HOUSE OF ASSEMBLY

Wednesday 23 September 1992

ESTIMATES COMMITTEE B

Chairman:
The Hon. T.H. Hemmings

Members:
Mr M.R. De Laine
Mr D.M. Ferguson
Mr V.S. Heron
Mr G.A. Ingerson
Mr W.A. Matthew
Mr E.J. Meier

The Committee met at 11 a.m.

The CHAIRMAN: If the Minister undertakes to supply information at a later date, it must be in a form that is suitable for insertion in *Hansard*, and two copies must be submitted no later than Friday 9 October. 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.

I will adopt a flexible approach in relation to the asking of questions, based on three questions per member, alternating sides. Members may be allowed to ask a brief supplementary question if the answer from the Minister needs clarification. I stress that my interpretation of a supplementary question is that it must relate to a question that has just been asked, not whether it involves the same subject matter. Subject to the convenience of the Committee, a member who is outside the Committee and who desires to ask a question will be permitted to do so once the line of questioning on an item has been exhausted by the Committee.

I also remind members of the suspension of Standing Orders, which allows for members of Estimates Committees to ask for explanations on matters relating to the Estimates of Payments and Receipts and on the administration of any statutory authority that is under the responsibility of the Minister. Questions must be based on lines of expenditure and revenue as revealed in the Estimates of Payments and Receipts. Reference may be made to other documents such as the Program Estimates and the Auditor-General's Report. Members must identify a page number from the relevant financial paper from which their question is derived. Questions must be directed to the Minister, not to the advisers. I remind Committee members of Standing Order 273 which relates to any problems with the rulings that I make. Minister, do you wish to make an opening statement?

The Hon. R.J. Gregory: Yes, Mr Chairman. I have had discussions with the member for Bragg and we have agreed that the line of questioning will begin with the Occupational Health and Safety Commission followed by WorkCover. My opening statement therefore relates to the two organisations, and I will begin with occupational health and safety matters. The Occupational Health and Safety Commission has taken a leading role in assisting industry in this State to introduce best practice and increased productivity, besides ensuring that industry in South Australia achieves the best possible standards of health and safety. The commission is a tripartite body which is bringing together industry and employees through their unions to achieve these goals. It is a practical example of this Government's commitment to dialogue and cooperation between the parties. We are proving that it is possible to bring the parties together, in a spirit of goodwill, to successfully resolve the apparently irreconcilable differences.

Since the introduction of the Occupational Health, Safety and Welfare Act in 1986, the Government has been working towards the objective of rationalising occupational health and safety requirements. At that time the new Occupational Health and Safety Commission embarked on the task of reviewing and rationalising the regulations under the Occupational Health, Safety and Welfare Act. A tripartite committee and its expert working parties have painstakingly worked on this major project for four years. They have used best health and safety practice and the need to eliminate unnecessary prescription as the benchmarks. Industry, workers and experts have been consulted along the way and draft consolidated regulations were released for public comment in January this year. Public comment was extended from three to six months to allow for maximum consultation.

In 1992-93, the commission will review the submissions received during the public comment process. The target will be to complete this work by the end of this financial year. When complete, the regulations will significantly reduce the burden for South Australian industry by: simplifying and shortening the requirements; introducing flexibility in applying practical controls in the workplace; and replacing the provisions of no less than six Acts, their associated regulations, and another 16 sets of regulations existing under the Occupational Health, Safety and Welfare Act.

The South Australian Government is also taking a leading role in moves towards achieving national uniformity in occupational health and safety standards. A number of national standards developed by the National Occupational Health and Safety Commission have had prompt and smooth introduction in this State. The South Australian Occupational Health and Safety Commission formally adopted a policy for the implementation of national standards in 1990. I am pleased to say that peak employer organisations, unions, and all State, Territory and Commonwealth jurisdictions have now made a similar commitment to achieving the national uniformity objective. The South Australian Occupational Health and Safety Commission is participating in all aspects of the national uniformity process.

The advantages of coordinating the development of health and safety requirements across Australia have long been recognised by this Government. Primary benefits of coordination will include the provision of a single, consistent standard of health and safety in every workplace in the country. As well, there will be an associated reduction in costs arising from the various requirements across jurisdictions, and the minimisation of duplicated and costly efforts in standards development. The

Government has not accepted that regulation is the only method for preventing injury and occupational disease. In 1990 when new regulations and a code of practice for manual handling were introduced, the Government also funded a two year prevention strategy to raise awareness and provide training and information. The manual handling strategy ran throughout 1991-92 with the cooperation of the commission, Department of Labour, WorkCover and employer and union groups. Some aspects of the strategy have been permanently established and will be ongoing in 1992-93.

The Occupational Health and Safety Commission is currently completing an evaluation of the manual handling survey. Early assessments are very encouraging. An omnibus survey of the State population conducted in 1991 has shown that approximately 40 per cent of workplaces were taking action to prevent manual handling injuries. Even more pleasing are the trends in workers compensation claims. Figures for 1991-92 show there has been a decline of 11.5 per cent in overall claims and a drop of around 37 per cent in claims for sprains and strains, mostly associated with manual handling. I believe this decline is too great to explain away by the recession alone. A combination of factors have led to this pleasing result. They include the introduction of the bonus penalty scheme and the commission's manual handling strategy. Both were introduced at a similar time in 1990.

Because of the experience with this strategy, similar coordinated preventive programs will be implemented. The commission has established a consultative group to develop a preventive strategy for hazardous substances. This will get under way during 1992-93.

The Government is placing a great deal of emphasis on education, training and the provision of information. In 1992-93 the commission will continue its work on a major collaborative project with TAFE to integrate occupational health and safety into TAFE courses. A policy and procedures manual to guide the integration in curriculum development was developed in 1991. This year a number of industry-based courses will be targeted for implementation. This will contribute substantially to higher quality training and the introduction of best health and safety practices in the industries and will form part of the smooth introduction of microeconomic reform in South Australian industry.

As a guide to all industry, the commission has recently published a workplace health and safety handbook to fill the need for basic information in the workplace. The handbook provides essential information on a range of issues in an easy to read format. The handbook will assist managers, supervisors and health and safety representatives to understand their responsibilities, to identify, assess and control risks and to introduce effective management systems for improving health and safety.

These resources are also being backed up by other training and information programs. The commission provides a significant information and advisory service directly to industry and the public. In 1991-92 over 20 000 inquiries were responded to, often involving complex problems in relation to the Occupational Health, Safety and Welfare Act or specific hazards. The training courses for health and safety representatives are also being revised in consultation with the employer and union organisations involved as providers. A study into health and safety representatives in South Australia has recently been completed and the commission will consider the recommendations for implementation this year.

These developments show that the Government is committed to returning decision-making about health and safety to the workplace. The emphasis is on cooperative regulation, not regulation from the top down. To further demonstrate its commitment in this approach, the commission established the first tripartite evaluation of Department of Labour investigation and prosecution practices last year. This is about to be completed and new policies and procedures will be introduced in 1992-93.

In respect of WorkCover, I should like to make the following statement. WorkCover is an employer-funded scheme with entitlements for their workers. There are around 55 000 employers registered with WorkCover, of whom 75 per cent pay less than $2 000 per annum in levy and 50 per cent below $500. WorkCover predominantly covers small employers.

The Act also allows for self-insuring employers to administer their own claims and assume other responsibilities for rehabilitation and prevention. They employ about 35 per cent of the State's work force.

At the end of each financial year an independent actuary estimates the corporation's liabilities, taking into account perceptions and judgments of future developments. The actuary's analysis focuses on the claim numbers, the rate at which claimants stay on benefits, the average level of these benefits, the cost of other benefits and economic factors such as future inflation and investment earnings. The actuary also considers changes to the management of the scheme and their predicted impact.

The final financial results for WorkCover are heavily dependent on this actuarial assessment of the corporation's long-term claims liability. The final actuarial assessment of the corporation's outstanding claim liability, together with an audit certificate from the corporation's external auditors on the corporation's 1991-92 financial results, is expected to be presented to the corporation's board by the end of September 1992 with the result to be released in early October 1992.

While the corporation's 1991-92 audited financial results are not yet available, it nevertheless has been a successful year for the corporation. Indications are that the corporation will further reduce its unfunded liability as at 30 June 1992. The preliminary actuary's report indicated that the improved claims management performance can be attributed to management initiatives such as the bonus/penalty scheme and injury prevention programs.

Claims numbers were the lowest recorded since the inception of the scheme. This can largely be attributed to the downturn in the State's economy; the corporation's bonus/penalty scheme; and a number of prevention initiatives that were undertaken.

The corporation's investment portfolio achieved an excellent return in 1991-92, contributing $67 million to the fund. The fund earned a return of 14.4 per cent, producing a return for the year of 13.2 per cent after inflation. This is the highest real annual return in the history of the scheme and it gives WorkCover one of the highest return, lowest risk investment funds in Australia.

Claims management reforms implemented during the year to improve efficiency and service to its key customers—South Australian employers and workers—included:

- Introduction in September 1991 of the RISE scheme which provides an incentive to employers to hire impaired and rehabilitated workers who cannot be provided with suitable work by their pre-injury employers.
- Establishment of a peer review program, using qualified medical professionals to ensure the appropriate delivery of professional service to injured workers.
- Improved case management of claims with focus on improved training for case managers to deliver a better service and cost reductions.
- New management system for contract rehabilitation providers.
- Implementation of safety achiever bonus scheme to give larger employers with a good claim record and high standards of occupational health and safety an opportunity to earn additional levy bonuses under the bonus/penalty scheme.
- Continued improvement in the management of the scheme made possible a cut in average levy rates from 3.8 per cent to 3.5 per cent of remuneration effective from 1 July 1992.
- The rigorous pursuit of recoveries for claim payments to injured workers where they are related to motor vehicle accidents, prior insurers and public liability claims. A decision of the Full Industrial Court in June 1992 having a significant impact on the corporation's capacity to recover funds from prior insurers.
- The sale of the corporation's sophisticated workers compensation software package, WISE, to the Commonwealth workers compensation scheme, COMCARE.
- Development of a powerful new tool for employers, WISE link, which gives employers direct access to the WorkCover computer mainframe for claims data.
- Continued success in the corporation's ongoing activities of fraud prevention, levy audit, prevention programs including the priority employer program, and research and education program.

1992-93 Budget

The corporation's 1992-93 corporate plan was prepared within the context of the Government's overall vision to lead South Australia towards an increasing safety conscious future in which employers, workers and unions are committed to working together to reduce the level of workplace injury and disease.

Its administration budget for 1992-93 is designed to continue the claim management improvements commenced in 1991-92 and to introduce new initiatives such as the piloting of the Medical and Vocational Intervention Strategies (MAVIS), which represent a new claim management strategy to further accelerate the administrative process and encourage faster returns to work. The new system is based on the principles of early intervention integrated service delivery and frequent review. It will involve the greater participation of the worker and the employer in the return to work process.

A major activity for the corporation in 1992-93 is the training of case managers and claim officers. This process which commenced in 1991-92 will continue on through 1992-93. It represents a major commitment in both funds and resources during the year.

WorkCover's current focus is to bring a large proportion of its administration costs up front in claim management to reduce the long-term costs of claims. The administration budget for the corporation almost pales into insignificance in comparison with the impact of levies and claim cost of not managing those activities correctly. The challenge is to get the balance right; to secure cost saving in administration without making the operational area overloaded and jeopardising the improvements in claims management or overall corporation performance. The corporation's 1992-93 administration budget is an achievement of this balance.

Minister of Labour and Minister of Occupational Health and Safety, Miscellaneous, $861 000

Witness:

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

Departmental Advisers:

Mr L. Owens, Chief Executive Officer, WorkCover Corporation.

Ms J. Powning, Chief Executive Officer, South Australian Occupational Health and Safety Commission.

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

Mr MEIER: Program Estimates (page 378) has as one of its broad objectives/goals:

To minimise the number and severity of injuries and diseases in and near the workplace; promote healthy and safe work practices and protect the health and safety of the public . . .

Since the introduction of the manual handling regulations in January 1991, will the Minister demonstrate to the Committee the reduction in reported back injuries relative to a corresponding period prior to the introduction of the regulations?

The Hon. R.J. Gregory: I shall give a preamble to the exact answer. What the Occupational Health and Safety Commission did in developing the manual handling code was something unique in regulation and total practice in occupational health and safety. As well as developing a code, which was very detailed and which demonstrated ways of achieving the reduction of back injuries by getting employers to design out of the work practices processes which would provide injuries, known as strains and sprains, it also developed a process of education. The Department of Labour and also the commission employed some extra trainers and inspectors to ensure that, during this two year period, the implementation of the code of practice would be effective.

Almost 10 000 copies of the regulations and codes of practice were sold during the six-week media campaign, and the total of copies sold to date is 23 000. Over 1 700 individuals and targeted groups were trained through a trainer's program conducted by the commission itself.

Approximately 50 organisations identified as being in a high risk category for manual handling had been provided with free on-site training and a risk assessment by the Department of Labour.

Nearly 500 training manuals have been sold to trainers and thousands of guidelines to provide additional assistance have been distributed. The results of the 1991 omnibus survey commissioned by the South Australian Health Commission has pointed to the effects of this campaign. The survey found action was more likely to be taken in the workplace on back care and manual handling than the other promotional health safety issue.

Approximately 40 per cent of the workplaces have taken action to prevent manual handling injuries. In June 1991, WorkCover recorded an 11.5 per cent reduction in overall compensation claims. Within this, the proportion of injuries caused by manual handling decreased by 37 per cent. As I said earlier in my opening statement, the reduction is too large to be attributed only to the economic recession. The manual handling strategy was introduced at the same time as WorkCover's bonus and penalty scheme, and together they have made considerable inroads into preventing our most costly occupational injury.

Mr MEIER: Will the Minister still provide more specific information as it relates to back injuries by themselves? As a supplementary to that question, I feel that back injuries still need to be addressed. What proportion of funding does the commission allocate to back injury prevention promotion and education? The Minister has indicated how many copies were sold of the various booklets, and it sounds as though the department has done well through sales. How much money has been allocated to that specific area?

The Hon. R.J. Gregory: We cannot state the exact amount of dollars; we need to look at the overall situation. When I made the opening statement I referred to the Department of Labour and the Occupational Health and Safety Commission having a two year period during which training in that area was established. Two ergonomists and two inspectors were taken on to ensure that the manual handling code was implemented. Treasury allocated about $1 million to be spent for this purpose over a two year period.

I want to make fairly clear that employers cannot walk away from the responsibility of occupational health and safety; they must provide the training. An enormous amount of resources have been provided by the State with the grants that are made to organisations for occupational health and safety training. The commission brings down codes of practice and regulations that provide a framework for the social partners, that is, the workers and the employer, the supervisors and the safety representatives, to work together to do a number of things in the workplace.

One is to design out processes of work that can injure people. The other is to develop processes of work that do not endanger people's lives. I can well recall, as a young apprentice, standing at the North Terrace stairs of the railway station and wondering why the three ambulances were tearing down North Terrace with police motor cyclists at the front, sirens blaring all over the place and thinking that perhaps someone had been hurt. I found out later that the ambulances contained the corpses of three young workers from the Wills chromium plant.

They had been instructed by a supervisor to clean out a vat from which they had to suck some fluid. Anyone familiar with the plugging process would know that sulphuric acid is used. Sometimes they use a cyanide based fluid, zinc cyanide, and other fluids that are quite dangerous. The sludge itself can be quite dangerous. One young man had been overcome by the fumes and had collapsed. Another jumped in to help and he collapsed, and a third jumped in to help them and also collapsed. A fourth person arriving at the scene did not jump in, and he saved his life.

Anyone familiar with working in a confined space now, particularly where chemicals and fluids are kept, will know that anyone working inside such a confined space wears a self-contained breathing apparatus; that someone else is watching; and that ropes are tied around them. We have learned the very tragic lesson that people should not have their lives placed in danger. Whilst this might seem to stray from the point, those sorts of things should not happen today.

If one looks at the number of people who have been killed in industrial situations in South Australia, one will find that it is now a rarity for people to die at work in large industrial establishments. Fatal injuries are more likely to occur in small places with a small number of people, where training is inadequate. The commission, therefore, through the unions and the employers, encourages people to train. It credits people with the ability to train and credits their training courses.

It gives accreditation to people who are training, and there is encouragement to employers to train their front-line supervisors. All this is an ongoing thing, but the ultimate responsibility is on the employer. We are quite pleased with what we have been able to do in government. We think that what we have done in investing that $1 million in the future of South Australia has saved an enormous number of people at work today and an enormous number of people who will come to work in the future from having back injuries.

Mr MEIER: What methodology is recommended to employers for the prevention of back injuries in the workplace? Is there a priority of recommendation? What demonstrable improvements has the commission made in back injury prevention with any such programs?

The Hon. R.J. Gregory: I will have to go back to basics so the member for Goyder can understand my answer. The employer has a basic obligation to run a safe workplace. Whether or not there are codes of practice or regulations, the employer has that responsibility. The code of practice and regulations in respect of manual handling are designed to assist the employer in reaching the objective of having a safe workplace. As I said earlier, the code of practice sets out in some detail how that can be achieved, but it does not say what shall or shall not be done. It requires the employer to identify all the possible hazards. Once those hazards have been identified, the objective is to eliminate them. That may be as simple as using a fork truck to lift items, or using an elevator, or reducing the size of the articles that are lifted or eliminating certain processes in the work where people have to exert themselves to perform that task.

I am sure that the honourable member has seen the trucks which cart bricks around the metropolitan area and which carry a fork truck on the back. At the risk of

insulting the honourable member, I suggest that he can probably remember when the bricks used to be unloaded by hand on the building sites. An enormous amount of work has been done in eliminating those processes and other practices that cause injury in the workplace. The fundamental responsibility of the employer is to make sure that he does not have a dangerous workplace or work process.

Mr MEIER: New back injuries sustained in the workplace cost Australia in excess of $1 billion per year. That does not allow for the contingent liability of older injuries. If that cost is coupled to the loss of productivity, which I am advised is conservatively valued as a multiplier of four, the cost to the country each year is in excess of $4 billion. South Australia's share of that cost, something like 8.6 per cent, equates to $344 million per year.

For the past five years, Tolai, a company based at Gawler, has been promoting its all-purpose back support to industry and Government departments. During that time it has approached virtually every Government department of significance and it has been encouraged by many people within those departments. The product is being used in small quantities by several State and Commonwealth Government departments. The State agencies are the Department of Road Transport, the Engineering and Water Supply Department, the Electricity Trust of South Australia, the State Transport Authority, the Department of Agriculture, the Woods and Forests Department, the Department of Mines and Energy, and the South Australia Police Department. At Commonwealth level they are the Australian Construction Services, Australian National Railways, Telecom and Australia Post. The take-up and usage of the back support is minuscule when compared with the total number of employees at risk and the number of employees who should be covered by the provision of personal protective equipment as specified in the manual handling regulations.

As the Minister said, every employer has an obligation. In departments such as the Road Transport Department and the E&WS, back injuries will probably run into millions of dollars in the coming years. It appears that re-engineering of the workplace does not give sufficient personal protection to workers where mobility is required, no matter how minor that mobility is. I believe that the Minister has an obligation, rather than simply to talk, to issue pamphlets or to make recommendations. Affirmative action and positive, practical solutions are the only answers to the problem where these departments continue to lose working time that amounts to millions of dollars to the economy.

What importance does the Minister place on the use of personal protective equipment such as the Tolai back support? I am advised that the support is patented in Australia and New Zealand, so other companies will not be able to make the same item. What importance does the Minister place on the short-term prevention of back injuries? Are there any recommended strategies for employers in that area, including those under his own jurisdiction?

The Hon. R.J. Gregory: I will not endorse any safety product at this meeting. As I said earlier, it is the responsibility of the employer to ensure that there is a safe workplace and that the process of work is safe. It is not the requirement of the code of practice or the regulations to prescribe in minute detail exactly what should be done. As the member for Goyder would be aware, technology moves apace and, quite often, if we were to sit down and minutely determine every situation, within six months it would be useless. The regulations and the code of practice are fairly prescriptive and develop a framework that allows people to do things within it. I do not dispute that back injuries result in high cost to Australia. I also note that a lot of employers do not bother about it. They have not really thought about how something could or should be done to avoid back injuries.

I can relate that, following a meeting of a select committee of which I was a member, when I was talking to an employer's representative I questioned him about a comment that he had made at that meeting and he described to me in brief detail what had happened in respect of an industry that had come to see him about its high cost of workers compensation. The upshot of that was that they asked that employer organisation to introduce training courses for their supervisors and their workers so that they could bring down the injury rate to backs. It was the first time as a group that anyone in the industry had thought about introducing safe working practices and indeed training for their supervisors. In the past they had just seen work caused injuries as a cost, and they had used that cost as one they could pass off onto their customers. When they could no longer do that, they had to look at another way of reducing these costs.

A number of strategies have brought about the reduction in injuries, that is, the bonus and penalty scheme of WorkCover itself, which has been a major incentive to employers, and also there has been the introduction and promotion of the occupational health and safety codes, along with training. Within departments of Government numerous safety devices are used, and I would think that they are used at the discretion of the supervisors where they think they are appropriate. In relation to the back support that the member for Goyder is promoting—and that is what he is doing at this meeting, that is, promoting an article—

Mr MEIER: It could save $344 million for this State.

The Hon. R.J. Gregory: Oh, I see, without doing anything else and using what is in this article we could save that amount of money—I find that amazing, particularly when there is an argument going on within the safety profession as to just what we should do. Does the member for Goyder say that if all workers on construction sites simply wear hard hats nobody will get hit on the head and everything will be all right? He knows that is just a lot of baloney. He knows that workers on construction sites wear hard hats but he would also know that kickboards must be erected on the scaffolding so that things do not get kicked over the side and that there is a whole number of other processes that must be gone through. He knows that you cannot have people lifting heavy weights up on scaffolding because they could fall out of their hands. He knows that there are procedures on all of those things. The whole aspect of reducing the possibility of something falling over the side is looked at, and then one of the last things they do is look at hard hats.

One can refer back to hearing: we do not solve hearing loss by just giving people ear muffs or ear plugs. We engineer out of the process the noise that is produced, so that people do not have to wear ear muffs or ear plugs, and that is a far more effective way to reduce hearing loss. Whilst the device to which the member for Goyder has referred may assist, and possibly does in a number of areas, it is not the sole thing.

Mr Ingerson interjecting:

The Hon. R.J. Gregory: For the information of the interjecting member for Bragg, the member for Goyder said that the back injuries in South Australia could be reduced if we use this device totally. That is a lot of baloney, because it would not. We have to go through the whole process. The other thing is that it is claimed that it has not been totally tested, and there is another thing about it, which some people are very concerned about, and I draw another analogy. Some of us remember the serial on television called the *Six Million Dollar Man*, about a man who had artificial legs and arms, and we used to see him lifting up a car one-handed. That looked all very well and good on television, but it was a mechanical arm. There is no such mechanical back, though, and if that was done by a normal person their back would collapse and the person would not be able to move afterwards. What I am getting to, and this is the view of some people, is that safety devices may encourage people to lift weights that are heavier than those that they should lift.

The point is that we should not have those weights there in the first place. A good example of proper planning in this area relates to, say, the garden centre in a supermarket. One finds that the heaviest bag of fertiliser, say, is 25 kilograms and the average weight is 15 kilograms. Why is that? It is because people cannot then over-exert themselves and it reduces the possibility of shop assistants and their customers sustaining back injuries. That is why that is done. It is a deliberate plan to ensure that those weights in industry are reduced. It is the same situation in any factory, where people have to lift things. It is not anything new. It is an old planning process, where you reduce the possibility of all those things that could happen. If you have workers who are injured your productivity goes down, and even if they just have to go for first-aid treatment they are off the job and your costs go up.

So you engineer that out. I think what is happening in this area is very laudable. People in Government are using these methods, but it is not the sole thing. The real business we will do in this area is in relation to encouraging employers to design it out. When they do that, these other aids will help other people in certain circumstances. However, I do not see it as a total solution. Nothing is total in this. The real factor relates to designing the risks out. It is like the member for Goyder saying that when you are doing target practice in the Army you should wear body armour and you will not get hit, you will be all right, whereas in reality if you are doing target practice in the Army you hide behind a dirty great big mound—you don't wear body armour.

Mr MEIER: Mr Chairman, you will acknowledge that I have been especially patient, seeing that, in the main, the Minister has not addressed answering the questions, and I am very disappointed with the answers that he has given, from the point of view of making it appear that I am suggesting that one item can make all the difference and that I am ignoring others. I recognise full well that the others are very important, too, but I would have thought that, seeing some $2 million has been spent in promoting the new regulations and training manuals, and the like, the very least the Minister should do is ensure that appropriate measures are being taken in his own department—practical, real, sensible, useful measures, such as the Tolai back support, and others, rather than saying, 'Look, we're spreading all the information and there's not much more we can do, we are going to have to sort of invent new things to stop the heavy working.' I would again ask the Minister whether he would reconsider, and give greater thought to actually promoting the use of measures such as the Tolai back support in his own departments.

The Hon. R.J. Gregory: My comment is that I thought I was educating the member for Goyder. I did not know he was that obtuse.

Mr FERGUSON: I am pleased to see that we are spending so much time on safety, as it is probably the most important item that we will have before the Committee. I have always been concerned at the way young newspaper boys dash out into the centre of the road and try to sell newspapers and at the way young children wander onto the road with charity collection tins, etc. At this point I refer to child safety in the workplace and I would like to ask the Minister: is the Government going to introduce regulations or a code of practice for child safety?

The Hon. R.J. Gregory: There is a code of practice around the standards that are being developed, and consultation is taking place in respect of accidents involving children. I encouraged the commission to do this because I was appalled at the time when, in less than a couple of months, two young children were killed in accidents on farms. The tragedy of it is that if people had actually thought about it neither of those children would have been placed in danger.

Mr Ingerson interjecting:

The Hon. R.J. Gregory: The gratuitous interjection from the member for Bragg about accidents on the road is avoiding the point. In relation to both of those instances if people had actually thought about it—and I am talking about the manufacturers of the machinery—and if there had been proper training in the farming situation and proper precautions those accidents would not have happened.

These two young people died through ignorance more than anything else. The other child who died was squashed by a fork truck. The driver could not even see where she was and she was not supposed to have been there.

Another incident that concerned me relates to a young child who was in a mobile crane when the operator ran into a power line. The father pushed the child clear but he died in the process. The crane cab was totally unsuitable for the child to be in it.

Between 1988 and 1991 there have been 83 machinery accidents involving children aged under 15 years and necessitating admission to hospital. This figure is underestimated in that at July 1988 not all hospitals provided data about the reasons for admission of patients to South

Australian Health Commission hospitals. The figure excluded accidents involving small machinery such as powered lawn mowers and tools. Twenty-two of these accidents occurred in the home, nine happened on the farm, six happened on industrial premises, four occurred in connection with sporting and recreational activity and 32 for unspecified reasons.

Attitudes towards accidents in the workplace are changing. People are starting to accept that injuries in the workplace, particularly those involving children, are unacceptable. The Government is concerned about injuries to children caused by dangerous machinery used in all industries. It is especially concerned about injuries to children caused by work-related activities in agriculture.

The South Australian Occupational Health and Safety Commission and the South Australian Farmers Federation are preparing a public discussion paper to invite comments on several elements of a prevention strategy, including regulations to protect young children on or about dangerous machinery in all industries, a code of practice for child safety in agriculture and an agricultural industry health and safety plan for children. Comments from the public will assist the Government in adopting the best possible prevention strategy for the protection of children in workplaces. We want to prevent young people from being injured and killed.

Mr FERGUSON: As a supplementary question, I am concerned about children being involved in charity collections going from door to door, sometimes late at night. I have had children knocking on my door after the sun has gone down. It seems to me that they have been put into a dangerous situation. Similarly, there is the practice on some intersections of youngsters dashing out and offering to clean one's windscreen while the traffic lights are changing. I have already mentioned boys who dash out and sell newspapers in a similar situation. Will the code of practice look at such situations?

The Hon. R.J. Gregory: The code does not cover young people who dash out onto the road. As I understand it, it is an offence for anyone to stand on the median strip to sell newspapers or to collect for charity, although people seem to do it from time to time. Some of us may recall that some time ago this was the accepted practice and some people were seriously hurt and the regulation or the Act was changed to prohibit that sort of activity.

With respect to young people wandering from door to door selling goods for charity, that whole matter is questionable. They are covered by the Act if they are employed by the person who is doing it. However, there are other problems associated with young people doing that. I think that these young people are exploited. The only person who benefits in the long run is the person who is using these children. It is a practice at which we will possibly have to look. Young people should not be diving out on the road. Those going from door to door are covered by the Act.

Mr FERGUSON: Turning to training, what is the commission achieving in terms of training health and safety representatives and the development of approval criteria and research into the area?

The Hon. R.J. Gregory: I will ask Ms Powning to respond to that question. This is a detailed question on which she can give the Committee full chapter and verse.

Ms Powning: The commission is responsible for approving training for health and safety representatives or for other workplace parties such as supervisors. The commission has approved five providers for health and safety representative training—the United Trades and Labor Council, the Trade Union Training Authority, the South Australian Employers Federation, the Chamber of Commerce and Industry and the National Safety Council. The representatives of all those providers receive five days paid time off for health and safety training, and they are entitled to that each year for the three-year term, so health and safety representatives are trained for 15 days over three years.

