That task force made recommendations on the restructuring of the department and basically validated a change to the business structure that was being proposed. Following the three month Pak-Poy KH investigation, in combination with staff representatives, the corporate plan was released in October 1989, about one year ago.

Following the release of the plan that was made available to all employees, who were asked to submit their views on the plan. To assist the process, I visited every work site in the State and addressed our employees in a comprehensive manner covering all of the issues of the restructuring and our future directions. That occurred in the period October-November, and in November we had a three-day seminar involving all of the shop stewards in the department and their proxies. That three-day seminar again addressed the future directions of the department.

It is fair to say from the response that we had from the blue collar unions that they accepted the new directions in principle but were concerned about the reduction in jobs. This is one of the inevitable dilemmas, to service our rural, urban and industry customers, and in the rural sector it is critical to the survival of South Australia's ports that we continue to drive our costs down so that the costs borne by our customers are internationally competitive.

It is a necessity that we reduce the size of our work force so that we can now be, and can continue to be, internationally competitive. In discussions with the union one issue that came up was the Government's policy that, first, there would be no retrenchments, no compulsory resignation. Secondly, many of the employees expressed the view that, to facilitate the restructuring, voluntary separation packages should be made available by the Government.

Subsequent to these events, as the Minister has explained, the Government made an offer of a voluntary separation package which would facilitate the restructuring of our work force. We have also put on the table the detailed work force structure changes that we propose as part of our total restructuring. The general direction of those changes has been on the table for about 12 months; the very detailed proposals have been on the table with a representative group of unionists and management meeting in a consultative committee forum, the objective being to consult on the proposals in that forum.

Given that our initial directions were foreshadowed in detail about 12 months ago, given that consultation with our employees has occurred during that period, and given that consultations are now continuing on the details of work force rationalisation in the context of consultative mechanisms agreed with the UTLC, it is fair to say that the restructuring process is occurring and has occurred so far in a consultative manner.

**Mr MEIER:** It is interesting to have heard the Minister say earlier that the UTLC has still to consider the package because from some of the discussions that employees have had with advisers who are available to assist workers on deciding whether they should or should not take the packages, those advisers are under the impression that the package is going ahead. It may be necessary for communication in that area. As a supplementary question to the answer just given, can the Minister say how many employees he seeks to retire from the blue collar work force as against the number from the white collar work force? I still do not believe the Minister gave a satisfactory answer concerning the two and a bit years' salary, but you have ruled on that earlier, Mr Chairman. This is my follow-up question: If a

person decided to volunteer for one of the packages, how long before they would get the chance to apply for the package and how long would they have to wait before they were accepted or rejected?

**The Hon. R.J. Gregory:** The short answer is that I do not know and I will now explain that. The department has not finished its consultations with union representatives. I thought I made that clear and the Director of the department made it clear: we are consulting. We have also made it clear that the Government, through the Department of Personnel and Industrial Relations, wrote and explained what it was proposing to the UTLC, which responded that it is considering the matter and might want to discuss the matter with the Government. The UTLC will let us know, I imagine, fairly soon.

Until that has been resolved and until there has been consultation in the Department of Marine and Harbours and the mechanisms established and agreed to between it and the UTLC, I do not know what will happen. If there is a decision to have tremendous relocation of people and people are surplus to requirements and do not want to work in other Government departments, Cabinet may decide to offer the voluntary separation package. When it decides to do that it will be on offer and people will be invited to participate. The offer will be open for a period of time to be determined. In that time, if people are invited and do accept the offer the appropriate arrangements will be reached for them to terminate their employment with the Government.

We are dealing with hypothetical questions at the moment. While we are talking about the Department of Marine and Harbours, I draw the honourable member's attention to the copy of the correspondence that he has: it is intended that the scheme be applied by the Government, when it deems fit, to the whole of Government employment. It is necessary that the UTLC should have a say in that. It is not just a matter for the Department of Marine and Harbours. That is a separation package about which I am talking, and I do not know whether the honourable member is talking about other parcels. In respect of the percentages, we anticipate that the number of white-collar workers will go down by 26 per cent and the number of blue-collar workers will go down by about 30 per cent. However, as time goes on and the structure and the operation of the department changes, those figures may change.

As the member for Goyder seems to have a great interest in what happens in the department, I will go back over it. The honourable member would recall that at the end of the Second World War South Australia had no bulk loading facilities at all; it had a series of jetties from which grain and other commodities were exported in bags. Indeed, I can recall living at Ardrossan and working at the wheat silo. We accepted wheat for the first load shipped from South Australia as bulk wheat and I think that was in 1952. Since then the department has had a tremendous construction phase in which it has built considerable bulk loading facilities at ports such as Thevenard, Port Lincoln, Wallaroo, Giles, Adelaide and Pirie. As a result of that and the completion of those works, there has been a change in the operations of the department.

At one time the department had a considerable dredging force. That dredging force ceased to be employed by the department in 1987. Since then, there has been one period of dredging in South Australia and that was in this current financial year. I believe it cost about \$450 000 and involved about a week's dredging to tidy up some high spots on the swinging basin opposite No. 6 berth. We are seeing vast change. The member for Goyder would appreciate that the



period for the service of his motor car currently takes a lot longer than it took 10 or 15 years ago. Consequently, the need for people to service plant and equipment in the department is lengthening. I can go through a whole series of things where needs are changing. At the same time, the department needs to sell its services, and it needs people to do that. Consequently, there has been a change in the mix of the work force and I would not see the department as being immune from what is happening generally throughout the work force and throughout the whole of Australia.

As I said earlier, if we do not implement new methods, if we do not rationalise what we are doing, and if we do not accept the direction of the Waterfront Industry Reform Authority we will not be able to operate ports in this State because shipping companies will not come here. One cannot force shipping companies to come here; they come because they get a good deal. If we cannot compete with interstate ports, shipping companies will not come here. That is why we have undertaken these studies; that is why we are rationalising the ports; that is why we are rationalising the work force; and that is why we have changed the structure of the department so that it can more appropriately meet the needs of the twenty-first century. We cannot keep the department operating as it has been operating for the past 60 years: we have to change with the times.

**Mr MEIER:** It is interesting to hear the Minister backtracking on the confidential draft for the 'Future directions of the Department of Marine and Harbors' and the voluntary separation packages. We will see what happens.

*The Hon. R.J. Gregory interjecting:*

**Mr MEIER:** I certainly did not. Normally they fall off a truck; this one was given to me.

**The CHAIRMAN:** I remind the member for Goyder and the Minister that if we want to get as many questions as possible put to the Minister, there should not be any asides.

**Mr MEIER:** Assuming that the directions given to proceed; for those who do not apply for separation and termination packages, what guarantees have been given that employees will be able to remain at the Port of Adelaide, Outer Harbour or at a their own regional port? I think the Minister has already touched on job security in other areas, but my question relates to location continuity.

**The Hon. R.J. Gregory:** I have indicated before that no-one working in the department will be dismissed. I also indicated that employees will be offered employment elsewhere in Government service.

**Mr MEIER:** With due respect to the Minister, my specific question related not only to the Port of Adelaide but also to regional ports. The Minister might be aware that if a person is working at Port Lincoln, Thevenard, Wallaroo, or wherever, there may be insufficient people who wish to take the voluntary termination package. Some people are worried about whether there will be an excess of people there and that they will forcibly be removed from a particular township or port and be transferred to another area. Some of those people have lived in the one place all of their life.

**The Hon. R.J. Gregory:** As I said earlier, given the general thrust of the questions that the honourable member is asking, they would be more appropriately dealt with by the Department of Personnel and Industrial Relations. These people are employees of the South Australian Government; they are not employed by the Department of Marine and Harbors. I have indicated that none of them will be retrenched; they will be offered employment elsewhere. Indeed, the member for Goyder might well know that one of the tradesman fitters working at Port Giles used the job transfer scheme to move from the South-East to work at Port Giles. I am not sure whether he moved from the Mount

Burr forest, from Nangwarry or from Mount Gambier. However, I know that he came from the Woods and Forests Department. I anticipate that when we get around to these matters we will have people who will be offered employment elsewhere. They may decide to take it and they may not.

I want to draw the Committee's attention to a comparison. I know that the member for Goyder said that the Liberal Party or the Leader (Mr Baker) has said that the ports will not be sold. I do not know what privatisation means, but I think he said that, and he said it on several occasions and recently, when he responded to the Premier's budget in a 2½ hour speech, he made clear that the ports and the facilities operated by the Department of Marine and Harbors would be privatised. I do not know whether the Leader has a different understanding of the English language, but my understanding of 'privatising' is that it means to sell it.

The Government will operate these facilities. It has put forward certain proposals in keeping with the Waterfront Industry Reform Authority's drive to achieve efficiency on the waterfront. I have made clear that if we do not do this we may not be able to operate the ports because the costs will be too high. I have also made clear that people will be offered work elsewhere if work is not available at a particular place. I do not know what else I can offer.

**Mr MEIER:** The Minister said that employees will be offered work elsewhere. I take it that they will not necessarily stay at their port?

**The CHAIRMAN:** I understand the line of questioning of the member for Goyder. However, we have now reached a point where, under the guise—and I use that word kindly—of the rules, we have now had two supplementary questions on basically the same line. I am finding that a little bit unfair to some members of the Committee who have been in this place for an hour and a half and who, as yet, have not had a chance to ask the Minister a question. I ask the member for Goyder to ask his third question.

**Mr MEIER:** In the same document, 'Future Directions of Department of Marine and Harbors' reference is made to the Osborne Bulk Handling Plant. It states:

This facility is near the end of its physical and economic life and a decision on its continued operation is likely to be made within the next 12 months.

It also states that currently 32 people are employed at Osborne but, contrary to other port operations, there is no indication whether the workforce at Osborne will be reduced. Are reductions envisaged and, if so, by how many? As the Osborne plant has been allowed to run down literally to become an antiquated dockyard over countless years by the department, which should have spent millions of dollars during that time to provide continual upgrade, what chance is there of getting a special Government grant for this purpose now that the Department of Marine and Harbors is to be a commercial operation? Especially since the employees have said they will make the plant more cost effective, surely the Department of Marine and Harbors should play its part to make it more efficient?

**The Hon. R.J. Gregory:** I have a slight hearing deficiency and sometimes it annoys me because I do not pick some thing up. Did the member for Goyder indicate that we should refurbish the bulk unloading plant at Osborne?

**Mr MEIER:** My comments related to the fact that money should have been budgeted for in past years to keep it up to a satisfactory standard. That has not occurred. Now that the Department of Marine and Harbors is becoming commercialised, I suspect that the chances of having it upgraded have virtually disappeared. Does the Minister see it that way or does he feel that there is a need for a special one-

off grant from the Government rather than from the new commercial Department of Marine and Harbors?

**The Hon. R.J. Gregory:** The question asked by the honourable member reminds me of people in 1950 who insisted that we keep building blacksmith shops to shoe horses, which were rapidly being used for crayfish bait because people on farms were using trucks and tractors rather than horses. In 1948 or 1949, the price of horses went from £55 to less than £5. Because of post-war reconstruction, trucks and tractors became common and horses were no longer needed. I draw that analogy because what is happening around the Australian coast today is that ships are becoming more automated, they are called self-unloaders. The member for Goyder should ring up Adelaide Brighton Cement Company and visit its facility to watch the unloading of limestone, or anything else, because it is an automated process. One ship, the *River Torrens* which is a self-unloader, uses that facility. I know that ANL is getting another self-unloader.

The facility at Osborne is old and worn out. If we were to spend the amount of money suggested by the member for Goyder, we would be rebuilding a whole heap of equipment that would not be used. A number of cranes at No. 13 and No. 14 berths are currently not in use but are in quite good condition. If the member for Goyder has consulted certain people, he would know that, for a long time, even before I became Minister of Marine, there has been a proposal that people working at Osborne would transfer to employment as waterside workers. That has not come to fruition and I am of the view that it never will because the demands of the Waterfront Industry Authority are such that too many people are involved.

I am of the view that, if the Government were to spend money, as has been suggested, it would be a waste. The Government will not do that. I have made clear in answers to this Committee that any person whose job disappears will be offered employment elsewhere in Government departments. If the packages already alluded to are agreed to by the UTLC and the Government, or if the Government determines that they be offered, they may be offered. I do not believe that it would serve a useful purpose to refurbish the cranes.

**Mr HERON:** On page 146 of the Auditor-General's Report, it is reported that port charges were only increased by 4.5 per cent in the 1989-90 financial year. This increase was far less than the inflation rate for the State over the past 12 months, and that is very commendable. Will the Minister detail what rate increases, if any, are proposed for the 1990-91 financial year and how our rates compare with those of interstate port authorities?

**The Hon. R.J. Gregory:** The bulk of revenue of the Department of Marine and Harbors stems from charges for wharfage, tonnage rates, conservancy dues, and pilotage levied on shipping and cargo pursuant to the Harbors Act. The remainder is derived from the operation of the bulk loading and unloading facilities, container cranes, recovery of wage-related service costs and minor port charges. Over recent years, it has been the practice to review these charges on an annual basis to enable tariff increases to be minimised. The department has recommended, and Cabinet has approved, that charges for wharfage, conservancy, pilotage and minor port service be increased by 4 per cent as of 1 October 1990, while tonnage charges should remain at their current level.

The retention of tonnage rates at their present level effectively means that shipping charges, that is, pilotage, conservancy dues and tonnage rates will only increase by a weighted average of 2.3 per cent. This represents real savings to the

users of South Australian ports, and represents significant real reductions in charges over the past three years, the charges being increased by a weighted average of only 2.1 per cent in 1988-89 and 2.8 per cent in the 1989-90 financial year.

Charges relating to the department's bulk loading and unloading operations will be reviewed in line with anticipated movements in the CPI and national wage increases. The views of the South Australian Chamber of Shipping, the South Australian Shipping Users Group and the South Australian Ports Advisory Committee consider that the recommended increase is acceptable and responsible. This rate increase will attract additional revenue of \$800 000 for the remainder of this financial year and \$1.2 million in a full year.

In relation to other port authorities, the past 12 months has seen dramatic changes in the pricing systems of many of Australia's capital city ports. The ports of Melbourne, Sydney and Fremantle have recently introduced new pricing structures which change the emphasis, by varying degrees, from a wharfage or cargo-based system to shipping and wharf utilisation systems. These changes make difficult direct comparisons between States. However, prior to these changes, our prices were comparable or slightly less than those charged in other States. However, tonnage rates, were slightly higher in South Australia than in other interstate ports with the exception of Fremantle.

**Mr HERON:** On page 169 of the Financial Statement for 1990-91 the department was credited with a total work force level of 635 as at 30 June compared with a target of 675. That is quite a reduction in work force levels. Will the Minister detail whether the white collar work force has increased or decreased within the department? Have any new initiatives relating to white collar employees been introduced over this period? What is happening to overheads and the number of managers?

**The Hon. R.J. Gregory:** As at 30 June this year, the Department of Marine and Harbors employed 235 GME Act and 376 weekly paid personnel. Over the past 20 years, the overall ratio of GME Act employees to weekly paid employees has decreased gradually from 1:2.6 in 1970 to 1:1.6 in 1990. The numbers for the past 20 years are as follows: 30 June 1970, 294 GME Act and 775 weekly paid; 30 June 1975, 271 GME Act and 791 weekly paid; as at 30 June 1990, 235 GME Act and 376 weekly paid. These changes represent a reduction in GME Act employees of 20 per cent, while weekly paid numbers have been reduced by 51 per cent.

This change in ratio can be explained in the following way. Weekly paid reductions in the department reflect a significant reduction in its labour intensive capital works construction program over the past 20 years. The current capital works construction program represents only a quarter of that undertaken by the department in the 1970s. The level of cargo through South Australian ports has remained relatively constant over the past 20 years, with the exception of container-related cargoes. However, during that period there have been enormous changes in cargo handling technology and ship size. Those two developments have therefore caused a dramatic reduction in the number of ships using the State ports and that change has resulted in a reduced requirement for mooring and cargo handling personnel.

On GME Act reductions and changes, the department has achieved significant reductions in respect of the GME Act over the past 20 years. However, the introduction of new services related to either commercial business imperatives, technological advancements or customer/general public

requirements have offset some of the savings that have been achieved over the past 20 years.

The department has established several services. The Boating Branch was established in 1974-75. That branch employs 16 GME Act safety inspectors and administrative staff. The commercial division was established in 1977. It employs 11 GME Act personnel and it has been actively and successfully involved with South Australian trading enterprises and encouraging them to use the State's ports systems instead of interstate ports.

The Personnel Services Branch was established in 1975. That branch employs seven GME Act employees involving personnel, training, occupational safety and health issues. The Information Systems Branch was established in the middle of the 1980s. The branch employs 13 GME Act positions involved with the development and maintenance of financial, statistical and user specific (workers compensation, etc.) computer-based systems.

The Strategic Planning Branch was established in 1989. That new branch presently employs two GME Act employees and is involved in long-term planning of the department's operations. Those new positions have been absorbed into the total GME Act work force during the period over which the department reduced its total GME Act numbers by 20 per cent.

In many areas of the department there is no relationship between the number of weekly-paid employees and the number of GME Act employees. For example, the Commercial Division, which provides professional marketing and other related services has no weekly-paid employees. Of the existing 235 GME Act employees approximately 92 only are dedicated to servicing weekly-paid employees. The balance of the GME Act personnel are involved in professional, technical and administrative support roles that are required to ensure that the department achieves its financial and operational objectives.

The department recently conducted an overhead review that identified further productivity improvements within the group that could be further achieved—changes in work practices and further development of computer technology. The associated savings are now built into the department's financial targets. The reduction in the weekly-paid area therefore reflects the department's change in emphasis from that of a technical, construction oriented organisation to a public sector business enterprise with emphasis on customer service, cost-effective services and sound financial management.

**Mr HERON:** My third question relates to pages 441 and 442 of the Program Estimates. It is mentioned that the State's ports are expected to achieve productivity and efficiency gains through the reform process. Has the department developed a plan for that process? If so, what are the main features and have any of them yet been implemented?

**The Hon. R.J. Gregory:** The department has developed a draft business plan and it has provided guidance in achieving more efficient, cost-effective services within the State's commercial ports. The draft plan was tabled for comment in October 1989. The plan detailed the department's aim of becoming a leader amongst Australian port agencies in achieving excellent service to customers, which included shipping lines and importers and exporters, and strong financial performance, and a progressive working environment for our employees.

The plan further detailed the intent of the department to quickly implement the transformation into operating staff from that of a traditional Government department to one of a public sector business enterprise. Since the release of the plan the department has made significant progress in

relation to many of its stated objectives. As at 26 February this year the department reorganised the business and service divisions to more directly enhance service delivery, operation and financial accountability. The department has undertaken a major review of all its assets over the 1989-90 financial year. That review included the identification of assets currently employed by the department against the historical records kept and the revaluation of those assets to reflect the current day value to the department and to the State.

The new financial charter was approved for the department in June. The charter effectively transfers financial operations of the department from Consolidated Account off budget to its own special deposit account. In effect, these new arrangements transfer the department from a traditional Government agency to a public sector business enterprise. The new charter has also allowed the introduction of the principles of accrual accounting in the department's financial management and recording systems. Those principles were introduced as at 1 July, and this step will further enhance accountability concepts outlined in the business plan.

The business plan also provides long-term financial goals for which the department should be aiming, including the rationalisation of assets and the achievement of an appropriate return on assets targeted. Those objectives are being pursued in conjunction with other initiatives such as a business plan for the *Island Seaway*, the fishing industry and other services.

**Mr S.G. EVANS:** Has there been an increase in claims for workers compensation claims, in the past 12 months, particularly in regard to stress? What was last year's premium for workers compensation and what is the anticipated premium this year?

**The Hon. R.J. Gregory:** The information on workers compensation is long and detailed. I hope that I can finish the answer before 1 o'clock. If not, I shall continue after.

This year an article appeared on the front page of the *Advertiser* containing information that suggested that the department's risk management program had failed. That, of course, is not true. It should also be noted that the Auditor-General included in his report of the Department of Labour statistics of a major payments total of \$2.493 million for 1989-90. This total includes a large payment of more than \$1.1 million for one case relating to a 14-year-old claim.

The Department of Marine and Harbors operates in an environment that is internationally acknowledged to be one of the most hazardous. To accelerate the department's health and safety initiatives, the department accepted the opportunity to undertake a pilot risk management program conducted by Alan J. Bruce in 1986-87. That program was recommended by the Coordinating Committee for Government Workers Safety Health Workers Compensation and Rehabilitation, a joint union-management committee established by the Department of Labour. After initial assessment, the preliminary report phase followed by lengthy implementation negotiations, the program started in January 1987. The cost of workers compensation has reduced significantly in real terms over the four years.

Commencing in 1986-87, the first year of Alan J. Bruce's involvement is indicated as follows: in the year 1985-86, \$1.125 million and costed in 1989-90 dollars, \$1.502 million; in 1986-87, \$941 000, in 1989-90 dollars, \$1.152 million; in 1987-88, \$603 000, in 1989-90 dollars, \$694 000; in 1988-89, \$927 000, and costed in 1989-90 dollars, \$985 000; and in 1989-90, \$1.333 million, and, of course, in constant dollars that was \$1.333 million.

Performance was generally improved even though higher weekly benefits were payable to workers under the new legislation introduced with effect from 30 September 1987. A comparison of payments made by several major agencies is shown in the 1990 Auditor-General's Report. Taken over the period 1985-86 (pre-risk management program) to 1989-90 the Department of Marine and Harbors has shown a significant reduction in cost, excluding the large payment for the 14-year-old case that was previously mentioned; a 12.7 per cent reduction in costs has been achieved, when 1985-86 and 1989-90 expenditures are compared in 1989-90 constant dollars. Also, expenditure has been much less in real terms in each of those years after 1985-86. I ask the Director of Finance, Mr Herath, to respond to the questions on premium.

**Mr Herath:** Because the department has gone off budget as of 1 July this year, we will not be charged a premium any more; we will be setting aside our own funds for workers compensation payments. However, advice we have received from the Government Actuary shows that the premium that we would have been charged had we still been a traditional Government department for this financial year, in real terms, is effectively of the same order that it was last year. There has been no increase, therefore, in the expectation for higher payments next year, even given the increases in some areas, such as stress, and one or two others.

**The Hon. R.J. Gregory:** I would also suggest that, in response to questions about workers compensation claims, I can deal with those more adequately and in greater detail when we examine the Department of Labour lines.