In 1990-91 a survey was conducted of all the providers who give that health and safety representative training to look at any problems that might have been arising, and some problems were found. Most of the providers had corrected the problems at that time. For example, health and safety representatives felt that they needed more information about hazards and more skills training in representation, consultation and negotiation with management. All the providers had taken that on board. However, having revised the approval criteria for providers, the commission is now in the process of revising the training modules—the curriculum—for health and safety representative training. Quite a high priority is placed on that area.

It has been recognised nationally and in this State (and probably in countries with similar legislation) that health and safety representatives receive training, but frequently supervisors are not sufficiently trained in the workplace and that is where industrial problems can arise. As a result, a tripartite group with employer, union and Government representatives on it agreed in 1990 to amend the Act to include in the general duty of care a more specific requirement on employers that they must train their supervisors. It was not felt necessary at that stage to include a legislative provision for the amount of training that should be provided. However, the commission decided to deal with that by releasing a guideline which would help employers to choose supervisor training from the marketplace to train their supervisors. I understand that a number of employer bodies provide quite a lot of that training at this stage. In addition, because supervisor training remains a problem, the commission will be looking at setting curriculum standards for supervisor training.

Mr FERGUSON: I turn to the age old problem of regulation. Industry frequently expresses concern that it must deal with too many regulations. What is the Government doing to reduce the regulatory burden and to encourage productivity?

The Hon. R.J. Gregory: We are taking this matter of over-regulation very seriously. I know that members on my right would like to have no regulation in this area, would like to pay no workers compensation and would like employees to carry their own insurance. However, we have moved a long way since the 1830s in Australia and we are now in a situation where the general community accepts that the employer has a responsibility. The community also expects the Government to provide a framework within which people can work to ensure that the places in which they work are safe and that the

people who work there have a very good chance of not being injured during the whole of their working life.

Over a long period of time we have had an enormous number of Acts of Parliament that refer to safety and an enormous number of regulations. There has been a general decision that, instead of having regulations that are specific to a particular industry, we should make the regulations industry wide. A good example is earth leakage circuit breakers or, as they are known by their new name, residual current devices.

When we decided to introduce them into industry we first amended the construction safety code, and that applied only in the construction industry. We then amended the industrial safety code and that applied only in industry. We then amended the commercial safety code and that applied only in the commercial area. Do you believe, Mr Chairman, that 37 per cent of the workers in South Australia were covered by those three codes and the rest were not?

It was estimated at the time that 150 people might die in a year through electrocution in the home and that if residual current devices were installed about half those deaths could be avoided. It seemed to me that we needed to look at our regulations so that where it was appropriate for residual current devices to be used in a place of employment it should be wherever one worked and not just in three specific areas.

One of the other matters is that as much as we had all these regulations—we had so many of them—it was found that they were not covering all situations. So, the Government encouraged the commission to engage in a course of activity which would ensure that various Acts of Parliament, such as those relating to lifts and cranes, pressure vessels, places of public entertainment and a number of others, would eventually lose their regulatory power and it would all come under the Occupational Health, Safety and Welfare Act with the introduction of the appropriate codes.

In my opening address I think I referred to how a number of Acts would be gradually done away with and an enormous number of regulations would disappear once the consolidated regulations and codes of practice applied right across industry. I see it as a tremendous step forward in improving the safety of people in South Australia.

The other thing it will do is focus employers' and workers' minds on occupational health and safety. We will see a safer South Australia. Already we are seeing an enormous reduction in total injuries in South Australia. It cannot all be blamed on the recession: there has to be something happening, and I think what is happening is the bonus and penalty scheme, the training of safety representatives, the new obligations on employers and the attention that is being paid to codes of practice and regulation. It will be a lot easier for an employer, no matter where they are, to pick up the one code and know that this is what they have to do. It will be better still at the end of 1993 when we have a national situation where one can pick up the South Australian code that is bought here and know that if one has to do a contract job in New South Wales, Victoria or anywhere else it will be the same code.

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

Labour, $36 040 000

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

Mr INGERSON: What role has the Minister played in the current negotiations between the unions and employer associations since Premier Arnold was elected as Premier?

The Hon. R.J. Gregory: An enormous number of negotiations are taking place in South Australia at any time with respect to WorkCover and I am not privy to all of them.

Mr INGERSON: How many stress claims, in broad figures, occur on a yearly basis in the WorkCover Corporation situation? What is the dollar value of the average stress claim? In the private sector is over-exertion considered as part of the stress claim area, or is there a separate category for over-exertion? I ask this question because in the Government area a specific category is listed as 'over-exertion', and I wondered whether we could get information to compare the two sectors.

The Hon. R.J. Gregory: When the honourable member is talking about over-exertion is he talking about people who work beyond their physical limit or about the stress that people commonly refer to as stress of the mind?

Mr INGERSON: The Auditor-General's Report, which refers to the Government workers compensation scheme, specifically lists stress and over-exertion. Does the same listing occur in relation to the private sector? Does WorkCover have categories about which the Minister can give us information?

The Hon. R.J. Gregory: I can talk about what happens with stress in the State Government; I can talk about what happens with non-exempt; and I can also talk about private exempts. With WorkCover, it is 1.3 per cent of total claims, about 4 per cent of total costs and an amount of $2 000 as opposed to one of $1 300 on all claims. That is about the cost per claim.

Mr INGERSON: Supplementary to that, does the Minister have the round figures relating to the number of claims and the actual dollar value that those figures represent?

The Hon. R.J. Gregory: I can tell you exactly what it is in Government.

Mr INGERSON: I am not asking in relation to Government; the Auditor-General supplies us with that information. I am asking about the private sector.

The Hon. R.J. Gregory: About $675 000 is paid out each month on non-exempt stress claims, and that is out of $18 million paid out each month on total claims; that is 4 per cent of the monthly claim payments. Stress claims represent 1.3 per cent of total claims, but their cost represents 4 per cent, which demonstrates the higher average cost.

Mr INGERSON: As a further supplementary, as I said in my initial explanation, there is a category called 'over-exertion' in the Government workers compensation report. Is such a category brought together by the WorkCover Corporation? If there is, can we have some figures on it?

The Hon. R.J. Gregory: No.

Mr INGERSON: The Minister briefly mentioned a scheme called MAVIS in his opening remarks. I wonder whether the Minister can further develop that particular program and explain to the Committee the advantages of the program in terms of long-term financial benefits.

The Hon. R.J. Gregory: I will ask Mr Owens to respond to that question.

Mr Owens: MAVIS stands for Medical and Vocational Intervention Strategies. It is a new approach to claims management that we have piloted in the corporation from 1 August this year. It builds on a number of experiences we have had in recent years about the better ways of managing a claim and picks up overseas experience in Canada and also in approaching Queensland. Basically, it is a system whereby within each of the claims groups we have a medical expert and a rehabilitation expert on the staff to sit down with the case manager to discuss the handling of the claim within three days of its receipt in the corporation. By sitting down, by talking to the worker, the employer, the treating doctor and the three people within the corporation—the case manager, the medical expert and the rehabilitation expert—we can map out a treatment program designed to ensure that all the resources are brought together to get that person rehabilitated and back to work as quickly as possible.

MAVIS is being applied currently in two out of our 10 claims groups. We are handling only new claims coming in, and it is basically for any company whose name begins with a letter of the alphabet that falls between A and C. So, any company that falls in the A to C category is currently having their new claims handled under the MAVIS system. We believe, on the basis of our early experience and the experience overseas, that MAVIS will result in at least a 10 per cent reduction in claims costs and a dramatic improvement in our ability to get people back to work earlier than under the claims management system we have had up to now up.

Mr De LAINE: WorkCover has spent over $12 million in the creation of specialised information technology systems. What benefits can be gained by allowing WorkCover to sell the systems developed?

Mr Owens: The question is quite correct in that the cost of the hardware and the capitalised software development for what we call WISE (WorkCover Information Systems Enterprise) was around $12 million. As a result of that development, we now have what we believe to be the best workers compensation database information system in the world, and as a result of that we have been having discussions with a number of other workers compensation schemes with respect to the possibility of their licensing that from us or purchasing it.

As the Minister indicated in his opening comments, we have indeed sold the licensing rights to COMCARE, the Commonwealth Government workers compensation system, against competition from all around the world for which we received in excess of $1 million payment from COMCARE. Currently, we are having discussions with a number of schemes, Victoria, New South Wales, New Zealand and Canada, for the marketing of this system to other schemes around the world. We are having those discussions in conjunction with the computer supplier to WorkCover, an organisation called Tandem.

We see the benefits as two-fold: first, revenue that we can generate from the sale of the system obviously can be offset against the development costs that we have sunk into the system; secondly, by continuing to operate at the edge of computer technology, we can continue to upgrade and expand the capabilities of the system so that employers and workers benefit from a dramatically improved computer system here in South Australia. That has already been reflected in the development of WISELINK, which is the system that we now supply to South Australian employers. We have already sold over 30 of these to major employers, which gives them direct access to our computer database for all their claims, giving them detail down to as fine a level as the actual medical account, the cost of that medical account, what the treatment was for, and so on. That has proved to be a very useful tool for major employers in managing their workers compensation claims and the levies that they pay to WorkCover. So, the benefits justify our ongoing exploration of marketing opportunities of this system of which we are very proud.

Mr De LAINE: Speaking to employers, especially small employers, I found that quite a number did not seem to understand details about claims costs and other aspects of WorkCover. What actions has WorkCover undertaken to provide employers with information to help them control their claims costs and thus their awareness of the impact of the scheme?

Mr Owens: We obviously produce a number of brochures on the operation of the scheme, both from a worker's and employer's perspective. It has been our experience that people do not have a great deal of time to spend reading such brochures. So, we have put in place a number of other strategies from the employer's perspective, which is what the question was directed at. Earlier this year, we created an employer advisory services unit, which has three people specifically devoted to handling employer inquiries, assisting them to find their way through the bureaucracy so that they get answers to their questions, and organising education and training of employers to assist them in managing their workers compensation business.

In our Prevention Services Department, we run on a regular basis a number of half-day and one-day courses for employers to inform them of the Act, to give them ideas about putting in place management control systems, both for claims administration and for prevention, and to generally educate them about the workings of the WorkCover system. Finally, we are starting to produce one page information sheets for employers on the areas where we have found they are seeking most information.

They would cover things such as 'How do I handle the rehabilitation of my injured worker?'; 'What does section 58b mean for me?' (58b being the area of the requirement of an employer to take back a previously injured worker when duties become available); a whole host of questions about levy rates; and the bonus penalty scheme. We are starting to produce those one-page information sheets for employers now so that they can develop a folio which will help them understand the workings of the scheme in future.

The main thing that I think will assist employers understand the scheme better is the restructure of the corporation that we have put in place over the past 12

months, where now an employer has all his claims managed by a single case manager within the corporation, so that there is a single point of contact within the corporation for an employer on any claim from his business and, on the levy side, he has a single customer services officer who handles all queries relating to levy and bonus penalty matters for that business. By giving them that single point of contact in both those areas and making them aware of who those people are, they can directly access that resource to answer their queries much more effectively than they have been able to do in the first four years of the scheme's operation.

Mr De LAINE: A lot of incorrect information has been put about the place by not only the Opposition but the media and industry in general. What are the financial results for WorkCover in the year 1991-92?

Mr Owens: The financial results for 1991-92 are not yet publicly available. They will go to the board next Tuesday, and we expect them to be released on Friday 2 October, so it would be premature to release them now. I should receive the audited accounts within the next day or so from the two external auditors we are required to use under the legislation. I can indicate that the result will reflect a continuing improvement in the performance of the scheme. There will be a further reduction in the unfunded liability, and the actuary will have observed that the levy collected in the past two financial years of the scheme has been in excess of the cost of claims for both those years.

In other words, it has been a revenue generating two-year period for the corporation, as opposed to the first three years of the scheme, when it ran in a negative revenue situation. I believe that those are encouraging signs that the scheme is moving in the right direction, and we look forward to releasing those results at the end of next week.

Mr INGERSON: Will the Minister advise the Committee on similar lines in relation to claims? I note that in his general release the Minister states that claims are down, but could we have a more detailed explanation of those claims? Without doubt, one of the major reasons for the improvement in the scheme is the fact that claims are significantly down compared to two years ago.

One could almost certainly attribute the bulk of that to economic conditions, whilst also recognising that there clearly has been a significant improvement in the administration of the scheme. We will not walk away from that, because that has occurred, but the bulk of it would be expected to have occurred because of economic conditions.

The Hon. R.J. Gregory: The actuarial assessment of the number of claims each financial year includes an assessment of claims incurred but not yet reported. There are those sorts of problems, but this is an estimate, albeit one that people work from and one that is as accurate as possible. In the first year of operation, which was actually nine months, the number was 35 331; in 1988-89 it was 51 149; in 1989-90 it was 56 518; in 1990-91 it was 49 324; and in 1991-92 it was 40 107.

The administration of the organisation in respect of claims is really the administration's claim management. The area in which the administration would affect claims of WorkCover would be in respect of the bonus penalty scheme, but a number of other things that happened must be taken into account, as I said earlier and as I suppose I will keep on saying for a long time to come. It is the effect of the new regulations in occupational health and safety; it is the effect of the training; it is the effect of the obligation on the employers to ensure that people are trained; and it is the considerable number of people who have been trained as safety representatives.

When you add all that together, the drop in South Australia is greater than it is in the eastern States. If one takes the recessionary effect out of that, it is still a more significant drop than it is in the eastern States.

Mr INGERSON: What percentage of claims from the non-exempt employers is journey claims, and what percentage and actual cash cost of the total payments made does this represent?

The Hon. R.J. Gregory: Non-exempt journey claims reported to date are as follows: in 1987-88 the percentage was 5.4 per cent; in 1988-89, 5.5 per cent; in 1989-90, 4.7 per cent; in 1990-91, 4.4 per cent; and in 1991-92, 4.4 per cent.

Mr INGERSON: What does that represent in terms of dollars?

The Hon. R.J. Gregory: To date, journey claims have cost the WorkCover scheme $47.9 million, representing approximately 8 per cent of the total payments made by WorkCover. The total claim payments by the scheme to date are $602 million. What needs to be understood is that a considerable portion of that—and I can advise the Committee at a later date exactly how much it is—is recovered from third party insurance. We can obtain the information, but it is of the order of greater than 50 per cent.

Mr INGERSON: In relation to the levy, I note that already there has been a reduction from 3.8 to 3.5 and a suggestion that with some future legislation this could be significantly reduced. How does that fall in with the statutory obligation of the compensation fund to be fully funded, and how can that levy rate be reduced within that context?

The Hon. R.J. Gregory: I suppose that any actuarial figures on any assessment and any changes to the Act can bring about an assessment of what payments will be made. That is then all added up and compared with the cost. An assessment can then be made of the likely cost to the scheme over the life of the people currently participating in it. The actuarial advice, which will be forthcoming shortly, will indicate that the fund needs so much to be fully funded. I can recall when the member for Bragg was suggesting that it would go in one year from $150 million to $250 million, then $260 million. Every week it was going up.

Mr INGERSON: It was your corporation's figures that were used.

The Hon. R.J. Gregory: That is an interesting interjection. What happened was that the member for Bragg was given property given in confidence to a board member. That information given in confidence to the board member was indicated to that board member by the board as being historical information that was no longer accurate, and that to keep quoting this glowing figure of $250 million or $260 million was wrong.

The member for Bragg ought to be gracious enough to accept that. Much to his amazement and, I should say, delight, the actuarial report indicated that that year it

dropped to $132 million. Estimates are around showing what it will be when the actuarial report is announced in early October of this year. I will not predict it at all, but it will be less than the current amount.

The member for Bragg knows that, if certain payments are reduced or eliminated from the Act, that will have an effect upon it. What we need to do is await Parliament's amendment of the Act to see the effect that will have upon the levy rate.

Under the Act, the board has the responsibility of managing the corporation and, therefore, its funds. The board sets the levy rates and makes the policy decisions about bonus and penalty rates. The board has equal representation from employee and employer organisations, as well as experts in rehabilitation and occupational health and safety. It has an independent chairman. The board has shown a lot of diligence and it has grappled with a difficult problem. It has built the scheme up from scratch to one that delivers real benefits to the people of this State. I am advised that legal opinion is that section 66 (8) requires only that the board have regard to the need to satisfy future liabilities.

When the estimated unfunded liability increased, the board took action to improve the management of the scheme, and we have seen a reduction in the unfunded liability coupled with a lot of other things. The most desirable part is that fewer people are being injured at work, indeed, fewer than the number who had left the work force during this period of unemployment.

Mr INGERSON: Will the Minister provide information concerning stress claims in respect of exempt employers?

The Hon. R.J. Gregory: With respect to the number of days lost with stress claims for exempt employers, in 1988-89, it was 35, in 1989-90, it was 34, and, in 1990-91, it was 24. In percentage terms, for 1988-89, it was 8.4 per cent, for 1989-90, it was 8.6 per cent, and for 1990-91, it was 6.7 per cent.

Mr INGERSON: What are the dollar values?

The Hon. R.J. Gregory: I will provide that information for the honourable member at a later date.

Mr HERON: Over the past few months, there has been publicity about fraud and WorkCover claims. Will the Minister provide information about the success rate of fraud prosecutions over the past 12 months?

The Hon. R.J. Gregory: A lot of people talk about rorts and fraud in WorkCover. The number of people employed in fraud prevention has increased and an assessment will be made to see whether that number is adequate for that task. The corporation is confronted with two types of fraud. First, there are those who set out deliberately to defraud the organisation. That is easily proven and those people are prosecuted. In other cases, people engage in activity that it is difficult to prove is fraudulent but, when questioned about what they do, they change their habits and costs are reduced, but the effect is the same.

The medical peer review group is having an effect on the medical profession with respect to treatment. Another action is to run addresses through a computer program which brings together all the addresses in a street. My advice is that in one instance a number of people living very close to each other all had the same injury and all worked for different employers. When sent back to a particular doctor for further medical examination, they all went back to work. That is a demonstration of possible fraud being nipped in the bud. I ask Mr Owens to give a more specific response.

Mr Owens: The corporation takes fraud prevention very seriously and 18 staff operate in that department. I contrast that with Queensland where two people work in the fraud area of the workers compensation board. It is an important issue and we treat it seriously. In the past financial year, we issued 23 prosecutions in court for fraud; 18 against workers and five against employers. In excess of another 20 cases resulted in the withdrawal of claims, return to work or a refusal to make further payments as a result of the investigations by our fraud area. Every case taken to court so far by WorkCover has been successful and has resulted in either financial penalties or gaol sentences. We estimate that savings on income payments last year, that is 1991-92, as a result of the fraud prevention area were about $3 million. That is one part of our fraud activity.

Whilst it is essential that we continue that work, the most productive area is the focus on service providers. By concentrating on medical, legal and other service providers, we can ensure that no rorts develop whereby certificates are issued irresponsibly or where unnecessary services are provided. The Committee will be aware that we recently reported 25 doctors to the medical board, and those cases are currently being heard. A serious case involving one doctor has been before the board for 12 months and we are eagerly awaiting the decision on that individual. We have reported physiotherapists to the Physiotherapy Board and various investigations are going on into other medical, legal and rehabilitation service providers.

The management of a workers compensation scheme requires a Bunsen burner to be held to the bottom of all the key parties, be it the employer, the worker, the doctor, the lawyer and other service providers, and to adjust the flame to ensure that everyone is kept honest. An important way of doing that is to have a fraud prevention department whose prime objective is to prevent fraud from happening rather than to spend all its time trying to detect fraud after it has happened. All the strategies that we have in place are designed to ensure that we stop it from happening in the first place rather than try to catch up with it after it has occurred.

Mr HERON: Last year WorkCover launched an employer incentive scheme to find jobs for claimants unable to return to work with their pre-injury employer. Has that scheme worked?

The Hon. R.J. Gregory: A fundamental premise of a workers rehabilitation and compensation scheme is that people return to work. The possibility of people working with other employers is something that the WorkCover board has introduced, and it provides financial encouragement for an employer to take on an employee who has an impairment or injury of such a nature that he can no longer work for his previous employer.

I can remember launching this scheme and attending a workplace where a worker who was working in the timber industry severed his arm in an accident, and by the fortunes of medical technology and the skill of medical officers in this State they actually reattached the hand back onto the arm. As a result of that he had

limited use of his hand, but he was a very enthusiastic young man and he went to training and developed other skills, and an employer in the cabinet-making business was encouraged to employ him. I shall ask Mr Owens to give the financial details of how much it costs and how effective it has been.

Mr Owens: We have been pleasantly surprised with the outcome of RISE (Re-employment Incentive Scheme for Employers), and during 1991-92 we placed 200 workers in jobs through the RISE scheme. The benefits to us from that were a reduction in income maintenance payments of about $1 million and a reduction in the future unfunded liability of about $10 million. Some 80 per cent of people placed in jobs had in fact been injured prior to 1991, so there were predominantly long-term injured workers who we were able to get back into productive employment. The cost of the scheme is approximately $160 000 for administration, advertising and promotion of the scheme and nearly $500 000 for the subsidies paid to employers over the six month period which progressively phase out.

Because of the success of the scheme in 1991-92 we have in fact doubled the resources in that area for this current year, 1992-93. We are currently interviewing people to fill those positions, and our target for 1992-93 is to place 450 people back in productive employment through the RISE scheme. Employers have enthusiastically picked it up, I must say predominantly smaller employers, as the larger employers have tended to stay away from it. Our program for this year will involve us focusing on some selected country areas, such as Port Pirie and Port Augusta, where we believe we can address a number of difficulties of workers up there, unable to return to work. We have been very happy with the outcome of the scheme. We have had a re-aggravation rate of around 7.5 per cent which, whilst not something we would be pleased with, is certainly not unexpected, given the nature of these long-term injuries of these people. So we are concentrating this year as well very much in checking the work site that they are returning to, to ensure that it is totally safe before we put these workers back into the work environment.

Mr HERON: When WorkCover got going a few years ago I remember that there were a few teething problems with rehabilitation providers. What controls does WorkCover now have to ensure that we are getting the service from those providers?

Mr Owens: The rehabilitation industry, or CRPs (Contract Rehab Providers), as they are called, comprise nine private sector organisations, one State Government rehabilitation provider—Alfreda, linked to the Queen Elizabeth Hospital—and one Commonwealth Government rehabilitation service. When the scheme was set up, it was the intention of the Act that any worker requiring assistance in returning to work would be referred to this industry, to ensure that all of the necessary services were brought together, and they did operate in a new area, without a great deal of control from the corporation in the first couple of years. Over time, it was learnt that standards of performance were necessary and controls needed to be in place to ensure that workers and employers were receiving the services that this industry was being paid to deliver and, further, that WorkCover itself needed to have a clearer view on what were the services that it was expecting this industry to provide.

Commencing with a major review of the rehabilitation industry back in the mid 1990s we had a public inquiry calling for submissions from workers, employers and others on the operation of this industry, how it could be improved and what controls needed to be put in place. As a result of that, we have made a number of fundamental changes to the operation of the industry. We have set performance standards. We have a contractual arrangement with each of these firms that specifies the standards that we expect of them, and I have two staff who are totally occupied reviewing the performance of these individual firms, by looking at the outcomes in terms of the returns to work and surveying employers and workers who have had the services delivered to them and, overall, evaluating both the financial controls and the rehabilitation controls that are in place in these firms.

As a result of that, we chose not to renew one contract with a rehab provider. We have put others on various short-term contracts, from either six months through to three years, depending on how high their performance was. Those that were given a six month renewal were given a very clear indication of in which areas we were looking for an improvement in performance and various monitoring arrangements were put in place to ensure that we knew whether they had achieved that or not. We have found as a result of that initiative a dramatic improvement in the quality of services delivered by the industry.

I should also say, though, that we have taken steps to bring back inside WorkCover a lot of the responsibility that was previously handed out to the rehabilitation industry, and so the expenditure by the corporation on rehabilitation providers in the last financial year was about half what it was two years ago. So it is our expectation that we will continue to reduce expenditure on rehabilitation providers, as we implement the MAVIS approach that I outlined earlier across the corporation, because the MAVIS approach means that the responsibility for managing a worker's rehabilitation and return to work resides much more within the corporation than outside it. So the combination of all those measures means that the industry that will remain will have high quality, high standards and a good ability to get people back to work, and by bringing the other activities back inside the corporation we will be much more in control of our own destiny.

Mr HERON: What is the longest term contract you give to one of these providers? Reference was made to a time between six months and three years—is three years tops?

Mr Owens: Three years is certainly the top. In fact, in the recent round of contracts I believe that the longest term is two years.

Mr INGERSON: What has been the effect of the Supreme Court decision on the long-term funding liability of the scheme now that we have had probably three or four months to evaluate it? Does the statement, which was made both within the select committee and publicly, that if this particular area was not resolved and amended the scheme would be bankrupt still hold and, if not, why not?

The Hon. R.J. Gregory: Which Supreme Court decision?

Mr INGERSON: The Supreme Court decision in relation to the second year review.

The Hon. R.J. Gregory: My advice is that the number of people who are going on the second year review is reducing. This reduction is a direct result of management intervention and changes in the rehabilitation of injured people introduced by WorkCover. People are going back to work earlier; consequently, fewer people are moving on to the second year review. We shall have to wait and see whether or not those predictions are correct.

Mr INGERSON: May I ask a supplementary and then make a comment?

The Hon. R.J. Gregory: Perhaps I may say that the situation has changed tremendously.

Mr INGERSON: The Minister has said that there has been a tremendous change. I assume that is because of the introduction of MAVIS, which has only been in the last two or three months. Less than three months ago we had a prediction that if this area was not changed legislatively there would be a significant downfall and we would have a bankrupt corporation. To go from a position of potential bankruptcy, if the decision on legislative change did not occur, to one of going okay in three months is not only surprising but unbelievable. Could the Minister further explain; instead of using rosy round words, could we have some factual information?

The Hon. R.J. Gregory: The member for Bragg demonstrated earlier that he was running around town suggesting $250 million or $260 million of unfunded liability. Then it came down to $150 million and now it is down to $130 million. I do not know what it will be after the announcement. I made it clear in my earlier answer to the member for Bragg that there is a reducing number of people moving beyond two years, and consequently the prediction—

Mr Ingerson interjecting:

The Hon. R.J. Gregory: Mr Chairman—

The CHAIRMAN: Order! In the ensuing debate which will come out of the Estimates Committees, I am sure that there will be quite a few contributions by members not only of this Committee but also of other committees to the effect that certain Ministers were reluctant to give information or that they dragged out their answers. I remind the members who are here this morning that, no matter which Minister is sitting at the table, if members individually feed that Minister with interjections, the Minister will respond and at the end of the day we shall have fewer questions to the Minister. I urge all members to ask their questions and the Minister will respond. If a member feels that a matter should be pursued, there is the mechanism of the supplementary or further question. I should like to think that is the last time that I mention it. I could be doing better things, such as planting trees or whatever, but I am here with you and I should like to enjoy it with you.

The Hon. R.J. Gregory: The Long Term Claims Group was set up about 12 months ago. The predictions were made on what the actuary made his assessment on in July last year and July this year. The prediction was that the number of people moving beyond the second year review would be reduced considerably. In my opening statement, and in statements which I have made since and which Mr Owens has made, a wealth of information has been given to the Committee which demonstrates that the corporation has improved its administrative processes. It has examined what it is doing, and that examination has brought about changes in practice. That has meant that the corporation has become more efficient, that people are being rehabilitated better and quicker and are returning to work and that injuries are reducing. All those things lead to the current prediction.

Mr INGERSON: As a supplementary, can the Minister, if possible, supply the statistical evidence for the statements that have been made, and can that be done by 7 October?

The Hon. R.J. Gregory: I think that we can supply the member for Bragg with a copy of the annual report of WorkCover when it is released and it will be amply demonstrated in that.

Mr INGERSON: In other words, you cannot do it before 7 October?

The Hon. R.J. Gregory: Is that another supplementary question or an interjection?

Mr INGERSON: I will go on and make a statement and then ask another question. Basically, you are saying that you are prepared to make statements before the Committee but the statistical evidence to back them up is not available at the moment. Can we have an evaluation of the number of staff in the corporation as at June 1992, and will the Minister say whether there has been any variation in the past 12 months?

The Hon. R.J. Gregory: WorkCover's staff numbers have increased significantly over the past 12 months to over 700. Staffing as at 30 June 1991 was 623. As at 30 June 1992 staffing numbers were 692, including 236 temporary employees. The increase between June 1991 and June 1992 is 11 per cent on the June 1991 figure.

In July 1991 the numbers increased rapidly to 652, largely as a result of the need to put additional resources into the review area. Between July 1991 and December 1991 there was an increase of only six people. The rest of the increase has occurred since January 1992 as part of the corporation's job redesign process during which the corporation focused attention on a complete overview of the structure and staffing in the corporation to meet its current and future needs.

In this process it was recognised that additional staffing was warranted. The main areas of increase have been in the claims processing area and the strategic planning and human resource functions where it was recognised that the previous numbers were insufficient adequately to support an organisation of this size. Some of the increase is also accounted for by the movement away from contractors providing services in the information systems area to the work being done by corporation employees.

The current staffing levels reflect a temporary situation because of 50 displaced employees and the expectation that a large number of temporary staff will be released in the near future. When this occurs the staffing levels will be of the same order as June 1991.

Mr INGERSON: As a supplementary, could the Minister advise the Committee what the 11 per cent increase means in dollar terms?

The Hon. R.J. Gregory: It will take some time to get it in dollar terms, but I would like to make one point.

There has been a significant reduction in the unfunded liability over a period of time. That has already resulted in a reduction in levies collected, and it has meant that the corporation has gone through a fairly rigid restructuring of its administrative processes so that it can better deliver its services. If, in the process of doing this, the number of employees needs to increase so that the corporation can be effective whilst the restructuring is taking place and the new computer system is introduced so that its services can still be supplied, and it can finish up with the same number as in June 1991, I think that is a very good effort on the part of the corporation. It shows forward planning and a sensible approach to the position. My advice is that it has gone from $24 million to $28 million.

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

Mr FERGUSON: What is the current level of case managers appointed within the corporation?

Mr Owens: The position of case manager is the new position within the corporation for people managing claims (they were previously known as claims officers). Under our restructure of the organisation back in the middle of 1991 as a result of a consultancy study that was undertaken in conjunction with Arthur Andersen Consultants looking at the operation of the claims area, it was decided that the corporation needed 90 case managers to properly manage its claims. Up until that time we had been attempting to run the claims area with something like 45 people. They had been trying to handle on average something like 1 000 claims each. As a result of that, the service we were providing to both employers and workers and the control and management of those claims were very poor.

Therefore, we were faced with the decision whether we could afford to increase our expenses of administering the scheme to increase this number to 90 whereby we could reduce to about 90 to 100 cases the average portfolio of a case manager. We looked around the world and we found that in all the workers compensation schemes that were being successfully operated the case loads for case managers were around the 90 to 100 mark and not the 500 to 1 000 that we had been attempting to operate under. Indeed, when we started talking to workers compensation insurers we found that we had been caught up in the ethos that is very strong in South Australia at the present time—that is, that a reduction in employment numbers is the only sign of a good manager.

In workers compensation experience in America throughout the 1980s it was shown that spending $1 million extra in the claims management area could save hundreds of millions of dollars in liabilities. That is what we have done. I am not ashamed to admit to that. The employment levels in the corporation have increased in the past 12 months as we have gone about properly staffing the case manager area.

Next week a person from Canada from the Alberta Workers Compensation Board is visiting South Australia. It did this 2½ years ago and actually increased the level of staffing in its board from 650 up to 1 400 people and, as a result, removed their unfunded liability and now have the full support of employers and workers for the operation of the scheme.

In fact, we have hired 110 case managers and recently added another 12. So we have roughly brought into the corporation around 120 case managers. We have done that by now advertising five times outside to secure the right people. We select about eight out of every 100 applicants; 92 are judged not to have the skills necessary for the job. Now, after five calls, we have this 120 people, which figure will reduce to around 95 by December as they go through a very intensive training course.

The training program for case managers is costing us about $1.5 million this year. It is training to ensure that they understand the Act and how to administer it. The end result is already, and will become even better over the next few months, an improved quality of service to injured workers and employers as we manage the scheme. So, the case manager level has dramatically increased in the corporation over the past 12 months. It will reduce slightly over the next two or three months as some of them are removed from that program when they fail to succeed through the evaluation program.

Mr FERGUSON: What was the corporation's investment income for 1991-92? What was the value of its investment fund as at the end of June 1992? In ballpark figures, how is that money invested?

The Hon. R.J. Gregory: In my opening remarks, I referred, as the honourable member will recall, to the income of the investments as being $67 million and the real return being 13.2 per cent, which is very high for a low risk investment. I think it is something that WorkCover as an organisation should be very proud of because when one looks at all the investment funds in Australia one will find, as I did last time I saw the comparison, that it was the second best and also the second safest. I will ask Mr Owens to elaborate on that.

Mr Owens: The corporation from its first days of operation put in place a very professional fund management activity which has basically been operated through one person in the corporation. We do not have a large department managing the funds. There are now in excess of $550 million of funds managed through the corporation. We have appointed nine external fund managers who work to our tightly defined policy and practices in the investment area.

Each one of those fund managers is evaluated on a quarterly basis. They have contracts that enable us to remove them from their portfolio if they are not performing and if they are not complying with the very strict rules that we have set in place for each of those asset types. We have a subcommittee of the board called the Compensation Fund Management Committee which has two people (leading businessmen of South Australia) from outside the corporation on it, as well as a representative of the board, the presiding officer and I. That committee meets at least quarterly to review the overall program and the results, but the day-to-day management is handled by our funds manager in conjunction with Frank Russell Australia, our overall investment adviser.

It is a recipe for success. It has worked very well. It has meant that over the 4½ years of our existence we have achieved the highest rate of return and the lowest

risk profile of any investment fund in Australia, and that is something we are very proud of.

Mr FERGUSON: Supplementary to that, how is that money invested—in stocks, shares, fixed interest or property? Where is the money going?

Mr Owens: The essential nature of an investment fund is not to have all your eggs in one basket. On a two yearly basis we model the time nature of our liabilities when we look at the payments that we have to make over the next 40 years and match them against risk return profiles of each of the main asset types. As a result of that we have a desirable asset portfolio which indicates the range of percentages into which we will put funds concerning the different asset types. So we have money in the whole range of asset types including Australian equities and overseas equities (of which there are two types, hedged and unhedged). We have a small property portfolio which is handled 100 per cent at the present time through a property trust fund called APPF (we sit on its board) which at the present time has all its money in supermarkets on the Eastern Coast, and that is returning a good annual return which has not been affected by the downturn in the commercial market.

We have fixed interest securities; we have a cash portfolio which we manage ourselves; and we have index-linked securities, which are particularly suitable to our type of liabilities, which is where we can lock into a guaranteed real rate of return, in other words a rate of return over inflation, whatever it may be. They are the main asset types in which we invest. As I said, we have an independent manager managing each one of those. In addition we have one fund manager who is able to take risks over the whole portfolio but with a very small proportion of the fund. They are able to invest in all those asset classes for which the others have one single fund manager.

Mr FERGUSON: Will the Minister provide a list of the external fund managers?

The Hon. R.J. Gregory: They are County Natwest Australia, SBC Dominguez Barry Funds Management Ltd, Australian Index Money Managers Ltd, JD Morgan Investment Management Australia, Wells Fargo Institutional Trust, the MLC Limited, State Street Bank and Trust Co., Australian Prime Property Fund and CS First Boston Australia Investment Management Ltd.

Mr FERGUSON: What is the number of employers affected by the bonus penalty rate in 1992-93?

Mr Owens: The bonus penalty scheme requires two characteristics before an employer can be eligible to partake of it: first, they must pay us more than $200 a year in levy (in other words, if they pay less than that then they are not included in the scheme); and, secondly, if they have had less than two year's experience on the scheme then they have had insufficient claims experience to allow them to participate.

On that basis, of the 65 300 employer locations that we cover in South Australia, approximately 40 per cent or 28 700 of those are ineligible for the scheme. So, 37 000 employer locations are currently participating in the bonus penalty scheme. Of those, 25 500 receive the maximum bonus of 30 per cent reduction below their industry levy rate. Only 1 800 receive the maximum penalty of 50 per cent.

The characteristic of the South Australian scheme is that it does allow small employers to participate in the bonus penalty scheme—as I said, anyone down to $200 a year levy. In New South Wales, that limit is $2 000. So, employers in South Australia who are paying between $200 to $2 000 a year levy would not be entitled to the bonus or penalty they receive in South Australia if they were in New South Wales. This does introduce some problems for us, because it does mean that, if a small employer does incur a small claim cost, then it is likely that they may swing from a 30 per cent bonus up into a penalty because of the way the bonus penalty is calculated. Many small employers do not like that wild swing if they do happen to have a claim.

Of course, what the bonus penalty scheme is attempting to do is to reward good employers' claim experience and penalise those who have poor claims experience. The reality is that a small employer will demonstrate their true claims experience only over a 10 to 15 year period. The probability of a small employer having a claim is likely to be only one every 10 to 15 years. So, when we are taking a two-year window, that is an unrealistic period in which to look at the small employers claims experience. That is why something like 90 per cent of the small employers get the maximum bonus, but then if they happen to have one claim they will swing into a penalty.

As I said, around 37 000 employer locations are affected by the bonus penalty. Over 80 per cent of them are receiving a bonus and about 8 per cent are receiving the penalty. The scheme is set up to be revenue-neutral so that the money we collect from the people paying the penalty is used to pay the people receiving the bonus. The scheme does not cost WorkCover anything: it is purely a transfer of money from the employers that incur penalties across to those who receive a bonus.

Mr INGERSON: Some three or four weeks ago, a member of the board made a public statement in which he threatened to take action against members of the fraud squad. What disciplinary action if any has taken place and, if not, why not?

The Hon. R.J. Gregory: Why should disciplinary action be taken?

Mr INGERSON: Does that mean that the Minister accepts that any member of the board can threaten WorkCover staff and say publicly that, if they carry out what seems to be their standard duty, that is, following, photographing and investigating, they will make sure those people are dealt with?

The Hon. R.J. Gregory: We are dealing with the utterances of people who make statements all over the place. I suggest that, if everyone who said, 'I will kill you' was arrested and put in gaol for attempted murder, we would have more people inside gaol than we have outside it. This is a country of free speech and rarely are people disciplined for threatening to do things. One would have to wait and see whether the board member, who the member for Bragg was so careful not to mention by name, actually proceeds to do something in that area. That is an area of activity in which he may or may not want to engage. I do not see what relevance it has to this commission.

Mr INGERSON: I find it quite staggering that a member of a corporation can just deliberately and

publicly flout what are reasonable practices of a corporation for which the Minister is responsible.

The Hon. R.J. Gregory: I just want to make a point about this: we live in a country where people are free to do what they want until they transgress the law. We do not run a society where people are persecuted because of what they think, their colour, race or religion. People have many freedoms in this country, and it is when they transgress those freedoms that they are then punished. We will not lock up someone just because they said something; we would not go to those ridiculous lengths. We do not live in a Communist state; I did not know that the member for Bragg wanted to introduce totalitarianism.

Mr INGERSON: I do not believe that is acceptable.

The CHAIRMAN: No matter what members think of the question or answer it does not do any good for the running of this Committee if they enter into debate.

Mr INGERSON: I believe that, as a member of this Committee, I have a right to express a view, and I think that the Minister's answer is unacceptable. A question was asked in the House a week or so ago on an issue relating to payment to board members. Does the Minister have a report from the board in relation to those matters and, if so, will he please advise the Committee?

The Hon. R.J. Gregory: The board members are paid as follows: between nought and $1 000 there were an actual 16 in 1991-92 while in 1990-91 there were 13; between $10 000 and $19 000 there were nine actual, and 10 actual in 1990-91; between $40 000 and $49 000 there was one, and only one in 1990-91. There was none at that level in 1991-92. The total income paid in 1991-92 was $163 000, and in 1990-91 it was $190 000.

Mr INGERSON: Will the Minister advise of the practice of individual members of the committee being able to be paid and then, if they do not attend, a replacement being paid for that same meeting? Has that been investigated and, if so, will the Minister advise the Committee of the outcome?

The Hon. R.J. Gregory: I understand that the corporation is considering the matter, and I will be advised when the board has made a decision.

Mr INGERSON: Will the Minister advise the Committee, in order of priority, which areas of change he believes should take place which would significantly reduce the long-term liabilities of the fund and enable the levy structure to be reduced accordingly?

The Hon. R.J. Gregory: That is a policy matter for the Government. Those changes will be announced in due season.

Mr De LAINE: I should like to follow from a question asked by the member for Peake about contracted rehabilitation providers. Does WorkCover continually monitor, enforce or recommend new treatment methods or is the onus of treatment methods left entirely up to the provider?

The Hon. R.J. Gregory: The short answer to the first part of that question is 'Yes', and Mr Owens will give a more detailed explanation.

Mr Owens: The area of rehabilitation is a new one, with an evolving experience as to which things work and which do not. To some extent, the word 'rehabilitation' means different things to different people, and there was an unrealistic expectation when the scheme was first set up as to what rehabilitation was going to provide. Of course, it is predominantly associated with vocational rehabilitation. To a number of people, it has come to mean the provision of a level of support and comfort that goes beyond vocational rehabilitation to include contact points and social welfare supports which, in my view, are beyond what is needed and what was originally intended.

Over the past year and a half, following our rehabilitation review, we have attempted to define more precisely what are acceptable standards of performance and behaviour for the rehabilitation industry and counsellors. We have released to the industry detailed policies covering everything from vocational training to practices contacting workers and policies relating to rehabilitation aids and other equipment, just as three examples of a range of 20 or so different policies that now exist to guide the rehabilitation industry.

My particular concern with the industry was that much of the expenditure was being attributed to something called coordination. Coordination activities were costing WorkCover something like 70 per cent of the money being paid to the rehabilitation providers, and that coordination activity was predominantly one of ensuring that the worker was contacting the doctor and continued to participate in the rehabilitation program.

In WorkCover we are now bringing that responsibility for coordination back into the hands of the case manager and leaving it to the rehabilitation industry, these external providers, to deliver to us specialist services, which it is inappropriate for us to have on our staff. Things such as functional assessments, workplace assessments of jobs for the worker to return to, occupational therapy and physiotherapy, those sorts of specific tasks are those we are now seeing as the role of the rehabilitation provider to deliver, and the coordination role is seen as one for the case manager within the corporation.

We do not need to pay highly charging professionals to carry out that role of coordination. So, in answer to your question, we are constantly reviewing the way the rehabilitation industry operates and should operate, and I believe that we are coming to a situation where that industry will be providing us with specialist services in the vocational and workplace related areas, but all the other activities we will provide in-house in a much more cost-effective and efficient way.

Mr De LAINE: What is the purpose of the Education and Research Fund and which grants were paid in 1991-92?

Mr Owens: Two research funds actually operate from within the corporation. What we call the Education and Research Fund, which has an allocation of $500 000 per annum from the board, is run by a cooperative committee with representatives from the employer, the union, the corporation and Occupational Health and Safety Commission staff. In 1991-92 the committee awarded $405 000 in grants to people requesting funding. One of the main requirements we stipulate for a project to be eligible for funding is that it be a jointly supported project. In other words, the unions and the employers in the particular area must be jointly involved in it. We will not support just one side of the equation; we have a strong belief in the need for everyone to be involved.

So, during 1991-92 we funded a number of projects in key industry sectors. We funded a farm safety project; a manual handling in nursing project; a nursing home

health and safety project (as the nursing home industry was one of our high cost industries); a vehicle industry safety first project; the muscular skeletal injury amongst non-English speaking women project; the South Australian meat processing industry project; health and safety for small business in the motor trades; a graduate diploma in social studies rehabilitation at the University of South Australia; a review of the impact of regulations on the control or occurrence of injury in the workplace; a review of the effect of occupational health and safety representatives on workplace safety; and a multi-disciplinary information and education program for medical practitioners.

A wide range of projects are targeted at the key areas of workplace safety where we can effect a continuing improvement in prevention activities. The second fund is the mining and quarrying industry fund, which has its own committee with mining industry employer and union involvement. It allocates funding from that fund to projects related specifically to the mining and quarrying industry.

Mr INGERSON: What strategies have been developed in the way of research and development projects relating to work-related injuries, specifically back injuries? What is WorkCover's policy in respect of assessing or promoting commercially available injury preventive equipment? What percentage of annual WorkCover levies is applied to research and development of injury prevention methods and means?

The Hon. R.J. Gregory: The honourable member is really asking a question on the subject, which concerned a harness device, and which was raised by the member for Goyder. Each year, applications are called for research grants and they are assessed by a committee. I am not sure of the criteria, but the people who make the assessment have experience in the area. Their view is that successful proposals are those which have immediate application, do not cost enormous amounts of money and are useful.

I remind the member for Bragg of section 12 of the Act, which provides that members of the board can be removed only for breach of or non-compliance with conditions of employment, mental or physical incapacity to carry out satisfactorily the duties of office, neglect of duty or dishonourable conduct. A position also becomes vacant if a member dies, completes a term of office, is not reappointed, resigns by written notice addressed to the Minister, is found guilty of an offence against section 13 (1), or is removed from office by the Governor pursuant to section 5. Section 13 (1) relates to a member of the board who is directly or indirectly interested in a contract or a proposed contract made by or in contemplation of the board and does not declare his interest or withdraw his chair. Board members have to fit those criteria and I suggest that the board member to whom the member for Bragg referred has not breached any of those conditions.

Mr INGERSON: Is there any chance that the Minister will answer the question?

The Hon. R.J. Gregory: I have answered it.

Mr INGERSON: Are commercial manufacturers of any type excluded from R and D grants? Is there any chance that, if such a policy exists, it could be reversed or changed?

The Hon. R.J. Gregory: I will ask Mr Owens to respond to the first part of the question. The second part concerns a board policy decision, and we are not here to answer for the board.

Mr Owens: It is a research and education fund rather than a research and development fund, and perhaps that gives some clue to the answer. We do not see the role of the fund as one of promoting any product or having it sponsored by WorkCover. To have WorkCover's name associated with any product would be most dangerous, given that it would have read into it a lot of implied endorsement that we are simply not in a position to provide. In general, the fund is oriented towards working with a particular industry group to improve safety and prevention activities of that group rather than supporting research at universities or research of a product development kind.

From my previous activities in the energy area, I know that it is easy to spend a large sum of money on attempting to develop products that go nowhere. We do not have the licence from other employers, whose money we are spending in this research fund, to throw it away on idle product development opportunities. We use employers' money through this research and education fund to turn around the overall safety performance of South Australian industry. That is the focus of all the projects that we have supported to date, to improve the level of understanding about safety among South Australian employers and in South Australian industry rather than get into areas where we could throw away a lot of money without any effective guarantee of successful outcomes.

Mr INGERSON: What success stories have come out of the research and education grants that have had significant bearing and development on fund saving so far as the scheme is concerned?

The Hon. R.J. Gregory: I will supply the Committee with a report of that committee.

Mr INGERSON: In relation to environmental diseases, particularly smoking and sunburn, will the Minister advise the Committee whether there is an increase in claims in these areas and, if so, what is being done to monitor developments?

The Hon. R.J. Gregory: I am advised that there has been no noticeable increase in the incidence of the two environmental conditions mentioned by the honourable member as reported to WorkCover. In another area of my portfolio, work has started, stopped and started again on developing a policy with respect to smoking in the workplace. The Occupational Health, Safety and Welfare Act requires an employer to protect his or her employees and to take all reasonable measures to do so. As an employer, I can say that we in the Government are commencing another campaign to persuade workers to take all precautions when working outdoors to ensure that they minimise the effect of the sun on their skin so that the likelihood of developing skin cancer is reduced significantly. The policy that we have in place relating to smoking in the workplace, particularly in confined places, is working extremely well and there will be continuing benefits to the Government and other employers who introduce those policies with less absenteeism from work generally.

Additional Departmental Advisers:

Mr A. Strickland, Director, Department of Labour and Commissioner for Public Employment.

Ms S. MacIntosh, Director, Corporate and Planning Services.

Mr R. Bishop, Director, Human Resource Management and Deputy Commissioner for Public Employment.

Mr P. Ochota, Director, Regional and Technical Services.

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

The CHAIRMAN: Minister, do you wish to make an opening statement in relation to the Department of Labour lines?

The Hon. R.J. Gregory: Yes, Mr Chairman. From 22 July 1991 the two former Departments of Labour and Personnel and Industrial Relations were combined into the new Department of Labour. On 23 August 1991 the occupational health and safety functions of the mining inspectorate from the Department of Mines and Energy were transferred to the Department of Labour. This transfer is reflected in the financial outcome for 1991-92 and in the estimates for 1992-93. During 1991-92 the new department pursued a number of initiatives with the Commonwealth which resulted in the launch of the computerised State awards as part of FATEXT (the Federal computerised award system). In addition, an agreement to collocate the South Australian Industrial Court and Commission and Federal Commission in the Riverside building, to provide a single point of access for industrial relations services, has been concluded and joint occupancy by the commissions and their respective registries will occur next month.

A commitment to national uniformity in the area of occupational health and safety was agreed at the Special Premiers' Conference during 1991-92 and a timetable established which required significant effort from the department to meet the deadline for October 1993. In 1991-92 the need to continue to reduce the overall level of employment in the Public Service required the extension of measures to assist managers with restructuring the work force. The public sector reduced by 4 697.4 full-time equivalent employees, or 4.6 per cent by June 1992. The successful operation of voluntary separation packages, recruitment restrictions and redeployment has meant that the proportion of total persons employed in the South Australian public sector has reduced from 17.6 per cent in June 1991 to 17.5 per cent in June 1992, against a backdrop of declining State employment, a reduction in public sector employment of 4 685 persons.

To provide improved flexibility in managing the public sector work force, amendments to the Government Management and Employment Act are planned for introduction in this session of Parliament. These amendments provide for further improvement in public sector operation and performance, particularly in the area of personnel management. In 1991-92 the employment strategy for people with impairments placed 14 of the target number of 15 impaired people in the South Australian public sector. Those placed were nine physically impaired, and five intellectually impaired persons. In 1992-93 there will be a youth recruitment program which will provide employment and training opportunities for 100 young people in the public sector. This initiative recognises the concern for youth unemployment and the ageing profile of the public sector work force.

The particular needs of women in the work force, such as interpersonal and communication skills in administrative and clerical work is the subject of a research project. The identification of an effective language to describe these skills is the main theme. As noted in the Auditor-General's Report for the year ended 30 June 1992, the department has taken action to implement a wider fraud prevention and detection program in relation to the use of workers compensation management information. The Aboriginal Employment and Training Strategy, which commenced in November 1988, has enabled 198 Aboriginal officers to participate in career development programs and 252 Aboriginal people to gain employment in the South Australian Public Service. A 1 per cent Aboriginal employment target within the South Australian public sector was exceeded. A new State Aboriginal employment strategy has been prepared and is currently with the Commonwealth Government for consideration.

During 1991-92 all Government departments and the South Australian Health Commission began the process of implementing the new classification structures developed as a result of award restructuring. A number of training programs in classification management have been conducted for Government departments and statutory bodies. A major review of equal employment opportunity in the South Australian Public Service was conducted between October 1991 and January 1992. The report, entitled 'Towards Managing Diversity, a Review of Equal Employment Opportunity in the South Australian Public Service', was submitted to the Government Management Board in February 1992. An implementation strategy was developed and endorsed by Cabinet in June 1992. The number of new claims recorded by the Government Workers Rehabilitation and Compensation Office for 1991-92 was 6 543, a reduction of 143 from 1990-91. This was the second year that the number of claims has fallen reflecting both a reduction in the work force covered and greater attention being paid to injury throughout the public sector.

As part of the two-year strategy for injury prevention, rehabilitation, compensation and health and safety, 15 larger departments were given responsibility for managing claims up to the first two years, excluding journey accidents, legal costs and lump sum settlements. This was an extension of the first 21 day arrangement established in 1990-91. In 1991-92 a program of awareness raising and improved compliance by employers as to the legislative requirements concerning mineral fibres (particularly asbestos) was undertaken. In total over 1 000 worksites were visited by departmental inspectors. For 1992-93 in order to meet the overall budget demands, the proposed budget allocation for the Department of Labour includes savings measures totalling $1.673 million in the following areas: GARG initiatives, $419 000; general savings requirements, $1.254 million. While these reductions will obviously add to the pressures on the department, the level of field services has been maintained and the provision of client services will remain the highest priority.

The 1992-93 year will be one of consolidation for the department, and although it has been required to implement significant savings measures I am confident that the department will be able to operate effectively within its budget allocation and that service delivery in all areas will be maintained.

The CHAIRMAN: Does the member for Goyder wish to make a statement?

Mr MEIER: No, Mr Chairman. Since the introduction of the manual handling regulations in January 1991, have there been any prosecutions for non-compliance?

The Hon. R.J. Gregory: Yes.

Mr MEIER: Is the Minister able to indicate how many prosecutions?

The Hon. R.J. Gregory: Yes.

Mr MEIER: Will the Minister detail those figures to the Committee?

The Hon. R.J. Gregory: One.

Mr MEIER: How many inspectors are there in the field policing these regulations?

The Hon. R.J. Gregory: I think we need to go through what our inspectors do. Earlier in the day I indicated that one of the roles of the Occupational Health, Safety and Welfare Commission, and the Government's desire, was to obtain a reduction in the number of Acts of Parliament and regulations covering occupational health and safety. We have a number of inspectors within the Department of Labour who have multiple authorisations inspectors under various Acts. As those Acts are repealed, and in consequence of their repeal, codes of practice and regulations will be introduced under the Occupational Health, Safety and Welfare Act. These people will still be empowered under the Occupational Health, Safety and Welfare Act, and I will cover the whole gamut. There are 36 of those people who operate in South Australia as health and safety inspectors, but they cover more than the Occupational Health, Safety and Welfare Act. When all those other Acts are repealed, they will be fulfilling that purpose. To all intents and purposes, when they visit a factory to which a number of Acts of Parliament apply in the occupational, health and safety area, they do all that work.

Mr MEIER: As a supplementary, can the Minister indicate, perhaps not now but in information to the Committee in due course, how many different pieces of legislation and attendant regulations each inspector is required to enforce or attend to during his visits?

The Hon. R.J. Gregory: They are employed primarily under the Occupational Health, Safety and Welfare Act, the Dangerous Substances Act and the Industrial Relations Act. One can only be a boiler and pressure vessel inspector if one has specific skill requirements and knowledge. They also act as inspectors under these Acts. Some mineral fibres inspectors also do similar inspections.

Mr MEIER: The Minister has identified that there are 36 inspectors. How many visits do they make to premises on average on a weekly basis?

The Hon. R.J. Gregory: I will have to take that question on notice. As I indicated to the Deputy Leader, if we had some advance notice of these more complex questions we could give more detailed information to the Committee instead of doing it afterwards.

Mr MEIER: Mr Chairman, what is the deadline date for additional information to be given to the Committee?

The CHAIRMAN: To my knowledge, I have given the date at least four times whilst the honourable member has been in the Committee—not at this particular time, but he has had the pleasure of serving on this Committee a few times. It is 9 October. Two copies must be delivered to the Clerk of the House of Assembly.

The Hon. R.J. Gregory: I can give some information, but I do not know whether this is all that the member for Goyder wants. The inspectors made 11 400 visits to workplaces for a variety of purposes. If my recollection is correct, the member for Goyder wanted to know how many establishments were visited.

Mr MEIER: I do not, but I am happy to have that information if the Minister has it.

The Hon. R.J. Gregory: On page 378 of the Program Estimates there is a fairly good performance indicator of what happens. Perhaps to refresh the Committee's memory, I should indicate that in 1992-93 it is estimated that under occupational health and safety there were 11 500 visits, under boilers and pressure vessels there were 5 200, lifts and cranes, 350 and safety audits 150, which is about the same as the previous year.

Mr MEIER: Is that visits?

The Hon. R.J. Gregory: They are inspections. We have to consider that the role of the inspector in the Department of Labour has changed. When the member for Henley Beach and I were working in the work force as tradesmen, the inspector would come to the factory, walk around and have a look, and he would usually do that in the company of the manager or the owner. Then they would have a chat in the manager's office and he would explain to the manager what needed to be done and, in all probability, would assist him in drawing up how things ought to be done. It was a very prescriptive way of how occupational health and safety was done. They would set out in great detail the number of urinals and toilet pans required for different types of employees, how much light should be in a room, how much candle power and artificial light there should be, and so on. It did very little to reduce injuries.

The new Occupational Health, Safety and Welfare Act places responsibility on the people concerned—the managers, the owners and the people who work there. It provides that they have to work together cooperatively. What happens now is that the inspectors are going around checking for compliance: whether the employers and the employees have joined together and developed a program for the reduction of injuries in the workplace. The onus is principally on the employer to do that.

To that end and to avoid duplication, we reached an arrangement with WorkCover—some members will recall that there have been amendments to the Occupational Health, Safety and Welfare Act and to the WorkCover Act—to allow the exchange of information between WorkCover and the Department of Labour. We are working on a proposal that in all our offices—in the regions as well as in the metropolitan area—there will be a computer link-up with WorkCover to record accidents as they happen and as they are reported to WorkCover. Our inspectors will then visit a workplace if they think that an accident needs investigating for a breach of the Act. The inspectors will also target places where an

employer's performance with respect to work injuries is not very good. However, before they do that they check with the WorkCover Corporation to see whether its safety prevention people are going to that place or have it targeted, because our inspectors are of the view that only one organisation needs to go to the one place.

To the knowledge of the department, one of the things that has happened as a result of this cooperation with WorkCover is that the small employer is not reporting to the department at all; they are reporting to WorkCover thinking that they have reported to the Government. We are now working out how we can cut out that requirement for the employer to report to the department as well as to WorkCover to see if the report to WorkCover would be satisfactory.

Members would recall that some time ago the workplace registration fee was replaced by a small levy that employers pay on the WorkCover levy, and we get that direct from WorkCover. That reduced the number of clerks that were required in the department for accounting purposes and a number of other things. We think that those target inspections are one of the reasons why there has been a reduction in injuries. These target inspections have brought about prohibition and default notices, and the employer has been required to conduct the stipulated improvements.