**Mr S.G. EVANS:** Is the Minister concerned about the number of houseboats on the Murray River and the way they operate? I refer to a letter that has been made available, where the writer states:

Do you need a boat operator's licence to drive a privately-owned houseboat? Yes. Do you, as a tourist, need a boat operator's licence to hire a houseboat from a tourist operated marina? 'No!' Why not? . . . I am asking for:

1. All houseboat operators must hold a boat licence;
2. all houseboats must abide by the rules of the river; and

3. all houseboats must use effluent pumping stations. Please examine how many houseboats are operating now on the river, then see how many more are being built. The Murray River will end up looking like the Ganges if houseboat building is not stopped. Help us to help the river, not kill it.

Is the department concerned about the number of houseboats and the way they operate on the Murray River and, if so, what action is anticipated to be taken?

**The Hon. R.J. Gregory:** I will invite Captain John Page, the Director of Marine Safety Operations, to respond in detail.

**Capt. Page:** The department is concerned about the number of houseboats on the river. Through the committee which has been established to review the operations of vessels on the river and which is chaired by the Department of Environment and Planning, the matter of the number of houseboats on the river is being considered. Relating to the other question regarding the qualifications required by people operating houseboats on the river, since the introduction of the hire and drive houseboat regulations in 1976, the regulations have been revised so that operators of houseboats, if they do not possess a boat operator's licence or other marine qualifications, can operate a hire and drive commercial houseboat if they possess a car driver's licence or a motorcycle operator's licence, provided that they have been given one hour's instruction in the operation of the houseboat before they operate it.

**Mr S.G. EVANS:** As a brief supplementary question, I believe a houseboat type is now being built with what I call a pointed nose. Does that cause any more concerns?

**The Hon. R.J. Gregory:** I ask Captain Page to answer this question

**Capt. Page:** I believe the houseboat concerned is being constructed at Murray Bridge; that it is being surveyed as a hire and drive commercial houseboat; and that it would be used as a hire and drive houseboat under commercial houseboat regulations.

**Mr S.G. EVANS:** In another Committee, a Minister previously referred to the razor gang's review of certain Government departments and their operations, and it was mentioned that the Department of Local Government may be done away with and merged with another department. In that statement, the Minister made the comment that three other departments were being looked at with the objective of perhaps amalgamating them with another department and dispensing with that department as a separate entity. I ask the Minister whether the Department of Marine and Harbors is one of the three departments that are being considered for amalgamation with another and losing their present title?

**The Hon. R.J. Gregory:** I have not heard of any proposal at this stage.

**Mr QUIRKE:** We hear a lot at the national level about the need for micro-economic reform. Can the department give us a brief outline of progress in this area?

**The Hon. R.J. Gregory:** The Department of Marine and Harbors manages the Port of Adelaide and nine regional ports. The performance of these South Australian ports is crucial to the efficiency of the trading links between South Australia and the rest of the world. The department is correctly restructuring as a public sector business enterprise, consistent with the recommendations of the State Commission, recent investigations into the waterfront and South Australian public sector management initiatives. This includes greater focus on customer needs, commercialisation, improved financial performance and restructuring of the port's work force to provide reliable, cost effective services and competitive port charges and a satisfactory return on investment.

The department's reform agenda is described in its corporate plan released in October 1989, and the following key elements have already been implemented: reorganisation of the department into business divisions with the associated decentralisation of decision making on 26 February 1990; the two strategic business divisions of the Regional Ports Division and the Port Adelaide Division; the Marine Safety Division and the Support Division are also operating as businesses. From 1 July 1990 the department has been dependent on its own revenue to support its operations as a business enterprise. The department is committed to a target rate of return on revalued assets of 7 per cent within three years of its commercial operations.

A consultant's review of the department's GME Act work force in October 1989 identified potential savings of the order of 25 per cent through productivity and system efficiency gains in the GME Act area. These savings are now built into the department's financial targets. The department and the United Trades and Labor Council recently signed a memorandum of understanding for the consultation to implement work force restructuring in the Department of Marine and Harbors work force.

*[Sitting suspended from 1 to 2 p.m.]*

**Mr QUIRKE:** It is noted on page 142 of the Auditor-General's Report that responsibility for the oversight of the

*Island Seaway* and the Government's subsidy payments for this vessel was transferred to the Department of Marine and Harbors as at 1 July 1989. Is the State getting value for money from the annual *Island Seaway* subsidy of over \$5 million?

**The Hon. R.J. Gregory:** Development of the business plan for the *Island Seaway* ferry service has enabled the vessel to be rescheduled to more closely match existing and projected cargo levels. This has enabled significant potential annual savings of over \$1 million per annum to be targeted. These savings are being passed on to vessel users through lower annual increases in freight rates.

The subsidy to vessel users was \$5.4 million in 1989-90, including capital lease payments. However, the Government has reiterated that it does not intend to recover the annual capital subsidy of \$2.6 million from vessel users. On achievement of the targeted savings, the operating subsidy based on the new three trip schedule over a full year would be approximately \$1.6 million per annum. This operating subsidy is now planned to be eliminated by the year 2000 based on CPI plus 5 per cent annual increases in freight rates between the Port of Adelaide and Kingscote, instead of the previous policy of CPI plus 10 per cent annual increases.

Application of the subsidy has been more closely directed on to the Port Adelaide to Kingscote link with the mainland. This is reflected in the new freight rates for 1990-91 of \$9.70 per linear foot of trailer Adelaide to Kingscote and \$12 per linear foot Port Lincoln to Kingscote.

The new rate on the Port Lincoln leg has attracted considerable attention. In setting the new rate it was considered that the rate should be based on costs attributable to that leg. If average costs had been used the rate would have been much higher than \$12. Therefore, while the rate is attempting to fully recover costs attributable to the Port Lincoln leg, a significant concession still remains on that leg.

Some people have argued that the costs that we have attributed to that leg would be incurred, anyway. Their argument is incorrect. Furthermore, direct assistance to industry is considered appropriate, if needed. There has been considerable discussion and exchange of correspondence on these matters, with some Island interests confusing lack of agreement on concessions with lack of consultation.

**Mr QUIRKE:** It is stated on page 40 of the Financial Statement 1990-91 that:

The operations of the Department of Marine and Harbors have been placed on a more commercial footing . . .

Will the Minister explain this commercialisation concept? Does it mean privatisation in the strict sense of the word? How does it impact on such things as the current open wharf policy of the State's commercial ports?

**The Hon. R.J. Gregory:** I want to make it quite clear from the outset that going off budget to become a public sector business enterprise and adopting a commercial approach to operations does not mean that the Department of Marine and Harbors is being privatised. The department has been commercialised to achieve customer service, cost effectiveness, financial management and working environment objectives. It simply means operating in a business like manner.

Private corporations are more appropriate where a single commodity is being shipped and the port is operated in close relationship with the production of the commodity. In South Australia we have a department of the State Government handling a diversity of commodities across a range of port locations. In fact, the interstate commission inquiry into the waterfront agreed that port authorities needed to

be more active in a number of areas but did not consider that they should necessarily be privatised.

Some people interpret commercialisation as a step towards privatisation. I see them more as alternatives. In fact, commercialisation has an advantage over privatisation. To accurately determine outcomes of privatisation would require lengthy investigation. There is little doubt that one or more regional ports could close. However, in conjunction with the present arrangements for grain handling the overall transport network is relatively efficient. Also, public access to port facilities would most likely be denied as is common in other ports and private facilities.

Furthermore, the number of white collar workers would probably have to increase to levels of other comparable ports where they are run by boards, whilst the number of permanent blue collar workers would probably decrease in favour of casual employees more in keeping with shipping demands.

If the Port of Adelaide was privatised some berths would probably be declared uneconomic and disposed of to other than shipping interests. This would have a detrimental effect on the ability to attract other shipping services. Also, as would apply to regional ports, the net value to the community would have little influence on closing shipping facilities that are uneconomic to a private operator. It would be most interesting to observe whether all of the State's ports and marine facilities would in fact attract private ownership in terms which the present arrangements service all the State.

In relation to grain bulk handling, a transfer to, say, South Australian Cooperative Bulk Handling may in the first instance appear to offer efficiencies by integrating and minimising the adjacent work force of both DMH and South Australian Cooperative Bulk Handling. However, there would remain the problem of maintaining and operating the berths and harbor facilities. Therefore, in ports where the bulk handling plant is the predominant or only means by which cargo is handled, the port exists by virtue of the bulk handling facilities and *vice versa*. Any overall economics to be achieved should desirably be by integrating all employees into a port, particularly where the shipping traffic is low, in order that port operations, loading and maintenance can be conducted by a core work force supported by casual labour. This could be achieved within the commercialisation as defined by the Department of Marine and Harbors. Although some of the regional ports predominantly handle one line of cargo such as grain, it would be ridiculous and grossly inefficient to suggest that each could be run by a separate port authority.

**Mr MEIER:** With reference to regional ports on page 442 of the Program Estimates, and again referring to the document 'Future Directions of the Department of Marine and Harbors', various comments are made regarding the regional ports. With regard to Wallaroo, it is stated:

The port is generally uneconomic.

With the massive amount of grain that passes through the Wallaroo port, I find that statement hard to accept and, from discussions with people in the Wallaroo area, they likewise find it very hard to accept. Will the Minister explain that statement?

**The Hon. R.J. Gregory:** I will ask the Director to respond to that question.

**Mr Phipps:** That question really goes to the heart of the restructuring proposals which are aimed at making all our ports as viable as possible. Having regard to the amount of plant invested at Wallaroo, the costs of labour, the volumes going through and the prices charged for our services, and in the constraints of that set of parameters, the situation is

that the port is not returning a profit. The reason for the restructuring of our work force and the rationalisation of assets is to turn our ports into profitable enterprises whilst, at the same time, maintaining costs to customers at nationally and internationally competitive levels. The proposals for work force rationalisation and reduction are aimed at driving our costs to a lower level so that uneconomic operations become economic operations.

**Mr MEIER:** As a supplementary question, would it be possible for the Minister to table the figures, in due course if not today, in relation to Wallaroo and other ports, whether or not a loss is incurred?

**The Hon. R.J. Gregory:** The department's accounts are being restructured. As I said earlier this afternoon, the department was moving off budget and going into accrual accounting, and was operating as a business enterprise. It will be some time before we can provide the honourable member with an answer that will satisfy his needs, because we are restructuring the accounts. I do not think that we can do it in the timetable required for printing in *Hansard*, but I can undertake that, when the information is available for all the regional ports, the information will be made available to the member for Goyder.

**Mr MEIER:** That would be appreciated. I have been advised that at Wallaroo urgent work is needed to upgrade sections of the decking and to maintain the pylons in good condition. I am surprised that a reduction of nine weekly paid employees from the present 13 is proposed in the Future Directions document when repairs and maintenance should have been carried out for many years, and employees have indicated their willingness to undertake repairs, such as replacing decking and sandblasting of pylons and other repairs, but invariably when time permits them to do it they are told that no money is available and, therefore, the Wallaroo jetty continues to deteriorate. It appears that we are getting into a dangerous situation at that port where, if we do not soon take action, the cost will become so great that no-one will be able to upgrade the port to the standards required.

**The Hon. R.J. Gregory:** The standard of the jetty at Wallaroo is safe for the people who use it, and the department maintains it at that standard. The department will not over maintain such assets. The decking always looks as if it is in poor condition, because it moves around. However, it is maintained at an appropriate safety level for all the people who use the port. I am advised that the average spent on each jetty is between \$200 000 and \$300 000 a year over the past four or five financial years.

That is not to say that we are not spending money there. As I told the Committee, there is no sense in spending money that will not be returned. From travelling around regional ports in South Australia, I know that one does not have to visit too many ports to compile a list of more than \$100 000 of work that local people believe should be undertaken to their jetties. If funds are spent on upgrading the channel or rebuilding a jetty or providing new bulk loading plant and we ask whether it will return an extra dollar of profit to the department, clearly the answer is, 'No, we will not ship more grain'. It seems to be a constant desire of people to upgrade, yet the facilities are maintained adequately to perform at the standard required by the department. The department is looking at the regional ports and the Manager of Regional Ports, Captain Buchanan, has that responsibility in the new recognised structure.

He is looking at what needs to be done to enhance those facilities. Over the next two or three years we will see work done to some of the jetties in regional ports where work is required and where it is needed to upgrade the loading

facilities to facilitate loading. The Port of Wallaroo will be treated in the same manner as every other port, but we need to appreciate that all of our regional ports are treated as a whole. The reorganisation of the department will mean enhanced facilities for people at regional ports.

True, they will not get the grandiose schemes the people want, but they will get the continuation of an efficient port service running at a cost so that we can compete with overseas and interstate, and the ports will be viable. If we did what the member for Goyder suggests, it would be the surest way of closing down the port of Wallaroo, because it would be too expensive to ship from that port.

**Mr MEIER:** I disagree with the Minister's last remarks, but that is not what the Committee is about. I seek to clarify the Minister's statement that \$200 000 was spent—

**The Hon. R.J. Gregory:** The sum of \$200 000 to \$300 000 per annum over the past four or five years.

**Mr MEIER:** For the Port of Wallaroo?

**The Hon. R.J. Gregory:** That is my advice.

**Mr MEIER:** Why has the Minister not made public the Coopers and Lybrand report on access by the public to the Port of Wallaroo and Port Giles? Also, they were to undertake work on Port Adelaide access. The report was commissioned last year and was to be completed for presentation to the Minister last December. I recall the Minister's making a statement in Parliament earlier this year that the report would be released soon, and that was early in the year. Shadow Ministers of Marine are usually the last to receive copies of such reports, but I did check with the District Council of Wallaroo, which organised the public meeting there and it has not received a report as of yesterday.

**The Hon. R.J. Gregory:** It is fair to say that Coopers and Lybrand was engaged by the department to review public access to departmental wharves and jetties, the work involved identifying relevant issues, proposing suitable actions, and costing the implementation of such actions. A report was presented to the department in January this year. The report proposes that public access to wharves and jetties continue, with some restrictions, especially with regard to periods of operational activities. The need to ensure public safety around the working area is still of concern and uppermost in the mind of the department.

The report is being considered by industry and security interests, the Port of Wallaroo has now been provided with security gates for the purpose of preventing access to the public during the mooring and unmooring of vessels or such other operation considered dangerous to the public. The jetty structure at Port Giles has been provided with security gates to prevent access to the jetty during working hours and when a vessel is alongside or working cargo. Provision of specified mobile barrier structures at Port Adelaide wharves, when cargo handling operations are in progress, has been provided. Access to the wharves will still be provided to the public in areas where stevedoring operations are not being carried out. We are one of the few ports in this country where operations allow public access to our jetties. To the best of my knowledge all private jetties have restricted or no public access whatsoever. The report is quite bulky and the recommendations have been made available to the public. I am sure that a copy of the recommendations will be made available to the Corporation of the City of Wallaroo.

**Mr MEIER:** As a supplementary question, would it be possible for a copy of the recommendations to be made available to me?

**The Hon. R.J. Gregory:** Yes, we can do that.

**Mr HAMILTON:** I refer the Minister to page 449 of the Program Estimates and the program 'West Lakes Waterways Services'. Under 'Issues/Trends' it states:

The stepped revetment wall requires constant maintenance to ensure that it is safe for use by residents and the general public. Water quality monitoring is an increasing requirement to ensure continuing lake viability.

Under '1990-91 Specific Target/Objectives' it states:

To undertake the development of a computerised model to assist in the monitoring of water quality within the water-way.

To continue to replace those blocks which have deteriorated and to maintain water control gates.

There is then the commentary on major resource variations, as follows:

The program was previously recorded with the Minister of Marine—Miscellaneous line Resources allocated for 1990-91 include funding for the mathematical model, block replacement and water control gates maintenance.

Can the Minister elaborate on those programs, but without referring to capital expenditure? Can the Minister elaborate on those specific issues and trends? The Minister knows of my specific interest in this area, I would like to record my appreciation for the assistance of the Minister and his department over many years in respect of what has been a difficult problem. The Minister is aware of my desire to see problems associated with the waterway resolved. Having said that, I would still like the Minister to elaborate on page 449 of the Program Estimates.

**The Hon. R.J. Gregory:** It is no secret that in some areas the revetments around West Lakes are deteriorating. The department is looking at that matter. Where the deterioration is so serious that a dangerous situation exists, repairs are being made. However, the department is investigating the more permanent repair of the step revetments so that they are accessible to people and long lasting, and that work is continuing. When the research work has been completed people around the West Lakes stepped area will be consulted about the method of repair or replacement and the proposals. There is a high capital cost in doing this. In respect of water quality, samples are taken from specific locations at regular intervals by the E&WS Department and analysed by that department's laboratories. The results are then made available to the West Lakes Water Quality Control Committee. Generally the waters of the lake are satisfactory for primary contact water sports, but as predicted by the original West Lakes Pollution Committee there are occasions following heavy storm water intake when the quality deteriorates in the vicinity of the drain outlets for short periods up to three days. Council erected suitable warning notices at appropriate locations about the lake. Approval has been given for the engagement of a contractor to develop a mathematical model; the overall cost of the project is estimated at \$160 000.

**Mr HAMILTON:** I refer to page 449 for a supplementary question. The 1991 specific targets and objectives state that it is planned to maintain the water control gates. Will the Minister elaborate on the problems with the control gates?

**The Hon. R.J. Gregory:** We are currently refurbishing the inlet gates. That is reasonable because the gates have been there for some time and they would need to be repaired and upgraded.

**Mr HAMILTON:** The Minister would have received correspondence from Recreation Consultants Pty Limited in relation to the West Lakes bank stabilisation. Will the Maccaferri method be utilised for the stabilisation of the revetment work at West Lakes? If that is not the case, what type of revetment work is being considered to stabilise that area? What length of revetment work is to be repaired and over what period?

**The Hon. R.J. Gregory:** In answer to the first part of the question, the process that the honourable member referred to is one of the processes being considered. When a full evaluation of the proposed replacement of the revetment has been finalised I can assure the honourable member he will receive a copy.

**Mr HAMILTON:** When is that likely to be?

**The Hon. R.J. Gregory:** There has to be consultation with the community. We will be going through that by mid December. Then there must be consultation with the Woodville council and we are dependent on a number of other people. When that is finished, we will make it available. The cost of the revetment could be over \$10 million and the department is doing what it can to ensure that that cost is kept to a minimum. We are looking for a cost-effective replacement or repair that is aesthetically pleasing as well as being efficient. When that is done we will make the results available. In relation to the cost, only time will tell.

**Mr HAMILTON:** I would like to thank the Minister for his frankness and openness in relation to this problem. It has concerned me for many years. My colleagues and my constituents are well aware of my considerable concern. I will certainly look forward to seeing the results of those discussions. I hope that that will be within the next 12 months.

Work to complete the closure of the gap in the Outer Harbor breakwater is of considerable interest to a number of people in the western suburbs in particular. Can the Minister detail what the completion of that work will entail?

**The Hon. R.J. Gregory:** When the area from Outer Harbor and along that stretch of the river adjacent to the container terminal was dredged, there was a lot of spoil. Instead of carting it out to sea and dumping it, it was dumped on the sand ledge and it created an artificial island. That spoil closed the gap between the edge of the breakwater and it was left by the department for some time because it was actually a breakwater. But, eventually there was a breach in the spoil and that breach has grown. At the same time, with the wind blowing in certain directions it becomes very dangerous for the berthing of vessels at No. 6 berth, more so for the line boats and the crews operating and manning the tugs. A decision was taken a while ago to put in a more permanent structure. I have seen the design and it has been considered by the Public Works Standing Committee. It is a new design that will absorb the force of the waves by allowing the water to surge through portions of it. The other aspect of it is that if there is some undermining it is able to retain its integrity, as it sinks or moves with the underlying support, in other words, the sand bank. Apparently it is a new technique that is very efficient and cost-effective, and will remain there over a long period.

Tenders were returned on 15 March 1990, with prices ranging from \$1.2 million to \$2.9 million. Approval was recently given for the appointment of Cook Constructions (30 April). The estimated cost of the work is \$1.55 million, plus or minus 10 per cent. That work has been delayed by winter tides and storms and it is anticipated that it will be completed in about February next year.

**Mr MEIER:** When the Government introduced its cost recovery policy to apply to the *Island Seaway* users in 1987, was the Kangaroo Island Transport Committee consulted on this proposed policy and, if so, did it agree with the principle and the rates proposed? Does the Minister or his staff believe that the committee was aware that the CPI plus 10 per cent annual increases would multiply to the cost levels now applying? Was the Kangaroo Island Transport Committee given to understand that the operational costs—not the capital costs—of the vessel were to be taken into

account when determining the linear foot rates for freighting loaded or unloaded vehicles? If the answer to any or all of those questions is 'No', why did the Government proceed, regardless of local Kangaroo Island input, with the *Island Seaway* freight recovery cost policy?

**The Hon. R.J. Gregory:** I draw the member for Goyder's attention to the policy of his Leader that any unprofitable Government enterprise should be sold. I assume that a different test is applied to the *Island Seaway*, because the capital subsidy is maintained by the Government and it is the operating subsidy that the Government seeks to recover. There was consultation with the people of Kangaroo Island, and that is continuing. However, it is fair to say that, sometimes, consultation does not result in agreement. We never said that we would reach agreement. We said that we would consult, and we have done that.

I believe that the Government has an obligation to the people of South Australia to ensure that maintaining a reliable and efficient freight service to Kangaroo Island is achieved as cost effectively as possible. I believe that what the Government has done in using Coopers & Lybrand to look at the operation of the *Island Seaway* and make suggestions on those operations has been proper. There has been consultation with the Kangaroo Island Transport Committee about those recommendations. As a result of that consultation, changes were made to proposed schedules, and those schedules have been put in place. The costs have been put in place, and we are negotiating with the unions over the manning levels on the vessel.

In time, it is planned that the CPI plus 10 per cent increase will become CPI plus 5 per cent, which will be a considerable saving to the people on the island. What the Government is doing is the right and proper thing for the people of Kangaroo Island. If the Government were to have maintained the *Troubridge* at today's costs, the subsidy would have been \$8.7 million rather than \$5.4 million. So, there is a saving to the people of South Australia of \$3.3 million. The Government is heading in the right direction. I repeat: if the Government were to apply the measure of the Leader of the Liberal Party, it would sell the *Island Seaway*, because that is what the Opposition would do if it got into Government.

**Mr MEIER:** I take it that the answer to my question as to whether the Kangaroo Island Transport Committee was consulted on the proposed policy was 'Yes'. If so, did that committee agree with the principle and the rates proposed? Is the Minister saying 'Yes' or 'No' as to whether there was agreement?

**The Hon. R.J. Gregory:** I said that the committee did not necessarily agree with the department's consultation process.