What the inspectors are really doing is auditing the employers to see if the systems are in place to ensure that it is a safe workplace. One has to remember that this is a cooperative thing; it is not something that can be done by somebody sitting up on high, decreeing something and issuing a couple of stone tablets with something chiselled in them: it must be a cooperative effort at the workplace with everybody pitching in.

The Act is there to encourage and the inspectors are there to ensure that the proper work is done. If there is a dispute between a safety representative and the manager the inspectors are then called upon to sort out the dispute, and they do that. If one looks at the performance indicator one will find that our inspectors go to factories on fewer occasions to handle disputes than do inspectors in the Eastern States.

Mr MEIER: As a supplementary question, the Minister said that there was one prosecution for non-compliance of the regulations. In what area did that non-compliance occur?

The Hon. R.J. Gregory: From my understanding it was an incident in the South-East with respect to somebody lifting over 50 kilograms and being in contravention of the manual handling code. If the member for Goyder wants to know exactly who it is I can arrange to get the details for the Committee.

Mr FERGUSON: I refer to page 375 of the Program Estimates under the program title 'Industry/Occupational Licensing and/or Regulation'. What has been the Government's experience since the amendments to the Shop Trading Hours Act were proclaimed permitting trading generally on a Saturday afternoon?

The Hon. R.J. Gregory: I think that Saturday afternoon trading on a permanent basis in South Australia has been an unqualified success. It now means that people are able to shop when they want to on a Saturday and do not have to do so before 12 o'clock. People who have children attending sporting functions on Saturday morning are now able to do that without having to tear around at great speed and frustration to get to the shops before 12 o'clock. They are able to do all those things and do their shopping in a leisurely manner in the afternoon. It is noticed now that people shop later on a Saturday afternoon. There are now fewer serious complaints made to the department about after hours trading. A lot of the breaches are being rectified without proceeding to prosecution. We have had only 51 complaints alleging breaches of the Shop Trading Hours Act, and the department is involved in resolving those. Also, the inspectors have been around and have had a further 183 general inspections during and outside business hours.

Mr FERGUSON: I refer to page 377 of the Program Estimates under the program title 'Conditions of Employment'. What action has been taken to improve delays in access to the Industrial Advisory Service in line with earlier suggestions and recommendations emanating from a consultant's review of the service?

The Hon. R.J. Gregory: We now have six full-time effective people as award officers who are supervised by one experienced award officer. The Industrial Regulation Branch is also available to answer more complex and technical questions. This action has removed much of the waiting time. Mr Chairman, you will recall that this service answers approximately 80 000 calls a year and at one time it was experiencing some delay.

Following the move to the NatWest Centre in May 1991 some problems were experienced with the computer awards base, but these were rectified early in the 1991-92 financial year, as were minor problems with the telephone system.

We are now handling something like 87 000 inquiries. One of the things we have been able to do, in cooperation with the Commonwealth Government, is provide a service to all people in South Australia who work under State or Federal awards. I initiated discussions with the Industrial Relations Minister, Senator Peter Cook, and as a result of that and discussions with officers in South Australia from the Commonwealth department and our department we will be moving to a jointly operated awards system.

It will mean that people in South Australia who want to know about award rates of pay and such things will ring one number and ask their question and an officer of the Commonwealth or the State may answer that. There will be computer systems in place that will be kept up to date within 28 to 48 hours of an award being varied or notified.

On this system that information will be available a lot quicker than it has been in the past and will enable the officers to give very timely and accurate answers. It will mean that in country areas people wanting to know Federal award information will be able to get it and they will go to a one-stop shop. No longer will people have to wait half an hour for a telephone to be answered and to be told after some minutes of explanation, 'Sorry, you have the wrong number. Please ring this number.' It is a tremendous idea, and is not that far from implementation. We are the first State to do it. We are the first State to put South Australian awards on the FATEXT system. It will mean for the 87 per cent of people in South Australia who are covered by State and Federal awards a

far better and more efficient service. It will also mean that employers in this area will get quicker and more timely answers so that they are not embarrassed when the inspector drops around and finds out that their employees are not being paid correctly.

Mr FERGUSON: I again refer to page 377 of the Program Estimates and note that some 2 069 formal complaints were investigated during 1991-92 in connection with State awards and legislation specifying minimum wages and conditions. What broad results were achieved from those investigations?

The Hon. R.J. Gregory: In addition to the 2 069 complaints received during the year, 297 were still under investigation from the year ending 30 June 1991, making a total of 2 366 matters being addressed in the last financial year. Of these, 1 891 were finalised without recourse to litigation; a further 10 matters necessitated litigation proceedings to achieve the necessary settlement; and the remaining 465 matters are still under active investigation. A total of $1 198 903.31 was recovered from employees in under-payment as a result of those formal investigations. In addition, $116 083.71 was recovered by inspectors during routine checking, making the total recoveries for the past financial year $1 314 987.02.

Mr INGERSON: Are any officers from the Department of Labour transferred to the union movement?

The Hon. R.J. Gregory: We have no officers seconded to the union movement, with the exception of one, who has taken leave without pay and who is working for the Australian Workers Union.

Mr INGERSON: I refer to the Auditor-General's Report (pages 100 and 102). I note that the cost of the voluntary separation schemes was $103 million for the past two years. What is the estimated cost this year? How many employees currently have this offer and are considering their options on this offer?

The Hon. R.J. Gregory: The question was asked, 'How many have had the offer, and how many are considering it?'

Mr INGERSON: What are the estimated costs for this year?

The Hon. R.J. Gregory: It might be better if the member for Bragg asked, 'How many people had it last year?' It is very difficult to estimate how many will take it this year, because we are only into about the third month and the Government may decide not to have any more VSP schemes. We cannot foretell the future, but I can tell the honourable member accurately about the past. Would the honourable member like to know about the last financial year?

Mr INGERSON: Can the Minister tell us about that and the estimated cost for this year, too, if there is any?

The Hon. R.J. Gregory: We do not know.

Mr INGERSON: Tell us about last year, too, then.

The Hon. R.J. Gregory: In relation to the past two financial years, 2 627 public sector employees accepted separation packages and resigned from the public sector under the following schemes: 51 voluntary early retirement; 17 voluntary resignation incentive; and 2 550 non-voluntary separation packages. The total separation of the data quotes that 2.8 per cent of the work force of administrative units and those statutory authorities used the packages.

Of the separations that occurred between July 1990 and 30 June 1992, 52.8 per cent are salaried positions; 47.2 are weekly paid; 17.3 per cent were females; and 82.7 per cent were males. In the 1991-92 financial year public sector employees accepted VSP and resigned at an estimated cost of $81 million. The total cost of all packages paid out between July 1990 and 30 June is estimated to be $104 million. VSPs have been approved by the Cabinet for the 1992-93 financial years.

Agencies will continue to use the VSP in conjunction with redeployment and retraining to facilitate work force reductions in accordance with the Commissioner's circular No. 13. During July and August of this year, a further 116 persons separated at a cost of $4 million. One must remember that this is a voluntary scheme and that, if offers are made to people, it is very difficult to tell who will accept. All we can do is report on actual experiences, and that is the more appropriate thing for this Committee to consider.

Mr INGERSON: The Auditor-General's Report (page 102), in relation to the list of departmental agencies under the VSP scheme, no mention was made of the Health Commission; is there any reason for that? In other words, does it not have any scheme; what is the setup?

The Hon. R.J. Gregory: One must appreciate that each year Cabinet considers whether VSP would be offered in that financial year. In June of this year, Cabinet determined that a further offer would be made of VSPs for the 1992-93 financial year. There is also a list of agencies that are approved for VSPs, and to my knowledge VSPs have been offered in two country hospitals, which I think are incorporated within the commission. As of the last financial year, I am not aware of the commission generally being involved in it, because the commission itself has not started to use VSPs, as I understand it. My advice is that 57 were taken during the general call, but they came out of the Health Commission itself, not out of the incorporated associations.

Mr INGERSON: I refer to the Auditor-General's Report. What programs are offered to unattached and redeployed employees? I note from page 101 that the costs related to these officers increased by nearly $500 000 in 1991-92: how many officers are now involved in this area, and what has been the increase in numbers during last year?

The Hon. R.J. Gregory: About five questions were contained in that one simple question, and I will ask the Commissioner for Public Employment to do his best to answer most of it.

Mr Strickland: First, the increase in costs to which the Auditor-General refers is a result of increased activity in the numbers of people either put on the unattached list or engaged in being redeployed from one agency to another. The main reason for that is the activities of the Government Agencies Review Group, which has been making considerable structural change to a number of departments and authorities, and hence several staff have become available for other duties.

Also, the staff who support the Government Agencies Review Group itself is reflected in that unattached number, and that is another reason for the increase in it. On the whole, they are staff for whom jobs on an

ongoing basis had not been found, and who had been helping out with all that review work over the past 12 months; in fact, for a little longer than that (obviously as long as GARG has been going).

In relation to the number of people actually involved in the redeployment activity, approximately four or five FTEs (it is actually in the Program Estimates somewhere) are involved in what is known as the Careers Planning Unit in the Department of Labour. That used to be the old redeployment unit. They are the officers who assist this whole process of moving staff from one agency to another or perhaps onto the unattached list for limited periods, so they are deployed in useful and productive work.

Mr INGERSON: What are the programs offered to these people?

Mr Strickland: There are a number of different programs. Of course, the major one is, on the basis of the knowledge that we have of available work around the place, either of an ongoing or temporary nature, to match a person to that work and get it done. That is the bread and butter of the unit. Of course, from time to time we do find individuals for whom we cannot find that fit very quickly, and hence the unit does provide other programs for them which include assessment by out-placement authorities, and from time to time they are assisted to find work outside the Public Service or indeed the public sector as a whole through out-placement services. They are the major ones.

Mr De LAINE: I refer to page 378 of the Program Estimates. What is the intention with respect to the safety auditing of public and private sector workplaces using data on compensation claims related to work injuries?

The Hon. R.J. Gregory: The reason for doing that is that in the past inspectors would have a round of factories to inspect which they would endeavour to do sequentially. They would also visit places because of accident reports to the department which were judged by their supervisors to be serious breaches which required inspection.

The introduction of the Occupational Health, Safety and Welfare Act placed greater responsibility on the employer and employee, so that there was no need to have periodic inspections sequentially and inspectors were able to concentrate more on people who needed their visits. Consequently, discussions were held with WorkCover for the exchange of this information so that we could get from WorkCover a list of places with a higher incidence of injuries, in order that our inspectors could visit these places and conduct safety audits, knowing that, once they had done what they had to do, there would be a general awareness of what was happening in occupational health and safety, which would then mean the proper working of the occupational health and safety committees at these workplaces and the processes would be in place. Consequently, the workplaces would become safer through people going off and doing training courses, and a proper safety system being in place. It was actually finding out about all these.

Prior to the introduction of WorkCover, no-one had any real information as to what was happening in the workplace. On one occasion, I was appalled to be advised by the then General Manager of WorkCover that he had come across an employer whose employees suffered an injury rate of 300 per cent. That 300 per cent means that, on average, every person working there would be injured three times a year seriously enough for that to be reported. I know of one employer who was operating in the metal industry who, when confronted by the insurance company representative complaining about the high costs for that year, said to the chap, 'What are you complaining about? There are only 34 joints and we are already in October.' He meant joints of people's fingers.

I have repeated that story constantly and suppose that I will continue to do so to illustrate that, if you do not have some of these systems in place, these things can go on forever. The employer with the 300 per cent injury rate, when confronted by WorkCover in the first instance, made the response that it was a dangerous industry in which to work. He said that all his competitors suffered this sort of injury. My initial response was: how did this bloke stay in business? We all know that, if you have injuries at that level, productivity is down to blazes and, if productivity is down in the manufacturing industry, you go broke. This chap had been around for over 25 years.

They went to work on him and got his injury rate down to 67 per cent; he thought that that was good enough and was appalled to be told that it was still lousy. This relationship with WorkCover and the injury prevention people within WorkCover who work in conjunction with our people means a broader coverage takes place, where employers are assisted, and sometimes coerced, into creating a safer workplace. It means that it is the people who help themselves best—the workers—are sent off for training; the employer/supervisor goes off for training; the employer has his responsibilities made clear in no uncertain terms, and we are finding that most people are responding to that.

Once they are finding that it works, they make sure that it works. We have only to refer to some of the more glowing examples in South Australia and around the world. One need only refer to Fibremakers in Sydney, when it was taken over by Du Pont. I am not sure of the accident rate per month, but lost time was about 42 out of a workforce of 400 to 450. Du Pont got that down within 12 months to a very low rate, which it thought was very high, because within its organisation it had 10 places that employed over 1 000 employees and had not had a lost time accident for over 10 years.

Members must recall that Du Pont is a really large chemical company that produces artificial fibres and makes those fibres into cloth, from very sheer to very heavy duty cloth. One would think that that sort of business would be fairly dangerous, but that is what it aims to do, and it has done it. If it can do it, other people can. Just think of the productivity gains that come from reducing accidents to that level.

Some employers say that Du Pont is over cautious in how it conducts its business; that it is silly; that it does not work; but the runs are on the board. If anyone wants to discuss the matter with the Manager of the South Australian Gas Company, he will freely bend their ear for an hour. He will show that, over a two-year period, the company reduced its lost time injuries significantly and increased its profit significantly. In the same period of time, costs went up and the price for gas in real terms

went down. He puts that down clearly to productivity gains through the reduction of injury.

I can recall a discussion I had with the supervisor of a particular press at Holden's, when I wanted something done to improve safety and it was not done. One of my fingers was squeezed, and if it had not been for a three-sixteenth piece of copper, I would not have had that finger. They wanted to start the machines going again, and people found me in the first aid room having a cup of tea and recovering from shock. For over 20 minutes 120 people had not worked. The productivity loss from that was enormous but, if they had done what I had asked them to do during six previous meetings of the safety committee, that would not have happened. On Saturday morning, when the plant was shut down for general maintenance and an electrician turned up with a drawing and a piece of blue wire, he was at the machine for 20 minutes, walked off and said, 'Right: she's okay now,' and it was.

That is what the safety inspectors are doing: going round and making sure the systems work. But, first, that foreman should have listened and had something done. That is what it is about. Those simple gains in productivity mean that we can compete better on the open market. It is an area in which we can make real gains. We still have too many injuries in South Australia.

Mr De LAINE: What has been achieved to enhance compliance levels with regulation 13 of the asbestos regulations?

The Hon. R.J. Gregory: Those regulations were brought in to improve the reporting of asbestos so that, when people went to do some work, they knew where there was asbestos. There were signs warning people of asbestos. There would be nothing more devastating to a worker than to find out he had been working on something that has broken, with loose asbestos flying around everywhere. The new regulations required employers to have a register in place and to put up safety signs where there was asbestos. They required employers to get qualified people to undertake a survey of asbestos in their establishment, to identify where it was.

The register must be kept in one place where people can obtain details of all areas in which there is asbestos. There was also a requirement on employers to do something about asbestos in a dangerous situation. It might mean that it has to be removed, or that a number of things must be done. After 12 months of the regulation being in place, we were finding that there was very slow compliance with it.

We had a mineral fibres branch of a manager and two inspectors, who were doing as much as they could, but there was poor compliance. After some discussion and argument, we determined that all the inspectors who visited the workplace, at the end of doing the work that was the reason for their going on that inspection, would ask the employer to respond to a questionnaire, which had been prepared in consultation with the Asbestos Advisory Committee, the inspectors and the Occupational Health and Safety Commission.

It asked a more or less standard series of questions which the inspector, who was not an experienced fibres inspector, would tick off. Approximately 1 800 work places have been visited since this program has been in place and, although I am not sure of the exact number, almost 800 or so have been places that have had follow up action. For the first time, employers have been confronted with their requirement in this area.

The asbestos could be fibro asbestos cement cladding on a building. That may be all it is and they need not have a register; it is very simple. People may have asbestos insulation around border pipes, around borders, around air-conditioning units, heat exchanges; it may be in the building as a sound suppressant and, for the first time, some people are actually looking at it. In time, the inspectors will have gone to most places, and we will have this taped. We will know exactly where it is. When people go to a place they will see the signs, they will then go to the register, know exactly what is where and what precautions must be taken.

The other gratifying thing is that Commonwealth agencies, which are not covered by our Occupational Health, Safety and Welfare Act, have approached our inspectors and asked for guidance in assisting them to put the same standards into Commonwealth Government buildings. I take that as a compliment to our inspectors and to the work that the branch is doing. It points to the fact that our regulations in this area are second to none in Australia.

Mr De LAINE: On page 376 of the Program Estimates I note that the court and commissioners' workload in the prosecution and re-employment areas continues to escalate and that the number of appeals to the Workers Compensation Appeal Tribunal is expected to continue an upward trend. Why is the number of appeals expected to increase?

The Hon. R.J. Gregory: As the scheme matures and people within the system get to know their rights in greater detail, particularly employer and employee representatives, there will be upward growth in appeals. In time, when the scheme has matured, they should level off. When the scheme was established, there was an argument as to whether it should be fully funded or pay-as-you-go. Both methods of paying for the scheme are of equal benefit. The New Zealand accident compensation scheme decided to adopt the pay-as-you-go system. In other words, you pay for workers compensation out of the levies for this year very much in the way that the Commonwealth Government pays for the age pension. It is not fully funded in Australia; it is a pay-as-you-go requirement.

When the tripartite Committee inquiry into workers compensation was under way, our advisers—I am not quite sure where they came from, but they were eminent in their field—said that it would take 25 years to do it. The last time I was in New Zealand, I discussed this matter with the accident compensation people there and they said that they would achieve maturity of the scheme in 17 years. In other words, once it hit the 17 year mark, it would level out and the costs would be the same.

With the pay-as-you-go system, you start off with a low start-up levy, but it increases slightly each year. With a fully funded scheme, you start with a high levy and you go through with it. We are experiencing the same thing with appeals and we will reach maturity on that. One has to appreciate that, as we move further into the scheme, more people will appeal decisions because of the way in which they are affected. The only way that we can reduce

those appeals is to reduce the number of injuries that take place.

Mr MATTHEW: I refer to the Government Workers Rehabilitation and Compensation Fund (Auditor-General's Report, pages 103 and 104). I understand that the significant increase to the fund from $6.205 million in 1991 to $15.484 million, or $9.279 million overall, is said to be due to a change in the accounting procedures. On page 103, the Auditor-General states that this is achieved by ensuring that agencies are more involved, aware and accountable with regard to workers compensation claims and to improve efficiency of claims. Will the Minister explain in detail the changes that have occurred to accounting procedures?

Ms MacIntosh: The changes that occurred in 1991-92, with the larger departments being given responsibility for the first two year claims, excluding journey accidents, also involved some major accounting changes. This involved the reassessment of budget allocations given to departments and the transfer of funds from departments to the Workers Compensation Fund through the Department of Labour's appropriation.

Following a detailed review of the fund, and as approved by Cabinet, an additional allocation of $3.559 million was also provided. In comparing the actual expenditure figures for 1991-92 and 1990-91, this has led to some wide variation in the Auditor-General's Report figures. Page 101 of the Auditor-General's Report (note 5) shows other payments at $15.484 million under the Government workers compensation program compared with $6.205 million for 1990-91. This increase, which it is not, is made up of a combination of factors. It shows the transfers, an increased allocation for lump sum payments of $415 000 and funds transferred from other departments of $4.941 million plus the additional funds previously mentioned, which were provided by Cabinet.

In terms of comparing the variation between the two years, 1991-92 and 1990-91, the change of level in expenditure, as clarified in the Attorney-General's Report, shows expenditure in 1991-92 of $45 907 000 and expenditure in 1990-91 of $41 140 000.

Mr MATTHEW: I was given to understand that these changes in accounting procedures do not apply to all departments, but only to the larger ones. I would like the Minister to advise which departments they apply to.

Ms MacIntosh: There are two groups of departments included in this. First are what we call off-budget agencies, which are totally responsible for their workers compensation, namely, the Departments of Engineering and Water Supply, Road Transport, Marine and Harbors, Woods and Forests, State Services and SACON. The large agencies which fall into the second group, to which I referred before, are the Departments of Agriculture, Arts and Cultural Heritage, Family and Community Services and Correctional Services, Education, Environment and Planning, Employment and Technical and Further Education, Lands, Mines and Energy, Police, Public and Consumer Affairs, Children's Services Office and Courts. Those departments are responsible for claim costs up to two years, excluding journey accidents. The GWRCO Fund, in the Department of Labour, covers all other costs. It also covers costs and premiums through small agencies and administrative units.

Mr MATTHEW: I did not hear the Department of Health mentioned. Is that not included in either list?

The Hon. R.J. Gregory: I draw the member for Bright's attention to the fact that the Health Commission is not a department; it is a statutory authority.

Mr MATTHEW: And statutory authorities are not included in this?

The Hon. R.J. Gregory: No, they are not included in this lot.

Mr MATTHEW: My next question is again related to page 104 of the Auditor-General's Report and to Government estimated outstanding liability of $78 million, and I note on page 73 of the Financial Statement that it was $150 million as at 30 June 1992. I therefore ask the Minister what are the principal causes of this blow-out, and what action has the Minister taken in response to the blow-out?

The Hon. R.J. Gregory: The Actuarial and Insurance Services Branch of the Department of Treasury has recently completed the estimate in respect of outstanding liability as at 30 June 1992. This year it estimated that outstanding compensation liabilities for Government departments and agencies administered through the Government Workers Rehabilitation and Compensation Office was $98 million. That includes $2.2 million for claims still outstanding under the previous legislation, and that compares with an estimated liability for last year of $78 million. However, the Actuarial and Insurance Services Branch has advised that in the light of the additional year's information now available it would appear that last year's estimate was somewhat understated. An enormous number of initiatives have been undertaken to reduce the incidence of injuries within Government departments.

The other question that was asked was in respect of what the Government is doing in reducing injury in Government departments. Last year the Government determined that all Government agencies would report quarterly to the Minister of Labour who would then present a consolidated report to Cabinet of workers compensation injuries. Also, that in any agency where a death occurred as a result of a work-related accident the CEO of that agency would attend the next meeting of the Government Management Board and explain to the board how the death occurred, what actions were being undertaken by the agency and the CEO to ensure that no further fatalities occurred.

I am not sure how many CEOs I have invited to attend my office to explain to me what they were going to do to ensure that what I have considered to be unacceptable injury rates within their workplaces were improved. As a result of that we selected departments out of high risk, medium risk, low risk and very low risk areas and to have discussions with those people.

The advice I have is that, as a result of those visits to my office and requests for details on how they would improve safety records, as to safety within the departments, they have instituted a number of procedures which, in time, will bring about a reduction in injuries. Also, there has been the evaluation that is normally done for exempt employers, and that has been conducted on a self-assessment basis. That has been done by the occupational health and safety people in the Department of Labour. That also has brought about significant

changes in training, rehabilitation, and also case management of people who are injured at work. I anticipate that in time we will see a number of these injuries reducing, because of this constant monitoring which will keep people's eye on the situation.

Mr MATTHEW: As a clarifying point: the Minister mentioned $98 million, and $2.2 million outstanding from the previous scheme; but on page 73 of the Financial Statement the Minister has a table of estimated net assets of the total South Australian public sector, and under the column liabilities it actually has $150 million against workers compensation. What is the discrepancy?

The Hon. R.J. Gregory: I do not know what the discrepancy is or whether we can find out exactly from Treasury. But I have made the point that this is in respect of the Government Workers Rehabilitation and Compensation Office. It is a matter under that purview. But we will undertake to find out what the difference is and advise the Committee.

Mr MATTHEW: Mr Chairman, if I may with your indulgence ask a supplementary question: the Minister mentioned that his department had held discussions with a number of CEOs, and I ask whether the CEO of the Department of Correctional Services was involved in any of those discussions, because I am aware that they had 386 claims for workers compensation in each of the last two years and a considerable number of those were in relation to stress. If Correctional Services was not involved in discussions, will any be held, and in fact does it have the worst record?

The Hon. R.J. Gregory: The member for Bright has asked one question, one supplementary question, one clarifying, then he has asked another question, one clarifying and then a supplementary.

Mr Ingerson interjecting:

The Hon. R.J. Gregory: Fine, I just want to know. Are you the Deputy Chairman?

Mr Matthew interjecting:

The Hon. R.J. Gregory: I am having a slice at you, because your questions are wrong in fact, because you referred to the department. The department does not have discussions with the CEOs. You were not listening correctly. I am the one who has discussions with them.

The CHAIRMAN: I do not necessarily want to repeat the words of advice, and possibly what could be perceived as cautionary words, that I gave prior to the lunchtime adjournment; but if we are to extract as much as we can from today's Committee meeting I suggest that members simply ask questions and the Chair will decide whether it is a supplementary question or whether it is a clarifying question. The fact that I have not mentioned anything to the member for Bright is indicative that he is a quick learner. Again, I do not think we should have any interjections or comments from either side of the Committee. I ask the Minister and members to address questions and answers through the Chair. At 10 o'clock we can then go home feeling warm and fuzzy.

The Hon. R.J. Gregory: I have had discussions with CEOs and with the Director of the Department of Correctional Services.

Mr MATTHEW: I also asked whether that department had the worst workers' compensation record claims in respect of all other public sector claims.

The Hon. R.J. Gregory: Do you mean in total?

Mr MATTHEW: In total.

The Hon. R.J. Gregory: We will need to go into supplementary questions and answers. We can do it on total amounts, *per capita*, or on the basis of the stressful type of business that is involved. The member for Bright will understand that being a prison officer is not the easiest of occupations. There are high levels of stress and perceived danger on the part of people who work in prisons. If the honourable member wants to clarify those things, we will attempt to carry out an evaluation with the other Government departments and make a qualified statement.

The honourable member asks whether it is the worst. In what way? We need to take into account whether it is the most stressful work in which to be engaged. I can recall a hearing before the Arbitration Commission when the first question from an officer of the Public Commissioner's office to the then Keeper of the Yatala Labour Prison was, 'Can you guarantee the safety of Public Buildings Department employees in Yatala Labour Prison?', and he said, 'No. I cannot even guarantee the safety of my own officers.' That indicates that it may be a stressful occupation. If we are going to make qualitative judgments about it and if the honourable member wants qualitative answers, we will do the qualifying and we will do the best we can to provide those answers.

Mr MATTHEW: It may make the Minister's task simpler if I ask that he take the question on notice and provide the Committee with a list of the number of claims by department.

The Hon. R.J. Gregory: All stress claims by department?

Mr MATTHEW: The number of workers' compensation claims by department and the number of those which were stress-related.

The Hon. R.J. Gregory: We can do that.

Mr MATTHEW: My third question relates to the audit findings on page 103. What programs have been developed with the officer seconded from WorkCover's fraud prevention section as reported by the Auditor-General, and what problems has that person isolated that need attention?

The Hon. R.J. Gregory: In the last financial year a position of fraud prevention officer was created within the Government Workers' Rehabilitation and Compensation Office to coordinate fraud prevention and detection activities within the Government sector. To facilitate the establishment of the new function, the position was initially filled by the secondment of an officer of the WorkCover Fraud Prevention Department.

The initial activities have included undertaking an analysis of the workers' compensation claims management information system to enable identification of trends, patterns and relationships in claims information and prevention of possible fraudulent claims. Further development of computer programs to assist in the process is under way. There are also information sessions with claims administrators and rehabilitation coordinators of the Government Workers' Rehabilitation and Compensation Office and its client agencies concerning fraud prevention techniques for early identification of possible fraudulent claims, over-servicing by external providers, and so on.

Also involved are the development of fraud prevention policies and formal techniques for forward reporting, the establishment of links with the fraud prevention areas of WorkCover, SGIC and the South Australia Police Fraud Task Force, and discussions with representatives of the major statutory authorities concerning a coordinated approach to fraud prevention.

During 1991-92 a second successful prosecution for fraudulent declaration of earnings whilst on compensation was achieved and in three other cases the claimants chose to resign and cease compensation rather than risk prosecution.

Fraud prevention involves creating systems that make it very difficult for people to commit fraud, and when they do commit fraud it should be easily detected and proven in the courts. When Mr Owens was here earlier, he made it quite clear that the number of people who were working in WorkCover were there, apart from detecting fraud, to stop fraud from happening. That included over-servicing and a number of other things that people get up to. That is what is happening here. Even before the introduction of the fraud officer there were occasional prosecutions for non-compliance with the Act of people getting two payments: one from the Government Workers' Rehabilitation and Compensation Office and also from the employment they had because they did not declare it.

I believe we have a responsibility to put in systems to discourage people from committing fraud. We are in the process of doing that. I imagine that constant contact with other people will ensure that our people are kept abreast of what is happening with regard to trends in that area. Early detection and the training of officers to deal with it will mean that very few cases of fraud are likely to happen.

Mr HERON: Could the Minister tell the Committee how many employees suffered work-related fatal accidents at workplaces in South Australia in the last financial year?

The Hon. R.J. Gregory: Six work-related fatal accidents (notifiable within the provisions of regulation 257 under the Occupational Health, Safety and Welfare Act 1986) were reported. The details are: a worker crushed by large packs of glass; a worker believed to have collided with an emu while riding a motor bike; a worker crushed while working on a conveyor system; a worker hit by a three-inch rope that had broken under strain (that occurred on a fishing vessel at sea); a worker crushed by falling packs of timber; and a survey technician died of exposure after his vehicle had become bogged.