**Mr MEIER:** Does the Minister accept the reason given by Talking Meat Company for the Kangaroo Island abattoir not opening on 10 September that the recent linear foot increases on the Port Lincoln-Kingscote leg of the *Island Seaway* service has rendered sheep imports to Kangaroo Island from Eyre Peninsula an uneconomic venture? If not, will the Minister say why sheep are not being ferried from Eyre Peninsula to Kangaroo Island on the *Island Seaway* as planned and exercised by the abattoir operators last year?

**The Hon. R.J. Gregory:** The question asked by the member for Goyder requires a very complex answer because it is not as simple as he tries to make out. As the member for Goyder and all other members know, we have more sheep in Australia than we can possibly need or use. The honourable member knows that the live sheep trade to the Middle East has ceased or is on its last legs because of hostilities in the region. He also knows that the price of sheep has dropped throughout Australia. The problems confronting

local authorities, the various State Departments of Agriculture and the Australian Department of Primary Industry is how to dispose of in excess of 20 million sheep, which cannot be sold and which nobody wants.

The problem in South Australia is common to all the other States in relation to the destroying and dumping of sheep. We must ensure that they are not dumped in the watercourses, as has been suggested, to stop erosion. I can imagine what would happen with the downstream effect of the putrefying bodies, with maggots and bits and pieces floating down the watercourse. The sheep have to be disposed of properly. We must ensure that decaying corpses do not destroy watertables. It needs a lot of work.

The National Farmers Federation has determined that there should be no subsidy for assisting people who have to get rid of their sheep because, with the recent high price for wool, many people went into sheep or wool production and, consequently, some people are being hurt, but they just have to cop it. In the last operating year of the abattoir on Kangaroo Island, I understand that it slaughtered 190 000 animals. It was reported in last week's *Sunday Mail* that approximate 200 000 animals or sheep would have to be destroyed and disposed of on Kangaroo Island. The question is why are those sheep not being processed in the abattoir? I suggest that the answer is the low price and the low worth of the animals.

Is the Opposition suggesting that there be a further subsidy for an already heavily subsidised service, that the Department of Marine and Harbors, because it is a Government department, should carry something cheaply? Is the Opposition suggesting that the Government should subsidise road transport to cart sheep from one abattoir to another? If there are to be subsidies, why does the Department of Marine and Harbors have to provide them? Why should it not be the Department of Agriculture, the Department of State Development or the Department of Transport that provides cheap transport? I do not believe that the cost of transporting these animals to Kangaroo Island is the reason why Talking decided not to operate its abattoir. The real reason is the low price of the animals and their present low worth on the market. The reality is that we have a glut of sheep. Enormous numbers of sheep are not required, and that is why seemingly healthy animals are being destroyed and buried in pits.

**Mr MEIER:** I was very disappointed to hear the Minister say that sheep farmers should 'just cop it'. That is a very heartless statement and it shows that this Government is interested only in the economic side of things, that it is quite happy to ignore the human angle. Whilst I will not go into details as to what subsidies should apply, I point out that the Minister did not even hint at an answer as to whether the *Island Seaway* might have been part of the cause for the inability of the abattoir to operate.

Certainly, one estimate is that 200 000 sheep needed to be destroyed. I should have thought that the Minister would be aware that they would be older sheep, not the ones that are processed through abattoirs. Abattoirs are looking for younger sheep, often fat lambs as well, and the Minister would be aware that many of those sheep would have been exported via live sheep carriers to which he alluded earlier. That has virtually ceased. How many live sheep have been exported through Outer Harbour by bulk sheep carriers in the past financial year? How does that compare with live sheep exports from Outer Harbour for the previous two years?

**The Hon. R.J. Gregory:** I would like to correct a misunderstanding. I did not say that the farmers should cop it. I repeated the comment from the National Farmers Federa-



tion. The National Farmers Federation is saying that there should not be subsidies for people who own sheep and have to have them destroyed. All I did was repeat that. I do not mind being blamed for something that I said, but I was repeating what the National Farmers Federation said. From the way in which things have happened in the past, they are supposed to be the friends of woolgrowers and graziers.

The advice I have on the abattoir on Kangaroo Island is that the animals that were slaughtered were predominantly older sheep. If the honourable member wants to find the exact amount, he should ask the Minister of Agriculture after 3 o'clock this afternoon because he can tell him exactly how many. I do not want to say how many because I might mislead the Committee. The member for Goyder will be surprised to find just how low the fat lamb slaughter is on Kangaroo Island.

On the Saudi Arabian business, during 1989-90 the department aimed to maintain live sheep trade volumes through the Port of Adelaide to increase its market share in this volatile trade. The local producers are responding to the age restrictions on live sheep to the Saudi Arabian market. The effect of that was to reduce the base from which livestock could be drawn, and resulted in increased competition in that trade from New Zealand. The net result was a reduction in live sheep exports from South Australia to 46 000 tonnes, and that was 37 per cent of the trade for the previous financial year.

The department has been continually monitoring the situation regarding bans on live sheep exports to Saudi Arabia. The Australian Meat and Livestock Corporation views the following outcome with some optimism, believing that there is a need for a cautious approach to export markets. It appears that moves by the Federal Government may have most impact on the resurrection on this important trade.

**Mr HERON:** On page 145 of the Auditor-General's Report it is noted that the fishing industry has received significant subsidies over past years. How close are fishing industry charges to full cost recovery levels?

**The Hon. R.J. Gregory:** The Department of Marine and Harbours provides, maintains and operates marine facilities for the fishing industry comprising boat havens, marinas, slipways, straddle carriers, boat storage yards, boat ramps, jetties and associated services throughout the State. The department levies slipping, mooring and tonnage charges against the industry to defray some of the costs involved. The department's present financial commitment to the fishing industry may be summarised as follows: the written-down value of capital as at 30 June this year was \$3.6 million. The historical cost was \$8.519 million. With recurrent operations in 1989-90, leases, licences, boat havens was \$251 000; tonnage, berth hire was \$31 000; and slipway hire charges were \$122 000, making a total of \$404 000. Expenditure on fishing, havens, wharves, etc. was \$356 000; slipways straddle carriers, \$265 000; administration and other general expenses was \$648 000; interest was \$173 000; and harbour management and survey work was \$98 000. That comes to a total of \$1.54 million, leaving a loss on operations of \$1.136 million. A letter detailing the proposed rate increases for 1989-90 was sent to the South Australian Fishing Industry Council on 5 October 1989. It pointed out that with a 15 per cent increase the revenue recovered was still far below direct operating costs. Departmental officers subsequently met with the council to discuss this matter. The council was concerned about the extent of the increase, the longer term future regarding DMH expenditures, and expressed a strong desire for greater consultation on future proposed rate increases.

The council was given an undertaking that the department would be entering detailed discussions with them regarding longer term charges, level and standards of service. Charges were increased by 15 per cent for the 1989-90 year, from 1 February 1990. Increases for the 1990-91 financial year will be considered after appropriate consultation and discussions with the fishing industry.

**Mr HERON:** On page 451 of the Program Estimates, under 'Specific targets and objectives for 1990-91' it is stated that the department will continue the implementation of comprehensive training and development programs. Will the Minister expand on that and detail what initiatives have been pursued by the department in 1989-90?

**The Hon. R.J. Gregory:** Training and development has continued to take a high profile and is an important component of work force planning. Training activities were conducted in management development, implementing structural change, supervisor development, award restructuring, new technology, systems implementation, trade union courses, occupational health and safety, communication, technical skills, and project management and contract administration.

During 1989-90 GME Act employees accumulated 4 783 hours of training and weekly paid employees 5 286 hours, a total of 10 069 hours. This equates to an average training exposure of 20.35 hours per GME Act employee and 14.06 hours for weekly paid employees. In the first half of 1989-90 the department supported 19 employees undertaking formal studies and 17 employees during the later half.

The Education Department's work experience program was supported making available 43 placements for 36 male and seven female secondary students. During 1989-90 the department employed and provided training for 14 apprentices in a range of trades. Training was provided through in-house activities, TAFE and external work placements. Also, 55 per cent of course attendance was directed at enhancing health and safety skills including recognition and control of chemical, fire and workplace hazards, heat stress, strain injury and working in confined spaces. Also, 229 employees attended the one-day basic life support and emergency care which the department is conducting in-house for all employees. This includes training in cardio-pulmonary resuscitation techniques.

All divisional and branch managers under the new departmental structure attended six days of training, preparing them for their new responsibilities; modules included customer service, marketing, managing change, leadership, conflict resolution and financial management. Technical skills training was provided for 59 employees, including basic evidentiary techniques, high voltage switching, bearing care and chainsaw operation. The attendance of 60 employees at computer assisted drafting and design equipment and computer operations courses was achieved, aimed at enhancing productivity and personal skills development.

A 20-week project management and contract administration program commenced during the year. Up to 30 employees attended each module. The course is an outcome of recommendations of the overheads review report by Pak-Poy Kneebone and has both quality and productivity driven objectives. Identified training and development expenditure for 1989-90 totalled \$583 000, which represents 2.9 per cent of the department's budgeted gross wages and salaries.

Future training in DMH will focus on individual needs identified as required by the departmental reorganisation, award restructuring, occupational health and safety, introduction of new technologies, and personal career development. Of particular importance to the reorganisation will be programs covering waterfront reform, customer service,

cultural change, commercialisation, business skills, electronic data interchange and total quality assurance.

**Mr MEIER:** Will the Department of Marine and Harbors sell off the grain conveyors on its wharves and jetties? If so, when; if not, why not?

**The Hon. R.J. Gregory:** I have indicated once by word of mouth and on two occasions by written word that the Government does not propose to sell any of the community assets which have been built up over the years and which are operated on the South Australian waterfront, whether it be at the Port of Adelaide or at the regional ports.

**Mr MEIER:** Also in relation to regional ports—and the Minister may wish to take some of this question on notice—what upgrading proposals are in hand this year for the Port of Thevenard, as deepening of the channel and extension of the wharf are urgently needed to keep this vital port for the Far West Coast operating at 100 per cent efficiency? The same applies to Port Pirie, considering that the channel needs deepening, not only for grain ships, but also for coal ships for the lead smelters. In relation to Port Giles, both in terms of repairs to the jetty and recladding, when will work start on the recladding; will the jetty be open to the public this October long weekend; and when is it proposed to finish the repairs to the damage to the jetty?

**The Hon. R.J. Gregory:** That is efficiency at work: it is a dozen questions in one. I cannot give the answers quickly. All I can say is that, with the Port of Thevenard, design work and estimates of upgrading the bulk loading plant are taking place; a hydrographic survey of the area has been undertaken to ascertain what dredging can be done; the design work is being looked at to strengthen the jetty in places where the piles are weakening; and a contract is being let at the moment for cladding on the Port Giles jetty, and it is proposed to do this in two stages. I have no idea whether the jetty will be open during the October long weekend; if it is more important to load wheat, I think it will be loading wheat.

With respect to Wallaroo, all I can undertake is that we will give a more detailed, dollar by dollar account of it in a written response. We can do that for all the ports. Mr Chairman, you are generous; one question ended up being 12.

**The CHAIRMAN:** Before I give the call to the member for Goyder, I make the comment that I think I have become very boring over the past five days, as I have asked, requested and pleaded with the members that, when asking questions of any Minister, they ask a single question. If we end up asking four, five or six part questions, it does not make it interesting for the other members of the Committee to have to wait with bated breath until 5 October to read the words of wisdom coming from the Minister. So, again, I request in the dying moments that members ask their questions one at a time.

**Mr MEIER:** I have a series of standard questions to all Ministers which the Minister may be prepared to take on notice.

**The Hon. R.J. Gregory:** I will look at them and respond accordingly.

**The CHAIRMAN:** Do I take it from the member for Goyder that this is the consultancy question?

**Mr MEIER:** Yes.

**The Hon. R.J. Gregory:** It is just as well that he did not ask me about the committees; it would have taken me a week to read them out.

**The CHAIRMAN:** I take it that, from what the Minister is saying, there will be a response to the consultancy question by 5 October.

**Mr HAMILTON:** Can the Minister say, in relation to the West Lakes waterway and the revetment work, what moneys have been allocated for revetment work this financial year and the purpose to which that money will be allocated?

**The Hon. R.J. Gregory:** An amount of \$100 000 will be allocated for immediate, urgent repair work, as required. As I said earlier, when all the options of effecting a more permanent and lasting repair have been considered, this will be done, in consultation with the people around the West Lakes perimeter. Once an arrangement has been reached, the work will proceed over a planned period to replace the whole revetment.

**Mr HAMILTON:** When that consultation takes place, I request that the local member also be involved in that discussion, because I would certainly like to know what the discussion is about and what decisions are arrived at so that I have a clear and precise understanding, when my constituents come to me, of what issues were raised and what undertakings were given by the Minister and the department.

**The Hon. R.J. Gregory:** I indicate to the member for Albert Park that the Director of the department is here, has heard his request and will now hear my response. The member will be kept informed of progress on negotiations by an officer seconded by the Director; if that does not happen, he can contact me and I will talk to the Director about that.

**Mr HERON:** On page 44 of the Capital Works Program 1990-91, it is indicated that the department is undertaking a significant capital works program this year. What work is planned to be undertaken and what are the reasons for it?

**The Hon. R.J. Gregory:** It is easy: for the Port Adelaide tanker berth, \$3.28 million; the fire fighting and berth structures, \$710 000; Outer Harbor container shipping facilities, \$6.076 million; Port Giles cladding, \$560 000; Outer Harbor North Mound gap, \$320 000; mount navigational aids upgrade, \$470 000; and other projects amount to \$1.614 million—they are a variety of little bits and pieces around the ports. There are also the annual provisions of \$300 000 for floating plant, \$500 000 for general plant, \$550 000 for motor vehicles and \$30 000 for stores, making a total budget of \$14.682 million.

**The CHAIRMAN:** There being no further questions, I declare the examination of the vote completed.

Labour, \$22 748 000

**Chairman:**

The Hon. T.H. Hemmings

**Members:**

Mr S.G. Evans  
Mr K.C. Hamilton  
Mr V.S. Heron  
Mr G.A. Ingerson  
Mrs D.C. Kotz  
Mr J.A. Quirke

**Witness:**

The Hon. R.J. Gregory, Minister of Labour.

**Departmental Advisers:**

Mr H. Bachmann, Director, Department of Labour.  
Mr A.J. Dangerfield, Director, Industrial Affairs.  
Mr G. Billett, Manager, Administration and Finance.  
Mr P. Ochota, Director, Regional and Technical Services.  
Ms G. Thomson, Women's Adviser.  
Dr M. Lewis, Director, Occupational Health.

**The CHAIRMAN:** I declare the proposed payments open for examination.

**The Hon. R.J. Gregory:** The 1989-90 financial year again saw an increase in the demands on all areas of the department. This was particularly evident on the field inspectorial staff including inspections on occupational health and safety, boiler and pressure vessels, lifts, wages and conditions of employment. Continued priority was placed on the application of the Occupational Health Safety and Welfare Act 1986. The department's eight regional offices including the 32 occupational health and safety inspectors are at the forefront in this area.

The issue of improvement and prohibition notices which are served on employers and posted on notice boards continued to increase, as have prosecutions for breaches where serious offences against the Act occur. In line with the importance placed on occupational health, fines for breaches of the Act are increasing. Last year I reported a maximum fine of \$10 000 and that strenuous efforts were being made to further increase their deterrent and educational value. This year the maximum fine imposed was \$25 000 for a fatality involving diving.

The creation of a separate portfolio clearly demonstrates the importance that this Government places on occupational health and safety. As a first step in coordinating this area under one ministerial responsibility, staff were transferred to the department from the Health Commission on 1 July 1990 to form the Occupational Health Division.

Extra funds have been provided to employ staff to implement the proposed manual handling regulations and code of practice. The 1990-91 budget includes funding for six additional staff (two ergonomists or similarly qualified persons and four occupational health and safety inspectors). Prevention of injury in this area is of utmost importance if we are to reduce the cost of workers compensation to industry, commerce and Government alike. As a result of the reduction in the number of workers compensation matters being contested under the old Workers Compensation Act, three judges and support staff have been transferred to the Local and District Criminal Court.

Pressures on the Industrial Advisory Service also continued in 1989-90 mainly as a result of the number and complexity of changes that are occurring in the wage fixation system. In 1989-90, 75 000 telephone calls were handled by the IAS with a further 73 000 in regional offices. These pressures are expected to continue in 1990-91, and in this regard the department's current staffing level has been maintained. If resources during the year allow, additional staff will be employed in this area.

As highlighted by the Auditor-General, workers compensation claims have again increased, and this situation is a cause for concern. While continuing efforts will be put into general prevention programs, the increasing incidence of stress claims will need to be countered. In this respect, I have asked the South Australian Government's representative on the National Occupational Health and Safety Commission to raise the question of preventive programs for stress at the national level, because I am sure that the increase in stress claims is not limited to South Australia. Prevention programs are, of course, being implemented in several State Government departments.

The new Construction Industry Long Service Leave Act is operative from 1 July this year and provides for the inclusion of the metal trades construction and electrical contracting industries in a new Electrical and Metal Trades Fund. This will result in long service leave contributions

from employers in those industries for in excess of 1 000 employees. Four additional staff have been employed, paid for out of the fund, to carry out the additional work resulting from the creation of the fund.

Responsibility for the important area of asbestos removal has returned to the Department of Labour from SACON and is part of the newly formed Mineral Fibres Branch. This move has resulted in the reconstitution of the Asbestos Advisory Committee which now reports to me in place of the Minister of Housing and Construction.

An important change to employer registration has occurred. Employers are no longer required to separately register with the Department of Labour. This registration requirement is now being undertaken by WorkCover in conjunction with registration with that organisation. The registration process is completed by filling out one form only, which is certainly a step in the right direction.

Efforts are being made to ensure that the award restructuring process has effective outcomes for women. Seminars have been conducted for community workers working with non-English speaking people on workplace rights, entitlements and responsibilities.

A review has commenced of the dangerous substances and explosives legislation in conjunction with the Deregulation Unit of the Government. A green paper on the future of this legislation is in the process of finalisation. When finalised, it will be issued to interested parties for comment. Legislation will also be developed to provide for cost recovery of clean-up operations of chemical spillages and incidents.

I am most pleased to be able to report that South Australia continues with its excellent record of lowest number of days lost per 1 000 employees for a mainland State. The days lost per 1 000 employees in South Australia during the last financial year was 67, as compared with the Australian figure of 190 days.

The 1990-91 budget also includes a reduction of \$1.5 million in the exempt employer levy paid to WorkCover. Part of this reduction is due to changes in the levy rates applied to Government departments, whilst the remainder is the estimate of a fair contribution towards the costs of running the corporation. Negotiations between the Department of Labour and WorkCover on this matter are continuing.

In summary, the 1990-91 budget allocation for the Department of Labour provides funding for the continuation of existing service levels together with six additional staff for the implementation of manual handling. It also includes the transfer of the Occupational Health Division from the Health Commission and the mineral fibres area from SACON.

**Mr INGERSON:** I understand that the South Australian Government is actively considering a series of fundamental changes to traditional industrial relations arrangements. As part of the process of rationalisation of Government functions, the State Government is considering the effective transfer of industrial relations activity to the Australian Government. This would or is likely to mean that the current State Industrial Commission would be subsumed into the Federal commission, with State commissioners becoming members of the Federal commission, resident in South Australia. The registry functions would be combined and the commission relocated. State awards would generally become Federal awards with commission rule application in South Australia. The inspectorate within the Department of Labour would primarily be transferred to the Federal department.

The South Australian Government would retain control of health and safety issues, although there would be some form of commitment to actions consistent with the directions proposed by WorkSafe Australia. The Government would, I understand, seek enabling Federal legislation to extend current unfair dismissal provisions to cover all South Australian employees. The actual remedies available under this new jurisdiction may be subject to negotiation. Current legislation—including long service leave and WorkCover—would remain in place. This proposal will be the subject of ongoing discussions with employer organisations, and unions. I believe it will be discussed at length in the next few months at the Ministers of Labour conference in November. Further, I understand that there is discussion on extensive areas relating to the registration of organisations such as the Chamber of Commerce, the Employers Federation and other State registered bodies. Can the Minister comment on that position and the status of all those areas?

**The Hon. R.J. Gregory:** That wide-ranging question has little to do with the expenditure before us now, but I am happy to indulge the member for Bragg.

*Mr Ingerson interjecting:*

**The Hon. R.J. Gregory:** It has little to do with the expenditure now before us. Expenditure is listed for the Industrial Court and all the improvements that go with it, as well as the inspectorate. However, I will go through what I have been doing as the Minister of Labour.

It is fair to say that in the past State commissions had a role to play in wage setting but, in the past 20 years, there has been continual movement towards the national wage setting authority, for it to assume a primary position in wage setting in Australia. Indeed, it is no secret that from time to time the Presidents of the national commission and the various State bodies meet and discuss issues. As a youth, I can recall reading in the newspaper of the UTLC secretary making basic wage submissions in the State Industrial Court, yet the decisions were exactly the same as the national decisions. Later when I was a GMH shop steward I can recall a delegate to the UTLC (Bill Brown) reading a submission to the South Australian Industrial Court on a basic wage application—exactly the same speech that the then ACTU advocate (Robert Hawke) read to the national commission; again the decision was exactly the same.

We have seen the effect of national wage case decisions flowing through to South Australia just about exactly the same in money amounts. In fact, it has become an operation in the South Australian commission of what is known as mirror awards, where the parties involved facilitate their moving at about the same time as the national award moves. In view of this, I have suggested to the Director of the department, who has taken it up with the appropriate people, that we ought to be looking at a closer relationship between the Federal and State commissions—in other words, regularise what is happening. To that end, the Federal Minister for Industrial Relations (Peter Cook) has proposed that the President of the South Australian Industrial Commission (Justice Brian Stanley) should become a Deputy President of the Industrial Relations Commission.

I believe that that will happen in the near future after the Act has been amended, and I understand the position he would occupy would be senior to the current Deputy President but junior to the President. There are also proposals to provide, in amendments to the Industrial Conciliation and Arbitration Act in South Australia, for joint appointments of State and Federal Commissioners and Presidents. It makes sense for Commissioners in South Australia in the Industrial Commission to have the same powers and footings within the national commission and *vice versa*. We

would then not have the ridiculous situation of one group of workers working for the same employer under two separate State and Federal awards having to have separate hearings in the settlement of a dispute with two Commissioners ringing each other up to make sure they are giving the same decisions. That position is stupid and needs to be regularised.

I have indicated to the Director that we should look at having joint premises. If either of the courts move, there should be attempts made to have the State Industrial Court located in the same building as the Federal Court, and that we should even work for the same joint registry. If possible, we could have the same joint inspectorate, because people ringing up our inspectorate about wage inquiries are asking many questions about Federal awards. It is a most frustrating situation. In my opening statement I talked about 73 000 calls in the one centre. About half of those inquiries would be in relation to Federal matters and that person would be shunted off to the Federal body and I would not mind betting that that person would get a similar type of answer. We are working actively towards that.