Those were the number of workers concerned. There have been other deaths of people at work, but they are not deaths within the meaning of the Act. The department was made aware of a further 18 fatalities not covered by regulation 257. They were 10 self-employed persons who suffered fatal injuries while working. Six were the result of persons suffering heart attacks whilst at their place of work and could not be identified as work-related; one involved a nine-year-old girl playing in the grounds of industrial premises. She was squashed when a fork truck was moving some pallets. Another involved an eight-year-old girl who drowned at the Aquatic Centre, North Adelaide.

In all those cases some level of investigation was carried out in order to establish the applicability or otherwise of the legislation and also to determine whether or not anything could be learnt from the matter and whether any advice or publicity should result from it to help others. If appropriate, a copy of any findings was sent to the Coroner. In the final case mentioned, the drowning, an inspector carried out some investigations which the police and other authorities found to be helpful.

One of the problems in occupational health and safety is the high level of injuries that self-employed people are suffering and the high level of injuries suffered by farmers. The inspectorate, in conjunction with WorkCover, is, in respect of the farming community, conducting fairly extensive promotional campaigns in country areas in the hope that we can get a lot of information through to farmers. We realise that they are self-employed and they carry out arduous work alone in very isolated areas.

Farmers' availability to information is restricted because of their isolated workplaces and their inability to associate with people who might operate larger complexes. We seem to think that this is finally starting to make some inroads into the farming community, and that some farmers are starting to take this safety program seriously. I hope that in the long term we will see a reduction in the number of fatalities of self-employed people.

Mr HERON: Supplementary to that, the Minister mentioned a surveyor who died of exposure. Does the department take up such matters and consider saying that surveyors and others who go out in vehicles and run the risk of becoming bogged should have a two-way radio or something like that? Is any pressure put on those companies and departments that send out employees in such vehicles?

The Hon. R.J. Gregory: My recollection is that it involved a vehicle breakdown or a bog, and the person decided to leave the vehicle and died of exposure. I am not too sure whether the person had a two-way radio with them or not. I am confident as a result of that work that recommendations would be made either by the inspectorate or more importantly by the Occupational Health and Safety Commission which would ensure that people would not travel into isolated areas in extreme heat and, if they did, it would be in an appropriately equipped vehicle with appropriate amounts of water and supplies and communications equipment.

I think in this case there was a couple of failures in both areas. They are not too sure about the bloke on the motor bike. They think he ran into an emu or may have been attacked by an emu. I am advised by the people concerned that if he had been wearing a crash helmet he might not have died. I am advised that the matter with respect to the surveyor is still being investigated. Some of these investigations are complex and take a long time to reach finality.

Mr HERON: What is the role of the Department of Labour in the review of the occupational health and safety legislation for the mining and petroleum industries?

The Hon. R.J. Gregory: One of the innovative things that has happened with occupational health and safety

inspections in South Australia is a transfer of the safety inspectorate from the Department of Mines and Energy to the Department of Labour. What that has done is bring together a larger inspectorate. More importantly a specialist occupational health and safety inspectorate is able to deliver to the mining community a better informed and trained safety service for both the companies and employees.

In this State it was done with a minimum of disruption and with the approval of both the employer and employee organisations. The Department of Labour officers from the Mining and Petroleum Branch are participating in sharing and providing administration for a tripartite mining and petroleum occupational health and safety regulation review working party consisting of Government, employee and employer representatives. Its first meeting was held on 30 April this year. The working party's brief is to ensure appropriate occupational health and safety regulations in the mining and petroleum activities incorporated in the consolidated occupational health and safety regulations by examining the draft of these regulations and making recommendations on any gaps between the topics covered in them and the Mines and Works Inspection Act and the Petroleum Act, which is existing legislation.

All topics covered by the existing legislation have been reviewed. Departmental officers are now drafting regulations and codes of practice for consideration by the working party. When finalised these will be recommended to the Standing Committee of the South Australian Occupational Health Commission for inclusion in the consolidated occupational health and safety regulations.

Mr HERON: Page 380 of the Program Estimates, under the program title 'Equal Opportunity', states that there has been an analysis of women's occupational injuries. What significant information was gained from that analysis and what is being done about it?

The Hon. R.J. Gregory: The initial analysis of data was undertaken last year and presented to the Occupational Health and Safety Commission in 1991. A more recent analysis of WorkCover data has shown some patterns which illustrate that the average cost of injuries or disease to women is higher than the average cost of injuries to men, and that is despite the lower average wages of women. The average duration of injuries and disease experienced by women is longer than the average duration of that of men. More extensive analysis is required to identify patterns relating to industries and injuries involved, and this will be available from WorkCover's new data collection.

As a result of a report of the Occupational Health and Safety Commission my women's adviser has been included on a working party that is examining various aspects of the investigation process. A member of the Commission's Women's Advisory Committee was also included on the working party. The report of the working party will be submitted shortly, and it is expected that these will allow for better targeting of groups with poor injury experience.

Mr INGERSON: The Auditor-General's report on page 104, when talking about lump sum payments under the new Act, notes that there has been a very significant escalating cost in this area from $1.95 million in 1990 to $6 million in 1991 and $7.9 million (nearly $8 million) in 1992. Why does the Minister believe this cost is occurring? What action is being taken to reduce this escalating problem?

The Hon. R.J. Gregory: The rise in expenditure in 1991-92 is due principally to a substantial increase in the lump sum payments under the 1986 Act for permanent disability compensation and computation of weekly benefits. This is a trend that was experienced by all workers compensation administrators in 1991-92. However, an important influence on increased payments in the public sector in 1991-92 was the bringing forward of lump sum payments through the VSP process. As a result, approximately $1.25 million was expended in 1991-92 which would normally have been spread over future years according to the worker's normal retirement date.

One of the conditions of the VSP, apart from not being able to seek employment with a Government agency for three years, is that the workers compensation matter is finalised so that it is not an ongoing matter when the employee ceases to be in the employ of the Government.

That has meant that a number of workers with lump sum payments due to them for injuries such as hearing loss and other matters have been brought forward and dealt with in a more concentrated manner than they would have been if the VSPs had not been included.

Mr INGERSON: The Auditor-General made a fairly strong comment that the claims needed significant action. The department itself said that it would look at three additional strategy areas: to further develop management information that was being reported to departmental executives; increase the use of this information including the regular review of management performance in departments and the extension of reporting to Cabinet; and the promotion of employee assistance programs and other strategies within departments to prevent stress related injuries and facilitate early and effective rehabilitation. What action has been taken and what short-term effects, if any, have already started to happen?

The Hon. R.J. Gregory: Earlier today I mentioned that we have an improved quarterly reporting system where we are able to identify departments. CEOs have visited me, and discussions have taken place with them about how they will improve their work-related injuries. I believe that is having some effect. The number of injuries fell by 143. So, there was not an increase in injuries but a reduction, but there was an increase in costs. We expect that that injury rate will continue to decrease.

I think I mentioned earlier the promotion of programs and other strategies within departments to prevent stress-related injuries and to facilitate early effective rehabilitation back to work. An officer is involved in that work. I must admit that stress is a very complex matter, and it is something to which we are applying enormous efforts. One must remember that the Government has the highest concentration of stressful jobs of any employer in this State.

Mr INGERSON: Specifically on that area of stress and over-exertion about which we talked earlier today, I note that over the five years stress claims account for some 7 per cent of all claims and total up to 35 per cent in dollar value. Over-exertion accounts for 28 per cent of claims and totals up 25 per cent of money value. Those

stress claims are, according to the statistics the Minister gave us this morning, five times higher than those of the private sector on a number basis. As the Minister would remember this morning, the comment from Mr Owens was that it was 1.3 per cent of claims; in the public sector it is 7 per cent of claims.

The Minister did mention that an officer has been appointed to work in this area, yet in the past year stress claims have continued to increase. If one looks at the Attorney-General's Report, one sees that it has gone from 509 in 1991 to 548 in 1992. What significant action will take place in this area of stress? Whilst I accept that some departments are significantly more stressful to work in than those in the private sector, for the overall position to be five times higher than the private sector indicates to me that some dramatic action needs to take place in this difficult area?

The Hon. R.J. Gregory: I think we need to look at this matter in a way that demonstrates that Government departments, where there are high levels of stress, have very stressful jobs. I am not aware of any private company in South Australia that runs a detention centre, labour prison, gaols or correction centres. Those who work in those departments do suffer stress; one cannot even compare that with private enterprise.

The nearest you can come to comparing the police are the security services provided by private security organisations. Yet if one looks at the orders they are under, they have nowhere near the responsibility, duties or dangers the police officers have—nothing like it at all. In relation to the other areas of government, I would say that people working in the Department for Family and Community Services are in very stressful jobs. Consequently, out of those a high number of stress claims result.

One of the other areas where we have experienced some increase in stress, and attention has been paid to it, is where there is defunding of Government departments, with a transfer of people from those departments to others. Of course people will suffer a bit of stress. One must appreciate that in Government departments we are doing more of that. As we do not dismiss, sack people and get rid of them that way, we are responsible to employ them.

We do have an employee involved in this work. It does take time. In the areas where a lot of attention has been paid to it, there has been a significant reduction. One can always look at the total overall picture in government and say 'There has been this change' but, where the attention has been paid, it is starting to work. I am of the view that in time, as the skills develop, in these highly stressful jobs we will see some reduction in stress claims.

Mr INGERSON: I note in the Auditor-General's Report that the Departments of Education, Engineering and Water Supply, Housing and Construction and Road Transport are amongst the top six positions. Whilst I accept that the Departments of Correctional Services and Police do have very stressful positions, I would have thought that in the other areas there were plenty of comparable positions in the private sector.

This morning I asked a question in relation to over-exertion in the private sector, and no such category was listed as far as the WorkCover Corporation was concerned. What is this over-exertion all about, and what is it defined as? It represents some 25 per cent of total cash value in terms of payout and 28 per cent of total claims. It seems a rather interesting category in that it is applicable only to the public and not to the private sector. I would have thought that, if we could get a definition of that, we might be able to get a little bit more understanding. It runs into about $31 million over the past five years.

The Hon. R.J. Gregory: In answering a question, I indicated that one of the areas where we do have high levels of stress is where departments are being defunded and undergoing enormous fundamental change. That has happened in the Education Department, the Engineering and Water Supply Department, SACON, and to a certain extent, the Department of Road Transport. Those sorts of matters are anticipated and are being worked on. But when you bring about a high degree of uncertainty, which these actions on our Government's part call for, there will be these high levels of stress. If, on the other hand, we introduce the Opposition's policy of putting all this work out to contract, the whole department would be off on stress. There would be enormous stress claims, because it would put people under enormous stress. We must keep perspective in this matter.

My advice is that table 42 provides a breakdown of cause of injury resulting in new and ongoing workers compensation claims during 1991-92, together with comparative information with 1991. Then it talks about the most common causes of new claims during 1992-92 being body stress, lifting, handling, and over-exertion, a total of 1 881 claims, or 28.7 per cent. That is what it means.

Mr INGERSON: What is 'over-exertion' in terms of workers compensation? I understand body strain and all the other significant details, but I should have thought that over-exertion was something that should not need to be compensated for.

The Hon. R.J. Gregory: I have not had the benefit of the high education that the member for Bragg has had, but I should have thought that he would understand when I read out what it was about. What we are involved in here is the member for Bragg's wanting to know something that he has already been told. He has been told what it is about, but I will go through it in some detail again. It is lifting, handling and over-exertion. To give it to the honourable member in simple language, it means sprains and strains. Because we have different methods of counting them within the Public Service—

Mr Ingerson interjecting:

The Hon. R.J. Gregory: That is one reason why the manual handling program was introduced, because that is one of the highest areas in which compensation is claimed and in which we expect to see a significant reduction in those injuries.

Mr INGERSON: An average $3 500 for sprains and strains? Come on, Minister!

The Hon. R.J. Gregory: Is the member for Bragg seriously suggesting that the doctors who sign these certificates are fraudulent? If he is, I should like him to say so and name the doctors, so that we can have them prosecuted.

Mr INGERSON: An average $3 500—that is just a joke!

The CHAIRMAN: Can I just make a comment here, which will almost be a repeat of an earlier session last week, when we had the problem of Committee members being unable to grasp what the system was all about. I read out to them the Standing Orders, which relate very much to the Standing Orders under which we operate in the House of Assembly during the Committee stage of Bills.

Standing Order 268 rule 4 states that the Minister who is asked for explanations may be assisted where necessary by officers in the provision of factual information. That is the closest that I can find. I have conferred with the Chairperson of Committee A and the Clerks—the Presiding Officers not being available at that time—and it was agreed that that was, in effect, the golden rule under which we operated.

There is another rule that states that the report of a Committee may contain a resolution or expression of opinion of the Committee but may not vary the amount of the proposed payment. The point I am making is that a member seeks an explanation from the Minister and the Minister then gives a response. Nowhere in the Standing Orders of this Committee does it say that we can then include statements as to the veracity or otherwise of the answer or, even, an opinion as to whether a particular answer is factual or otherwise.

As I have said before, we go into debate outside when we leave the Estimates Committees. Again, I impress on people that it is not my job to take up the whole time of this Committee and I do not wish to do that. But, for the benefit of the Committee system as a whole—and I remind members that the Committee system is under threat—

Mr INGERSON: And you are only stalling to help the Minister.

The CHAIRMAN: If the Deputy Leader thinks that I am stalling to help the Minister, that is almost a reflection on me. I am not here to defend the Minister: the Minister is quite able to defend himself and his portfolio. All I want to do is extract the best possible result from this Committee. I remind members that the Committee system is under threat of being replaced by another system that will not give members the freedom under which they now operate, and I remind members to take that very seriously. Let us get into question and answer mode, and we will do very well.

Mr INGERSON: I just asked that supplementary question in relation to over-exertion. If the Minister has anything further to add, I should like to hear from him, otherwise, let us get on to the next question.

The Hon. R.J. Gregory: I do not know whether the member for Bragg is smart enough to pick it up. There is a standard definition of body stressing that lists a number of injuries, and it refers to it as 28.9 per cent. It calls it hip lifting, handling and over-exertion. That is the definition. If the member for Bragg does not believe it, that is his problem. He will need to appreciate that that would include back injuries. He might be smart enough to appreciate that back injury is one of the most difficult problems for people returning to work. They are the ones at higher cost, which is why we introduced the manual handling code of practice and regulations.

It is why we as a Government went to the trouble of putting about $1 million into it, so that we could have trainers and ergonomists to assist employers to design out of work practices the sort of processes that cause people to suffer these sorts of injuries. We went through a long argument about that earlier today. That is what it costs the Government. It is an area requiring constant attention in order to eliminate those sorts of injuries, even to the extent that we no longer see people carrying large bundles of photocopying paper around; they use a sack truck for it. All sorts of things are now being done in offices and other places to reduce this level of injury.

Mr INGERSON: The Auditor-General said that the department had accommodation cost increases of some $446 000. Where has that half million dollars been spent?

The Hon. R.J. Gregory: I think it would be better if we were to supply this as supplementary information.

Mr FERGUSON: How many persons in South Australia are covered by Federal or State awards?

The Hon. R.J. Gregory: The numbers are as follows: 487 100 people are covered by an award (Federal 33.3 per cent, State 47.8 per cent). The figures show that 82.6 per cent of people who work are covered by an award. Of males, 267 700 employees or 79.6 per cent are covered by an award (Federal 41.4 per cent and State 36.5 per cent). Of females, 219 400 employees or 86.3 per cent are covered by an award (Federal 23.4 per cent and State 61.6). The three major areas of State coverage outside the South Australian public sector are the clerks award (28 000 employees), shop assistants award (15 000 employees), and hospital and ancillary employees award (13 300 employees). The source for these figures is the Australian Bureau of Statistics, catalogue number 6315.

Mr FERGUSON: Has the Minister considered introducing legislation to provide minimum rates and minimum conditions for people who are not covered by an award? The Leader of the Opposition has promised that, if he becomes Premier, he will introduce such legislation. There appear to be problems in introducing such legislation, such as who will determine the minimum rate.

The Hon. R.J. Gregory: We have a high level of award coverage for people who work in South Australia and we have a facility within the State commission where people can make application for awards. Minimum conditions are established within the Industrial Relations Act with respect to annual leave and sick leave. Long service leave legislation establishes minimum conditions, and, within the construction industry, which includes building and the mechanical side of the industry, minimum standards are set. I made an announcement in early August that, when the amendments to the Industrial Relations Act are introduced in this session of Parliament, they will include a measure to provide for maternity and paternity leave based on the standards established by the Federal commission. It is appropriate to ensure that these standards apply across the country. I have not contemplated amending the legislation to provide for a minimum amount of money because the awards themselves provide for that, and they have a very high level of coverage, as I have just advised the Committee.

The Opposition proposal for a minimum rate would be flawed legislatively because several hundred thousand people who are covered by State awards would have no award coverage whatsoever. I remind members of what has happened in New Zealand, particularly with females

working in clerical positions and as shop assistants in small shops. Their wages have been forced very low. The member for Henley Beach will recall from his visit with me to New Zealand that what was happening to many people there was horrific. That is why we need to have minimum rates of pay so that employers cannot over-exploit people.

The minimum rate in New Zealand was very low. I note that the Liberal Party in Victoria has declined to mention what its minimum rate will be. Indeed, I do not think that any branch of the Liberal Party in this country wants to mention what it will be because, when people find out, they will not like it.

Mr FERGUSON: I remember the conditions in New Zealand and I was appalled at the minimum rate set by its Parliament. Indeed, I do not understand how Parliament can set minimum rates. In relation to the program concerning personal management improvement, what are the principles of personnel management and how does the Commissioner review their implementation in agencies?

The Hon. R.J. Gregory: The principles of personnel management in the Government Management and Employment Act can be summarised as follows: selection and merit, no nepotism or patronage, fair and consistent treatment of employees, no discrimination against people seeking employment, equal opportunity to promotion, access to worthwhile employment and training for employees, reasonable avenues of redress available to employees, safe and healthy working conditions for employees and appropriate remuneration for employees. Each year the Commissioner reviews approximately eight agencies, focusing specifically on two or three of the principles, with agencies encouraged to consider the others. The agencies provide a report to the Commissioner, detailing the manner in which they are implementing the principles under consideration, and recommending areas in which improvement is required. The Commissioner reports to Parliament each year on the review results.

In the House and in a number of articles, a lot of publicity was given to so-called nepotism in the Department of Mines and Energy. Subsequent investigations by the commission have been unable to find any evidence of that whatsoever, and that has been more so since the current Government Management and Employment Act has been in force. Allegations made from time to time but, when investigations are conducted, the officers find out that the allegations are unfounded. Selection panels consist of people who work in the area and people who are members of the Public Service Association. If a CEO chose to promote a person whom the selection panel rejected, it would quickly become common knowledge. We are of the view that the Government Management and Employment Act provides very good safeguards to ensure it does not happen.

That we are an equal opportunity employer, particularly with respect to promotions, has been more than demonstrated by the fact that we have taken on people with disabilities and that we have employed a large number of Aborigines, who are in promotional positions and doing tremendous work. They are working alongside and competing with other public servants and doing it just as well. In these areas we have demonstrated our *bona fides*. I am particular pleased as Minister that we have been able to take on nine physically impaired and five intellectually impaired people. I have met some of these people and their enthusiasm in tremendous. It gives me great heart to see them being given employment that is worthwhile and with a good employer who encourages them to excel, and they do.

Mr FERGUSON: Why is the Department of Labour promoting work force planning? What progress has been made in this area by Government departments?

The Hon. R.J. Gregory: We need to do this sort of thing if we are to have departments with appropriate skills to carry out the Government's programs. The work force is our most important resource and the benefits of work force planning are shared by management and public sector employees. For management these benefits include more informed work force decisions, more effective recruitment and training programs and more productive use of human resources. For the employees it includes a clearer direction from management on future changes, more information and less anxiety for people directly affected by changes, and more information about opportunities for retraining and career change. While the principal responsibility for work force planning lies with chief executive officers of individual agencies, the Department of Labour has a role in promoting work force planning and public sector agencies as well as assisting and advising agencies. The department has a role in determining or examining work force problems which affect more than one public sector agency and which cannot be handled within the agencies through existing strategies.

During 1991-92, the Workforce Planning Unit contacted administrative units to assess the progress of work force planning across the Public Service. Administrative units have a range of level of commitment to work force planning and, in broad terms, the agencies fell into one of the following groups: agencies where work force planning is integrated within the normal management planning process, that is, 32.1 per cent of agencies; agencies where work force planning is likely to be introduced following a review of strategic plans, that is, 17.9 per cent; agencies focusing on quantitative human resource data rather work force planning, that is, 24.1 per cent; and agencies where commitment is required from the chief executive officer to develop work force planning, that is, 28.6 per cent. In the light of the differing commitment and understanding of work force planning across the Public Service, it is important for the Department of Labour to continue promoting the benefits of work force planning and assisting agencies with development and ongoing management.

Mr INGERSON: Can the Minister advise what criterion is used in allowing shopping centres of significant size to open what seems to be fairly regularly on Sundays?

The Hon. R.J. Gregory: The shopping hours on Sundays will extend in the metropolitan area for three Sundays prior to Christmas. There will be a four-day closedown over Christmas and that will apply generally for the whole of the metropolitan area, and possibly for the whole of the country area as well. That matter is still being considered. In respect of other matters, from time to time, particular shopping centres or particular

companies will approach the department for trading hours beyond those provided for by the Act. If there are special circumstances those agencies will be given an exemption for a particular day or a particular time during the week.

Mr INGERSON: In the Arthur D. Little report, under the public sector role, there were several references to the need for the public sector to come up to world best practice. There were several comments which indicate, in essence, that there needs to be significant improvement, recognising that GARG has gone a very significant way down the track. It says clearly in the report here that unless this occurs the economic development of the State will be significantly held back. Will the Minister advise the Committee what overall changes he sees that need to be made, first, to the public sector generally and, secondly, to the GME Act? There is specific reference in here for the GME Act to be changed as well.

The Hon. R.J. Gregory: I think the Governor in her speech indicated that the GME Act will be amended during this current term of Parliament. It is felt by the Government that these changes will improve the efficiencies of Government departments and also the delivery of Government services to the public of South Australia. I may have said earlier today in the Committee that in several areas we are leading the other State Governments, in particular, in occupational health and safety, as well as in a number of other areas. In order to get world best practice we will need to identify exactly what it is, and it is the aim of the Government to do that.

Whilst we had an aim to achieve best practice in Australia, and indeed in many areas we have achieved that, the next step is to achieve world best practice. We need to find out what we are going to measure ourselves against. I draw the attention of the member for Bragg to a comment made by the CEO of the WorkCover organisation, who indicated that with WorkCover itself one of the things they did was to employ more people in the management of injuries of people who were injured at work, and brought down the caseload to about 100. That improved the efficiency of WorkCover and it indicated that its reason for doing that was having looked at what was happening with other countries overseas.

I think that the best thing this Government can aim for is to ensure that there is a continuing trend in relation to the reduction of injuries in the workplace, as has occurred in the past several years, and if that does continue we will see the resulting increase in productivity. The Government has played the lead role in this, either through the Department of Labour or through the establishment of the WorkCover Corporation. As to the insurance companies, I remember when I started as a member of the review committee, in 1978 there were 54, at the end of 1979 there were 52, and I understand that when the negotiations began on the new WorkCover scheme there were 34 and when the legislation was enacted there were 32. So had we not had a WorkCover scheme I do not know how many of those insurance companies would be here. But we would not have had an application of a bonus penalty scheme, in conjunction with the Occupational Health, Safety and Welfare Act, which has brought about this reduction in injuries, and it would not have brought about targeting and a number of other things.

World best practice will also be talked about in the Committee later on this evening in relation to the performance of the Department of Marine and Harbors in delivering a service and in reforming its organisation. I have been told that the reorganisation conducted in that department has gone further and more quickly than any other port authority in Australia. One needs to qualify that against other things that are happening around the world and we are attempting to improve the throughput in that area. That is achieving world best practice, and in that area I believe that we have the support of the principal employers who use the port mainly for export and import. The next one is that in our hospital system we have to get world best practice.

All those things, when added up, will ensure that the delivery of service gives real value for money. The GARG process was an examination of all Government departments to ensure that what we were doing was, first, the requirement of the department and of the Government and the requirement of the Acts involved. That has meant that in a number of areas work practices have been examined, and those that are no longer required have been eliminated and people have been transferred around the place to other jobs, and those who want to have had the opportunity to take up VSPs. We are delivering the same sort of service, but we are doing it more efficiently. I think the way we have been able to this in South Australia has been very good. We have given ourselves a commitment as a Government that we will continue that process so that we can have a delivery of service.

I do not think anyone in this State complains about the condition of the roads over which commerce is conducted. The roads that the Department of Road Transport produce are looked upon as being some of the best produced in Australia, and they certainly make it easy for the carriage of goods. That is the sort of thing we will be looking at, and indeed making sure that that continues. I draw the attention of the member for Bragg to the fact that in one area Australian roadmaking leads the world. I was surprised to be advised that in the construction of long distance, cheap roads Australia leads the world in that technology. Other countries have imported it, and indeed if one drives through the Rocky Mountains in Canada one finds the overtaking lanes on approaches up the hills for slow vehicles, in their case on the righthand side. That was copied from Australia. In some areas we are best in world practice. It is our intention and aim to be the best.

Mr INGERSON: It is very pleasing to note that the Government is going to attempt to be the world's best, because the A.D. Little report says that we are 4.5 per cent outside the State average in relation to GSP. It also clearly states that the cost of delivering services in this State is still 5 per cent dearer than that in any other State. Further, it clearly says that, whilst it recognises that GARG is doing an excellent job, there is a long way to go. In listening to the Minister's comment, we recognise that some departments will increase in size and others will reduce in size. Having said that, there still needs to be a huge change compared with the change that we have had at this time.

As regards the industrial relations area on page 376, I note that the court and commission workloads on prosecution in re-employment areas continues to escalate.

The Minister will be aware that there are other areas, particularly unfair dismissals and so forth, where there is a significant increase in workload. Can the Minister explain why the cost of hiring court reporters and recorders for the court and the commission has been significantly reduced by $78 000? I should have thought that seemed quite contrary to the problems which have been created in the commission.

The Hon. R.J. Gregory: I think that it demonstrates that world best practices are applied there. They can do with less; they are actually doing it; and they are delivering an excellent service to workers and employers in South Australia. The court and commission has looked at its activities. If other courts were to follow the example of the Industrial Court, we would have a very cheap justice system.

Mr De LAINE: My three questions relate to page 384 of the Program Estimates regarding staffing of the Public Service. What is the Government doing as an employer to alleviate the problem of youth unemployment?

The Hon. R.J. Gregory: I recently announced that Cabinet had approved the employment of 100 young people in the age group 17 to 24 who will be placed and funded in base grade vacancies in the public sector. We hope that this program will commence employing these people in October this year. We will ensure that high quality young people, including some longer-term unemployed youth with relevant abilities, are recruited into the Public Service. This strategy will use the Commonwealth Government's Australian traineeship scheme and its JobSkill program, together with the resources of DETAFE, to provide appropriate off-the-job training for all those recruited through this strategy. It is something about which I am very pleased.

Mr De LAINE: What is the current status of the special employment and training program?

The Hon. R.J. Gregory: We have placed nine physically impaired young people and five intellectually impaired young people in employment within the Public Service. I have made it my business to visit some of these people in an appropriate way; in other words, I visit the whole of a department and in the course of such a visit I come into contact with these people. One of the young people has a large sight impairment. There are appropriate facilities for the use of a computer, to answer the telephone and do reception work. I have watched her getting around the department. In fact, one does not know that she is there until she walks out of the lift and then one realises that it is her because of the way that she is walking. However, she gets around and does a very good job. She is supported by the people with whom she works. It gives me a great deal of satisfaction to see that.

We also have people who are profoundly deaf and others who are blind. One young man works as a trade assistant in the police workshop at Novar Gardens dismantling things from motor vehicles. I shall not forget the day when I was there talking to him. One of the tradesmen asked him to do something for him because he could not do it. This young man did it. He did everything by feel. The tradesman who was fully sighted and did not need glasses could not do it, but this young man did the work very quickly. He was very well supported by the people with whom he works. Also, it gives the family involved an enormous sense of satisfaction to see some of their disabled loved ones at work.

As an employer we need to ensure that we provide opportunities for these people. Many other employers are doing it and so are we. We are putting our money where our mouth is. We are not ensuring that these young people are paid substandard or reduced wages, given a slow learner's permit or something like that; they are paid the appropriate award rate for the job. I think that has been very successful.

A blind solicitor was recently awarded a Public Service medal. I see him on occasions. He gets around with a dog. He is a very good employee. SACON has also received an award for employing people with impairments. I think it is one of the most significant things that the State Government is doing by leadership.

Mr De LAINE: What is being done with regard to the Aboriginal employment strategy?

The Hon. R.J. Gregory: One of the great difficulties that we have in our community is the high level of unemployment amongst Aboriginal people. As a member of ACTU I was involved in the National Aboriginal Employment Development Committee and I found it was very difficult to persuade employers to employ Aboriginal people. However, after many years we were successful in persuading them to take on Aboriginal people. As a Government, we have determined that we will employ at least 1 per cent of people of Aboriginal descent, and we are doing that.