The Prime Minister recently made a plea to the State Governments that in the 10 years prior to, and leading up to, the centenary of Federation we should look at our Constitution to see whether we can regularise the number of activities that are happening at a State and national level. Obviously, one of those activities of dual operation is in the area of industrial relations and dispute settling. About half of the workers in South Australia are covered by Federal awards and the other half are covered by State awards. The Commonwealth has an arbitration inspectorate that looks at wages, as do we. From my experience it seems to me that we have unions in this State that sometimes do not know who is covered by what. We certainly have employers who do not know what is covered by what. It is an area that needs to be looked at. The Government is looking at it but it has no immediate plans. However, if the Commonwealth were to make a magnificent offer or transfer enormous funds to South Australia for the sale of it, I think we might consider selling it. We will be looking at that, along with a number of other proposals to ensure that services are delivered at the most appropriate level of government. I believe that we need to rationalise our industrial relations system. It seems to be sensible to me that if we have two dispute resolution mechanisms we should see if we can amalgamate them. What we propose to do in the first instance will do that in a *de facto* way, anyway.

**Mr INGERSON:** I understand that this morning, when the Committee was dealing with the Department of Marine and Harbors Program Estimates, the Minister said that he was prepared to give some detail in relation to the total amount of premiums paid under WorkCover or workers compensation by Government departments and agencies last financial year and the amount budgeted for that purpose this financial year, if it were brought up under this line. I do so now.

**The Hon. R.J. Gregory:** It is a complex and detailed question. I will ask Mr Bachmann to respond.

**Mr Bachmann:** The Government does not pay premiums to WorkCover as it is an exempt employer. It pays WorkCover the exempt employer levy as prescribed by WorkCover. The amount paid last year was \$2.039 million and the amount budgeted for this year is \$500 000.

**Mr INGERSON:** As a supplementary question, unless I am mistaken, that reply suggested that the levy this year would be \$500 000. The question I asked previously related to the total premium to be paid, not the levy to be paid to WorkCover.

**The Hon. R.J. Gregory:** I think the member for Bragg misunderstood. The Government does not pay a premium to WorkCover, because it is self-insured. The Government pays a levy and the budget for that levy this year is \$500 000. But as I said, that is a matter open for discussion with WorkCover. If the honourable member wants to know what we are doing with respect to each department, I will provide that information at a later date. The total allocated for this year is \$26 million. However, I will give the honourable member a detailed breakdown of those figures.

**Mr INGERSON:** Can the Minister also provide a breakdown in relation to blue-collar and white-collar workers?

**The Hon. R.J. Gregory:** I cannot do that because we do not distinguish between white-collar workers and blue-collar workers: they are all workers.

**Mr INGERSON:** In relation to the department's budget there has been some concern within the community about the user-pays principle. I have been told that it has gone to an extreme. It is suggested that in some quarters the regulatory functions and the inspectorate functions of the department have become, purely and simply, revenue raising measures. I make that comment in light of the facts on page 47 of the Estimates of Receipts, where the total receipts under the department will increase from \$4.4 million to \$5.82 million. Specifically, fees, fines and charges increase from \$444 000 to \$544 000 and fees for regulatory services are expected to increase from \$3.96 million to \$4.84 million. Can the Minister explain those increases? Do they relate to occupational health and safety charges or what are they about?

**The Hon. R.J. Gregory:** The increases in fees were announced and have been published in the *Gazette*. I will go through the figures that I recall. The Government has adopted a policy of insisting in these areas, where we provide certificates of safety, that people who have equipment and need to have that equipment certified as safe ought to pay the appropriate costs associated with providing that inspectorate. We have a situation in relation to dangerous substances, where there is a program to lift the cost recovery. We have not achieved a 100 per cent cost recovery as yet, but we are moving towards that. The increases have been reasonably significant in the past few years, they have been this year and they will be next year.

I draw the honourable member's attention to an incident that occurred this calendar year at Edwardstown, where a metal finishing establishment had a spill of 1 500 litres of zinc chloride. The zinc chloride was maintained in a tank at a pH factor of approximately 11. As the pH factor is reduced it moves down to neutral and towards the acidic level and it starts to express chlorine gas. The establishment had moved this fluid from one tank to another and did not have it appropriately secured. When the employees returned to work the next morning they found that the fluid had escaped. Someone had attempted to hose it down. We all know, and I am sure that the member for Bragg, as a pharmacist, would know that if one adds water to a fluid one can reduce the pH factor and that is what happened. Luckily officers from the Emergency Services Department turned up and discovered what was happening. They stopped the addition of water and called for appropriate chemicals. The clean-up involved 150 000 litres of fluid, which was disposed of properly. Surveillance afterwards indicated no escaped fluid anywhere.

Unfortunately, that place was not registered, nor had it been inspected. If it had been, the spill may not have occurred, or alternatively the spill would have been nipped in the bud. We were lucky that there was no expression of chlorine gas. There should be proper inspection of boilers.

If boilers are not properly maintained (and certificates are issued by the department from time to time) we could be confronted with an explosion similar to the one in Hobart which, apart from demolishing a building, killed a couple of people. In respect of boilers and dangerous substances, we are yet to achieve a 100 per cent cost recovery. We have with lifts. Everyone here who uses lifts does so with great confidence because they know that they are maintained properly and that the department's inspectors ensure that they are maintained properly.

**Mr QUIRKE:** I notice that one of the issues in the program 'Government Workers Safety, Health, Workers Compensation and Rehabilitation' (page 410) relates to 'the rising trend in stress-related claims and the disproportionate cost of such claims...'. At page 133 of his report, the Auditor-General also made reference to the increasing incidence of work-related stress. What explanation does the Minister have for the rising tide of such claims? What is the Government doing to redress the situation?

**The Hon. R.J. Gregory:** I thank the honourable member for asking this question because it is one of the most important issues facing Public Service management today. For that reason, I will take some time to answer the question to reassure the Committee that everything that can be done is being done. Work stress is a common experience, however there is no universally accepted definition of it. Various factors in a worker's private life usually contribute to a stress situation, along with work environment factors. It is often a case of the last straw breaking the camel's back; hence, occupational stress is not always easy to foresee.

In the public sector, the number of work stress claims have significantly increased over recent years. Statistics from the Government Workers Rehabilitation and Compensation Office indicate that, for the 1989-90 financial year, there were 533 cases of stress-related claims. That represents a 33 per cent increase from the previous year. These stress claims represent 8 per cent of all cases reported to the office. However, they represented 33.1 per cent of the total cost of claims in 1989-90.

The Government departments which had the highest number of claims for the 1989-90 financial year included the Education Department (264 claims), Correctional Services (86 claims), Police (34 claims), and Community Welfare (33 claims). Although the Education Department had the highest number of cases, if one takes into account the rate per thousand employees, Correctional Services has the highest rate. It should be noted that these statistics do not represent all of the public sector. For example, the STA and the South Australian Health Commission are not covered by the Government Workers Rehabilitation and Compensation Office.

There seems to be increasing evidence that, in some Government departments, clerical administration workers experience higher levels of stress. Under current legislation in South Australia the employer has a responsibility to provide a safe system and place of work, both from a physical and a psychological perspective. Prevention can occur both at an organisational level and individual level.

To prevent the occurrence of work stress, the primary focus should be on organisational and job-related factors that may predispose workers to such a condition. The job should be assessed in regard to job demands, work rate, level of autonomy and ergonomic factors such as design and lay out of the work area. If problems are identified in these areas, appropriate action should be taken to modify them and, ideally, the job requirements and capabilities of the person better matched.

The next level of intervention is to enhance the person's skills and resources to deal with specific work stresses by providing a stress management program. For individuals who are currently on workers compensation because of work stress a broad-based strategy should be used to optimise their return to work. It should include the following aspects: an assessment of the job and work environment stressors relating to the individual; an assessment of the person's physical and psychological well-being; implementing a strategy to reduce work-based stressors; enhancing the person's skills to manage stressors; and negotiating appropriate conditions for a successful return to work.

Ergonomists in the Occupational Health Division of the Department of Labour are developing methods to assess work stresses and are conducting a study into work stress among clerical and administrative workers. The Government Workers Rehabilitation and Compensation Office is also conducting a study which is examining the most effective means of rehabilitating workers who are on compensation as a result of occupational stress. A lot of work is also being done by other departments and, in fairness, I should take the time to explain these other initiatives.

Various factors have been put forward as possible reasons for the increase in stress claims in key stress departments such as Correctional Services, Education and Family and Community Services, etc. What we might call 'operational stress' can be due to client contact, including threatened and actual violence, increased work load, increasing lawlessness and violence and, in some circumstances, client suicide. Organisational stress, on the other hand, can be due to diminishing staff numbers, poor management practices, and general dissatisfaction with the system. In recent years, there has also been a significant lessening of the stigma associated with the making of stress claims.

Against that background, the Police Department, the Department of Family and Community Services and the Correctional Services Department introduced critical incident debriefing services, whereby officers affected by some traumatic event are counselled and assisted by trained personnel immediately following the trauma. The critical incident debriefing service in the Department of Correctional Services has recently assisted in the early return to work within two weeks of three officers involved in an incident with prisoners. The Police Department has appointed three psychologists and a rehabilitation coordinator and has continued extensive stress management training.

The Department of Correctional Services has conducted anger seminars to assist prison officers in finding legitimate avenues to relieve their daily frustrations. The Education Department has several programs coming into place to combat stress. Eight area personnel counsellors have recently been appointed to act as first contact points for distressed employees and their managers. That would provide an important liaison service between stress workers, doctors, managers and rehabilitation providers.

This year, a series of training programs will be conducted for school principals to help them manage stress problems among staff and assist them in managing people's return to work. In addition, a quality of school life program has been piloted in several schools with the specific aim of helping teachers identify the issues and factors in their particular school that make for a stable and relatively stress free work environment.

In addition, the Department of Labour's Occupational Health and Safety Services Branch introduced its new Pentstar occupational health and safety program in the Department of Correctional Services late last year. The critical incident debriefing service in that department was intro-

duced as part of the Pentstar program. At present, consideration is being given to introducing the Pentstar program into the Education Department and the Police Department.

This is by no means an exhaustive list of actions being taken to combat the stress problem. It clearly indicates that the Government is not sitting on its hands. The problem has been recognised and it is being addressed. Ultimately, the sorts of management initiatives that I have outlined might not completely solve the problem. It could be that some clear legislative parameters might have to be placed in this area. WorkCover is examining the possibilities in this regard. In the meantime, the Government intends to fight the issue on a number of fronts and I am confident that the various efforts that have been put into redressing the matter will ultimately bear fruit.

**Mr QUIRKE:** What does the Government Workers Rehabilitation and Compensation Office do in regard to fraud detection? Have there been successful prosecutions for workers compensation fraud?

**The Hon. R.J. Gregory:** When our office is aware of fraud being committed, it is investigated. If the officers involved think that fraud has been committed, it is referred to Crown Law and the Police Department. Recently, the Crown prosecuted a Correctional Services officer for making a false statement in connection with a claim for workers compensation and for fraudulently obtaining a benefit under the Workers Rehabilitation and Compensation Act.

That officer had been a taxi driver whilst on full workers compensation benefit. When asked to declare his earnings to the Government Workers Rehabilitation and Compensation Office, he grossly understated the amount concerned. The worker was fined \$300 and ordered to pay \$1 700 in costs and was placed on a two-year good behaviour bond. In passing sentence, the magistrate indicated that he had taken into account the likelihood that disciplinary action under the Government Management and Employment Act could or would be taken by the Department of Correctional Services.

**Mr QUIRKE:** I again refer to the program 'Government Workers, Safety, Health, Workers Compensation and Rehabilitation' on page 410. Has the delegation of management of the first 21 days lost time of workers compensation claims to the 17 selected Government departments proved successful?

**The Hon. R.J. Gregory:** On the basis of experience in 1988-89 the number of departments retaining premium allocations in 1989-90 to cover the costs incurred during the first 20 days lost time of the claims were reduced to 17. Seven of the previous participating departments were considered to be too small for the incentive to operate on an acquittal basis due to wide fluctuations in claims experienced from year to year. Three other departments, Engineering & Water Supply, Road Transport and Woods and Forests moved to being off budget—that is, independent of the State general revenue budget—and were therefore required to self fund their workers compensation requirements excluding provision for the run-off of old Act lump sum settlements which are separately allocated by Treasury to the central fund administered by the Government Workers Rehabilitation and Compensation Office.

A review of the 21-day allocations made to the department were undertaken by the Public Actuary office in June and a decision was made to increase allocation to three departments—the Department of Employment & Technical & Further Education, the Police Department (both departments have experienced a large increase in claims) and Local Government Department, where no allowance had been made for the Parks Community Centre.

The results achieved by setting departments against their budget allocation to meet the first 21-day expenditure indicate that 10 went significantly over—that is, by greater than 10 per cent—the most significant being Education, which was 31 per cent over; Correctional Services, 63 per cent; Engineering & Water Supply, 39 per cent; SACON, 35 per cent; Woods and Forests, 41 per cent; and Children's Services, 89 per cent. Three broke even and four made savings.

As 10 of the departments with delegated responsibility experienced an increase in the number of claims in 1988-89 this has indicated that the first 21-day program may not be working satisfactorily in the incentive scheme and further measures will be considered in 1990-91.

**Mr QUIRKE:** Again on page 410 relating to the program 'Government Workers Safety, Health, Workers Compensation and Rehabilitation', what achievements have been made with the introduction of the Pentstar occupational health and safety program in the Correctional Services Department? What additional departments are proposed in 1990-91?

**The Hon. R.J. Gregory:** The Pentstar package of the public sector occupational health and safety program was introduced in the Correctional Services Department in October last year. All correctional institutions have since been visited and a package has been fully discussed with their managers. The community correction work sheds and district officers have also been visited. Safety audits have been undertaken and reports presented to management and the Acting Chief Occupational Health and Safety Officer. Corrective actions are being taken.

A one day seminar is being presented to all Correctional Services managers and further training will be presented at the local level to supervisors and occupational health and safety committee members. All managers will be given further assistance on site, with further instructions on the Pentstar package during the coming year.

As far as expanding the program to other departments is concerned, a funding proposal was recently received from the Children's Services Office and approval has been given for the introduction of Pentstar into that agency. The Police Department is also finalising a Pentstar funding proposal for the October meeting with the coordinating committee on Government Workers Safety, Health, Workers Compensation and Rehabilitation. That committee considers any applications for funding occupational health and safety programs and recommends according to the Director of the Department of Labour and the Minister of Occupational Health and Safety. Discussions are also under way with a number of other departments, including State Services and Education, with a view to their picking up the same program.

**Mr S.G. EVANS:** I also refer to page 410. Earlier the Minister gave a guarantee that he would pass on through his office details of the amount of premiums that were paid by each department last year into the fund for worker's compensation. I wonder whether I may take that a little further. I believe that the total amount the department paid last year was \$26 million. What amount was paid for the past three years and what is the estimated amount for the forthcoming year? What is the anticipated cost of paying workers compensation claims in the public sector this financial year? In other words, there must have been some estimation of what the likely cost of claims will be. I ask that question with the knowledge of the figure that was given by another Minister in respect of the STA. The amount for the STA increased from \$3.5 million to \$4.2 million last year. A blow-out was also outlined by the Minister for Correctional Services.

This morning the Minister said that he believed that Marine and Harbors had reduced its amount to be paid, in real terms. I accept that that should be the case because there has been a big reduction in the number of blue collar workers in that area. Will the Minister now detail what the costs are and what they are expected to be? I hope that we can have a breakdown of key departments, such as Housing and Construction, Woods and Forests, and ETSA in which there is a large percentage of blue collar workers. I am not saying that we should separate the blue from the white, but a breakdown of separate departments would give an indication—and for each year, if possible, including next financial year.

**The Hon. R.J. Gregory:** I think the member for Davenport has asked the following questions. He wants to know the cost of providing workers compensation, for each departments administered by the Government Workers Compensation Office for the past financial year, what the figure was for the preceding two financial years, and the estimate for the current financial year. I am pleased that we do not have that information with us because I am advised that it would take an hour and a half to read it. I shall ask somebody to have it prepared, and we shall attempt to work out a cost of preparing it as well. When it is available we shall forward it to the Committee.

**Mr S.G. EVANS:** I cannot comment very much here because that is not the role of this Committee, but some things should be available immediately. There is an implied threat, 'We will work out the cost and use it against you in future.' That is unacceptable. I will leave it where it is and let others be the judge of that comment.

I now refer to all the factors relating to the Minister's department's move from SGIC Building to Central Plaza. An article appeared in the press in recent times stating that the Director of the department, Mr Hedley Bachmann, in a memo to staff, criticised that move and was reported as saying:

Needless to say this decision is totally unexpected and completely outside our control.

There is also a comment that is supposed to have come from the Minister of Housing and Construction, Mr Mayes. The last part of the comment was:

At the same time, the Government is trying to get a higher tenancy rate in Central Plaza, a building owned by the South Australian Government Superannuation Fund Investment Trust.

The article, which was written by Randall Ashbourne, points out that the costs of renovations to the SGIC for the department, just before the move, was \$330 000. When was the refit of the department's SGIC offices approved? What was the approved cost of the refit? What was the actual cost of the refit and when was it completed? When was it decided that the department should move to Central Plaza? Who made that decision, and does the department support the move? What is the estimated costs of the move?

**The Hon. R.J. Gregory:** First, I will take up an issue. I remind the member for Davenport that all the departments on which he is seeking information lodge annual reports in this House; they are maintained on file, and I would think that they would be available in his room or the room that he shares with somebody else, and in the library. In all those annual reports there would be provisions with reference to workers compensation. The honourable member asked a multiple question, and I will deal with the broad principles of it. SGIC owns a building on Victoria Square. A number of floors in that building are leased by Finlaysons, the Department of Labour and the Attorney-General's Department. I am not sure whether any other organisation leases floors in that area. Finlaysons apparently are moving out of the SGIC building, and an approach was made

initially to the Department of Labour to move. It declined that move, because it still had a period of time to run on its lease. As I say, that offer was declined in expectation of the renewal of the lease.

The offices were to be reorganised so that first, there was a better facility for workers within the Director's office. Also, the safety aspects of the Minister's office were to be reorganised and improved. Renovations were carried out on the eighth floor and, subsequently, on the ninth floor. At the time that those renovations were being completed, the SGIC made an offer to the Government to pay the cost of outfitting a new building if they were to move. As the term from the film *The Godfather* suggests, the offer was too good to refuse. On that basis, the move took place.

I think I have answered most of the questions that the member asked, with the exception of the actual costs involved. However, the SGIC will be reimbursing the Government for the costs of those renovations. I will ask the Director to refer to the actual costs, because he was involved in that.

**Mr Bachmann:** To the best of our recollection, the estimated quote was \$170 000 for the ninth floor change. The final cost has not yet been given to us. It is not expected to be very much of a change from the quote.

**Mr S.G. EVANS:** Does that include the estimated cost of moving?

**The Hon. R.J. Gregory:** I have not had anything to do with that. The Government Accommodation Office negotiates those arrangements. We can find out and advise the Committee.

**Mr HAMILTON:** Turning to page 409 of the Program Estimates, I note under 'Issues and Trends' that it states:

The employment interests of women, migrants, young people, children and physically and/or intellectually impaired workers continues to require attention. The conflicting demands of work and home on individuals in the work force has been targeted for special consideration.

Regarding the difficulties in relation to intellectually impaired workers continuing to require attention, I have been asked by my colleague, the member for Mitchell, to raise the following matter with the Minister:

My question concerns a complex matter of exemption from paying award wages under section 89 of the Industrial Conciliation and Arbitration Act. I am aware that the Minister is sympathetic to the plight of charitable groups that operate sheltered workshops and provide employment for the disabled. I also understand the need for full consultation with the trade union movement where the question of exemption from paying award wages is considered. Can the Minister say what the current situation is regarding exemptions under section 89 of the Act?

**The Hon. R.J. Gregory:** One of the most difficult letters I ever had to deal with before I came to this place and since I have been in my current occupation is how one provides adequate protective measures for intellectually and physically disabled citizens in our community who seek work in sheltered workshops. It has been a constant running sore with the people who advocate on behalf of these people and some of the people themselves, because they all have varying degrees of impairment. Some are quite severe and some are not very severe; however, they all have an impairment. The view has been expressed that some attempt should be made to regularise what is happening in this area and that working conditions should be standardised; the care they work under should be maintained, and they should be treated as nearly as practicable as normal workers.

The Act provides for exemptions and, at the moment, a number of charitable organisations are operating sheltered workshops under a payment arrangement. There has been a series of discussions between Government officials, trade union people and people who operate sheltered workshops.

I have participated in some of those discussions, and I am pleased to say that there is a gathering of opinion that there should be a standardised set of working conditions and that occupational health and safety conditions that apply in industry should also apply in these places. It is a joint position. All the people involved are agreeing to that. Minda Homes Incorporated, to the best of my knowledge, has come up with a document that is very much like an award, as I know it, and as members would know it; the only difference is that there is no mention of money in it.

The Timber Workers Union has been able to negotiate with Heritage Workshops in the South-East a set of conditions for people who work there. Apparently, that set of conditions is very innovative and, as a result of their involvement in the management committee of that organisation, they have seen it improve its profitability to the extent that it has been able to buy new machinery and pay a little more to workers. The problem with payment of wages is that many of these people are in receipt of invalid pensions.

Recently, an inquiry was made by the Commonwealth Government into the payment of award wages to people in receipt of invalid pensions. It was of awful concern to these people that, if they were to go into full-time employment, they would lose their pension and have great difficulty getting it back. On the other hand, it seems little incentive for these people if they are paid the pension and the maximum sum of money before their pensions are affected when they know that they are producing more than the \$20 or \$30 a week that they are paid.

I recall that, on one occasion, I visited a workshop and had a discussion with the manager; these people were repairing and assembling wooden pallets. The manager said that, when they contracted to do it on one occasion, 10 of them, including himself, worked all day and produced just on 450 pallets, while two contractors working for the owner of the transport company operation could do 900 in a day. He showed me how it was done, and I do not know whether I would care to work like that. However, it just shows that the level of disability limits the productivity of the person involved. In Government we think—and I am sure the trade union movement and the sheltered workshops agree—that the best way to go down this track is to ensure that these people know their rights as workers; it is set out very much like an award condition. The money side of the arrangement needs to be worked out at another level.

Once agreement has been reached (and I think it is reasonably close) a Cabinet submission will be made, and we will deal with the matter as a Government. I might add that it is one of the most difficult areas with which I have ever had to deal in my life. I have seen people who have very little impairment and who are able to sustain themselves living on their own quite comfortably, and do all the things that other people normally do, but who are intellectually impaired and can work only at a sheltered workshop.

I have seen other people who must be taken to these places and trained when they arrive at work to cut buttons from used clothing. When they return from morning tea, they must be trained again to cut off the buttons. Each time they attend that work station, they must be trained to do that same task. That is the level of their impairment. My heart goes out to them. I believe there needs to be this respite for their parents. It places awful pressure on them during the day, and I know that the parents, particularly the mothers, really appreciate the respite that the sheltered workshops provide for them.



**Mr HAMILTON:** Referring to Equal Opportunity for Women on page 408 of the Program Estimates, part of the 1989-90 specific targets/objectives included the statement:

Consultations were conducted with community groups concerned with the needs and experience of women workers. A report is being prepared.

Further, under 1990-91 specific targets/objectives, it states:

As first priority, continue the facilitation of equitable outcomes for women in the award restructuring process through research, consultation, and the distribution of findings to unions, employers, consultants and women workers.

Extend outreach campaign networks through organisations providing support to ethnic communities and community and neighbourhood houses.

Support the extension of employment provisions which meet the needs of workers with a family responsibilities.

This is a very important area. I am aware of the work that the Minister and the trade union have done but, nevertheless, much more needs to be done. Will the Minister provide an update as to the progress that has been made, particularly as a consequence of the report that was prepared in 1989-90 and as to the outcome of the publicity given by the Minister in terms of extending outreach campaign networks into the community? As the Minister was quoted in the press, some women were being exploited extremely by the products, including clothing, being made at home for what I suggest was a pittance.

**The Hon. R.J. Gregory:** I will ask Ms Gabrielle Thomson to advise the Committee in response to the honourable member's question.

**Ms Thomson:** The questions covered a wide range of activities within the equal opportunity program, so I will attempt to address each area. The program of consultation was conducted with community groups such as the Parks Legal Centre, the Elizabeth Community Health Centre and a number of Government agencies that support the effort of women, such as the Equal Opportunities Commission, which is in a position to know about the problems experienced by women in the work force. Other organisations consulted included the Working Women's Centre and the Women's Information Switchboard.

In addition, we convened groups who served the needs of particular interest areas. For instance, young women were consulted, and a group was convened for that purpose. It would be obvious that the consultation process, from what I have outlined, was fairly difficult and lengthy, as is the process of writing the report. It is not quite finished, but will be generally available when it is.

One of the important suggestions that came out of the report is that women in a number of situations who felt they were in a minority, such as moving to a non-traditional area, women from non-English speaking backgrounds and women with disabilities, have indicated that a system from which they would receive help would be the introduction of a buddy system, so that, when they went into a different area of work and if one person was appointed to provide contact, information and support for them, they would feel much more comfortable in their difficult working environment. That highlight will be useful both to employers and to unions, as well as to the agencies that work on behalf of those women.

With respect to the award restructuring project, a kit is well under way towards completion, again for the use of employers and unions, as well as consultants. We found in the process of the award restructuring project that consultants such as Cheney Consultants and Human Resource Management Consultants are being used extensively, and these people do not always know of the special situation of women in the work force. So, we found that, working with them and assisting them to develop training techniques,

etc., which will make it easier for women to participate in consultative committees in particular, has been an important part of the project. We are now at the stage of assessing what we have done and trying to make that available to the community so that it can be incorporated into their activities.

As to the outreach campaign, one of the important activities was contributing to a newspaper-style information guide for working women which was launched by the Minister and the Federal Minister during 1989-90. That was distributed through Messenger Press networks to half the households in Adelaide, but we were not able to extensively monitor the impact of that. The Working Women's Centre and the Women's Information Switchboard were the main agencies that were able to give feedback on that. Both organisations noticed an appreciable increase in the number of their phone calls within the following six weeks, so we believe that it did have some impact. However, we are not satisfied with that means of distribution.

We are particularly aware of the needs of workers from non-English speaking background communities. For that reason, we conducted two seminars last year to assist community workers in those areas to gain an appreciation of employment rights, entitlements and responsibilities within Australia and the various sources of assistance. This year we are working through the community and neighbourhood houses as well as ethnic community workers to achieve better ways of extending that information. We have ordered a considerable supply of those information booklets to be distributed through those networks, and we are negotiating with those organisations about attending some of their regular training sessions and presentations on employment rights and conditions.

With regard to outwork, the only appreciable award provision currently applies in the clothing industry, and estimates vary as to how much is covered by South Australian and Federal award provisions. We have not been successful at all in identifying the extent of that award coverage, despite the fact that we work with the Federal Industrial Relations Department on that matter. I believe that that is indicative of the whole nature of the problem: that outwork is very much a hidden work process in our community. Efforts over the past 100 years have not been very successful in really identifying outworkers. By maintaining a presence in terms of newspapers and radio, we hope that people will gradually become more confident to raise their queries.

I believe I have covered most of the issues regarding the publicity campaigns that need to be continued throughout the community. We are looking at alternative measures to reach women with information about their rights, entitlements and responsibilities at work.

**Mr HAMILTON:** As a supplementary question, I took notice of the response in relation to difficulties in identifying outworkers. Can the Minister say how many outworkers there are in South Australia; what percentage of the work force is made up of outworkers; and how that compares with the situation in other States? I know it is a difficult area, but people should be made aware of how many outworkers there are and the extent of this problem.

**The Hon. R.J. Gregory:** There are approximately 14 000 home-based workers. We have no idea how many are working as outworkers or how many are on a contract basis.

**Mr HAMILTON:** Again in respect of equal opportunity for women, the 1990-91 specific targets/objectives provide:

Monitor the investigation of work injuries experienced by women and identify any trends or changes to departmental procedures which might be required.

Can the Minister say why this issue was raised? What is the problem in this area?

**The Hon. R.J. Gregory:** There is a general assumption that womens' jobs are safer than mens' jobs. Although women comprise about 45 per cent of the work force, they represent about 25 per cent of work injury reports. However, as increasing statistical information becomes available it is apparent that special attention needs to be made to the situation of women. For instance, women form 65 per cent of the sales work force but experience a high rate of back injuries. Similarly, nursing has a high rate of back injury. Other information suggests that average costs of injuries to women is higher than that of men. Accordingly, the department has adopted a target of investigating a similar proportion of work injuries to women as to men and an evaluation of that information gained will then be conducted.

**Mr INGERSON:** I refer to page 132 of the 1990 Auditor-General's Report concerning the Department of Labour. Reference is made to premiums for 1990 for the fund being \$11.613 million and a transfer from consolidated account being \$10.650 million, giving a total of \$22.263 million. Can the Minister clarify whether the premium mentioned earlier of \$26 million relates to this premium line of \$11.613 million, or the total of those two lines? Is the \$26 million related to next year?

**The Hon. R.J. Gregory:** Obviously, what is in the Auditor-General's Report refers to the last financial year. He cannot be reporting on something that has not been completed in the next financial year. It is only for those agencies, including the 21 day arrangements. It is the allocation made for this current financial year.

**Mr INGERSON:** As a supplementary question, earlier today we asked a question concerning premiums paid into this fund, which I assume is the same fund into which all the premiums from all the departments are paid. We were advised that the premium was estimated to be \$26 million for next year. The line refers to premiums of \$11.613 million. Does the \$26 million relate to that line of \$11.613 million, which was the amount paid in to 30 June 1990, or does it relate to the combination of the premium and the amount transferred from the consolidated fund?

**Mr Bachmann:** Normally the premiums will top up the Workers Compensation Fund, and it depends on what the balance of the account was at the beginning of the year as to what premium has to be paid in to satisfy the claims that are expected in that year.

The Workers Compensation Fund runs as a deposit account. The premiums estimated for this year for those agencies, which are included in the 21 day arrangements, are \$26 million. Those estimated for agencies not included in the 21 day arrangements are \$367 000. Those are the premiums that would be applicable to the premiums *per se* in the Auditor-General's Report.

Because those premiums last year did not cater for the full pay-outs of claims, as I understand it, immediately under the receipts, a transfer occurred from consolidated account of \$10 million to make the fund viable to pay out the claims.

**Mr INGERSON:** As a supplementary question, the Minister is clearly saying that the \$11.613 million is directly related to the \$26 million referred to this year. The Minister is saying that there was a shortfall, but the two premiums we can relate to one another are the \$11.613 million and the \$26 million.

**The Hon. R.J. Gregory:** The honourable member ought to relate the \$22.263 million to the \$26 million.

**Mr INGERSON:** At page 142 of the Estimates of Payments it is noted from the budget payments that the department estimates its WorkCover exempt levy will decrease from \$2 million to \$500 000. Can the Minister explain why there has been a drop of \$1.5 million in levy? I understand that that exempt levy is paid to the WorkCover Corporation.

**Mr Bachmann:** The levy paid by the Government as an exempt employer is as prescribed in the Act as a fair contribution towards the administrative expenses of the WorkCover Corporation, a fair contribution to the cost of rehabilitation, a fair contribution to the cost of review and appeals and a fair contribution for the potential insolvency of employers. Last year the levy paid to WorkCover was \$2.039 million. During the year we have been negotiating with WorkCover on the basis that it is our view that that \$2 million does not constitute a fair contribution and that \$500 000 would be the estimate of what a fair contribution would be. Hence, \$500 000 is allowed for in the 1990-91 budget but, as the Minister said in his opening statement, it is subject to negotiation with WorkCover as being a better gauge of a fair contribution to those four issues as prescribed by the Act are.

**Mr INGERSON:** The department must be the only organisation that has been able to negotiate a drop in the WorkCover contribution.

**The Hon. R.J. Gregory:** I used the word 'negotiating', whereas the member for Bragg referred to 'negotiate'. Negotiations are still in progress. There is a big difference.

**Mr INGERSON:** When will the Government scheme be audited on similar grounds to those required under the same review processes of private employers as an exempt employer? I understand that at the moment a wide range of exempt employers are currently having their scheme audited by WorkCover and that, for the Government to conform with the Act it should also be audited. I understand that this has not occurred. When will it occur, and why has it not occurred already?

**The Hon. R.J. Gregory:** I am advised that the rehabilitation examination by WorkCover is about to start. Claims administration and prevention will commence early next year. I am advised that WorkCover advised the Government that it would do that examination of the Government after it conducted the examination of other exempt employers.

**Mr INGERSON:** I refer to page 142 of the Estimates of Payments: the Department of Labour has responsibility for Government workers safety, health, WorkCover and rehabilitation. Some questions have been asked about the rationale behind the proposed significant decrease in workers compensation expenditure in 1991. The Estimates of Payments state that there will be a reduction of approximately \$1 million in the payments in this area. That seems to be contrary to all of the other statements that have been made here today. Claims and payments into the fund are going up, yet here we have an actual reduction in the amount of money being paid in by the Government.

**The Hon. R.J. Gregory:** I would like to clarify this. Is the honourable member referring to settlement payments under the Workers Compensation Act of 1971 of \$7 million, \$7 million and then \$5 million?

**Mr INGERSON:** Yes.

**The Hon. R.J. Gregory:** That is the old Act and one would anticipate that with the effluxion of time that that figure would be ever reducing until the day comes when no-one needs to be treated for workers compensation under that Act. It is well known that, in some cases, where the damage can be assessed at a high level, cases sometimes

take a long time. Members who were here during the previous examination of the Department of Marine and Harbors would have heard of one employee who was awarded \$1.1 million 11 years after the incident occurred. One should see that that will continue. It is also the reason why the number of judges in the Industrial Court is decreasing and judges are being transferred to the local and district criminal courts. Workers compensation matters are reducing as time goes by.

**Mr HERON:** How many prosecutions were initiated by the Department of Labour during 1989-90 for breaches of any Act or regulations?

**The Hon. R.J. Gregory:** During 1989-90, 29 matters were outstanding from the 1988-89 financial year and were proceeded with, and prosecutions were commenced in respect of a further 117 breaches, giving 146 in all. By 30 June 1990, 72 of these had been finalised, leaving 74 to be resolved. Of the 72 finalised, 49 convictions were recorded and there were 23 withdrawals by the department. The reasons for the withdrawal include, for example, out of court wages settlement and the withdrawing of charges for breaches of regulations where guilty pleas are entered on a related charge for a breach of the Act (that is, avoidance or duplicity). Notable cases were Fiedler Nominees, where a diver drowned while working on a submerged pipeline, and there was a \$25 000 fine. A Lindsay Park Stud stablehand died when a tractor rolled over, \$20 000. Wein Valley Estates had a worker severely injured when falling through an unguarded fragile roof, \$10 000. At Adelaide Printing and Decorating a painter fell from a mobile scaffold and subsequently died, \$10 000.

One of the things that concerns me is the length of time a matter is in the court system, not dealt with and continually adjourned. I hope that my frequent requests and directions will see the speedier finalisation of some of these matters in the Industrial Court. I believe that allowing matters to go on for 12 months after the offence has happened is inappropriate.

**Mr HERON:** How many fatal accidents have occurred? The Minister has mentioned a few in his answer.

**The Hon. R.J. Gregory:** There were 11 fatalities during the year. Of these, five were investigated due to alleged breaches of the Act and/or regulations that they entail. A self-employed worker died while being caught by a rotating shaft of a tractor-powered, post-hole digger. This self-employed status was not known at the time of the police advice. A self-employed electrician was electrocuted while using a power drill not protected by earth leakage circuit breakers. Again, the self-employed status was not known at the time of the police advice. A refinery employee died after being burnt by hot oil. The worker was assisting in cleaning out a sump and a steam explosion occurred. A leading hand maintenance fitter died after falling 17 metres from a gantry crane he was assisting to repair. A worker replacing roofing iron on a private dwelling died after falling 7.2 metres through translucent sheeting on a carport. The remaining six included two deaths from natural causes while at work, a tractor roll over when a self-employed person died on his own property, a child falling from a tractor driven by his father, the electrocution of an electrician who was helping out a friend in his own time, and a gas explosion on a rural property.

Because of my concern about the number of incidents involving young people on rural properties I have directed that the South Australian Occupational Health and Safety Commission review the regulations on these matters and the commission's rural advisory group has commenced that review.

**Mr HERON:** How many inspections were made in 1989-90 to determine compliance with the legislation administered by the Department of Labour?

**The Hon. R.J. Gregory:** The number of inspections that were made to ensure compliance with legislation during the past financial year was 28 815. They comprised of 5 926 under the industrial legislation; 6 253 under the industrial safety regulations; 4 837 under the construction safety regulations; 2 285 under the commercial safety regulations; 892 under other regulations; 438 under the Lifts and Cranes Act; and 8 182 under the Boiler and Pressure Vessels Act.

**Mr HERON:** How many field inspectors are employed by the Department of Labour and in what regions are they employed to cover those 28 000 breaches?

**The Hon. R.J. Gregory:** There is a total of 52 inspectors employed to carry out inspections under the Occupational Health Safety and Welfare Act and involved in field work. It should be noted that 20 of these inspectors are principally engaged in industrial relations matters, mainly under payment of wages. However, they also carry out occupational health inspections on commercial premises and in small non-machinery workplaces. Their locations are as follows: Adelaide Eastern, occupational health and safety, 8; industrial, 6; a total of 14. Northern has occupational health and safety, 6; industrial, 3; a total of 9. Port Adelaide has occupational health and safety, 7; industrial 3; a total of 10. Southern has occupational health and safety, 6; industrial 4; a total of 10. Berri has occupational health and safety, 1; industrial 1; a total of 2. Mount Gambier has occupational health and safety, 2; industrial, 1; a total of 3. Port Pirie has occupational health and safety, 1; industrial 1; a total of 2. Whyalla has occupational health and safety, 1; industrial, 1; a total of 2. There are 32 occupational health and safety inspectors and 20 industrial inspectors.

Two occupational health and safety positions are currently vacant and consideration is being given to replacing them so that the 17-week training course undertaken by the new entrants, prior to their being allocated to a position, would enable them to fulfil their work requirement with a high degree of ability. That is being looked at and will be conducted soon.

In addition, the regional managers and boiler inspectors in each region do occupational health and safety inspections as time permits. The budget for 1990-91 also includes funds for an additional four occupational health and safety inspectors for the implementation of manual handling. This will increase the number to 36, with an overall number of 56 inspectors.

**Mr INGERSON:** I notice that there has been a very significant increase in the number of full-time equivalents in the areas of regulation and handling of dangerous goods and substances in the construction industry long service leave area. What is the reason for these extra inspectors? I note in particular that there is a significant increase in employment in the air pollutant area. I note that, in the area of long service leave, there are an additional six personnel, in both places.

**The Hon. R.J. Gregory:** In the opening statement, I referred to the creation of the Mineral Fibres Branch within the Department of Labour, which was created from the transfer of the Asbestos Unit from SACON. I also referred to the construction industry long service leave legislation, which has been expanded to include the coverage of people employed as metal workers and electricians in the construction industry. Four people are involved in that. There has also been an increase in the number of people involved in the Dangerous Substances Unit.

**Mr INGERSON:** I refer to the receipts and recoveries (page 47) of the Government Workers Rehabilitation and Compensation Office administrative costs. In 1989, the actual costs were \$38 000, whereas the estimate this year is \$436 000. Will the Minister explain this significant increase (some 12 or 13 times) in administrative costs?

**Mr Billett:** Last year, Treasury initiated a recoup of the administrative costs of the Government Workers Rehabilitation and Compensation Office from off-budget departments, that is, budgets of larger departments which administer their own workers compensation. That is reflected this year with the full year increase to \$436 000.

**Mr S.G. EVANS:** I refer to page 132 of the Auditor-General's Report and the line that has been referred to in relation to the balance of the Government Workers Rehabilitation and Compensation Fund as at 1 July. The first item suggests that premiums were \$11.613 million and \$10.650 million was transferred from Consolidated Revenue. Was the \$11.613 million the original estimate required for premiums? Was there a shortfall to the extent of \$10.65 million, which was brought out of Consolidated Revenue? If that is the case, what was the reason for the shortfall?

**The Hon. R.J. Gregory:** We do not have with us last year's budget estimate papers. Consequently, we will respond to that question in writing.

**Mr S.G. EVANS:** As far as we are concerned, is the \$11.6 million directly related to the \$26 million as both being estimates that were given at the time, that is, one last year and one this year?

**The Hon. R.J. Gregory:** I made the point earlier that, when one looks at those two lines, it works out to \$22 million and there is a better relationship between the \$22 million and the \$26 million this time. I answered that question earlier.

**Mr HAMILTON:** I refer to 'Conditions of Employment' as shown on page 404 of the Program Estimates. What action is the department proposing to improve the Industrial Advisory Service in line with the consultant's recommendations?

**The Hon. R.J. Gregory:** Pressures on the Industrial Advisory Service continued in 1989-90, mainly as a result of the complexity and the number of changes in the wage fixation system. In 1989-90, 75 000 telephone calls were handled by the Industrial Advisory Service, with a further 73 000 in regional offices. These pressures are expected to continue in 1990-91, and, in this regard, the department's current staffing level has been maintained. If resources allow, additional staff will be employed in this area. In anticipation that this will occur, positions have been advertised. In addition, discussions are proceeding with a view to having State awards available on the existing Federal award text (Fatext) network.

**Mr HAMILTON:** I refer to page 404 of the Program Estimates. Will the Minister advise how many workers received long service leave payments from the Long Service Leave (Building Industry) Fund in 1988-89 and 1989-90? How much was paid?

**The Hon. R.J. Gregory:** In 1988-89, 503 workers benefited from that fund to the amount of \$2 025 932. In the 1989-90 year, 407 workers benefited, and the amount paid was \$1 899 582.

**Mr HAMILTON:** What was the balance in the Long Service Leave Fund as at 30 June 1990?

**The Hon. R.J. Gregory:** The balance of the fund as at 30 June this year was \$20 081 533.

**Mr HAMILTON:** On page 404, mention is made of a new Construction Industry Long Service Leave Act, which became operative on 1 July this year. What impact will this

new legislation have on workers in the construction industry?

**The Hon. R.J. Gregory:** The primary purpose of the new Act is to enlarge the scheme to include electrical contractors and metal trades construction workers who have previously been subject to the provisions of the Metal Industry Long Service Leave Award 1984. The amendments mean that about 1 000 electrical and metal workers in the building industry will have access to portable long service leave based on their service to the building industry as a whole as opposed to the previous arrangement of service to the senior employer. Because of the nature of the industry, many long serving building industry workers were previously unable to qualify for long service leave through no fault of their own. The nature of construction work is so mobile that it is almost impossible for workers to qualify for long service leave with a single employer.

The new expanded Act gives electrical and metal workers in the industry access to the same portable scheme that other building workers have enjoyed since the late 1970s. Under the changes, the board has been renamed the Construction Industry Long Service Leave Board and will manage a new electrical and metal trades fund parallel to its present fund. The initial employer contribution rate for the new fund is 2.5 per cent of the wages of construction workers but it will fall after liabilities for the present workers are met.

The rate of the present fund began at 2.5 per cent and has since fallen to 1.5 per cent. The tripartite board has also been expanded from five to seven members with the addition of extra employer and employee representatives. These extensions to the scheme were first suggested by the Electrical Trades Union and subsequently received wide support from employer groups and unions. The whole exercise has been a positive display of union/employer/Government cooperation and will benefit workers and the building industry as a whole.

**Mr INGERSON:** On page 402, a specific target for this year is shown as a proposal to amend the Employees Registry Offices Act. What is that all about?

**The Hon. R.J. Gregory:** An Act requires that places that register employees for work, such as nurses and so on, be registered. It is proposed to review the Act. It does not have a high priority. It was unable to be reviewed in the last financial year because of the lack of resources which were doing other things. We hope that we will be able to fit it in with the work program this year.

**Mr INGERSON:** My next question relates to the reviewing and streamlining of the provisions of the Motor Fuel Distribution Act. What is the position?

**The Hon. R.J. Gregory:** Apparently, at the moment the board gives a licence and a permit. The board and people involved in the industry have suggested to me that it would not be a bad idea if it were to give one licence that combined the licence and the permit. At the moment if one has a permit and one wants to transfer it to a licence, one must go through a hearing all over again. The board is of the view that if it could just sit and consider it, it would save a lot of time and energy. On that basis the Act will be reviewed.

**Mr INGERSON:** At page 403 of the Program Estimates there is a reference to the Industrial Conciliation and Arbitration Court providing mechanisms for appeals and medical reviews under the Workers Rehabilitation and Compensation Act 1986. There are some significant delays in that process—anything up to nine months. It has been put to me that that is due to two reasons: first, the lack of review officers in the WorkCover Corporation, and, sec-

only, the court's inadequate resources to keep up with claims. Will the Minister comment on those matters?