Our three-year strategy commenced in November 1988 and concluded in the financial year 1991-92. The 1 per cent employment target within the South Australian public sector set under that original three-year Aboriginal employment strategy was exceeded. I will provide a comparison of employment statistics from June 1988 to June 1992. Aborigines as a percentage of GME Act employees in June 1988 were 1.09; in June 1989 the figure was 1.1; in June 1990 it was 1.52; in June 1991 it was 1.52; and in 1992 it was 1.58.

Aborigines as a percentage of administrative units were in June 1988 .8; in June 1989 the figure was .95; in June 1990 it was 1; in June 1991 it was 1.06; and in June 1992 it was 1.13.

At the conclusion of the strategy in October 1991, 198 Aboriginal officers had accessed the following programs offered under the career development initiative: work-based skills development program; management development program; study release programs (including the study wise program, study release program, senior management scholarship program and scholarship program); staff interchange program; non-Aboriginal development program; and the train the trainer program.

A further 252 Aboriginal people gained employment in the South Australian Public Service through the direct entry programs offered under the recruitment initiative. That has been an effective vehicle in advancing equity with regard to the employment of Aboriginal people in the Public Service.

This Government has submitted to the Federal Government a detailed proposal for a new three-year Aboriginal employment strategy to commence in the current financial year. This is a comprehensive proposal with a particular focus on the retention of existing

Aboriginal employees, including the provision of greater career development opportunities for Aborigines.

The State Government secured a special provision of $500 000 from the Commonwealth Government during the latter part of the 1991-92 financial year to facilitate the management development of Aborigines and their vertical mobility within the Public Service, pending confirmation of the implementation of the new three-year Aboriginal employment strategy.

Our employment of Aborigines is succeeding very well. As I said earlier, a number of these people have moved on to promotional and supervisory positions. I have had the opportunity and pleasure of being present at the conclusion of courses when awards have been made to these people. It has given me great pleasure to see this work being done and these people striving and competing against other officers and achieving high office.

It is my view that a number of our people in these programs will finish up in more senior positions in the Government. We have to do what we can to ensure that more Aboriginal people are employed within Government.

Mr INGERSON: I note that Commonwealth grants to the Australian traineeship recruitment program were significantly reduced last year. Is the Minister aware that there may be increases coming from this area, particularly in line with the Commonwealth's thrust to encourage more and more people to go into this area of training?

The Hon. R.J. Gregory: Yes. I have already advised the Committee of that; it is the youth training scheme.

Mr INGERSON: I refer to page 385 of the Program Estimates which has the objective that the enterprise bargaining principle under direction from the Australian Industrial Relations Commission could and should apply to the private and public sectors. Has the Government entered into any enterprise bargaining decisions?

The Hon. R.J. Gregory: To generally enter into any enterprise bargaining with its employees?

Mr INGERSON: Yes.

The Hon. R.J. Gregory: There has been one, and that is the State Transport Authority.

Mr INGERSON: Can the general principles of that decision be given to the Committee?

The Hon. R.J. Gregory: That matter would have had to be ratified by the Australian Industrial Relations Commission. It is available to everybody and the Library here should be able to get it for the honourable member.

Mr INGERSON: I refer to page 385 of the Program Estimates and the nine stoppages which were held and which involved 594 Government employees. What were they about and how were they resolved?

The Hon. R.J. Gregory: We will provide that information in greater detail.

Mr INGERSON: Page 386 of the Program Estimates states:

> Improve the accuracy and timeliness of the GWRCO claims database and related management information reports.

What is this whole system about and what is happening?

Ms MacIntosh: During the year a review of the current workers compensation database and recording system was undertaken. It was discovered that there were some difficulties in the timeliness of reporting of workers compensation claims and therefore the analysis in the administration that flowed from it. Changes have now been put in place. There were a series of recommendations—12 in total—which were adopted and are now being implemented to make the database more accurate and timely to allow for better administration and recording.

Mr INGERSON: Page 387 of the Program Estimates refers to the implementation of networks and the need for security of departmental data, hardware and system accessibility. What is this system all about? What security is required for it?

Ms MacIntosh: The department operates a wide area network as well as two local area networks. A lot of information held by the department, for example, the workers compensation information system, is highly confidential. Therefore, we need to make sure that the networks are secure and that people cannot get access to them. A series of measures have been undertaken to ensure the security of the system and the related networks and to make sure that no viruses can get into the networks or onto the system to ensure that data integrity is maintained.

Mr HERON: What is the Government doing to improve the performance of public sector agencies in managing sick leave, workers compensation claims and other costs?

The Hon. R.J. Gregory: What we have done is introduce the quarterly reporting of these matters to Cabinet through me. As I said earlier, in the workers compensation area these matters are discussed with the CEOs and me where we consider them to be poor performers. They advise us how there can be reductions in the incidence of sick leave and injuries at work. There already has been a significant reduction in sick leave. Normally at this time of year there is an increase in sick leave but the last statistical gathering indicated that the slight downward trend had continued. The South Australian public sector is now on the Australian average for sick leave. Recent information indicates that in real terms it is not as great as some people would have us believe.

Mr HERON: How many days have been lost through industrial disputes in South Australia compared with the past few years and with other States?

The Hon. R.J. Gregory: We do not seem to have that information with us. It is available and we will obtain it for the Committee. The last time I saw those figures we had the lowest incidence of stoppages in mainland Australia.

Mr FERGUSON: It has been good for 10 years.

The Hon. R.J. Gregory: We had one slight aberration when Tonkin was the Premier of South Australia.

Mr INGERSON: Page 377 of the Program Estimates, relating to industrial relations, states:

> A marketing plan was endorsed by the Construction Industry (LSL) Board during the year . . . Enforcement procedures were modified to recognise the provisions of the Act and the general downturn in the industry.

What was the marketing plan? What modifications were made in relation to the downturn in the industry?

The Hon. R.J. Gregory: The Construction Industry (Long Service Leave) Board consists of equal representatives of employers and employees and they manage the fund. There are two distinct funds: one covers the old construction industry and the other covers the metal industry. Mr Chairman, you will recall that in a

previous Parliament amendments to the Act enlarged the scope of the fund to cover people working in the construction industry and the metal workers.

The board has sought to improve its image amongst employers to ensure that employers who are required to pay the levy are in fact paying it. There are six long service leave inspectors employed by the department who go around and examine the books of people involved in the construction industry. From time to time they have found that people are not aware of their obligations and they want to market this.

The other thing is that they are running into employers who do not want to pay the levies, and they have made certain proposals to me about what ought to be done so that these levies can be collected and so that, if people are slow in paying it, they will suffer an appropriate penalty. They are also quite innovative in the way they go about doing it. They have amnesties; they sponsor certain organisations. This had the effect of drawing the employer's attention to it. I find they are very innovative in how they go about providing the service to the industry. It is a very well-managed fund, and we will see some amendments to the Act by which they have sought to improve the efficiency.

Mr INGERSON: On the same page there is a reference to complexity of award prescriptions following the award restructuring and there is a special mention that occupational superannuation requirements were causing a high number of complaints. What are they, and what is being done about them?

The Hon. R.J. Gregory: It is very simple; the employers themselves are not making the appropriate payments for occupational superannuation. The member for Bragg will remember that various amendments have been made to a number of awards that provide the 3 per cent superannuation. Indeed, the Department of Labour, in conjunction with the Commonwealth industrial relations body and the United Trades and Labor Council, conducted a joint exercise in drawing employers' attention to this matter. When our inspectors go to these places they make sure that this is happening. As the member for Bragg knows, non-compliance with awards is actually an offence under the Industrial Relations Act.

We think it is appropriate that employers should be made aware if they are in breach and given an opportunity to correct those breaches. As given in earlier information in this Committee, whilst a lot of complaints are investigated and a lot of places are seen and inspected, very few prosecutions take place. It is my advice that, when employers are advised of their responsibilities in this area, they make the appropriate payments. It is most distressing when people are no longer working for an employer and find out that what they thought were superannuation payments being made on their behalf were not being paid.

Mr INGERSON: Program Estimates (page 378), under Issues/Trends, states that the application of claims data to targeting 'poor safety performers' is a major issue. How is the information transferred through the department? What departmental action is taken to follow up these poor safety performers?

The Hon. R.J. Gregory: Earlier in the day, I indicated that one of the initiatives that the department had undertaken was to liaise with WorkCover to get information from it as to people who were poor performers within the occupational health and safety area. After a bedding down period, the information has been used by the department to visit workplaces that have poor occupational health and safety records.

Prior to a visit, the officers concerned will contact WorkCover to make sure that its injury prevention people will not also be visiting the company, because they do not want to duplicate the visit. When they do visit the company concerned, they do a thorough audit of the occupational health and safety processes, and they do an audit of the plant, the office or whatever the case may be, and examine all aspects of it. In the past when these things have been done, a number of default notices and improvement orders have been issued.

One of the things that inspectors do is look at the minutes of safety meetings to see whether the recommendations and decisions of these meetings have been implemented. All in all, that has a very good effect, because it makes employers and also the people who work for them aware that it is an occupational health and safety matter and that it is in their interest to do things. Despite the issue of prohibition and default notices those officers are generally well received, because after they have been there employers have a greater appreciation of what they need to do.

Mr INGERSON: In relation to the national standards regarding occupational health and safety, you made reference in your presentation this morning that the Government had a policy of setting the standards at national uniform level. It has been put to me that there are many instances in which we would be better off to have our own State standards and that they ought to be coordinated between the commission and the department more regularly. Is that an accepted exercise as far as the Government is concerned or are just a few employers and employer associations in particular concerned about a rapid trend by us to go into the national area?

The Hon. R.J. Gregory: We need to look at the philosophy of what we are about in this. The member for Goyder indicated that we would make up about 8.6 per cent of the Australian population of a country of just over 17 million people. If we want to succeed, we first have to overcome petty State jealousies such as, 'We are better at this' or 'We have something better than you.' First, in this area of occupational health and safety we need to have as near as practicable the same standard. I find the only acceptable difference is that required by State Acts.

I believe the principles and the outcomes should be exactly the same. I am pleased to say that the Occupational Health and Safety Commission agree with me on that matter. It agreed with me to such an extent that of all the major codes, practices and regulations—with the exception of one—South Australia complies with the national standard.

It was the South Australian initiative in this area and the pressure that we have been applying that provided the initiative for the Premiers when they met in November 1991 to themselves direct their Ministers of Labour by December 1993 to have national standards in this area. I am pleased to advise the Committee that, when the meeting was held on how we were going to achieve that, an officer from South Australia was the one who had the plan in her attache case which was produced during the

meeting and which was adopted by that meeting. What that means is that if any of our employers have plants or parts of their organisation in other States, or are seeking work in other States, if their occupational health and safety standards are the same as those of South Australia, they do not have to adjust to a new set of standards that apply in that State; they do have to train their people to comply with those standards, which would involve considerable expense; they just apply our standards.

If we want to compete on a world market and with the principal trading blocks with which we must compete or have niche markets in such areas as Europe, America and Japan, we need at least to have something going for us, and that is called uniformity. I would have thought that would be just straight-out plain commonsense.

Some would argue that we should have State standards because our standards are higher or better than those of someone else. One of the hardest ways to improve the national standard when you are arguing at a committee and when someone asks 'What are you arguing about?' is to say that you already have it. The things that we need to consider are whether Australia needs to improve our productivity and, if we make that decision, this area of occupational health and safety becomes very important.

The Committee will recall that earlier I indicated the great gains that would be made in productivity if we achieve an accident free workplace, and all the other benefits that flow from that. We need to apply enormous attention to detail to do that. All I can advise the Committee is that when people from the Commonwealth first visited South Australia to inspect our commission, after being shown the small place in which they work and after being introduced to the people, they wanted to know where all the others were, and the CO said, 'What others? This is all we have.' They refused to accept that the high quality of work that comes from South Australia and the amount that is coming out is coming from such a small office.

The other thing is that this is just not something done by some Government employees sitting in offices somewhere; it is done in conjunction with the employer and employee organisations. It is all tripartite and all consultation. Someone will draft a document, which will be submitted to a committee to look at, and the committee will discuss the document with people who are particularly active in that field. It will go out for consultation, then will come back, go out again and come back again. Eventually the Governor in Executive Council will sign documents that mean that at a certain time these things will become law.

The best example of the output of this committee is the manual handling code of practice and regulations, which are very similar to those which apply now in Victoria and the eastern States. We have seen the percentage of body stress, which the member for Bragg did not quite seem to understand a while ago, in State Government departments being at 28 per cent, and that includes back injuries.

Back injuries were the most significant cause of high cost injury within WorkCover. The member for Bragg would know that, if people suffer a back injury, they have a disability that will really incapacitate those people for the rest of their life yet, when they walk around a room, you would think there was nothing wrong with them. We have members of the House of Assembly who suffer from severe pain from back injuries. I know that one particular honourable member would like to have had those facilities available at the time, as well as perhaps the training and the attitudes which would have meant that his back may not have been injured.

I know that when I was a young person working in industry I would rather have had those things apply and not have placed myself in a position where I have a squashed disc. We all would. Those things are being done for the future of Australia. What is happening is very important. Those employers who think that we ought to go back to substandard South Australian conditions want to turn South Australia into a ghetto, do not want South Australia to play its full part in Australia and do not really want Australia to do anything.

Mr FERGUSON: In the various Committees on which I have had the pleasure of serving, I have never been able to find out how many people actually work in the Education Department, and I should like to ask the Minister how many full-time equivalent public servants and how many daily paid people work in the Education Department?

The Hon. R.J. Gregory: We will endeavour to tell the honourable member the number of full-time effective employees at a certain point in time. As to whether they are all working or not, that is a matter for their supervisor. People employed under the GME Act, 759.2 (that is FTE); major non-GME Act, 14 089.3; weekly paid, 524.1; other, 2 705.2, giving a total of 18 077.8. The total number of people as at the end of June 1992 is 20 561.

Mr FERGUSON: The Public Accounts Committee (PAC) brought down a report on long service leave that showed gaps in the coverage of long service leave for State employees. Have those gaps now been filled? What action has been undertaken to rectify the problems that arose from that PAC report?

Ms MacIntosh: One of the findings of the PAC report on long service leave was in terms of the ability to record the commitments to long service leave, in particular, the accrued liabilities. The Department of Labour operates Human Resource Millenium (HRM), which is an Austpay payroll system, across Government. In response to the PAC report we have developed a management module allowing Government departments to record accrued liabilities and also to manage long service leave within those agencies. So far, we have implemented 18 long service leave systems across Government, with a further three systems planned for implementation before December this year.

Mr FERGUSON: Certain groups of people were not actually covered by either long service leave legislation or awards that contained long service leave. One example was the employees of this Parliament. Have steps been taken to provide cover for those people?

The Hon. R.J. Gregory: We will be amending the GME Act to ensure that those problems that arose do not arise again. With respect to this Parliament, there are some problems with the sovereignty of it and the people who work here, which some of us try from time to time to overcome. However, the intransigence of this place makes it very difficult. I hope that we could have this situation where the Parliament is subject to Acts of Parliament just as everywhere else must be, but the

honourable member knows as well as I do that, for some reason best known to the Parliament itself, it ensures that certain Acts do not apply to this building.

Mr FERGUSON: What is the state of the building long service leave fund?

The Hon. R.J. Gregory: That is a construction industry matter.

Mr FERGUSON: Yes. I am not familiar with the terminology.

The Hon. R.J. Gregory: I would venture to say that, from my recollection of the last quarterly report I looked at, the total amount is in the region of $25 million, most of which is held in bank bills and term deposits, which the Long Service Leave Board manages fairly astutely. Currently, it is examining its investment methods to see whether it can obtain a better return for its money. As I say, it is a well managed fund, and the figure I have just been given is $26 017 563.54. The electrical and metal trades fund stands at $119 920.46.

Mr FERGUSON: How are those funds invested?

The Hon. R.J. Gregory: They are invested in term deposits with banks and SAFA. The board is looking at other ways of investing its money apart from using short-term investments with banks, which might be 90 days, 120 days, 180 days, one year or two years.

Mr INGERSON: What consultancies have been employed by the Department of Labour in the past five years and in what areas have those consultants been used?

The Hon. R.J. Gregory: I am advised that we have last year's figures but, if the honourable member wants the information for five years, I will forward that to the Economic and Finance Committee. In the past financial year, the department used the following consultants:

Consultant	Purpose	Remuneration
John Clements Consultants Pty Ltd	Assessment, training, outplacement	23 595
Marion Burns Consultancy	Training	170
Davidson & Axmith Pty Ltd	Outplacement	22 738
Morgan & Banks Pty Ltd	Training	400
Speakman Stillwell & Assoc. Pty Ltd	Assessment	750
McPhee Andrewartha	Assessment, counselling, training	4 950
Donna McSkimming	Training	6 990
Healthlink	Training	3 240
Datamatic	Training	995
MDR Management Consultants	Training	750
Carmel Niland	Costs associated with Review of Equal Employment Opportunity	10 788
Cullen Egan & Dell Aust. Pty Ltd	Remuneration advice	250
Jill Whitehorn	Project Brief on the Review of EEO	3 000
Les Wright	Consultancy for Minister of Labour	4 007
Risk Finance Services	Figtree System, GWR&C Records Management System	13 282
Palmer Gould Evans Pty Ltd	Actuarial Assessment SA Police Department	18 954
Darryl J. Sheedy and Assoc.	Long Service Leave Records Management System for Construction Industry Long Service Leave Board—	85 000
TOTAL		$199 859

Mr INGERSON: In relation to public safety, there is a notation on page 379 about client education promotion of company based safety systems. What education promotion is involved in this area and what general companies are involved in it?

The Hon. R.J. Gregory: My advice is that it involves one or two areas, and I will provide a detailed explanation.

Mr INGERSON: On the same page there is reference to the revision of operating procedures and the staffing of the Government magazines. Why is this needed and what are the revisions all about?

The Hon. R.J. Gregory: The Government magazines are on an area of land at Dry Creek. They were established in the early 1920s to hold explosives. The explosives were brought up along one of those creeks by lighter from the port of Adelaide and transferred to the magazines. There has been a reduction in the use of the magazines with a change in the type of explosives that are used and larger and better storage facilities are provided by the major users of explosives in South Australia. Consequently, with a reduction in the use of the magazine for storage of explosives, there is correspondingly a reduction in the number of people needed to operate it.

Mr INGERSON: In his recent report to Parliament, the Chairman of the Industrial Commission (Judge Stanley) made specific reference to the fact that only four enterprise agreements had been entered into in this State. I am not sure of the actual time frame. He made reference to the fact that he believed it was due probably to the Act itself. Is there any intention on the part of the Government to modify the Act so that some of the reasons put forward by Judge Stanley can be eliminated?

The Hon. R.J. Gregory: The Governor's Speech indicated that the Government would be introducing amendments to the Industrial Relations Act during this session. The honourable member will know what is in the Bill when it is introduced, and he should simply wait to see whether it meets Judge Stanley's requirements.

Mr De LAINE: On page 379 of the Program Estimates it is stated that the department will actively participate in achieving national uniformity of standards for dangerous substances. How close are we to achieving that national uniformity?

The Hon. R.J. Gregory: Dangerous substance uniformity involves other matters of occupational health and safety and it is planned to introduce appropriate amendments into Parliament in the first half of the 1993 financial year. I must stress that we are hoping to have that on a national standard.

Mr De LAINE: I refer to page 380 of the Program Estimates and to the reference under issues/trends:

> Workforce restructuring and the needs of women in the enterprise bargaining process are the most pressing issues for women in the South Australian workforce.

What is going to be done to address this need?

The Hon. R.J. Gregory: The women's adviser to myself has been participating in a number of studies that examine the position of females within the workplace. I have been involved in the launch of a number of projects and reports of those projects that indicate what needs to be done by employers and indeed by unions to improve the position of females in the workplace. It is an ongoing process. I am very pleased with the outcome of the women's adviser and the people who work for her. It is landmarking in some areas. She has been able to get additional funds from the Commonwealth Government for additional work in this area, and it is pace-setting. The other aspect of the matter is that the employers in South Australia are cooperating extremely well, and I put it down to two things. The first is the ability of the women's adviser to persuade these people to be involved in the programs and the second is that the employers themselves want to be involved, because they recognise that female participation in our workforce by the year 2000 will be about 50 per cent, and they make up a very important part of our workforce.

They need to be treated exactly the same as everyone else in the workforce. It means that we need to identify training that needs to be made available so that a woman can fulfil these roles. We need to identify any weaknesses in the employment practices and we need to overcome discrimination to ensure that people have equal opportunities. It is a measure of society's ability to look after all people in the workforce, of either sex, and to look at the level at which they are performing. We need to overcome one of the basic problems that we have, one that is borne out by WorkCover statistics, namely, that in relation to women who sustain long-term injuries that require them to be away from work for a long time and who are off work for longer than men. We find that an enormous number of women in several pockets of employment, in lowly paid and unskilled work, are poorly supervised and poorly led. I am hoping that strategies that are being developed and implemented by the women's adviser and also by employers across the State will overcome these deficiencies.

Mr HERON: Minister, will you tell the Committee how many State registered unions there are in South Australia at the present time compared to the number five years ago, as well as the number of State registered employer groups? The Minister might like to take that on notice. I ask the Minister this question because of the newspaper reports that there are a lot of amalgamations going on with a lot of these bodies.

The Hon. R.J. Gregory: I will provide the details to the honourable member. I just wish there was a bit more amalgamation amongst employer organisations. Do you realise, Mr Chairman, that if you go to a meeting of building employers and building unions, nothwithstanding the multiplicity of building unions, the employers outrank them in numbers by two and three to one. It indicates that the employers are very disparate in how they approach these things, and it makes it fairly difficult from time to time when one wants to consult with all of them.

Mr INGERSON: I put the following question on notice, as time is limited at this stage. Page 380 of the Program Estimates states:

Following consultation with women in trade unions and the private sector, a project was implemented to identify effective language for describing women's skills.

Will the Minister provide us with an answer on this and supply the report as well?

The Hon. R.J. Gregory: We will endeavour to provide an answer to the question. One of the things that needs to be appreciated is that some of us who used to call ourselves tradesmen have to use different terms, and some of us older ex-tradesmen who might return to the workforce one day will need to ensure that we have the appropriate terminology, because we will find as we go back into the engineering trades that there will be female fitters and turners, welders and metal tradespersons there who were not there when we were young men. There has been a significant change and it is a very good change. It illustrates that our society is advancing.

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

[*Sitting suspended from 6 to 7.30 p.m.*]

Marine and Harbors, $8 435 000

Chairman:
The Hon. T.H. Hemmings

Members:
The Hon. P.B. Arnold
Mr D.S. Baker
Mr M.R. De Laine
Mr D.M. Ferguson
Mr V.S. Heron
Mr G.A. Ingerson

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

Departmental Advisers:
Mr H.R. Bachmann, Chief Executive Officer, Department of Marine and Harbors.
Mr M.J. Harrison, Manager, Corporate Accounting Services.
Mr A.F. Herath, Director, Corporate Services.
Mr J.R. Page, Director, Marine Safety.
Mr R. Buchanan, Director, Regional Ports.

The Hon. R.J. Gregory: I wish to make a brief opening statement.

In comparison to the major organisational and work force changes which occurred last year, 1991-92 was a year of consolidation and the beginning of the process of building on opportunities now available.

Most importantly, the department was able to demonstrate the real benefits now emerging from its commercialisation reforms:

- Pilot productivity in the Port of Adelaide increased significantly as a result of service rationalisation and improved work practices.
- Continuous loading in the bulk loading plants decreased loading times by 10 per cent.
- Changes in work practices by departmental and stevedoring employees will result in major reductions in costs for the *Island Seaway*, including a 50 per

cent reduction in stevedoring costs effective early in 1992-93.

Over the past six years the department has completed major reviews of its charges for commercial and other services. As part of the introduction of a new pricing policy to be implemented in 1992-93, the department announced substantial reductions in charges for containers and oil products effective from 1 July 1992.

These reductions and the new charge structure represent a dramatic change from previous across-the-board increases. Bulk handling charges continue to be kept at the 1985 levels, representing a real reduction of 55 per cent.

Restructuring of charges to increase cost recovery for the department's services to the fishing and recreational boating industries and for its commercial maritime services are also now well advanced.

Despite income from commercial port services decreasing by over $1.5 million due to the depressed trading environment, the department was still able to record an operating profit of nearly $3 million on its commercial operations. Its consolidated operating loss was also reduced by $1.4 million compared to the previous year. When inflation is taken into account this represents a real reduction of $3.5 million in expenditure. In particular, salaries and wages expenses reduced by $3.5 million, but associated once-off costs of the work force reductions and other factors largely reduced the net financial benefits for 1991-92 only.

Customer-related achievements in 1991-92 included major maintenance and modifications to the container cranes to improve reliability, continuance of the conversion of navigation aids to solar power, completion of the common-user oil terminal, major recladding of the Port Giles bulk loading plant and security upgrading in the Port of Adelaide.

Further review of the management and accountability for the delivery of the department's services was undertaken. There is now a clear separation of the department's commercial and community service activities. Accrual accounting is fully operational. The introduction of transfer pricing to distribute costs of internal support services is well advanced, as is the major upgrading of the department's financial management systems.

Although much has been accomplished, significant challenges remain for 1992-93. These include: developing the Port of Adelaide's container terminal as a world-class facility and establishing a weekly Singapore-Adelaide ship call as key elements of the Adelaide transport hub; revising the department's financial charter to restructure its cost base and to provide greater commercial flexibility; continuing negotiations with industry groups and other State and local government agencies to review management responsibilities and improve cost recovery for services to the fishing industry and recreational boating and jetties; and implementing information system improvements and a comprehensive work force training plan to achieve further productivity gains and improvements in service delivery.

With a clear vision for the future, continuing support from employees, port users and the Government, I anticipate further significant improvements in performance as the benefits of the reform process are fully realised.

Mr Ferguson interjecting:

The CHAIRMAN: Does the member for Victoria wish to make an opening statement?

Mr D.S. BAKER: No, Mr Chairman.

The CHAIRMAN: I remind the member for Henley Beach that interjections and assistance to the Chair are totally out of order.

Mr FERGUSON: I am sorry, Mr Chairman.

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

Mr D.S. BAKER: I notice in the Program Estimates that $205 000 was spent last year on the prevention of marine pollution. It appears that nothing has been allocated this year for marine pollution prevention or clean-up. Did the money spent last year on marine pollution prevention incorporate funds for training departmental personnel in techniques to contain and clean up oil spills with minimum impact on the natural environment? Also, what training and what qualifications and experience does Captain Page have, because he was the person who, I understand, directed the recent Port Bonython operations? Will the Minister tell us what qualifications he has for pollution clean-up?

The Hon. R.J. Gregory: Captain Page is the Chairman of the National Plan in South Australia. He has overall responsibility for coordinating any clean-up that involves other organisations: the Department of Fisheries, the Department of Environment and Planning and the Australian Maritime Safety Service at the Geelong Oil Spill Centre, with two representatives each, from Santos and the Port Stanvac refinery.

Captain Page is a Master Mariner. He is qualified by his peers as part of his training program within the department. I will ask him later to detail his expertise and experience in this area.

In respect of operating and maintenance, the costs of $200 000 include $140 000 of transfer pricing allocations, leaving approximately $400 000 as director, operating and maintenance costs. The 1992-92 estimates assume that pollution control expenditure will be funded, according to the National Plan, by the polluter pays principle.

There has been the introduction of transfer pricing within the Department of Marine and Harbors, so the old Program Estimates that we have here just do not add up. We will therefore have some problems with this tonight. I will ask Captain Page to outline his experience on oil spill clean-up.

Captain Page: Through the Australian Maritime Safety Authority, I have done a number of courses in oil spill response and clean-up. I have done oil spill contingency workshop courses, contingency planning workshop courses and a number of training equipment workshop courses interstate and in South Australia. I have also organised a number of workshops in South Australia and helped to organise other workshops interstate on the same types of subjects.

Mr D.S. BAKER: As a supplementary question, it seems that Captain Page has been to a couple of seminars. Does he have any formal training or qualifications to clean up oil spills? Did he follow the national contingency plan to the letter when he instigated

the clean-up at Port Bonython? Quite frankly, I should have thought that one would need more formal qualifications than just going to a seminar.

The Hon. R.J. Gregory: I will ask Captain Page to outline to the Committee the procedures that were adopted, how those procedures were drawn up and adopted for the clean-up, the procedures that he went through and how he organised it in some detail. One has to appreciate that the matter of the clean-up is still subject to review by the coordinating committee in this State and that the cause of it is subject to inquiries by the department and the Attorney-General's Department.

I will ask Captain Page to outline the procedure and say how it fitted with the plan that we have for operation within South Australia and how that fits within the national plan. Captain Page will not be answering questions about the effectiveness of it because that will be subject to a detailed report which will be published later and which is currently under evaluation. As to the opinion of the member for Victoria as to whether or not Captain Page was qualified, I can only say that Captain Page has outlined the things he has done. The courses that he has attended are accepted throughout Australia as being the appropriate courses.