**The Hon. R.J. Gregory:** Mr Adrian Dangerfield, one of the assistant directors, is more familiar with this matter, and I ask him to answer the question.

**Mr Dangerfield:** It is principally a problem to do with the review system in WorkCover. The reviews are taking longer than they should. WorkCover has the whole review system in hand at the moment—it is reviewing the review system, as it were. There is no problem with the set up with the Industrial Court judges and lay members comprising the Workers Compensation Appeals Tribunal. I am not aware of any delays being caused at the court end of the proceedings.

**Mr QUIRKE:** In relation to the regulation and handling of dangerous goods and substances (page 406 of the Program Estimates) reference is made to a recent risk assessment report. Will the Minister expand on the implications of that report?

**The Hon. R.J. Gregory:** Following discussions with the department, the Public Actuary arranged for a consultant to conduct a review of risk at the Dry Creek explosive magazine in broad terms. That activity is part of a generally increased awareness and review of Government exposure to risks through the activities of various agencies. The recommendations cover a range of issues, including commercial arrangements, staff, emergency planning, security in grounds, and building maintenance. All recommendations are being reviewed by the department to arrange implementation in terms of the department's objectives and resources.

**Mr QUIRKE:** In relation to the regulation and handling of dangerous goods and substances program (page 406), what is the current situation regarding the review of the Explosives Act and the explosives regulations?

**The Hon. R.J. Gregory:** Earlier in the year the department held discussions with the Office of Government Adviser on Deregulation and gained the services of a staff member of that office to undertake a review and draft a discussion paper. The terms of reference of that review were expanded to cover both the Explosives Act and the Dangerous Substances Act, because explosives are included in the list of dangerous substances in the United Nations classification system, and the current Act has the same objectives.

The department is currently reviewing the discussion paper drafted by the Office of Government Deregulation and providing comment on factual accuracy. Some of the issues are complex and some errors have been found. Comment is required on issues that are not considered to be addressed in sufficient depth and issues that are not identified. Once the discussion paper is finalised it will be released for comment and the result of submissions used to assist and develop drafting instructions for a new Act addressing both explosives and dangerous substances.

Although included in the above discussion paper, the department is discussing a purchase of explosives system with the Police Department, to investigate whether administrative procedures to have permanent applications checked by them can be introduced. These discussions commenced after recent incidents involving explosives raised concerns about the purchase of explosives. Recently the department received communications from the Police Department outlining a procedure that it thinks will be suitable and effective. I am confident that as soon as we have considered it in the department we shall issue new procedures for permits to acquire explosives.

**Mr QUIRKE:** As a supplementary question, what action is being taken to ensure the ongoing security for the storage of explosives at Government magazines?

**The Hon. R.J. Gregory:** We have only one magazine, and that is at Dry Creek. SACON is currently reviewing the perimeter fence. When that has been replaced, a surveillance system will be put in which should detect illegal movement into the premises.

**Mr QUIRKE:** On regulation and handling of dangerous goods and substances, what regulatory functions will be controlled by the new Mineral Fibres Branch?

**The Hon. R.J. Gregory:** The relevant regulations on the Occupational Health, Safety and Welfare Construction Safety Regulations are: regulation 161.1, control the spraying of asbestos; regulation 161.2, construction work in the vicinity of asbestos; regulation 161.3, sealing, encapsulating and enclosing asbestos; regulation 204.1, ventilators and respirators; regulation 204.3, safe use of harmful substances; and division six, regulation 222, licence for asbestos removal work.

The regulations under the Occupational Health Safety and Welfare industrial safety regulations 1987 (with regulation 39 relating to asbestos work) were applicable, with responsibilities on employers under sections 19 and 22 of the Occupational Health, Safety and Welfare Act 1986. The approved code of practice for the safe removal of asbestos was published pursuant to section 19 (2).

Synthetic mineral fibres, which include glasswool, rockwool and ceramic fibres are not currently controlled by any specific legislation. That situation is expected to change probably in late 1990 or early 1991. When it does so, the Mineral Fibres Branch will be responsible for administering the regulatory requirements. The standard for the exposure level of these fibres, together with a code of practice for safe use, is due to be considered by the South Australian Occupational Health and Safety Commission in October. It is expected that it will then be possible to have them gazetted during December 1990.

**Mr INGERSON:** In the *Government Gazette* of 26 July, the Workers Rehabilitation and Compensation Act had a determination which was signed by the presiding officer of the WorkCover Corporation. In essence, it increased the levy rates applicable as at 1 July. I have had several discussions with people in the legal profession. Several of them are of the opinion that a determination cannot be backdated when it is published in the *Gazette*. In other words, the determination to increase the levy was made in the *Gazette* on 26 July, effectively backdating it to 1 July. Will the Minister investigate that matter and advise the Committee? It has some serious ramifications, as the Minister would be aware, if it is incorrect.

**The Hon. R.J. Gregory:** I will undertake to provide a response to that matter.

**Mr INGERSON:** At page 404 of the Program Estimates there is a reference to the number of complaints alleging breaches of awards and/or industrial legislation being at an unprecedented level. What is being done to attempt to reduce this obvious problem and what are the most common breaches?

**The Hon. R.J. Gregory:** The obvious response to that is to put on more inspectors, and that is what we are doing.

**Mr INGERSON:** As a supplementary question, could the Minister say what type of breach is most common?

**The Hon. R.J. Gregory:** I thought that I had earlier listed the number of visits that were being made by inspectors, and that referred not to the breaches, but to the visits. We can advise about one respect, namely, the complaints received on the observance of the Occupational Health, Safety and Welfare Act and the regulations thereunder, as follows: welfare facilities, 109; machinery and equipment, 186; electrical plant and equipment, 136; dust and fumes,

132; noise, 28; working environment, general, 270; and other, 66, making a total of 928. Those figures were for written or verbal complaints.

**Mr INGERSON:** On page 405 there is reference to a proposal to provide for expiation of certain minor offences. Would the Minister explain what he has in mind in that area?

**The Hon. R.J. Gregory:** That matter is with the Attorney-General at the moment and, until he makes the appropriate amendments to the relevant Acts, we will not be able to do it. However, it would mean that, in certain areas, we would not go through the long, drawn out referring and deferring of court cases, where, if people have clearly admitted liability, they pay to expiate the offence, the fee for which would be at an appropriate level, as opposed to being charged and appearing in court and having the matter adjourned from month to month until it is dealt with—sometimes, 12 months after the charge has been laid. It would mean that officers of the department would be employed more usefully by assisting people in occupational health and safety matters as they do now, instead of being tied up waiting to give evidence. One could say that, as a result of the expiation fees for traffic offences, we have more police officers actually out at the sharp end of the Police Force assisting the public and preventing crime from being committed, instead of hanging around courts waiting to give evidence.

**Mr INGERSON:** I understand the expiation system, but could the Minister say what the certain minor offences may be, because I think that quite a few members of the community would like to know that, particularly if it is already before the Attorney-General?

**The Hon. R.J. Gregory:** They may be matters such as failing to register, failing to keep records, or a whole number of matters where people just do not abide by the regulations, and it would have a deterrent effect.

**Mr INGERSON:** On the same page, I refer to procedures that have been developed to assist the Commonwealth inspector administer the Federal vehicle industry occupational health and safety award. Input was also made to a DOLAC working party to review the effectiveness of the award. Can the Minister explain that reference?

**The Hon. R.J. Gregory:** It is one of the most frustrating experiences I have ever had. I was astounded and amazed when I found that the Federal commission actually included in a Federal award a provision for occupational health and safety. One of the last things I did when I was in office in the Amalgamated Metal Workers Union, before becoming Secretary of the United Trades and Labour Council, was remove from a number of awards in South Australia to which we were respondent references to occupational health and safety so that the Occupational Health, Safety and Welfare Act that was already implemented in South Australia would apply. I am sure the Chairman can recall numerous instances where occupational health and safety standards in factories covered by the Federal Metal Trades Award were appalling; where the local Health Act could not apply; and where the industrial code, as bad as it was, could not apply. I recall going to one factory where there were six inch duck boards in the toilet, and people's feet still got wet. Nothing could be done because a Federal award provided for occupational health and safety, and the condition of toilets came under that.

As I said, I was astounded. For some reason or other, the Arbitration Commission (the predecessor of the current Industrial Relations Commission) varied the Vehicle Industry Award to provide for what we in South Australia consider to be inferior occupational health and safety conditions. The Vehicle Industry Employees Federation in this State is

of the view that the amendment to the Federal award should not apply in South Australia. After two years, one attempt was made by a number of the State Governments, with the support of the Commonwealth Government, to have the award varied, but we were unsuccessful. We decided that, as South Australia was the next biggest employer of vehicle building employees, we should conduct an active campaign to get this award varied.

In consultation with the Vehicle Builders Employees Federation and the two principal vehicle building companies in South Australia, namely, General Motors Holden's and Mitsubishi, we have reached an arrangement under the Industrial Relations Department of the Commonwealth where our inspectors would do the inspecting and reporting. It is an unsatisfactory situation, because deaths and severe injuries can occur at Holden's in Elizabeth and at Mitsubishi at Tonsley Park and Lonsdale, where there is no effective method of investigation.

This is one area where the Commonwealth does not have properly trained people to administer this provision in the award. It seems to have totally escaped the commissioner when this decision was made. I am hopeful that, in 12 months time when that award is up for review, our commonsense arguments can prevail, particularly the evidence that our people will be able to give at that commission hearing about the poor enforcement of occupational health and safety standards at Woodville, Tonsley Park and Lonsdale, compared to the enforcement at other places adjacent to and alongside them, where people working under the provisions of the South Australian Occupational Health, Safety and Welfare Act have better and superior safety provisions and are better looked after, and that that part will be removed from the Act. I cannot understand how it happened. As I say, a long time ago I was busy removing it.

It is also very important that all people who work in South Australia work under the one Act. It is important that we do not have a multitude of occupational health and safety standards applying throughout the State, because that leads to confusion, which in turn leads to serious injury and death. We are about trying to reduce all those things. We think that one common standard in South Australia will mean that the employers and the workers know exactly what the rules are and that there can be no hiding behind a Federal award or Act. Indeed, on my insistence, the codes that are being prepared by WorkSafe Australia are being adopted in South Australia with little variation, because I believe that in South Australia we should have one standard code so that, when our employers and workers are working interstate, they will have the same code so that they do not need to abide by different rules in different places. That would mean less confusion, easier training and safer worker habits, and that nationally we could have a safer place in which to work.

**Mr HERON:** With reference to occupational health and safety in and near the work place and other areas on page 405 of the Program Estimates, it states that the increase in resources is due to the transfer of the Occupational Health Division from the Health Commission. What does this division do, and how will it fit into the Department of Labour?

**The Hon. R.J. Gregory:** During the election campaign, it was made clear that our Government would consolidate the varying occupational health and safety facilities of other departments into one. This was the first move, and the increase in resources in this program is matched by a corresponding decrease in allocation of resources to the South Australian Health Commission. We have with us today, for

the first time under the Department of Labour, Dr Milton Lewis, Director of that division. The Occupational Health Division is a multi-disciplinary team of occupational health professionals with particular emphasis in the areas of occupational medicine, occupational health nursing, industrial hygiene and ergonomics. Just under half the total work-time of the team is spent providing an advisory/consultancy service to management and workers in both the private and public sector.

Approximately an equal amount of time is spent in providing education programs for professionals, management, workers and representatives. These courses will include orientation courses for new occupational health nurses, and specific skills development for nurses in hearing conservation and spirometry. Persons wishing to provide mineral fibre monitoring will be offered specific training in that field. Short courses are offered for members of occupational health and safety committees and for managers and supervisors on occupational health and safety management.

Courses will be provided for clients on demand on a range of other occupational health issues including safe handling of ethylene oxide (a potential cancer-causing agent), occupational stress, prevention of occupational back pain, manual handling and general applied ergonomics. The staff of the division also participate in health and safety representatives training by approved providers, (such as the United Trades and Labour council of South Australia, the Trade Union Training Authority, the South Australian Employers Federation and the Chamber of Commerce and Industry). Lectures are also provided in tertiary level courses at the University of Adelaide and the South Australian Institute of Technology (to become the new university).

The division also conducts a modest amount of research in areas within the professional expertise of its members. All research has a strong practical element, and relates directly to workplace related issues. The division carries out surveillance on all cases of mesothelioma (a rare malignancy with a strong relationship to blue asbestos exposure). A register of asbestos-exposed workers is also being established.

Staff of the division provide input, in accordance with their professional and technical expertise, into occupational health related publications originating from Worksafe, the South Australian Occupational Health and Safety Commission, other divisions of the department and internally. Similarly, input into the preparation of relevant legislation and codes of practice is an appropriate role for the division.

The relationship between this division and the rest of the department is being worked out both at senior management and officer level. It is envisaged that the inspectors will have more direct access to the support of this division's expertise. It is also expected that, where appropriate, inspectors will refer queries to the division for direct responses to the client.

**Mr HERON:** Also referring to page 405 under Issues/Trends, it states:

Targeted inspections and safety audits of workplaces with the worst safety performance which have been trialled, will be further developed.

This is proposed as a specific target for 1990-91. What does this involve?

**The Hon. R.J. Gregory:** Members will recall that amendments to the Workers Rehabilitation and Compensation Act assented to in April this year made provisions for WorkCover to release to the Department of Labour and the Occupational Health and Safety Commission details of individual organisations having poor claims records. As a consequence, the department, the commission and WorkCover have consulted on the nature and frequency of data required

to ensure that such organisations are targeted (by the department's inspectorate) for safety audits. During these audits the inspectors will fulfil their regulatory function of checking compliance with the Act, regulations, standards and codes of practice. They may issue improvement and/or prohibition notices and, in more serious cases of non compliance, they may recommend legal action.

The inspectors will also carry out (as time permits) some advisory work, to assist in the achievement of compliance, and in this regard the 'Safeguards' handout sheets will be of great value. The department has produced over 50 of these in the past year or so, covering a wide range of general and specific safety issues. By these methods it is anticipated that the safety performance of audited organisations can be improved and the toll of accidents reduced.

I might add that the cost of about 94 per cent of the claims originate from 7 per cent of the workplaces. In South Australia we have some very dangerous places in which to work. I will repeat the story, because it is worth repeating. I was advised by the Manager of WorkCover very early in my stewardship as Minister of Labour of an employer who ran a small metal manufacturing enterprise. He had a 300 per cent injury rate; that is, every worker could expect to be injured three times each year. When confronted with this high level of accidents, his comment was, 'This is a dangerous industry and it is a common occurrence in this industry.' When he was advised of the accident rates of employers who operate similar enterprises, he was astounded and did not believe it.

WorkCover then prevailed upon that person to manage his workplace better. As a result, the injury rate dropped to 67 per cent, and he thought he had achieved wonders. I suppose that, going from 300 per cent to 67 per cent, he had, but we all know that 67 per cent is still too high. He was further prevailed upon to reduce that injury rate. I make the analogy that, if somebody was to stand on the pavement in front of this building and beat passers-by with a stick with the frequency and severity with which the employees were injured in that workplace, it would not be long before that person was apprehended by one of the constables and transported to the watchhouse.

It would not be much longer before a magistrate would be chatting with them and either advising them of their obligations to be a good citizen or fining or imprisoning them, or placing them on a good behaviour bond. In those circumstances, this person had been operating a business for, I think, 15 years. He had been paying the registration each year, and it is similar to having a licence to hurt and injure people. That is not good enough.

The sad part of it is that, in the first instance, once a person has been convicted in the courts of this country, that person is no longer eligible for orders for service to the public, such as the Order of Australia medal. However, this person who operated this factory and had contributed to charitable organisations throughout Adelaide could have been recommended for and received such an award. I do not see the justice in that situation. That is why it is important that operators, employers and managers of enterprises should be required to provide a safe workplace.

It is very important to have those recent amendments to the Workers Rehabilitation and Compensation Act, where companies and enterprises that are not performing very well can receive visits from our officers and where the whole range of skills that our department provides can be used to reduce the injury rate. I hope that those employers welcome the visits from our officers in those circumstances, because I am confident that if the injury rate drops, productivity will increase, profitability will rise, and the companies will

survive longer, and their workers will have a safer working environment.

**Mr HERON:** Also referring to the same program, what is involved in the development of national safety-related legislation for lifts, cranes, boilers and pressure vessels?

**The Hon. R.J. Gregory:** Agreement has been reached by the conference of Commonwealth and State Labour Ministers to change the concept of design approval and place the responsibility with designers and manufacturers. This will require a certificate being issued by an accredited independent person with expertise in the particular field and the design being registered by the State concerned. The details of this proposal are to be developed in consultation with the other States.

**Mr INGERSON:** Page 407 of the Program Estimates contains the reference that WorkCover will undertake registration of employers (not work places) as from 1 July 1990. Can the Minister advise the full year income received under the previous system in 1989-90 and the estimate for 1990-91?

**The Hon. R.J. Gregory:** I will ask the Director to find the exact amounts. One needs to take into account a couple of things. Under the previous system, registration was collected yearly in advance. The member for Bragg is familiar with the system of \$27 and about \$4 per employee. Under the new system, funds are collected monthly in arrears. Employers who had contributed or paid their fees in advance of 1 July this year will be getting a refund. A number of employers had paid up to 30 June. Consequently, the income for the last financial year and the current financial year is not a true reflection of what the income will be in the forthcoming years. As to the exact amounts, I will ask the Director to advise the Committee.

**Mr Bachmann:** The estimate for 1989-90 for registration of work places was \$3.16 million, and the actual income received in 1989 was \$1.646 million. The estimate for 1990-91 is \$2.42 million. The \$1.646 million, as the Minister said, was less than the estimate because from 1 February 1990 we collected proportionate fees to 30 June 1990. Therefore, that caused us not to collect as much revenue as was originally estimated when we expected that we would get a full year fee for that period. Estimates for this year are based on payments to WorkCover for the one-off establishment cost estimated at about \$170 000 and an annual maintenance fee of \$45 000. Because of the collection by WorkCover there is a one month delay in the collection of fees from 1 July 1990 as bills go out in July and therefore there is no collection until the first collection in August. That is given as a figure of \$265 000, making a net figure of \$2.42 million.

**Mr INGERSON:** Can I take it from those comments that the changes to a percentage collection are neutral in terms of income (I do not mean in terms of inflation, but generally neutral)?

**The Hon. R.J. Gregory:** The whole aim of the exercise was instigated in the House of Assembly Chamber when the member for Bragg's previous shadow Minister (the member for Mitcham) made some remarks about reducing the number of forms. I said that we would have one form for work place registration and one for workers compensation. That is how we got that matter sorted out. I am pleased to say that we got agreement from the Liberal Party in that area. That amendment went through fairly easily, as opposed to some other amendments in the Workers Compensation and Rehabilitation Act.

Once we got that through we had to negotiate with the employers and there was considerable argument and discussion with employers about how it should apply. Our

whole intention was for it to be revenue neutral. There was some argument about how that should apply. As in all cases, when we change a system there are winners and losers. The smaller employers were the winners and some of the bigger employers who operate more dangerous factories were the losers, in that they paid more. The general outcome to the Government should be about the same.

**Mr INGERSON:** On page 408 of the Program Estimates under the program 'Equal opportunity for women' there is the following reference:

As from 1 February 1989 all firms employing 100 or more staff have had to comply with the affirmative action legislation. There is no local source of advice and expertise to enable firms to maximise the effectiveness of their endeavours.

Can the Minister advise what the department intends to do with what appears to be a fairly significant problem, if there is no form of advice available?

**Ms Thompson:** The resources that this department can supply to support the affirmative action program are not large. The Affirmative Action Agency visits all States and runs seminars in conjunction particularly with employer organisations on how to introduce affirmative action programs, but our experience is that they are a little remote. We have been trying to supplement those resources. We have run one seminar on how to integrate affirmative action responsibilities with the award restructuring process.

As a result there were contacts from three of the firms involved with whom we have been doing some subsequent consultancy work. The other measure we take is to ensure that in *Workplace*, which is the publication of the department that goes to 3 000 employers in the State, there is always an article either giving some direct guidance on some of the issues concerned or referring to other literature which is available and which can assist people in that way. We will be repeating the seminar on affirmative action and award restructuring as one measure and we are able to respond to issues that firms raise with us.

**Mr S.G. EVANS:** I refer to page 132 of the Auditor-General's Report and the workers compensation fund. The Minister indicated earlier that we could relate the \$22.263 million that was used last year—\$11.613 million in premiums and \$10.650 million being transferred from consolidated account—as having a direct relationship to the \$26 million that has been provided for this year's premiums. What is the increase from last year? In his 'Notes to and forming part of the Financial Statement', the Auditor-General states:

	\$'000
Funds were transferred from consolidated account to finance:	
Lump sum settlements under the repealed Workers Compensation Act .....	7 000
WorkCover levy .....	2 000
Injury prevention and risk management programs .....	1 650
	\$10 650

These sums amount to the \$10.650 million to which I have referred. Can the Minister explain that, because I cannot understand how there will be lump sum settlements still to come from the previous Workers Compensation Act that are included in the \$26 million? Will the Minister explain how the first 21 days are paid, especially in respect of the 28 agencies? Is it paid direct to the employee, or is it paid into consolidated revenue and then transferred over, or is it paid direct to the WorkCover fund, which pays it out to the employee?

**The Hon. R.J. Gregory:** I do not know how many questions there are, but I will try to answer all of them. The



first 21 days comes out of departmental revenue—the department is responsible for that.

**Mr S.G. EVANS:** Is it paid directly to the employees?

**The Hon. R.J. Gregory:** The first 21 days are paid by the department. I do not know who else it would pay it to if not to the employee. When I made the comment about the \$22 million, I was slightly inaccurate. If members look at the total they will find that it refers to a carry-over, or balance of funds at 1 July of \$7.946 million. That was a carry-over from the previous year. This fund used to be topped up by Treasury and this is an accounting procedure. These accounting procedures can be complex and I understand the confusion that arises from time to time. The estimate for this financial year is about \$26 million.

In reference to total claims being \$28 million, I think we need to look at this in its total. The honourable member also said that he cannot understand the lump sum payments being from the old Act. I said earlier in evidence today that there is still a considerable number of claims to be dealt with under the old Act. I also pointed out that they take a long time. During the examination of the Marine and Harbors Department, reference was made to a former worker who had received a \$1.1 million payout in a lump sum because he was severely brain damaged in an accident that occurred 11 years previously. The case had taken that long to settle.

I am not sure how many claims are outstanding, but I think that it is in excess of 250. I make no prediction as to when they will be finalised because, as experience under the old Act has shown, one of its worst features was that the cases took a long time to settle. In the meantime people got nothing. Under the new Act at least people will receive some money each week. I also said earlier that I would give the Committee a more detailed explanation of how these figures are made up and I will do that.

**Mr QUIRKE:** I refer to the Program Estimates reference to regulation of handling of dangerous goods and substances (page 406). What are classified substances and what regulations are proposed?

**The Hon. R.J. Gregory:** Class 5 dangerous substances are solids and liquids that, although not necessarily combustible, readily liberate oxygen or are the cause of the oxidation processes which, as a result, may start a fire in other materials or stimulate combustion in other materials and therefore increase the violence of a fire. They are classified as follows: class 5 (1) oxidising agents, that is, pool chlorine and hydrogen peroxide and class 5 (2) organic peroxides as catalysts used in the fibreglass industry.

Regulations for the keeping of those products are to be developed and, although public discussion has not commenced, it is expected that the following issues will be addressed: security from unauthorised access; protection from the weather; packaging and labelling requirements; workplace placarding; and special provisions—some organic peroxides require refrigerated storage; spillage control; fire prevention; provision of some sort of emergency planning; chemical compatibility and/or separation distances; and licensed premises above some lower limit. Some of these items are also expected to be addressed in general workplace chemical legislation being developed within the occupational, health and safety area. These developments are being monitored to ensure all proposals are compatible.

Standards Australia is also developing a range of standards for storage of dangerous substances. Little development work has been done because of a lack of resources and a submission for funding for 1990-91 was unsuccessful. Some progress will be made during 1990-91, mainly in terms of monitoring the above developments and providing com-

ments and recommendations to ensure that the final document is suitable for use in this State.

**Mr QUIRKE:** In the same program and on the same page reference is made to the development of safety audit sheets for dangerous substances. What area will be covered by these sheets?

**The Hon. R.J. Gregory:** Safety is achieved by prescribing minimum requirements that must be met. Where possible, these requirements are in the form of an Australian standard or other national document so that the industry can operate in a framework that is uniform across all States. It is envisaged that the safety audit sheets will target the requirements of the standards or State legislation to assist inspectors to concentrate on the important issues when they are inspecting licensed premises. It is also likely that the sheets will be distributed to licensees so that self-assessment of premises may be carried out.

**Mr QUIRKE:** Under the same program, mention is made of amending the Dangerous Substances Act to provide for cost recovery for emergency clear up of chemical spillages and incidents. Can the Minister expand on that?

**The Hon. R.J. Gregory:** Members may recall that in my opening statement I made reference to a spill at Edwardstown, where zinc chloride was spilled and got out on to a road and nearly into a stormwater drain and, hence, into a creek. The fairest estimate of the cost of cleaning up that spill is about \$150 000. There is a view that there should be some regulations to allow for the recovery of those costs, particularly where the employer in this circumstance was culpable.

The department, in conjunction with the South Australian Dangerous Substances Standing Committee, is preparing a submission to Cabinet and is drafting instructions for the Parliamentary Counsel to provide for cost recovery of chemical spillage clean up. It will not be possible to address all spillages of all types of chemicals listed in the Dangerous Substances Act, but a start can be made. It is expected that complementary amendments to other legislation may be needed to ensure that costs are recovered. Until we get Parliamentary Counsel to assess the draft instructions the full extent of the Dangerous Substances Act is unknown. It is a very complex issue and one that needs to be addressed. In the marine environment any vessel spilling oil is required to pay the cost of the clean up. As a result, shipping companies go to extraordinary lengths to ensure that there are no spillages.

**Mr INGERSON:** Is it the case that not all employers have been advised of the results of their review, even though WorkCover has promised consultation throughout the review process? Is it also the case that decisions have already been made as to which companies will have their exempt status renewed and for how long, even though not all companies have been previously advised of that review?

**The Hon. R.J. Gregory:** Before I answer that question, I would like to know whether the honourable member's following questions all concern WorkCover. I was given no indication that questions would be asked about WorkCover, and consequently I have not made any arrangement with the officers of that organisation to be here. However, if the honourable member is prepared to give me those questions on WorkCover I will endeavour to have them answered in writing by the appropriate time.

**The CHAIRMAN:** If the Minister intimates to the Committee that he has no WorkCover officers with him but is prepared to take questions on notice and provide answers by 5 October, the member for Bragg can proceed with his line of questioning.

**Mr INGERSON:** Most of my remaining questions all relate to WorkCover, so I will read them into the record in due course. On page 410, there is reference in the 1990-91 specific targets to the introduction of a more effective claims estimation procedure, with a view to obtaining an estimate of acceptable accuracy of the Government's outstanding liabilities. That is a general reference under the Government Workers Safety, Health, Workers Compensation and Rehabilitation program. What does that reference mean?

**Mr Dangerfield:** In the past, as part of our computerised system in the Government Workers Rehabilitation and Compensation Office, we have had provision to estimate workers compensation claims. What has happened with the progressive delegation of workers compensation administration to other departments is that we now require other departments to make estimates of claims, as well. The budget papers refer to our endeavour this year to ensure that departments which handle their own workers compensation are estimating in a consistent manner with the Government Workers Rehabilitation and Compensation Office so that there is consistency across the Government as a whole.

**Mr INGERSON:** Further on page 410, reference is made to the continuing negotiations with WorkCover and the Employers Managed Workers Compensation Association on a more accurate basis of setting the exempt employer levy. The Minister answered that briefly before. Will he expand on it, if possible?

**The Hon. R.J. Gregory:** I have adequately answered that question before. We believe that we ought to be paying about \$500 000, and that is the basis of the negotiation with WorkCover. I corrected the member earlier when he said 'negotiated'. I said that we were 'negotiating', and that is the reference to it.

**Mr INGERSON:** I note that the Minister said that the Pentstar program is to be expanded into other departments. Will he advise the Committee which departments will take it up and whether the program has been modified from the program used by the Correctional Services Department? I understand that there were considerable concerns with the original Pentstar program.

**The Hon. R.J. Gregory:** I have already answered that question about Pentstar, which was asked by a Government member. I do not want to repeat the answer unnecessarily. It has already started in the Correctional Services Department. The Police Department is finalising the funding proposal before it is considered by the Government Workers Compensation and Rehabilitation Office. Discussions are under way with a number of other departments, including State Services and Education, with the view to their picking up the program. It is fair to say that all those occupational health and safety programs are viewed by some people with suspicion. However, once they get working, once they are trialled and amended, as experience shows where changes are needed, they can become very effective, if they are applied constantly.

**Mr HERON:** What are the Government's proposals regarding amendments to the Shop Trading Hours Act as outlined at page 402 of the Program Estimates?

**The Hon. R.J. Gregory:** A Bill has been introduced to permit general trading until 5 p.m. on Saturdays. We hope that the Bill will be debated during October. The main features of the proposed amendments include the provision to permit service stations to sell foodstuffs and associated lines on an unrestricted basis, to delay the introduction of the change to motor vehicle dealer trading hours until the industry's perceived problems with the Motor Vehicle Security Register are resolved. There is also a Bill to amend the

Landlord and Tenant Act to prevent traders in shopping centres being required to open in uneconomic hours.

**Mr INGERSON:** I shall now read into the record the series of questions on WorkCover, which can be taken on notice—as discussed previously.

1. Why are private employers subject to a different set of rules to those imposed on Government authorities and departments?

2. Is it true that the standards established by WorkCover for exempt employers are not met by WorkCover itself? If so, why should private employers be penalised by having to meet higher standards than WorkCover?

3. Is the process conducted by WorkCover in reviewing the performance of exempt employers designed to force those employers to relinquish their exempt status in order to provide more funding to WorkCover?

4. Referring to the Auditor-General's Report, page 134, will the Minister supply to the Committee the general reaction to the over-exertion claims—as related to that page?

5. What is the current status of the WorkCover rehabilitation review? What other reviews have also taken place by WorkCover in the past three months?

6. What changes have occurred in the building industry in relation to contractors and plant, and has that now been excluded under the WorkCover levy system?

7. What are the qualifications required for review officers, and how many review officers currently work in WorkCover?

8. How many employees have cars as part of their financial package and how many of them have fully imported vehicles in that package?

9. What is the amount of claim delays, in particular claimed delays over 45 days?

10. When will the actuarial report of 30 June be available to the public?

**The Hon. R.J. Gregory:** I am pleased to take those questions on notice. The member for Bragg and I are members of the select committee that is inquiring into WorkCover. Those answers will be provided for this Committee, which that committee will look at. It would be interesting to know how many members of the House of Assembly and of the Legislative Council also drive imported motor cars.

**The CHAIRMAN:** There being no further questions, I declare the examination of the vote completed.

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Minister of Labour and Minister of Occupational Health and Safety, Miscellaneous, \$1 002 000—Examination declared completed.

[Sitting suspended from 5.56 to 7.30 p.m.]

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Personnel and Industrial Relations, \$12 680 000.  
Works and Services—Department of Personnel and Industrial Relations, \$899 000

**Chairman:**

The Hon. T.H. Hemmings

**Members:**

Mr S.G. Evans  
Mr K.C. Hamilton  
Mr V.S. Heron  
Mr G.A. Ingerson  
Mrs D.C. Kotz  
Mr J.A. Quirke

**Witness:**

The Hon. R.J. Gregory, Minister of Labour.

**Departmental Advisers:**

Mr A. Strickland, Commissioner of Public Employment and Chief Executive Officer, Department of Personnel and Industrial Relations.

Ms Susan MacIntosh, Director, Policy and Support Services.

Mr R. Bishop, Director, Industrial Relations.

Mr T. O'Rourke, Manager, Support Services.

**The CHAIRMAN:** I declare the proposed votes open for examination.

**The Hon. R.J. Gregory:** The key priorities for the Department of Personnel and Industrial Relations in the 1990-91 financial year will be the support and the implementation of award restructuring throughout Government agencies and to assist with Government agencies' review activities and a consequent restructuring of organisations and programs. This will include an increased emphasis on redeployment and retraining, as well as new voluntary separation incentives. The department will also be maintaining and further developing social justice initiatives, reflecting the Government's commitment to the budget's social justice strategy.

The new initiative for 1990-91 is the employment and training program for those persons with disabilities for which funds of \$189 000 have been provided. The funds will allow for 15 disabled persons, including five persons with intellectual disabilities, to be placed in employment and for the necessary training and support to be provided to them. Also, as part of the Government's social justice strategy, \$672 000 has been provided to continue and further develop a range of programs designed to increase the employment of Aboriginal people in Government departments and to enable Aboriginal employees access to staff development training opportunities, including management development, to give them increased capacity to advance in their Public Service careers.

While the Government's target of 1 per cent of employees' administrative units was achieved in June 1990, the ongoing recruitment and development of Aboriginal employees remains a key focus for 1990-91 to ensure improved retention and promotion opportunities. The Commonwealth is jointly funding these programs, and approximately \$700 000 will be provided by the Commonwealth Department of Employment Education and Training this financial year.

As part of the overall budget process, some areas of the department will have a reduction in resources. These adjustments will occur mainly in the area of support services or services provided to clients where alternative providers exist. There will also be adjustments as a result of the reorganisation of the central agencies with some functional staff from DPIR joining the combined Cabinet Office and Office of the Board of Government Management in the new Office of Cabinet and Public Management in the Department of Premier and Cabinet.

This reorganisation reduces by one the number of central department administrative units and integrates advice to and support for Cabinet and the Government Management Board. The three central agencies, namely, Premier and Cabinet, Treasury and DPIR, will support the review and restructuring of Government agencies and programs as outlined by the Premier in the budget. This will lead to a more effective and cost efficient Public Service in South Australia.

**Mr INGERSON:** I note on page 16 of the Auditor-General's Report that there was a staff increase of 133 in the past financial year. Also, on page 156 of the Auditor-

General's Report there is a note that there has been an increase from \$6.3 million to \$9 million in salaries. Can the Minister explain where that has occurred, and why?

**The Hon. R.J. Gregory:** They are the people whom the Government has taken on as youth trainees. The member for Bragg may realise that during the past financial year the Government announced the recruitment of a considerable number of young people as youth trainees. The Department of Personnel and Industrial Relations took on those people to add to their strength but, in fact, they are working in various Government departments.

**Mr INGERSON:** Would that explain the \$3 million difference between the two figures? I should have thought it would be less than that.

**The Hon. R.J. Gregory:** A total of 200 Australian trainees and about 100 school leavers were taken on in that program. The department took them on and placed them out in the various Government departments as part of our youth training program.

**Mr INGERSON:** My next question relates to program 3. There is a significant rise from \$3.2 million to \$4.816 million in the provision for salaries under that program. Would the Minister explain that?

**The Hon. R.J. Gregory:** It is the same group; it involves the school leaver recruitment program, with savings of \$220 000 resulting from the earlier anticipated placement of 98 supernumeraries, and traineeship program savings due to two traineeship groups, with 50 trainees starting in June. Also, the social justice funding of the Aboriginal recruitment program experienced a saving of \$71 000 due to participating departments not claiming regularly on a monthly basis and, in the carry-over of the 1989 unspent traineeship funding of \$39 000, there was an increase in the program activities of Aboriginal employment training, involving \$458 000. There is an allocation to youth recruitment training programs involving traineeship, 141; school leavers, 40; and the disability program, 15.

**Mr INGERSON:** Referring to entitlements to motor vehicles, I understand that new criteria have been set for the higher levels in the Public Service in relation to the use of motor vehicles, and guidelines as to when that can be part of a certain package. In other words, when an officer reaches a certain level, a vehicle with Government plates is supplied; and at the next level, a vehicle with private plates is supplied, thus allowing the vehicle to be used during weekends. As the Minister would be aware, much concern has been expressed in the community and many questions have been put on notice in the Parliament about the use of such vehicles. Will the Minister inform the Committee of the guidelines in order to allay any more confusion, because it is my understanding that many of the packages that are available in the public sector are not very different from those available in the private sector?

**The Hon. R.J. Gregory:** I will ask the Commissioner of Public Employment to supplement my answer. A whole number of Government employees, for a number of reasons, take home Government vehicles. There is a misinterpretation by some members of the community as to when Government employees should be using Government-plated motor vehicles. There seems to be a perception abroad that the Public Service works only from 9 a.m. to 5 p.m., Monday to Friday. They do not understand that many public servants work on weekends. There have been some celebrated occasions when people have asked questions about the use of Government-plated motor vehicles.

The Commissioner of Public Employment has reissued a circular that makes quite clear that people who take home Government-plated vehicles are not to use them for their

private purposes. They take the vehicles home to facilitate their use in their work. I will cite the example of two people who live in the street in which I live. One drives a panel van, with Harrison Forklift Trucks painted on the side, everywhere on the weekend, while the other occasionally takes home a Government vehicle. He must leave it in the street or in his drive. He actually hides it, and is not allowed to use it over the weekend. That sort of use causes problems of resentment amongst Government employees. However, we have a policy that the vehicle should not be used unless for work purposes.

Further, it has been determined that persons can take Government-plated vehicles home so that they can go straight to their place of work when using that vehicle in the course of their employment. That is a sensible thing to do because, at one stage in some Government departments, employees were travelling past the first port of call for over half an hour before they reached their place of employment, picked up a Government vehicle and drove it back. In those instances, employees now take the vehicle home.

A section of the Government work force have this package in their employment; it is negotiated and provides a normal-plated motor vehicle which they are allowed to use for their general purposes, I will ask the Commissioner of Public Employment, Mr Strickland, to provide the details of how that operates.

**Mr Strickland:** Members may be aware that, as a result of award restructuring, the Executive Officer level within the South Australian Public Service was substantially revamped earlier this year. As part of that revamping process, which mainly consisted of moving from the old six-level structure to a new three-level structure, the provision of motor vehicles was taken into account. It has been common at executive levels in all other Public Services in Australia, including the Commonwealth, over the past five or six years to include various forms of motor vehicles as a part of their packages. As the honourable member has already alluded to, this is very common practice in the private sector. We are one of the last to do it, and we are doing it in a relatively minor way compared with, say, the Commonwealth or some other States.

The new Executive Officer level 1 has available for home to office use a vehicle with State Government blue plates. Executive officers at levels 2 and 3 are provided with a private-plated motor vehicle. Again, this is available for home to office use and should be made available by those officers for departmental use during normal working hours. However, it is available for the officer's own use during the weekend and for some limited use during recreation leave.

The standard of motor vehicle available is a Magna GLX or a Toyota Camry. A total of 126 vehicles are allocated to officers in administrative units at Executive Officer levels 2 and 3. An additional 41 private-plated vehicles are available to Chief Executive Officers.

**Mr INGERSON:** How does the department monitor flexitime and, in particular, any abuse of flexitime, and has there been any disciplinary action for abuse of flexitime?

**The Hon. R.J. Gregory:** I ask Mr Strickland to respond to that question.

**Mr Strickland:** Flexitime has been one of those topics about which there has been much examination and speculation for quite a period of time. As background information, I point out that we in South Australia adopted a set of guidelines which is binding on all Government departments and which is backed by a Commissioner's circular, instituting a particular form of core time and a particular accounting period process which is very much less generous than some of the things that were stated in the press over

many years. Unfortunately, the Commonwealth Government had very much more generous flexitime provisions.

We last reviewed our flexitime provisions about seven years ago, and that review showed there was no widespread abuse of flexitime in the South Australian Public Service. In fact, it showed, that, if anything, there had been productivity gains from the particular form of flexitime that we have in South Australia. It is very interesting that, when the Commonwealth Government reviewed its flexitime two years ago, it introduced what is virtually a carbon copy of what had been in place in South Australia for many years. That shows that we had a rather different approach to flexitime. We have not reviewed it for some years now.

It is up to local management to make it work or not work. Our impression is that at the moment it is working well and we are not getting either complaints about abuses or difficulties with it. Indeed, if anything, complaints are from the other side, from employee organisations, claiming from time to time that our accounting period is not generous enough, that people are working well beyond their flexitime credits, and that we ought to be giving them more time off. We have not been doing that and, so far as I am aware, neither have managers within departments.

**Mr QUIRKE:** In his budget speech the Premier announced the creation of an Office of Cabinet and Government Management. Can the Minister provide details on the new office, how it will function and what it is expected to achieve?

**The Hon. R.J. Gregory:** The new office will be established by bringing together the resources of the Office of the Government Management Board, the Cabinet Office and some functions of the Department of Personnel and Industrial Relations. These functions are staff development, job redesign and personnel consulting. The new office will be part of the Department of the Premier and Cabinet and will provide an improved integrated service to Cabinet, Cabinet committees, Ministers and Chief Executives.

The prime thrust of the new office will be a concentration on management improvement, particularly the improvement of people management. To that end, the Government Management Board will continue its work and will be serviced by the new office. The Commissioner of Public Employment is a member of that board and will also be provided with support for the new office to ensure that he can meet his statutory responsibilities in the area of staff development, training and personnel management generally.

The Office of Cabinet and Government Management will play an important part in supporting the Government's review efforts aimed to achieve savings in expenditure and to rationalise the arrangements and functions of the public sector. Finally, the office will lead to some savings through a better integration of specialist staff. At this stage it is expected that savings could be in the order of \$750 000 a year.

**Mr QUIRKE:** Can the Minister explain why, under the program 'Staffing of the Public Service', there will be a major youth recruitment program in the 1991 financial year, when the Government claims that it will not increase Public Service employment levels in 1991?

**The Hon. R.J. Gregory:** The honourable member will recall that in 1989-90 there was a youth employment program for 300 people. Out of these 300 young people, at present only 100 have been placed in ongoing funded employment in the Public Service. To ensure that the other 200 trainees are successfully placed when training programs finish will not be easy given the budget constraints facing the Public Service.

Therefore, youth employment for the 1990-91 year will not proceed unless I am satisfied that the current young

trainees have been or will be placed in jobs. However, this will not affect the Government's commitment to maintaining employment programs for Aboriginal people and people with a disability. If the Youth Employment Program for 1991 does go ahead, it will be for 180 young people. The reduction in target level for the program recognises the reduction in job opportunities in the public sector in this financial year as a result of financial constraints.

**Mr QUIRKE:** What provision has been made this financial year for the employment in the Public Service of people with a disability?

**The Hon. R.J. Gregory:** As part of the social justice strategy the Government set aside \$189 000 towards the introduction of the disability recruitment program for the Public Service. This program will provide 10 placements for people with a physical disability, five placements for people with an intellectual impairment, six months instruction training both on and off the job for people with physical disability, a commitment to ongoing employment, education information sessions for each work group which has a person with disability working with them, and marketing strategies to encourage agencies to participate and facilitate the establishment of support networks for people with disabilities across the Public Service.

It is a very important social justice initiative that we are undertaking here. We are saying that as a Government we are going to employ five of some of the most disadvantaged and discriminated against persons in our community, and we are saying to another 10 people who are physically disabled and who would have extreme difficulty in getting jobs in private sector employment that we will provide work for them in the Government.

It is a tremendous initiative and the Government should be congratulated for it. Also, we will have to train the staff with whom these people will work, because we have to ensure, particularly with the intellectually disabled, that they are treated properly and that their co-workers understand their needs and can help them. I am also positive that those people will make a good contribution to their employment in the Government. I am also confident that, where we do have some people who are intellectually disabled working in the Government now, they fill very important functions and are doing as well as they can with their disability.

By doing this, we are demonstrating to the rest of the community in South Australia that it can be done and that they ought to help us to provide fulfilling work for these people. If we want to ensure that our community is broad based and a caring community, we need to look after the less fortunate people in the community.

**Mr S.G. EVANS:** My question relates to the use of cars by officers. Referring to the use of cars, the officer stated that cars available in the 'upper' bracket can be used for recreational use on weekends. Are such cars registered in the name of the department or in the name of the person to whom they are allocated? Are such cars allowed to be used to travel long distances, for example, to the snow in the eastern States? I have knowledge concerning not a public servant but a Government agency where the daughter of the officer used such a car with all fuel supplied. In that organisation cars are allocated to a person and money is taken from their salary as part of their package. The organisation then pays the fringe benefit tax. Are the cars available, with fuel, for use anywhere, for recreation including evenings, and can they be driven by members of the family other than the person to whom they are allocated? Does the Government pay fringe benefit tax to the Federal Government on these cars? If it does, what is the cost of that tax to the Government?

**The Hon. R.J. Gregory:** I seek clarification: what agency?

**Mr S.G. EVANS:** That was only an example. I was not referring to a public servant. I referred to a semi-government organisation and that will be more conspicuous later.

**The Hon. R.J. Gregory:** Does this involve entrapment? If it is an agency that a statutory authority, it operates under different rules, and I would like to know the situation. I am able to respond only in respect of employment conditions within the Public Service generally. If the agency is other than a Government department, will the member for Davenport indicate accordingly?