If the member for Victoria thinks that they are not appropriate and that Captain Page is not appropriately qualified I would like him to say so. I will now ask Captain Page to outline the plan as it operates in South Australia and say how it fits within the Australian plan, and say whether, if this oil spill had been more serious than it was, equipment from Southhampton could have been used. I will also ask him to outline how the plan went into action.

Captain Page: The response to this oil spill was in accordance with the general philosophy that is used in oil spill clean-ups whereby the expertise of the State committee, or certain people who are elected to the State committee, are required to provide advice to the Chairman (in this case me), on the method of clean-up that should be used.

Each oil spill is completely different and requires a separate application as to the way in which it should be attacked. This oil spill was something completely different. The expertise of other people was used in accordance with the requirements of the national plan to clean it up. The oil spill itself was a significant spill. It was not a major spill; it was a spill of 296 tonnes of heavy fuel oil. The equipment that was available within Australia was quite capable of helping to clean up this oil. The equipment from Southhampton or from other overseas countries was not required at all.

The Hon. P.B. ARNOLD: I refer to page 393 of the Program Estimates under the program title 'Port of Adelaide Services' and to the Outer Harbor container terminal. In relation to Connors and the new terminal operators, on 8 April the Minister was asked whether the smooth transition was to take place between the old operator and the new operator on 21 April. On that occasion the Minister clearly indicated that there would be a smooth transition. However, we find that, although the Crown Solicitor informed Connors that the lease would be required on 21 January this year and that it would require the improvements to the terminal within the next three months, the deadline for Connors (which was owned by P&O) to move out was set for 21 April, some five months ago. If the case against Connors was seen to be so compelling in January as to warrant resumption of the company's lease, why has it taken so long for the Government to realise its objective of removing the present operator? Why are they still there?

The Hon. R.J. Gregory: I think there is a fairly simple reason why they are there. Notice has been served for the resumption of lease from Transocean Terminals (and that is now owned by P&O Australia Limited) and a writ was taken out by P&O Australia Limited for a stay in those proceedings. Negotiations are still proceeding with P&O Connors Transocean Terminals for a fair and reasonable compensation for the resumption of that lease, and discussions are taking place, I understand, about now.

It is a long, complicated process that we are going through. It is not something that is as easily done as the member for Chaffey has tried to indicate. There is a degree of discussion about the amount of compensation that is involved. At the moment we are putting propositions to Connors. I am hopeful that shortly we will reach an arrangement with it so that we can proceed with an orderly transfer of the business from Connors to the new operator. There is a very good reason why as a Government we are doing that.

Our port at the moment is handling about 40 000 containers through the terminals. Because of the way the lease has been arranged and a few other things, at the moment we are not getting the full benefit of that. For the terminal to operate effectively, we need to be able to have a throughput in excess of 57 000 containers. It is estimated that about half the containers that are shipped from Adelaide go through our terminal. There have been extensive efforts by the department to lift that.

It is assessed that the only reasonable way in which we can get a lift in that is to have an operator operating out of that terminal, the only terminal in which it has an interest in Australia. We believe that the terminal at Port Adelaide, with the 4ft 8½in. gauge connection with the 4ft 8½in. service, can provide a particularly tonne sensitive cartage of cargo to Sydney, and with the broad gauge to Melbourne the same.

We believe that if there was a weekly service between Singapore and the port of Adelaide in which this was happening, we would see increases steadily of the usage of that port. It would make it more profitable for us and for the operator concerned. The real benefit of that would be the importers and shippers of South Australia, who would save money by having their equipment shipped out of the port. An example of that is the New Zealand service. For over 12 months we have not had a vessel calling in at the port of Adelaide for transhipment of goods to New Zealand. All the goods that are manufactured in this State and exported to New Zealand must travel by rail to Melbourne and a premium is paid on it.

A shipping company was persuaded to have an occasional call into the port of Adelaide and ship to New Zealand. As a result of that, two other shipping companies are now operating a service between the port of Adelaide and New Zealand. It is my understanding that the amount of cargo travelling between Adelaide and New Zealand has lifted tremendously, and there have

been savings in costs for the shippers from Port Adelaide to the exporters.

The Hon. P.B. ARNOLD: I understand that the compensation that P&O is seeking is in the vicinity of $10 million. Was the Minister aware at the time of the resumption notice that there was likely to be litigation and, if that was so, was the then Premier and Treasurer, Mr Bannon, consulted about the potential action? What would be the implications of the $10 million on the operations of the terminal?

The Hon. R.J. Gregory: It is realistic to say that we had an estimation of what the terminal would be worth to the people who had it. The negotiating scale was on one level, and the estimated worth of that terminal to the people from whom we wanted to take it away in our opinion was highly inflated. As the member for Chaffey knows, in commercial terms the seller always wants more than it is worth and the buyer always wants to pay a bit less than it is worth.

Negotiations are occurring at the moment involving the respective third parties to see whether the buyer and the seller can achieve a price which makes both those people happy. The decision for Connor's lease to be resumed is a decision of Cabinet. On that basis, one would assume that the Premier and the then Minister for Industry, Trade and Technology will approve of it, because it is a decision of Cabinet. They would know of it.

The Hon. P.B. ARNOLD: The new operator (and the Minister has spoken briefly about that) wanted the lease for the site for another company the Government considers to be more in tune with the transport hub vision. Has the department sought an expression of interest from other companies or just the one?

The Hon. R.J. Gregory: One.

Mr FERGUSON: How does the department's overall result, on page 111 of the Auditor-General's Report, compare with last year's surplus following micro-economic reform of the department?

Mr Herath: Despite a downturn in income in the current year of about $1.6 million on commercial account and an overall downturn of around $1 million on the consolidated account, largely due to adverse trading circumstances, even after all that the department reduced its consolidated operating loss by $1.4 million compared with last year. The department was set a very challenging target in the 1991-92 estimates. That was to attempt to achieve a consolidated surplus of $1.85 million, that is, a surplus over not only the department's commercial operations but its semi-commercial and non-commercial services as well. It was to try to achieve that surplus of $1.85 million. In fact, the department has reported a consolidated loss of some $2.33 million, which is, in fact, $4.2 million below that very challenging target that was set at the start of the year.

This overall gap of $4.2 million can be attributed largely to interest payments being over budget, due to predicted lands sales not being achieved, as well as VSP interest payments which were not included in our budget estimates last year. Most people would be pretty clear about the state of the economy, the effect on land sales and the conditions under which most organisations have had to transact in land over the past year.

Mr FERGUSON: Why has the estimated recurrent expenditure result not been achieved? The Estimates of Payments (page 178) shows a $7.1 million gap.

Mr Herath: The reported variation between the estimated and actual payments for 1991-92 of $7.1 million is not really a true indication of the department's expenditure performance in this past year. We must make a range of adjustments. These adjustments start with an adjustment that had to be made for Boating Act payments of $1.1 million which were not previously included in the Estimates of Payments. The Boating Act is a self-contained profit and loss situation historically within the department, and in this past year that was brought into the department's total accounting situation. So, that has shown an artificial increase in payments for this year for the first time.

Also, as I indicated in relation to the previous question, VSP interest of about $900 000 was not included in the original estimates. If you take those two amounts into account that brings that gap of $7.1 million down to $5.1 million. Further adjustments are to be made. The remaining gap includes $1.3 million additional wharfage refund to Mobil Oil under the Oil Refinery Indenture Act at Port Stanvac. This refund is determined by the indenture Act, is calculated in relation to the throughput through that location and is not controllable by the department.

An automatic formula applies in relation to the wharfage refund that is payable, and the department has absolutely no control over that figure. If you take that further adjustment into account, the gap narrows down to $3.8 million. This variation can be broadly attributed to interest payments being over budget due to land sales not achieved, as I have also mentioned. We can further whittle down this further interest amount by another $700 000 related to the Elders Woolstore, which again was not included in the 1991-92 estimates as this asset was only recently transferred to the department.

Other over expenditure items that occurred in 1991-92 were once-off provisions for workers compensation. These were accelerated workers compensation payments associated with voluntary separation package situations and also a special adjustment was made for long service leave, both once-off payments, as well as some over-payments in relation to the *Island Seaway*. These have been offset by depreciation expenses reductions.

After all that, we could say that the reported consolidated loss of $2.3 million would have been only $1 million if that Mobil Oil refund had remained within budget. After all that, we have whittled an apparent gap in expenditure of $7.1 million down to about $3 million, which could really be attributed to the departmental performance in difficult economic circumstances.

Mr FERGUSON: Microeconomic reform has been referred to in several places in the program descriptions. Have microeconomic reform savings achieved been passed on to the port customers?

The Hon. R.J. Gregory: Over the past five years the department has been able to pass on savings achieved on commercial port services, enabling an overall decrease in real charges of over 13 per cent. Also, in relation to the *Island Seaway*, savings and operating costs of over $1 million a year have been achieved. The pricing policy has been moderated by Government from 10 per cent plus a

CPI annual increase to freight rates down to CPI only increases in the past year. With regard to shipping generally, on 25 June this year there were further significant price reductions with several key wharfage charges being reduced from 1 July 1992. Wharfage rates for some containers have been reduced by as much as 23 per cent and 33 per cent for containers designated for interstate. Bulk liquid wharfage rates have been reduced by 9 per cent. These latest reductions have been founded on the cost savings from departmental restructuring.

Mr D.S. BAKER: I refer to the qualifications of Captain Page. It would seem that he has not passed any examination at all. Admittedly he was Chairman of the committee, but often chairmen of committees have not passed any examinations.

The CHAIRMAN: Is that a reflection on the Chairman of this Committee?

Mr D.S. BAKER: No, Sir, just an aside.

The CHAIRMAN: In your criticism I ask you to define a particular chairman rather than broadly reflecting on chairmen as a whole.

Mr D.S. BAKER: I come back to the examination and point out how bad the situation was. It appears that the Chairman of the committee, Captain Page, had been to a seminar only, had no other qualifications and had passed no examination on control of oil spills or marine pollution in any shape or form.

The Hon. R.J. Gregory: I assume that the member for Victoria is speaking from his experience as Chairman of a district hospital when he says that chairmen often have no qualifications. I want to know what qualifications he suggests Captain Page ought to have.

Mr D.S. BAKER: Had he passed any examinations? If not, had he read the national plan to combat pollution of the sea?

The Hon. R.J. Gregory: I thought I had explained earlier that Captain Page was the Chairman of the South Australian committee that looked after oil pollution if and when it occurred. He is part of the national committee and I understand that he participated in the formulation of the national plan. I would appreciate the member for Victoria saying whether or not he believes Captain Page was qualified to do this and, if not, we could have an argument about it. I find these sort of questions hinting at something without saying it very frustrating. Why does the honourable member not come out and say what he means instead of hinting at it? If he thought that the oil spill was not handled properly, why will he not say so?

Mr D.S. BAKER: Under the national plan, at what stage are costs borne by that national plan and at what stage does it take over?

The Hon. R.J. Gregory: An insurance agreement exists (TOVALOP). I do not understand all these acronyms, but it is mutual insurance the oil companies have. That mutual insurance provides for the tanker owner to be covered and the agreement concerns the liability for oil pollution. My advice is that solicitors representing the vessel advise that the agreement will cover all reasonable costs incurred. Prudent port operators will not allow vessels into their port that do not have such insurance coverage. I can well recall the panic created by a company exporting explosives into South Australia when it was determined that the only port at which it could land explosives was Port Giles. It had no insurance and the vessel was not allowed to berth until it had total insurance coverage for the replacement of the Port Giles jetty in the event of an explosion that demolished all or part of it. With oil, ships are not allowed in unless they have insurance. My advice is that all vessels operated by reputable oil companies are covered. It is insurance peculiar to the maritime industry. I have further advice that every tanker has such insurance coverage.

Mr D.S. BAKER: Was there no other agreement between the Commonwealth and State Ministers apart from the liability by the ship owner?

The Hon. R.J. Gregory: I am further advised that there is coverage under the national plan for compensation in the event of a spill.

Mr De LAINE: From my experience I have found that some of the most capable people around are those with no qualifications at all. Just because someone has a piece of paper does not mean they can do a job. I refer to the *Island Seaway*. The *Island Seaway* subsidy requirements are shown to be significantly above the estimated amount for 1991-92. What is the reason for this?

The Hon. R.J. Gregory: The subsequent requirements for 1991-92 have been higher than estimated savings, amounting to around $1.2 million per year, which has been achieved over the past two years. The higher than estimated subsidy for the past financial year was due to crew reductions being achieved in February 1992 instead of at the start of the year and stevedoring savings were not achieved until early 1992-93. In addition, once-off crew redundancy payments were required to be shown as part of the subsidy payments for 1991-92. The subsequent requirements for 1992-93 will also be higher than normal because of the $600 000 provision for dry-docking which occurs at five yearly intervals. Furthermore, the reduction of vessel income as a result of general economic conditions has affected the impact of the savings on the vessel.

Mr De LAINE: I refer to page 397 of the Program Estimates where it states that registration of interest was sought from the private sector in relation to providing an alternative or modified service. What degree of interest was shown in that regard?

The Hon. R.J. Gregory: Initially there was considerable interest by a number of companies. Following finalisation of that matter and discussion with a number of those companies a call was put out and negotiations have almost finalised with the company selected as the successful tenderer.

Mr De LAINE: On the support services page of the program description reference is made to the need for a review of the department's financial charter. What is the reason for this and what is planned to be achieved?

The Hon. R.J. Gregory: The existing financial charter for the department requires that any dividend payments to Consolidated Account be linked to the department's overall operating result. Payments may be made after providing for the net cost of semi-commercial and non-commercial services. Where an overall operating service is earned, the dividend amount paid to Consolidated Account is determined by the Treasurer or Minister of Finance, after consultation with the Minister of Marine and the department. The department has not yet been in a position to earn an overall surplus.

In relation to the surplus on commercial port services, the department is also required to earn an acceptable rate of return on assets employed within a reasonable time frame. This rate of return is currently designated as 8 per cent. The target was intended to relate to assets valued on a written down replacement cost basis. Under its original charter, the department was not provided with any working capital, although the charter provided for a review of debt equity relationships if cash flow problems were encountered.

Cash flow problems have, in fact, occurred in 1990-91 and 1991-92. Also, the department has undertaken extensive work, assisted by independent consultants, on asset valuation. It has formed the view that market valuation estimated by the discount of cash flow technique is generally the most appropriate basis on which to value commercial assets. The department has also now reviewed its cost structure relative to interstate competing ports, and finds that there is a basis for some adjustment to be made. A timetable has been agreed within State Treasury for a review of the department's charter.

Mr D.S. BAKER: It is quite clear from the national plan that further agreement has been reached between the Commonwealth and State Ministers that, in the case of any use of more than 100 gallons of dispersant or where the cost is more than $500, the cost would be borne by the national plan. I should have thought that, when that was a cost the Minister could have got out of, he should have known that.

Going back to the oil spill, I think it is generally agreed that this was a major spill, so why was the Australian Marine Safety Authority not brought in at an early stage, especially to supervise what was going on at Port Bonython, in light of the qualifications of Captain Page?

The Hon. R.J. Gregory: The total costs and operations of the National Oil Plan are currently under review. I believe that Captain Page is qualified in South Australia to carry out the responsibility he had apportioned him by the national plan. He made the decisions at the appropriate time that other people should be involved. Those people are currently reviewing the clean-up process and, as soon as the report is available, at the appropriate time it will be made public.

Mr D.S. BAKER: Had the ship *Era* berthed before the spill occurred?

The Hon. R.J. Gregory: That is the subject of investigation.

Mr D.S. BAKER: My information is that the department claimed that it had berthed but that there is statutory evidence that it was at least 20 feet away. My concern is that Captain Page is now being asked to investigate this matter. Surely, at this stage we should know, first, whether the State bore the cost and, secondly, whether the ship had berthed or whether the Australian Maritime Safety Authority should have been brought in at an early stage. I and the taxpayers of South Australia are concerned that the person most involved is now going to be the investigator.

The Hon. R.J. Gregory: That just demonstrates again the lack of understanding and knowledge of the member for Victoria in this matter. I made it quite clear that, in relation to the investigation into the spill itself and the accident that caused it, officers of the Department of Marine and Harbors, who have statutory obligations under the Pollution of Waters By Oil and Noxious Substances Act, are required specifically to do that.

The member for Victoria is now suggesting that the officer designated as having that responsibility should not do it. If the officer designated as having that responsibility did not want to do it, the member for Victoria would say that he is failing in his duty. Where an Act of Parliament of this State requires someone to do something, he will do it. To ensure that the investigation is conducted properly, the Crown Solicitor has been asked to provide people from the Attorney-General's Department to assist. The inference of the member for Victoria is that, somehow or other, Captain Page caused the accident.

In respect of the operation of the clean-up, a committee consisting of a number of people from different organisations is involved in the review of the national plan and how it applies in this State. It consists of people from our department, from the Australian Maritime Safety Authority, from the Department of Environment and Planning, the Department of Fisheries, the Federal department of industry services, Port Stanvac Refinery and Santos.

I gave some information about that earlier in the evening. That organisation is reviewing the performance of the clean-up to see whether, first, it was carried out in accordance with the plan and the training that would have been conducted on and off over a period of time and, secondly, whether the plan itself was deficient. You, Mr Chairman, would appreciate that there is always an evaluation of any application of service to see whether what you are providing actually works and is worthwhile.

The plan here calls for that evaluation to take place, and it is now doing so. I suggest that, if people want to cast aspersions on people's qualifications, expertise and experience, let them wait until the reports have been published.

Mr D.S. BAKER: I am not casting any aspersions on qualifications: I merely ask what they are. In respect of the use of dispersant, was there any toxic effect on fish or on the marine environment?

The Hon. R.J. Gregory: My advice is that the Department of Fisheries would be the best organisation from which to obtain that information.

Mr D.S. BAKER: With respect, I asked it and it was suggested that I ask tonight.

The Hon. R.J. Gregory: That department has the expertise in that area. Whilst the member for Victoria might laugh about it, it is serious.

Mr D.S. BAKER: It is not a joke: it cost a lot of money.

The Hon. R.J. Gregory: The honourable member seems to laugh a lot about these matters and to treat them as jokes. The matter is subject to inquiry and report. I suggest that we wait until the report is available. Once it is, people will be able to use the factual information in it for their own purpose. If people want to cast aspersions on the abilities of people involved, let them do it then and not before on supposition, innuendo and rumour.

Mr HERON: Page 111 of the Auditor-General's Report indicates that the financial statements are

incomplete. Why was a cash flow statement not completed in time?

Mr Herath: The statements were not complete because what is happening in the accounting industry is a bit of a revolution, and the introduction to the Auditor-General's Report has drawn attention to the significant amount of change that has occurred in regard to reporting requirements and the fact that this is creating difficulty for the people preparing financial statements and also causing problems to the Auditor-General himself in being able to check those statements in sufficient time in accordance with the legislative requirements of the Parliament.

We were only formally advised well into this financial year, in fact on 7 July, and it was only then confirmed that a cash flow statement was needed for the financial year just passed. At that time all the department's efforts were directed at producing profit and loss and balance sheets, which has been normal for the last couple of years, and we were a little bit late. We were in fact about two hours late, as it turned out, and were just cut off at the pass, so to speak, and this caused the Auditor-General to comment in his formal report that our estimates were incomplete. However, since that time he has now audited and, in fact, certified the cash flow statement, and that was within the last week, and in our annual report we will be publishing that certified statement. So we did not miss out by much, but we certainly missed the technical cut-off point.

Mr HERON: At page 111 of the Auditor-General's Report, the opening statement implies that all departmental services require various levels of Government funding. Minister, can you explain the extent of funding required by the department?

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

Mr Herath: Whereas the department's semi-commercial and non-commercial services required various levels of Government funding, if one reads the Auditor-General's Report quickly it in fact implies, incorrectly, that commercial port services are also subsidised. In fact, a profit of nearly $3 million was earned on commercial port services, and that was before abnormal items, and if you are thinking we are cheating, we are not. If you take abnormal items out we still in fact earned a profit of $2.4 million. This profit was applied towards the semi-commercial and non-commercial loss for 1991-92 and therefore did not allow the department to retire any commercial debt using that commercial profit. In fact, a change has occurred for 1992-93 and the funding arrangements allow the department to use commercial profit for the next year, to retire commercial debt and losses of approximately $8.7 million and semi-commercial and non-commercial operations will be funded directly from the Consolidated Account.

Mr HERON: This year the department is not mentioned in the Department of Labour's list of major claim payments (on page 105 of the Auditor-General's Report). Does that mean that there has been an improvement in the 1991-92 year?

The Hon. R.J. Gregory: I ask Mr Herath to respond to this, as he is the officer who has most to do with this in the department.

Mr Herath: This answer is under a number of headings, and I will start off by talking about new claims. A total of 171 new claims were received in 1991-92, compared with 259 in the previous year. That was a 34 per cent decrease. However, we have to make adjustment for the fact that our work force also decreased, so the figures do not look that good when that is taken into account. In fact, this may be compared with an average work force reduction of 25 per cent. So we are claiming a 34 per cent reduction in new claims, compared with a 25 per cent work force reduction, and in fact five of those 171 claims were rejected. The department, in fact, considers the claim numbers to be unacceptably high, representing 43 claims per 100 employees. However, the important thing to look at is the severity indicators, such as days lost and weekly payments. Both of those show marked downward trends, suggesting a high propensity to report minor claims and also a successful rehabilitation program. We encourage the reporting of minor claims, however trivial, and that has tended to bump up the number of claims, compared with previous years, even though the overall trend has been downward. The voluntary separation package also continued to distort claim numbers, with some 10 per cent of new claims directly attributed to this, but significant improvements are forecast for 1992-93, and the department has set performance targets in a number of areas in relation to claims, costs and that sort of thing.

Moving to expenditure: total expenditure in 1991-92 was $1.45 million, compared with $1.97 million in the previous year, a 22 per cent reduction. Credits received for third party cost recoveries relating to previous years' claims were just over $100 000, reducing the claim amount to an actual $1.4 million. Some $444 000 of this amount was for old Act lump sum judgments and old Act legal costs which were funded by the Government Workers Rehabilitation and Compensation Office, leaving an overall cost to the department of around $1 million. The comparable figure last year was $1.8 million, so there has been a very significant reduction there, when you compare apples with apples. As to the key performance indicators that I mentioned earlier, that is, days lost, and perhaps weekly payments, a total of 1 821 days were lost due to compensable injuries, resulting in an average of 4.53 days lost per employee. That compares with 6.33 last year, and that is a 28 per cent improvement. Weekly payments, which is also a significant indicator, were correspondingly less on a per capita basis, reducing to $447 per employee compared with $619 per employee last year.

The department is putting significant effort into preventative programs. The four highest injury causes have been determined and they are falls, trips, slips and stumbles, accounting for 33 per cent of injuries. Body stressing type injuries accounted for 15 per cent. Hitting objects with part of the body accounted for 9 per cent of the claims. In fact, body stressing also accounts for some 50 per cent of time lost. We have directed preventative programs at these areas. In relation to falls, etc., a project was undertaken by an external consultant to assess risk associated with falling into the water during mooring operations. This resulted in additional safety equipment being issued and training in safe working procedures being provided. In the body stressing area, a pilot

program was trialled at Port Lincoln in March 1992. The department's Central Health and Safety Committee approval was granted last year for a full program of strain injury control to be initiated in the current financial year, and a budget of $50 000 is being provided for this.

Exposure to sound and pressure is another key area, with a comprehensive program being initiated last year, involving specialist consultant advice. They tested all work sites for noise levels, provided employee and management training sessions, reviewed hearing protection issues, and recommended engineering and administrative solutions for identified problem areas. The program was pretty well completed last year and will be finalised in the current year. As to the hitting of objects with part of the body, which accounted for 50 per cent of time lost, as I said earlier, that area will be targeted this year.

As regards emotional stress, I make the point that related occurrences were relatively minor in proportion to the total. In the total of $1.54 million of costs last year, only $71 000 was due to emotional stress. This was a 68 per cent reduction on the previous year. That was in the context of major departmental restructuring, and that performance has not been matched anywhere else.

The Hon. P.B. ARNOLD: I should like to return to the container terminal. Is it correct that Sealand, an American company based in Singapore, is the favoured operator? If so, what business plans have been prepared to confirm that the selection is made on commercial grounds, not just on the company's reputation; and what commercial benefits, including reduced costs, does the business plan identify?

The Hon. R.J. Gregory: There is a draft business plan for two years with a company that has been selected to operate the terminal when Conaust relinquishes the lease. The plan identifies increased throughput which will reduce costs because, after it goes over 57 000 containers, we will reach the cost-effective stage. We have initiated a number of cost savings in the port which have meant reduced costs in its operations. We need to finalise that agreement, because what will bring about improved services for the shippers from the Port of Adelaide will be the weekly service to Singapore. At the moment we have not got one, but we need it. Once we get it, our exports will be able to flow through that port and we will be able to reap the benefits.

The Hon. P.B. ARNOLD: Have any financial incentives been offered to Sealand or to any other operator to make it worth their while to take over the operations of the container terminal and, if so, what have those incentives or inducements been?

The Hon. R.J. Gregory: There have been no specific incentives. A commercial business undertaking has been offered to the company that we have selected. We are of the view that the business plan will ensure that the port will be profitable for the department as well as for shippers in South Australia.

The Hon. P.B. ARNOLD: In respect of the new operator, has the Minister or his department assured employees and the union representatives that they will continue to be employed on the same terms and conditions as apply at present, or has any interested operator (Sealand in particular) been assured that they can negotiate a new green fields enterprise agreement?

The Hon. R.J. Gregory: I anticipate that any new operator taking over the terminal will discuss those matters will the employees at that site, as is the custom within the waterfront industry.

Mr FERGUSON: The Auditor-General, on page 21 of his report, has indicated that land sales which were relied upon for debt reduction have become somewhat drawn out. What is the reason for this and what is the current status?

The Hon. R.J. Gregory: Initially the department targeted a nominal $20 million assets reduction associated with land as a basis for debt reduction. Asset sales of about $1.7 million associated with land were also budgeted to partly fund the capital works program. No major asset sales were achieved in 1991-92, although progress has been made. The $20 million target proved to be unrealistic and about $11 million has been identified as potentially achievable in the inner harbor vicinity.

The definition process has been somewhat protracted because of the effect of the current economic climate on slowing land transactions, general difficulties in achieving appropriate valuations in this climate and the need to clearly define boundary relationships with the Port Adelaide Centre project and the MFP.

The other asset sales related to the $1.7 million capital works program requirement have been protracted due to technical and valuation issues. That meant that extra borrowings were needed to fund the 1991-92 capital works program, and no debt reduction was possible from the other potential land sales. The department's commercial surplus, after abnormal expenses, was used partly to fund the net cost of semi and non-commercial services rather than to retire debt.

Mr FERGUSON: On page 29 of the Financial Statement it is indicated that for 1992-93 the department will use surpluses generated from its commercial activities to make a debt repayment estimated at $4 million. How are semi-commercial and non-commercial subsidies to be financed?

Mr Herath: Funding arrangements for 1992-93 allow the department to use commercial profit estimated at $2.8 million to retire commercial debt along with $1.2 million of excess capital receipts over capital expenditure. Those two amounts make up the $4 million that will be used for debt retirement. Losses of approximately $8.7 million on semi and non-commercial operations will be funded by Treasury from the Consolidated Account on a monthly basis in accordance with an agreed cash flow statement. This is $1.7 million less than the actual requirement for 1991-92. Some $5.5 million of that $8.7 million requirement is for the subsidy payment associated with the *Island Seaway*. That takes the majority of the $8.7 million subsidy to non-commercial operations.

Mr FERGUSON: The Financial Statement, at page 43, states that the South Australian Government's commercialisation policy also involves the elimination of any unfair competitive advantage or disadvantage to public trading enterprises where the entity is in competition with the private sector. Does this have any implications for the Department of Marine and Harbors?

Mr Herath: The Department of Marine and Harbors is in competition with other ports, including the ports of Melbourne, Portland, Fremantle and, to a lesser extent, Sydney with regard to commercial port services. This

relates to the cost structure of our competitors and the target rates of return that they are required to earn.

The asset valuation basis that the rate of return is calculated against is also a factor in assessing that competition. For example, if the Department of Marine and Harbors debt equity structure is higher than that of its competitors, relative interest costs will be higher, and if these are recovered through prices, which is the normal practice for a commercial organisation, which we are in our commercial ports area, this will put South Australian ports at a relative disadvantage to interstate ports. That relative debt equity position in our financial structure is very important. The debt equity situation is also very important to our short-term financial stability, which can be disturbed and investment planning disrupted if the debt equity ratios are too high.

In fact, it goes further. If other States are aiming for a lower target rate of return from their ports but a high rate of return is sought from South Australian ports, this also puts us at a relative disadvantage. Those two fairly key factors are fundamental in reviewing the department's financial charter, and that is on the agenda for review. As was indicated in response to an earlier question, Treasury and the Government have agreed that the charter will be reviewed in this financial year.

Mr D.S. BAKER: Why is the Minister pursuing in court the illegal charge of $1 000 per site for parking spaces on the wharves for itinerant fish purchasers, especially in relation to rock lobster? One of the people charged took the case to court; a couple of weeks ago it was thrown out and the magistrate was very damning on the department for even taking up the case. Since then other summonses have been issued. Why is the department pursuing this matter which has been found illegal by the court? Will it cease this operation forthwith?