**Mr S.G. EVANS:** I have stated the position. Are the cars registered in the department's name?

**The Hon. R.J. Gregory:** If we go through the questions and leave out the snow and the agency, I can say this: if they are owned by the State Government, then they are registered by the State fleet. If it is a chief executive officer, for example, the Commissioner sitting alongside of me, yes, it is a private-plated car; yes, he drives it home; yes, he does drive it for recreational purposes; and, if his wife wants to drive him somewhere in it, that would be an appropriate application.

**Mr S.G. EVANS:** Could they drive it to the snow and the chief executive officer or himself not be present, with someone else in the family using the vehicle for recreational purposes? Is the fringe benefits tax paid to the Commonwealth Government on the use of the vehicle?

**The Hon. R.J. Gregory:** The fringe benefits tax is paid on the vehicle. If an officer did take a vehicle to the snow it would be a bit difficult for that officer to use the vehicle for day-to-day work at the office, and things like that. The cost of having private plates as opposed to Government plates is not very large. There is some difference of opinion about just how this works out; it depends on the type of car involved. The estimate is that the additional cost in terms of the salary package for a chief executive officer as a result of having a vehicle of a certain quality with private plates is about \$1 300 per annum.

It is quite a selling point in a salary package for a chief executive officer. A point was made earlier in the examination in relation to comparisons. In South Australia, we do not provide second cars for an officer's husband or wife; we do not pay school fees for a chief executive officer's children; and a chief executive officer's salary is not over \$200 000 a year, as is the case in New South Wales, where the Liberal Party is in power. In South Australia we are quite miserly when one compares the situation to that under the Liberal Party Government in New South Wales.

**Mr S.G. EVANS:** If the officer is on leave and has an allotted car, can that officer or any member of his or her family use that car to travel wherever he or she may wish and is the cost of the fuel and the servicing met by the department?

**The Hon. R.J. Gregory:** The answer to all of those questions is, yes, that is part of the salary package.

**Mr INGERSON:** I refer to page 417 of the Program Estimates, where reference is made to tender documents being prepared for a computerised data system to assist in the selection and development of senior officers. What is the general process? How do the tender documents work?

**Ms MacIntosh:** The tender specification for a senior officer system was prepared and went out to a public tender call. That tender call has been responded to and those responses are currently being evaluated. The specification was drawn up by the department, looking at its information needs in the area of holding information in relation to senior officers.

**Mr HAMILTON:** In view of the Government's commitment to restructure the public sector for more efficiency, what is the effectiveness of the redeployment unit in relocating surplus employees?

**The Hon. R.J. Gregory:** It has been very effective and it has been utilised for some time in enabling, in particular, wages employees to move around Government departments. It will be used, particularly now that the Government has restricted recruitment opportunities because of the very tight financial conditions. I think it is one of the very effective actions by this Government in that it has been readily providing other employment opportunities for wages employees and also for professional staff and public servants.

**Mr HAMILTON:** How many employees are there in that category?

**The Hon. R.J. Gregory:** At the moment, there are 134 clients registered as re-deployees in June of this year; 87 were in temporary placements; six were on leave; and 40 were working within their original agency.

**Mr HAMILTON:** I understand that the Public Service has been operating a voluntary early retirement scheme. How many people have participated and how well has it worked?

**The Hon. R.J. Gregory:** The scheme was introduced in February 1987 to assist in managing the growing redeployment problem. Initially it was applied only to surplus staff aged 55 and over. Under the Government Management and Employment Act it has been extended to cover surplus weekly paid staff and surplus staff in agreed statutory authorities. The basic feature of the scheme is that savings must offset the cost of any offer within a reasonable period. Since February 1987, offers have been made to 351 employees and 276 of them—79 per cent—have accepted offers. Last year 65 people accepted out of 85 offers made, with a total benefit paid in 1989-90 of \$1.893 million. Consequently, the continuing savings are expected to offset this cost within 13 months.

**Mr HAMILTON:** Sexual harassment has been identified in both the private sector and the public sector as a real problem. What is the situation in the South Australian Public Service?

**The Hon. R.J. Gregory:** Because of the sensitive and confidential nature of this issue, it is not possible to obtain comprehensive data on the incidence of sexual harassment in the public sector. Every department now has a policy to deal with sexual harassment and procedures generally provide for employees to have confidential access to a network of contact officers. The contact officer's role is to give information on options available for the resolution of complaints and provide support to employees in their chosen course of action. If necessary, and if the client desires, an officer can refer a complaint to the chief executive officer for resolution. If internal processes are seen to be inadequate, employees may make contact with the Equal Opportunity Branch of the Department of Personnel and Industrial Relations.

Out of a total of 26 complaints received by the branch last financial year, six related to sexual harassment, indicating that, whilst that is a relatively high proportion of the total, the problem would seem to be within manageable proportions. If the complaint cannot be resolved, employees have access, under the Government Management and Employment Act, to the normal grievance appeal processes. Like other citizens, they may also approach the Office of the Commissioner for Equal Opportunity for free confidential advice or to lodge a formal complaint under equal opportunity legislation. The Equal Opportunity Branch con-

tinues to provide advice, assistance and support to agency staff in dealing with complaints and to arrange a two-day intensive training course on sexual harassment. Contact officer sessions on this topic form part of the pilot first line management program conducted in the State Services Department and at the Queen Elizabeth Hospital. Many agencies conduct awareness and education programs on an ongoing basis. Provision of up-to-date information is the responsibility of contact officers.

**Mr INGERSON:** Like the member for Albert Park, I refer to voluntary retirement and redundancy packages. I note that on 7 September the Minister referred to voluntary early retirement schemes, a voluntary resignation package and a voluntary separation package. What is the budget allocation for each of these schemes for this financial year? In making that allocation, what assumptions have been made about the number of people who may accept an offer under any one of these schemes?

**The Hon. R.J. Gregory:** There has been no budget allocation for any expenditure on any of the voluntary separation packages that were proposed in correspondence forwarded by the Commission for Public Employment to the United Trades and Labor Council, because the Government, as yet, has not determined any of those packages or schemes should be offered to any employees in any Government department.

When the Commissioner wrote to the United Trades and Labor Council outlining the Government's proposals, the UTLC advised the Government that it would consider the correspondence, that it would have some meetings within a fortnight's time and that it would eventually let the Government know its attitude towards the introduction of those schemes. The schemes proposed by the Commissioner for Public Employment involve three principal areas.

I referred earlier to an early retirement package, which would be available to people over the age of 55 years. That operates on the basis of eight weeks pay and two weeks pay for each year of service to an amount no greater than 52 weeks pay. The other two schemes proposed are a scheme similar to the voluntary early retirement package for people under the age of 55 years and a voluntary separation package, which would be applied only by the decision of Cabinet, amounting to eight weeks pay and three weeks pay for every year of service up to a maximum of 104 weeks pay.

The United Trades and Labor Council has been advised of the Government's intention to offer these to workers at the appropriate time in specific circumstances. None has been offered and, at this stage, it is not planned to offer any. The proposals could be offered from time to time where Cabinet thinks it appropriate. As I said earlier, there is a pay-back provision because, if these schemes are offered to employees, the positions vacated by those employees would disappear from the Public Service and could not be replaced.

**Mr INGERSON:** I am sorry that the Minister is so sensitive about this. It was my understanding that he wanted the question asked on the correct line.

**The Hon. R.J. Gregory:** I was only reflecting on the fact that, in the three hours when marine matters were before the Committee, I was asked only four questions by the Opposition about the economic expenditure of the Department of Marine and Harbors. That department will spend \$77 million this financial year, which is necessary for the economic good health of this country; yet the Opposition could ask only four questions about the economic operation of that department.

**Mr INGERSON:** Perhaps you are only capable of answering only four questions, Minister.

**The CHAIRMAN:** In the interests of the proceedings of this Committee, I advise members and the Minister to refrain from these asides.

**Mr INGERSON:** Page 417 of the Program Estimates states that improved practices and procedures for the selection of senior officers were developed in 1989-90. Can the Minister explain that reference?

**Mr Strickland:** We are improving it in several ways but, before I get to the specifics, I will put it into context. The selection of senior officers in the South Australian Public Service is a statutory responsibility of the Commissioner for Public Employment. That means that I have to authorise those particular appointments in all departments. It would be impossible for a single person—the Commissioner—to be involved in absolutely all of those things. So, last year, we put out a comprehensive set of guidelines as a Commissioner's circular to guide the whole process of senior selection.

Those guidelines concentrated on trying to get agencies with a senior position to fill to rethink whether they really needed that position. If they did need that position, they were asked to review the job specification for it and try to think through what would be the particular outcomes of the appointment of that particular manager. We tried to get a lot more attention paid to what it was that the agencies were looking for before they engaged on the search process. The guidelines which were issued in the previous financial year concentrated very much on that.

During the year, we conducted internal training in our department in selection procedures and approaches for these managerial positions of that small group of senior people within DPIP who actually represent the Commissioner on the selection panels which are part of the process of selection. We put quite a lot of attention into that so that there would be consistency of the sorts of things that were being looked for and the kind of input they were making into the panels. As members would appreciate, a selection panel from, say, the Engineering and Water Supply Department would consist of people from that department. We must make sure that the input from the central personnel agency is helpful and dedicated to getting the best possible selection. If the honourable member is interested, I will make available that fairly extensive Commissioner's circular.

**The Hon. R.J. Gregory:** We will provide that circular for the record.

**Mr INGERSON:** I refer to page 417 of the Program Estimates. It is stated that 'occupational health and safety functions across agencies were examined and recommendations on improvements prepared'. Will the Minister advise what the recommendations and improvements were, how they are being adapted, how successful they now are, and what effect they have had on the agencies concerned?

**The Hon. R.J. Gregory:** The functions of occupational health and safety delivery in Government departments come under the Department of Labour. During my opening remarks in respect of the Department of Labour, I made the point that the occupational health part of the Health Commission was transferred to the Department of Labour. Officers from the Department of Personnel and Industrial Relations were used in preparing the documents for that transfer. Extensive consultation was undertaken with people in the Health Commission and with the Department of Labour. Officers of the department were used to gather together that information and to consult with the trade unions concerned and, in some cases, with the employer organisations to reassure them that the functions and facilities provided to employers by the Occupational Health Section of the South Australian Health Commission would

continue to be provided when it transferred to the Department of Labour. This is an appropriate function for the Department of Personnel and Industrial Relations to perform.

**Mr INGERSON:** What were the recommendations? Is the Minister saying that there wasn't a report?

**The Hon. R.J. Gregory:** I will go through this again. All of us in this room are aware that, in Australia, when change of any form is recommended, a number of people are opposed to it. We see that more often here than anywhere else. It is manifested more here. We propose change and the members of the Opposition oppose it.

**Mr INGERSON:** You're wrong.

**The Hon. R.J. Gregory:** I am right. It is not often that members of the Opposition set up and support what we are up to. When this proposal came about, officers of the department were used to facilitate the transfer.

**Mr INGERSON:** That is not what it says.

**The Hon. R.J. Gregory:** That is what it means. It is something that happened in the past financial year. Change was recommended. The changes were accepted and adopted by Cabinet and the transfer has taken place.

**Mr INGERSON:** At page 417 of the Program Estimates there is a reference to 'Completed training manual for Privacy Legislation Principles'. What is that all about?

**The Hon. R.J. Gregory:** The Commissioner, Mr Strickland, will respond to that question.

**Mr Strickland:** The Government has set up a privacy committee which has issued guidelines for all Government agencies to use in relation to privacy issues. They relate to matters such as people getting access to files about themselves, and so on. That committee is housed in the Attorney-General's Department. We provided consultancy advice in preparing the manual and issuing it to Government departments. Work is now taking place in making sure that those guidelines are being fulfilled and making sure that people who have queries about them get an answer. That is taking place in the Attorney-General's Department.

**Mr INGERSON:** As a supplementary question, as to 'privacy legislation' are you talking only about the privacy of the individuals in the public sector, or does this relate to privacy of the consumers who would deal with the public sector?

**Mr Strickland:** The privacy of all South Australian citizens, essentially.

**Mr INGERSON:** I did not know that there was privacy legislation.

**Mr Strickland:** I did not say 'legislation', I said 'committee'. I do not think that the legislation has gone through. My memory might be wrong but I think that it was a response to the work of a committee of the Legislative Council. That committee recommended this process being set up two or three years ago. This is the response to that.

**The CHAIRMAN:** I do not want in any way to attempt to stop the seeking of information, but the member for Bragg is well aware that questions are directed to the Minister, not to the Minister's officers.

**Mr INGERSON:** Has the Government introduced paid parental leave for PSA members as promised during the last election campaign?

**The Hon. R.J. Gregory:** The Government is currently considering this matter in the context of award restructuring as promised. Any changes will affect not only PSA members but members of other unions as Government policies have maintained consistency of conditions of employment for all public sector employees wherever possible.

**Mr HERON:** How is the implementation of award restructuring progressing across the Public Service and what benefits will be achieved?

**The Hon. R.J. Gregory:** Award restructuring is progressing well with most groups in the Public Service. The Health Commission, police and teachers have received structural efficiency increases during the past financial year. All groups have received at least the first increase. In the weekly paid area of employment it is expected that the number of awards will be reduced from 31 to 15, subject to final negotiations. In the Government Management and Employment Act area, in the employment and salaried area of the Health Commission (excluding nurses and medical officers) a review of classification structures has resulted in the development of four new broad-banded occupational streams. Those are: professional services, technical services, administrative services and operational services. These four streams will incorporate the hundreds of occupational groups that previously existed. There will be common salary points between the streams and they have been agreed with the respective unions.

Several groups have or are seeking increases under the special provisions of the structured efficiency principles—that is, medical officers, nurses and teachers. Nurses and teachers are seeking the establishment of a national rate to apply in all States. As the Auditor-General stated in his report for the year ended 30 June this year, the pursuit of the structural efficiency principle is one avenue that provides an opportunity to improve work force productivity.

**Mr HERON:** What changes are being made to classification structures for salaried employees in the Public Service and the South Australian Health Commission?

**The Hon. R.J. Gregory:** The significant restructuring of occupational groups within the South Australian Public Service and the South Australian Health Commission is occurring as a result of the 1989 national wage case and, in particular, the structural efficiency principle. In an effort to reduce the multiplicity of occupational classifications in the Public Service, four major generic occupation streams have been established. The major career streams are professional services, technical services, administrative services and operational support services. The establishment of these major career streams will provide a base for establishing skill-related career paths, eliminating impediments to multi-skilling by broadening the range of tasks that an employee can perform creating appropriate relativities between different categories of employees, and ensuring that working patterns and arrangements enhance flexibility and efficiency.

**Mr INGERSON:** At page 417 relating to 1990-91 specific targets, it is mentioned that job specification in outcome terms will be progressively introduced across the Public Service. What does that mean?

**The Hon. R.J. Gregory:** I shall ask the Commissioner to respond.

**Mr Strickland:** It relates to the process that I was describing about trying to specify quite explicitly the outcomes that we want in jobs before we fill them in respect of executive officers. We thought that trying to move job specifications to more outcome oriented terms would be sensible for administrative officers and clerical officers. We engaged in discussions with the Public Service Association on getting its agreement to changing our approach to job specifications.

During the past year we have conducted a trial in a number of agencies, with PSA involvement to see whether it would improve things and would be successful. That trial has been completed, and it was very successful. I hope that we can move to this much more definite and outcome

oriented system—that is, saying specifically what it is that you want out of jobs, what the outcomes or results should be, rather than great long lists of, say, qualifications, personal attributes and so on. I am not saying that they are not important; they are needed, too. Over the years there has been a move from concentrating on specific outcomes that are sought from jobs. We hope that we will be extending that principle over time throughout the clerical officer and administrative officer ranges. The award restructuring to which the Minister referred and the bringing together of lots of these classification groupings into those four streams gives an excellent climate in which to do that, and we shall pursue it.

**Mr INGERSON:** What is the clerical barrier job redesign project?

**The Hon. R.J. Gregory:** It is a process that the Government is undertaking after consultation with the Public Service Association to ensure that the barriers that were placed in front of clerical officers to stop them progressing through the department are broken down. The whole concept of award restructuring is to enable people employed by an employer, provided, of course, that they want to do this, to be able to progress through the whole stream of that organisation of promotional and job opportunities. In working on the clerical barrier and restructuring it, we will be providing a lot of people, principally women who work in that base grade business of clerical work, with opportunities to do work other than that and to progress throughout the Public Service. The Government is undertaking a very important task on the basis of equal opportunity, and we are hopeful that during this financial year we will have busted it throughout the whole of the Public Service.

**Mr INGERSON:** On page 418, under the category '1990-91 specific targets' it is stated that the Government will develop an approach to comply with age amendments to the Equal Opportunity Act and to ensure that information and awareness is available in all agencies. Can the Minister explain what the Government intends to do in that area and what sort of categories of people would be affected specifically by the Age Discrimination Act?

**The Hon. R.J. Gregory:** I ask Mr Strickland to respond to that.

**Mr Strickland:** The Equal Opportunity Act was amended in the Parliament several months ago to outlaw discrimination in employment on the basis of age, but, if members recall, it put a two-year waiting period on that, so that it will not apply until the year after next. At the moment, we are examining the specific consequences of that piece of legislation for the Government Management and Employment Act, for Commissioners' circulars, and for our whole approach to employment in Government, where we have a retirement age of 65 years. We have not actually completed that examination yet, but we will be doing it in 1990-91. My understanding of the intention of the Parliament and the Government is that we outlaw discrimination in employment on the basis of age, but it is not an easy issue to grapple with.

**Mr INGERSON:** I refer to page 419, and staffing of the Public Service. I note that, under the 1989 targets, specific recruitment initiatives have resulted in the employment of the 200 trainees, as well as the 100 school leavers, and that traineeships have been offered in all those categories. How quickly are they progressing through these categories in terms of the whole traineeship program; in other words, how successful has it been, relative to what was expected?

**The Hon. R.J. Gregory:** I responded to this earlier in the piece when we were talking about the number of trainees. I think the short answer is 'Yes, it is going very well.' There



are some problems in placing people in long-term employment, but the more gratifying part of it is that very few of the young people are actually dropping out. They are staying in the program, and I think that the best response to the member for Bragg is that it is going very well. As I said earlier, there will not be any taking-up of any of the scheme that will be offered this year of 180 positions until all the people have been placed.

**Mr INGERSON:** My next question refers to the same page and relates to the graduate recruitment strategy. Can the Minister say what that is all about?

**The Hon. R.J. Gregory:** I will ask Mr Strickland to respond to that.

**Mr Strickland:** The graduate recruitment program for the past year was directed towards those areas where we were having trouble in either maintaining certain professional skills in the Public Service or in filling jobs. It has been directed very specifically at financial management, accounting, speech pathology and one other profession which I cannot think of. We have conducted quite a lot of recruiting on the campuses of the higher education institutions to get into the service people who are in their final year of study in these areas. The most successful has been financial management, which has really been a combination of DPIR, Treasury and the Auditor-General's Department, where we have taken in a group of people and are giving them specific on-the-job training in a number of financial management positions in a number of different departments, despite the fact that they are graduates. When one is offering something like that to graduate recruits, they are much more likely to accept, rather than if we just say that we have this job for them, and to come in and do it. In fact, in relation to recruitment in these professional areas in recent years, it is interesting to see that one of the first things people ask is 'What is the further training you will give me when I come in and work with you?' I think that the big accounting firms are finding the same thing. We are very pleased with the results we have had from that. We are retaining them, and through that approach we are actually filling some gaps that we have had over the past few years.

**Mr S.G. EVANS:** We talk of the employment of the disabled and Aborigines, but I ask the Minister whether his department also handles the area where prisoners are used on community work. I am not talking about service orders, but the Minister may wish to comment on and cover that area at the same time. Sometimes prisoners are used on work gangs, perhaps cutting olive trees and such things. Are they covered for workers compensation through this department, or are they not covered or represented by this department at all?

**The Hon. R.J. Gregory:** If workers compensation was provided for these people, it would be provided through the Department of Correctional Services. I think that (and I am only offering an opinion at the moment), as these people are not employed, workers compensation does not apply to them. In South Australia, an employee must be a person under the State Act who is actually paid. If the person is working under a Federal award, even if they are just there and not working, they must be paid the appropriate award rate. The normal work that people do under community service orders, because of its very nature, is not covered by an award, and consequently it is award-free.

Because they are not paid for the work they are doing, these people are not employees. However, I think that the Department of Correctional Services would have some sort of insurance scheme that would cover these people if they were injured whilst performing that work because, as the people who are supervising them are employees, they would be paid.

**Mr INGERSON:** My next question relates to support services on page 421. The first paragraph under the 1989-90 targets indicates that the training of departmental personnel, in relation to the introduction of computers, concepts, and so forth, covers 17 per cent of the departmental work force. I was surprised that it was so low. Is it intended to increase that percentage, or is that purely and simply a present day position? I say that in terms of computer literacy.

**The Hon. R.J. Gregory:** I ask Mr Strickland to respond.

**Mr Strickland:** It actually refers to the introduction of our new computer system in conjunction with the Department of Labour. It means that, at 30 June, 17 per cent of the people had been on the training scheme relating to that. Subsequently, places have been made available to everybody in the department, and I think we are approaching 100 per cent about now. So, that is an effect, if you like, of introducing a new computer system and a point of time thing. The level of computer literacy will be greatly enhanced by that, although it was already fairly high.

**Mr INGERSON:** Referring to 1990-91 Specific Targets/Objectives on page 421 of the Program Estimates, it states:

Continue the enhancement of the computerised docket tracking system. Continue enhancement of the DPIR local area computer network.

Will the Minister explain how the docket tracking system works and its advantages?

**The Hon. R.J. Gregory:** I will ask Ms MacIntosh to respond to that question.

**Ms MacIntosh:** Last financial year we computerised the current docket reference system. This year it is proposed that the department will enhance this by making access to the computerised docket system available across the department, that is, through expansion of the local area computer network. At the moment we have about 30 computers on that network. This will increase to approximately 80, which means that officers at any work station will be able to discover where a docket is located and retrieve it through the system, whereas at the moment it is available only through a limited number of work stations.

**Mr INGERSON:** Does that mean that all the information on the docket is available right throughout the system, obviously relative to classification?

**The Hon. R.J. Gregory:** No; it is a very good indexing system that enables officers to know exactly where the information is all the time.

**The CHAIRMAN:** There being no further questions, I declare the examination of the votes completed.

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## ADJOURNMENT

At 8.45 p.m. the Committee adjourned until Thursday 20 September at 11 a.m.