The Hon. R.J. Gregory: My advice is that those summonses were issued prior to the magistrate's decision with respect to the matter and have been withdrawn. I do not know what the member for Victoria is talking about.

Mr D.S. BAKER: I guess the Minister is saying that no further summonses will be issued and the matter has now been dropped.

The Hon. R.J. Gregory: I said that they have been withdrawn.

Mr D.S. BAKER: Okay. A small business operator has applied to lease an area of land in the Marine and Harbors Department's Beachport boatyard to start up a refitting business. Although there are already two businesses in the yard he is willing to pay the going rent, which is some $700 per annum, but that has been refused by Marine and Harbors. What is the reason for that refusal? Does it have anything to do with one of the existing operators in the boatyard being related to a person who is employed by the Marine and Harbors Department?

The Hon. R.J. Gregory: My advice is that the Beachport boatyard is becoming extremely crowded; that there are three people operating businesses from it; and that a fourth business would reduce the amount of room that is available for boats for storage. I should have thought that the primary purpose of the boatyard would be for the storage of boats. It is judged by the officers of the department that it would not be appropriate to reduce the available area for storage. I visited the boatyard and it was becoming crowded at the time I saw it.

Further boats are planned to be slipped on it. My advice is that it is just about as full as one can get it. There will need to be further hard standing created as further vessels want to use it. One cannot fill it up with businesses and park vessels there at the same time. If the member for Victoria is of the view that there is something underhand in the awarding of contracts with respect to a relation, perhaps he had better tell me privately who it is so that I can have someone investigate it to make sure that all the appropriate ways of doing business were conducted accordingly.

Mr D.S. BAKER: Would the Minister agree that there is ample Marine and Harbors land at Beachport for expansion? If there is a need in the future for existing facilities, would he also agree that the fee being offered by the small business people—those who are presently there and the one extra who wants to get in there—is greater than what would be obtained from placing in that yard one boat, which is all the area required?

The Hon. R.J. Gregory: The primary purpose of the boatyard is to provide hard standing for the fishing fleet of that area so that the fishermen can do repairs and the vessels can be held over the winter season. That is the primary purpose of the yard. As to whether I would agree that further departmental land is available to expand the yard, one would have to take into account all the other countervailing pressures that would apply.

The member for Victoria knows that there is an enormous amount of Department of Marine and Harbors land around the coast of South Australia. If the department started to develop it for commercial purposes an enormous number of people would be complaining about the devaluation of the environment, and quite frankly in some instances I would be joining them. I do not want to make any further comment about whether the land that is there can be developed. That is a matter for future arrangements. I am talking about the position as it is today, and that is the primary requirement of the yard: for the storage of vessels.

Mr D.S. BAKER: Supplementary to that, why did the Minister allow two other commercial operators in that yard if there is a primary requirement for the storage of boats?

The Hon. R.J. Gregory: I think it was judged at the time that it would be of benefit to the people whose vessels are stored in the yard.

Mr De LAINE: Page 393 of the Program Estimates, under '1992-93 Specific Targets/Objectives', states:

> Completion of asset rationalisation program and transfer of further surplus property to Port Centre project and multifunction polis.

What land has been transferred or is to be transferred?

The Hon. R.J. Gregory: No detail has been reached yet. One has to appreciate that there is a fair bit of land down there. Whilst it has been earmarked, the detail of it is yet to be determined.

Mr De LAINE: I refer to page 48 of the capital works program under 'Navigational Aids Upgrade'. What does this entail?

The Hon. R.J. Gregory: We have a considerable number of navigational aids to assist people in entrances to harbors within South Australia that the department maintains. The majority of these were powered by

acetylene, and this required frequent visiting by maintenance crews to change the acetylene bottles. The department took a decision a little while ago to replace those acetylene powered navigation lights with solar powered lights. It meant the replacement of sun lamps that were over 100 years old with solar collectors. The maintenance requirement visits are a lot fewer—I think only about two per annum—and people are required to visit to ensure that the battery is in good condition and that the solar panel is working and charging is taking place.

Whilst there is a high capital cost in replacement, the expected gains to the department in cost savings and maintenance over a period of time will be tremendous. It is a $5 million project, and so far $2 million has been expended. Approximately 55 lights are being converted, and that includes the refit to the department's service vessel, the *Andrew Wilson*, which is undertaking that work.

Mr De LAINE: Supplementary to that, does it mean that all the old navigational aids will be done at this time under this line?

The Hon. R.J. Gregory: The program is scheduled to be completed in 1995. It is the aim of the department to have all the navigational lights under the department's control powered by solar collectors.

Mr DeLAINE: As one of its specific targets/objectives, Program Estimates (page 393) has:

> Completion of the review of mooring techniques and technology and implementation of findings as appropriate.

What is the reason for this review? Are current techniques obsolete or unsuitable?

The Hon. R.J. Gregory: One of the problems of mooring is that it entailed the hauling of quite heavy lines out of the water by hand. It was an area where the department used to receive a considerable number of strain and sprain injuries. Some of the hawsers used in the mooring of vessels are quite large, and if they have collected water they are quite heavy. It was the department's view that there should be an examination of this technique of mooring to see whether there could be an improvement in how the mooring was conducted, so it could become less labour intensive.

That would have an added benefit of reducing the potential for accidents and injuries of workers involved. I might add that in some of the ports around the world the mooring can be done in a very sophisticated way. We are having the techniques investigated here to ensure that the people who do it, do it in a way that is safer than it was in the past. The department is required to look at the issue of manual handling, and this is one of them. The investigation will then identify ways and means of providing a very efficient mechanical means of mooring and unmooring vessels.

The Hon. P.B. ARNOLD: In relation to recreational boating and the proposed levy, what scale of levy does the Minister propose to put on this financial year? How much does he estimate will be collected in the revenue in the next financial year? I ask that because I understand that no funds were allocated last year and no funds appear to be proposed again this year. Will the Minister confirm whether all the moneys raised by the levy will be dedicated to a special fund for expenditure exclusively on recreational boating facilities and not diverted into general revenue?

The Hon. R.J. Gregory: The member for Chaffey is quite right: no allocation was made last year for funds on recreational boating and neither is there one this year. Members of the boating industry have advised me that it is their opinion that the department ought to levy small boat owners in this State a fee which would raise a levy which could then be used for recreation purposes. As yet, no firm proposal has been put to the Government by the boating industry. If one is and the Government accepts that, there would be total dedication of that money.

However, I want to make quite clear that at the moment no decision has been made in that area, and it will require an enormous amount of discussion within the industry. It is the notion of a number of people in the industry that they would like to have this levy. At the moment, they are considering it. We have not as a department considered it in much detail. The Government will certainly have to consider it in detail and it may or may not accept the recommendations from the boating industry.

The Hon. P.B. ARNOLD: If the department is aware of it, why does it allow non-existent boats to be registered? This has been brought to our attention in an instance where a bogus boat registered for a month, followed by a claim the next month that it has been stolen, purely for the purpose of insurance claims. That being the case, why does the department not insist on identification of the boats and at the same time apply the same standards as apply to the registration of motor vehicles; is there a reason why they cannot be applied to the registration of boats and trailers?

The Hon. R.J. Gregory: The member for Chaffey has a very valid point. One must consider that, prior to the Labor Government under the then Minister of Marine, Des Corcoran, introducing the Boating Act, which brought about registration of small boats and also licensing of boating operators, it was done primarily so that people who operated small boats could be identified if those boats were involved in inappropriate activities. In essence that has worked very well.

The problem has arisen that some people have tended to think that the registration numbers that are issued by the Department of Marine and Harbors are a bit more detailed than, say, those issued by the Registrar of Motor Vehicles in any of the States. At the moment motor vehicles that are registered have engine and chassis numbers and have compliance plates attached to them. There is a high degree of sophistication and attempted fraud in that area. Police officers are detecting fraud in that area from time to time. I understand that the Ministers of Transport have been examining ways and means of tightening up that scheme so that, if a vehicle is wrecked or damaged in a collision to such an extent that it is not likely to be repaired, the compliance plates must be destroyed in a way that people know they have been destroyed so that they cannot be used on a stolen motor car.

To extend that scheme to small boats requires a little bit of thinking on just how it will be done—whether it will be just to new vessels, to all vessels that are registered, where the identification plate will be, whether it will be a plate that is attached so that it cannot be

removed, or whether that is engraved into the hull. These are all matters that have to be determined by the industry.

Recently, I was having discussions with people in the boating industry and that matter was raised. It is being considered on a national level. It is reasonably important. The member for Chaffey and the rest of us in our lives have experienced people who will think up any scheme to try to beat a system. We have to work in this area. We need to create a scheme which will avoid people taking advantage of other people. I hope that what we do come up with will be efficient, effective and will provide a degree of protection.

The Hon. P.B. ARNOLD: Back in the late 1950s, early 1960s, I was involved in a voluntary registration scheme through the South Australian Water Ski Association. There was no official registration in those days and the sport was having great problems with irresponsible members of the community. So that the more responsible and irresponsible members could be identified, a voluntary registration scheme was brought in for all members of the South Australian Water Ski Association so that they would not be lumped in. At a later date, as the Minister has said, it was picked up by the Government and the voluntary scheme was discontinued. I take it from the Minister's comments that there is an assurance that the matter is still being pursued in an endeavour to stamp out this fraudulent activity?

The Hon. R.J. Gregory: Provided something can be developed that will be effective and not easily subject to fraud, I would support it. But one must appreciate that the costs of such a scheme would be increased, and I would expect the participants in that scheme to pay for it. However, the amount of money they would pay would not be that great in comparison with the benefit they would gain from it. If you do buy a boat privately, you must be very careful in checking to make sure that you are buying it from a *bona fide* seller.

The Hon. P.B. ARNOLD: In relation to the maintenance of navigation lights, and so forth, around the coast of South Australia, to what extent has that been maintained? What is the reaction time of the department in fixing or maintaining lights that have gone out? In many instances we find that lead lights to some of the smaller towns and harbors, in particular when one is sailing off the coast and looking for a particular lead light, are simply not burning, which makes it extremely difficult. It is not so bad for the local recreational boating community, but for anyone visiting South Australia from interstate and relying totally on their charts it would be extremely difficult. To what extent does the department maintain them or has the role been handed over to someone else?

The Hon. R.J. Gregory: We have had lights go out occasionally because the pole to which they are attached is horizontal to the seabed. It is difficult to keep a light burning when it is on the seabed as a result of somebody having knocked it over. Such occurrences take time to respond to, but my advice is that the department has not received undue criticism about response time to lights that go out due to malfunction. Lights for major shipping towns are regularly and promptly checked. In the case of those in more remote areas we rely on the departmental people working in the area to advise if such lights are not working. As soon as we receive that advice the matter is responded to as quickly as possible.

The Hon. P.B. ARNOLD: I ask that question because I have personally noted instances where lights have been out for two or three weeks. That is why I asked about the response time. I have been in an area for that time and the lead lights have been out for the entire period.

The Hon. R.J. Gregory: Did you report such lights being out?

The Hon. P.B. ARNOLD: I certainly have in the House on numerous occasions.

The Hon. R.J. Gregory: It is difficult for people to be mindreaders. I would expect that if anybody in the boating fraternity was using an area where a navigation light that was supposed to be on was out they would advise somebody responsible as soon as possible instead of coming back to this place weeks later and whingeing about it.

The Hon. P.B. ARNOLD: It is a common occurrence and not something that happens now and again. I wanted to know the level of maintenance and the extent to which the Minister and the department regard it as being serious or otherwise.

Mr De LAINE: Where does the jurisdiction of marine safety officers finish and the jurisdiction of the water police start, in relation to the surveillance of boating activities and the detection and fining of people for unsafe boating practices?

The Hon. R.J. Gregory: I do not think it starts or finishes. Police officers have a duty to enforce the laws of the State, of which the Boating Act is one. What usually happens is that marine safety officers will use their powers and their training to make assessments of exactly how they should act with people who are misbehaving in boats. They then take the appropriate action. They will issue expiation notices, they may require people to do certain things, or they may report the offence for more serious prosecution.

Work has been done on the River Murray with fisheries officers on an exchange of duties, so the appropriate training has taken place. If in the course of their duties boating safety officers come across something that is not in accordance with the Fisheries Act, they may take the appropriate action. It is the same with fisheries inspectors. If they happen to be inspecting a boat and they note that it does not comply with the Boating Act, they will issue the appropriate notices and warnings. In many instances, those are warnings to obtain the appropriate equipment.

The police are involved, particularly on the River Murray, if there is any indication of driving under the influence. They are the people with the skill to use the breathalysing equipment, and that information will be used in prosecutions. There have been one or two prosecutions for that. Any police officer on the River Murray can also enforce the Boating Act if he or she is aware that breaches of the Act have been committed and detected.

Mr De LAINE: Page 400 of the Program Estimates relates to the continuing dialogue with other departments and local government to transfer jetties and other structures to local government. What sort of reception is the department receiving from local government in its bid

to transfer to it the responsibility of managing and financing jetties?

The Hon. R.J. Gregory: Not as enthusiastic as I would like. The matter raised by the honourable member is very real. Around the coast of South Australia we have approximately 80 jetties that were built at a time when the jetties at Henley Beach, Largs and Semaphore, particularly, were built for commercial purposes. If one thinks about it, the jetties at Largs, Semaphore, Henley Beach and Grange were built by companies so that when vessels first came into South Australia they would anchor off the coast and people would be carried to these jetties by lighter. The vessels would then be taken around to Port Misery, as it was then called, which is Port Adelaide. If you want to work out exactly where that was, it was south of the Jervois Bridge.

Mr FERGUSON: There is a dispute about that.

The Hon. R.J. Gregory: I know there is. The problem is that those jetties ceased to be used for commercial purposes, but the department has a commercial charter. Assessments are going on with the fishing industry to ensure that a number of these jetties that are used by people primarily for the fishing industry are maintained as such. Those used mainly for promenading should, in my view, be maintained by the local council.

At the moment we have an arrangement with local councils that we will share the costs 80 per cent to 20 per cent. We have a situation in which some metropolitan councils do not even want to clean their jetties. If the jetties deteriorated to such a state that they collapsed, the only way they would ever be rebuilt would be if local government arranged for it. The best example of that is the Glenelg jetty. We would build a jetty for commercial purposes only, if we were to build one.

Mr D.S. BAKER: On 1 July we all welcomed the announcement that the Government introduced a new pricing policy that reduced several of the key wharfage charges. However, it has been put to me that Adelaide is still not competitive and is, in fact, the most expensive port in Australia for oil tankers. Will the Minister take on notice to provide a comparison on a capital city port basis all the charges imposed by the department, and will he also inform me why liquids attract a higher rate than other bulk trades in South Australia?

The Hon. R.J. Gregory: I am used to getting these multiple questions from these people. I indicate that we will respond to them.

Mr D.S. BAKER: Also in the answer can the Minister say whether these new charges for liquids are cost-based or is there any cross-subsidisation with other trades, because I think this is very important?

The Hon. R.J. Gregory: I suggest that if the member for Victoria has a list of these things he could give it to us and save the time of the Committee, and we can get them all fixed up.

Mr D.S. BAKER: The Minister opened a new common user oil berth at Port Adelaide recently. It is a T-head berth and it replaces an old structure built in 1920. I am told that it will only allow tankers of 8.5 metres to berth there, which restricts larger tankers such as the *Australian Spirit* and the *Tasman*. It costs about $22 000 per visit. Why was this port not made Australian competitive by dredging it to nine metres? I am told that 70 per cent of the piles are now in poor condition and they have to be replaced at a cost of $360 000. Why were new 10 metre piles not put in when it was upgraded? It seems to be false economy.

The Hon. R.J. Gregory: When M Berth was upgraded an assessment was made of the existing structure and it was determined that the existing structure would be adequate for the traffic for which it would be used, that the additional dolphins that were installed with the appropriate firefighting gear on them would be appropriate and adequate for the ships that berth at the port. My advice is that it can be dredged to 9.6 metres if required. At the moment it is not. It is the view of the department that there was no need to dredge on the basis that something might come in; it was on the basis of what is using the terminal. Further, vehicles cannot drive onto the existing T-head, so the view is that what is there at the moment is adequate.

Mr INGERSON: Earlier the Minister provided an answer in relation to local government and the matter of jetties and his apparent lack of ability to negotiate a change. Is there any other department or departments with which the Department of Marine and Harbors is negotiating to transfer responsibility of these jetties and, if so, what progress is being made?

The Hon. R.J. Gregory: I wish the Opposition would quote me accurately. I said that our desire to transfer jetties to council control was not received with enthusiasm. That is what I said. It is my view that the people who want jetties to remain are the local government organisations, because of the enhancement for the small traders in the areas around where these jetties are.

My view is that, if they want to keep them, they should assist in the maintenance and management of those jetties. The department is operating on a commercial basis. Commercial facilities which are no longer required should be the responsibility of those who want them to remain. If and when they deteriorate to the extent that they become unsafe and ought to be removed, the people who want them ought to pay for them.

Mr INGERSON: In relation to the Port Adelaide services, I understand that when Don Dunstan was Premier he commissioned the Adelaide artist Tom Gleghorn to execute a mural at the Outer Harbor terminal. Today the terminal is used infrequently and therefore the mural is enjoyed by few people. When the shadow Minister for the Arts and Cultural Heritage saw the mural recently, it was covered with bird excreta. Will the Minister arrange for the mural to be cleaned in order to avoid further deterioration and will he investigate and report on alternative sites for the mural and the cost involved in moving it to another site?

The Hon. R.J. Gregory: Where is this mural you are talking about?

Mr INGERSON: At Outer Harbor terminal.

The Hon. R.J. Gregory: I am told that it is there. Do you want to purchase it?

Mr INGERSON: No. The shadow Minister for the Arts and Cultural Heritage would like to see it cleaned up.

The Hon. R.J. Gregory: I would have thought that the shadow Minister for the Arts and Cultural Heritage could write to the Minister without having to raise the matter here. Now that she has raised it via a proxy—

Members interjecting:

The Hon. R.J. Gregory: They should raise it with the appropriate people.

Mr D.S. BAKER: Will you take it on notice?

The Hon. R.J. Gregory: Why don't you write a letter when you have something like that?

Mr D.S. BAKER: That is what you have got Estimates for.

The Hon. R.J. Gregory: No, you haven't got Estimates Committes for that. You have Estimates to ask about departmental expenditure, and you have hardly asked a question on it yet.

Mr INGERSON: The next question relates to the fishing and recreational ports review. Has an independent review been completed into the valuation of port facilities in South Australia by a company named Capital Stratas on behalf of the Department of Marine and Harbors, the Department of Fisheries and SAFIC? If so, does the Government endorse the findings; if not, why not; and will the report be released for public discussion?

The Hon. R.J. Gregory: A report has been prepared, and it has been received by the department. I understand that the South Australian Fishing Industry Council has been given a copy of that report, which is being considered by the department. It is the department's intention, using that report, to bring about a rationalisation of facilities used by the fishing industry.

The Hon. P.B. ARNOLD: I should like to come back to the question asked earlier and the response given by the Minister that recreational boat operators should make contact with the department. If that is the way that the department wants to be advised, if the department does not have any mechanism of its own to monitor the status of navigation lights around the coast, perhaps the Minister would be prepared to put out a notice or something to the boating industry providing a contact number within the department with which boat operators, and recreational boat users in particular, could readily make contact.

I should have thought that the department had its own mechanism to monitor one of its own responsibilities. If that is not the case, I am sure that the boating industry, if it is provided with the appropriate contact number and so forth, will be more than happy to advise the department whenever a coastal navigation light is not operating in South Australia.

The Hon. R.J. Gregory: The department has a regular maintenance program. From time to time the department is advised that lights are not functioning. The way the member for Chaffey puts it, lots of lights never operate or operate infrequently, and he says that he knows that from personal experience. He must spend a lot of time at sea. I have been to sea a few times and I have yet to come across one that has not been operating.

Mr D.S. BAKER: You were stoking the boiler though, weren't you?

The Hon. P.B. Arnold interjecting:

The Hon. R.J. Gregory: Mr Chairman, I am ignoring the inane interjections of the members for Victoria and Chaffey.

The Hon. P.B. ARNOLD: They are not inane. It is quite irresponsible to say that.

The Hon. R.J. Gregory: I think that some of the nonsense that comes from you two occasionally is irresponsible, too. I am giving a responsible answer—

The Hon. P.B. ARNOLD: A heap of garbage.

The Hon. R.J. Gregory: That is precisely what I got from you with respect to all the lights being out.

The CHAIRMAN: Order!

The Hon. P.B. Arnold interjecting:

The Hon. R.J. Gregory: The honourable member did. The honourable member gave the impression that none of the lights were going.

The CHAIRMAN: I would suggest that with just under 20 minutes remaining we stick to the fairly fragile line that we have been operating under so far today and get through this session with a minimum of fuss and hopefully maximum cooperation between the Committee and the Minister. I am keen to see that happen, and I have the Standing Orders to ensure that it does happen. I am asking for the Committee's and the Minister's cooperation.

The Hon. R.J. Gregory: I was going to say before I was interrupted by the interjections that we have regular meetings with the boating industry. From time to time an advisory council or panel does advise me on matters. I will take up the matter with them and see whether they can recommend to the department an appropriate way in which members of their association can advise the department if they come across lights that are out and indeed how they would like to be advised if lights were not operating.

The Hon. P.B. ARNOLD: In relation to the department's inspection team, how many boats are owned and operated by the department for inspection purposes? What is the anticipated cost this financial year?

The Hon. R.J. Gregory: Are you talking about vessels that the marine safety officers have?

The Hon. P.B. ARNOLD: Yes.

The Hon. R.J. Gregory: Nine boats are operated by marine and safety officers and there are 11 marine and safety officers. One of those vessels will be replaced this year. If the honourable member wants to know the exact cost we can get that detail for him.

The Hon. P.B. ARNOLD: Are one or two operated on the River Murray?

The Hon. R.J. Gregory: Three vessels operate on the River Murray. I point out that there is a pilot program of cooperation with fishery officers on the River Murray where maritime safety officers and fishery officers do each other's work where they happen to be. This extends the coverage of that class of work.

The Hon. P.B. ARNOLD: I refer to page 389 of the Program Estimates. I understand that the Port Lincoln tanker berth is in fairly poor condition. An amount of $1.6 million is proposed this year for capital works on regional port services. Has any study been undertaken to estimate the cost of the work that is required to bring the tanker berth at Port Lincoln up to an acceptable standard and, if so, what is the estimate of that cost?

The Hon. R.J. Gregory: At present it is being refurbished.

The Hon. P.B. ARNOLD: Do you have any idea of the cost?

The Hon. R.J. Gregory: An amount of $200 000.

The Hon. P.B. ARNOLD: I take it that that will bring it up to an acceptable standard?

The Hon. R.J. Gregory: Acceptable for the type of facility that is there.

Mr D.S. BAKER: On page 212 of the Estimates of Payments and Receipts for 1992-93 I note that the Marine and Harbors Department last year estimated that it was going to pay to Treasury $1.85 million which no doubt the Minister agreed to at the time, but nothing at all was paid in and nothing at all has been estimated for this year. Was that estimate agreed to by the department or was it just a figure put in by Treasury, and what was that amount for?

The Hon. R.J. Gregory: That matter has been answered, but I will ask Mr Herath to go over it again.

Mr Herath: Basically, the department was required to earn a consolidated result set a target of $1.85 million. In response to a previous question, the answer given was that this was an extremely challenging target. The target was set in the context of a very difficult external economic climate. It was indicated earlier that commercial and non-commercial income is down this year on last year, and that partly contributed to the result.

The department largely operates in a commercial environment; probably 80 to 90 per cent of its operations relate to the commercial shipping services area and when you are in a trading environment anyone who runs a business must realise that if the economy is in a fluctuating mode it is very difficult to preset a target, but a target must be set.

Anyone who is in business and who is worth their salt will try to earn a profit of a certain amount. The amount of $1.85 million was the amount that was targeted at the start of the year, and the department did not achieve that, as previously indicated, and it missed out to the extent of about $4 million, and that $4 million is on a base income of around $60 million. So, it takes only a very slight variation to knock around a result that is pretty close to the margin. In other words, if you are talking about a small surplus or a small loss on a base of $60 million you do not have to have very much of a fluctuation to go from a profit to a loss in one year.

Mr D.S. BAKER: The adviser said that the income was $60 million, that you had projected a profit of $1.85 million, but you failed to achieve that by about $4 million. So, I gather from that that the loss incurred was $2.15 million; is that a correct assumption?

Mr Herath: Thereabouts, yes.

Mr D.S. BAKER: The Estimates of Payments contains nothing about any profit contribution; what will be the loss this year?

Mr Herath: The situation for 1992-93 is expected to be $400 000 overall loss; in other words, an improvement of some $1.5 million on the result that was achieved in the present year. That is the overall consolidated position in money terms. In real terms it would be significantly better than that if one were to compare it in the same dollar values.

Mr D.S. BAKER: How do you treat losses carried forward in your consolidated accounts?

Mr Harrison: The $2.3 million loss was funded partly by Treasury and partly by a decrease in working capital from within our deposit account balance; so the department basically decreased its deposit account balance.

Mr D.S. BAKER: What does that stand at now?

Mr Harrison: We dropped down to about $2 million in our deposit account.

Mr D.S. BAKER: So, if the budgeted figure for 1991-92 this year is as bad as last year's performance, you will wipe out your deposit account.

Mr Harrison: If that is the case it would wipe out the deposit account balance, but negotiations are to take place soon on our financial charter and part of that would be a necessary level of working capital to maintain the department's operations to pay salaries, wages and so on.

Mr D.S. BAKER: From SAFA?

Mr Harrison: From Treasury.

Mr INGERSON: I refer to Outer Harbor number 3 shed. Under targets achieved last year it is noted that Outer Harbor number 3 shed and adjoining paved areas were leased to Autocar Limited to facilitate the storing and processing of imported vehicles. Why was this lease not put out to tender and were no other expressions of interest or offers received for the use of the site?

Mr Bachmann: With regard to Outer Harbor number 3 shed, following a view of motor vehicle import and export trends, expressions of interest were sought in January 1992 for the development of motor vehicle storage and processing facilities in the Outer Harbor area. It incorporated numbers 3 and 4 berth. After consideration of responses, an area including the number 3 cargo shed and adjacent areas was leased to Autocare Australia Limited to facilitate the on-wharf processing of imported vehicles. An area, including number 4 cargo shed was leased to Conaust Limited for the storage of Mitsubishi Magna wagon vehicles for export to the USA and Europe. A common user area between the two leased terminals has been retained for marshalling of the vehicles. Short-term undercover storage is available in the number 2 cargo shed which is next to the passenger terminal and near number 3. Berths three and four have been reserved now for vessels associated with motor vehicle import and export. Expressions of interest were sought, but a formal tendering process was not gone into.

Mr INGERSON: It is my understanding that Autocar is not importing all its vehicles through Outer Harbor but rather taking possession of vehicles at the wharf in Melbourne and bringing them to Adelaide by road to store in number 3 shed. Is that the correct position?

The Hon. R.J. Gregory: It is Autocare and not Autocar. The company to whom we have leased this space at Outer Harbor is Autocare. My understanding is that it is not an importer but has a contract to clean cars. It is using that facility. It enhances the terminal at Outer Harbor as an import facility for importing cars. We have to ensure that we have facilities here so that cars destined for South Australia are imported to South Australia and unloaded in South Australia. If not, they will be unloaded in Melbourne.

As I indicated earlier, with calls to New Zealand, the real argument there is to get cars fully assembled here by Mitsubishi and Holden imported to New Zealand exported through the Port of Adelaide and not the Port of Melbourne. All the efforts in which we have been engaged are to ensure that the facilities in the ports are used first to enhance the use of those port facilities by

shippers. The other is that the department's lease arrangement is a lease from which the department is getting revenue for an area that at times was not used but now is being used.

Mr INGERSON: Has the department undertaken a study of the impact of the proposed causeway to link Semaphore Road with Port Adelaide? If so, what was the department's general assessment of this proposal, including its impact on recreational boating and the *Island Seaway's* operations?

The Hon. R.J. Gregory: A large number of organisations would promote the concept of a causeway across the Port River between No. 1 and No. 2 dock, particularly very close to the northern edge of No. 1 dock. Whether or not the causeway had a rising span to enable vessels to continue to use the inner harbour is a consideration people would take into account. The department has not been engaged in those studies; it has been proposed by the MFP.

The port council, the Port Centre Project and the Port Adelaide council would very much like the causeway to be there, because that would take large traffic movements from the inner part of the Port Adelaide area. The movement of the *Island Seaway* to a berth around No. 25, north of the Birkenhead bridge, is something that the people of Kangaroo Island would very much like to see, because their view is that it would cut the sailing time of the vessel and place the cargo closer to its market.

Kinhill Engineers have been engaged by MFP Australia to undertake an assessment of the relevant factors and issues to determine the need for a costing. The cost of the consultancy has been undertaken for a fee of $23 000, and the report is anticipated within the next month or so. The cost of the consultancy has been shared between the organisations, and the Department of Marine and Harbors is not contributing directly but has approached the Department of Industry, Trade and Technology with a proposal for the allocation to the consultancy of a sum from the department's funds for transport hub initiatives.

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

ADJOURNMENT

At 10 p.m. the Committee adjourned until Thursday 24 September at 11 a.m.