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PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

REPORT ON TASMANIAN ADMINISTRATIVE BODIES

Laid upon the Tables of both Houses of Parliament

MEMBERS OF THE COMMITTEE

LEGISLATIVE COUNCIL

Hon. *O. H. Gregory*
Hon. *W. C. Hodgman* (prior to 17.6.81)
Hon. *L. F. Bisdee* (prior to 22.5.81)
Hon. *H. W. Braid* (since 17.6.81)
Hon. *P. C. McKay* (since 17.6.81)

HOUSE OF ASSEMBLY

Mr *N. M. Robson* (Chairman)
Mr *M. A. Aird*
Mr *J. H. Devine*

REPORT

The Public Accounts Committee, appointed under the Public Accounts Committee Act 1970, have the honour to report as follows:—

The Committee, during 1980–81, obtained a list of statutory and administrative authorities which operate within the State system of Public Administration. It contains more than two hundred entries. It was decided that there would be some value in examining the work done by these bodies in relation to the costs involved.

The Committee's approach to this question did not reflect any expectation that instances of waste of money would be found or belief that Public Administration is unduly decentralised.

The authorities were asked initially to provide written information, and based on this, a number have been selected for further examination in evidence. Summaries for those heard are given below, together with any comments the Committee see as appropriate.

SHIPPING REVIEW COMMITTEE

The Director of Marine, Transport Commission, said that the Shipping Review Committee was established on 26 October 1973 on the initiative of the then acting Prime Minister. There had been several strikes and delays to Tasmanian shipping and the acting Prime Minister thought there was a need to form a group of people involved in shipping who would have a watching brief.

The Shipping Review Committee does not have statutory powers, but rather a liaison function. The Chairman is the Tasmanian Minister for Transport. He is advised by the Director of Marine, who acts as Chairman in the Minister's absence. There are fifteen other members, representing Chambers of Commerce, Chamber of Industries, the Tasmanian Shippers Association, the Trades and Labour Council, the Harbour Authorities Association, Australian Chamber of Shipping, Road Transport Association, William Holyman & Sons Pty Ltd, Thomas Nationwide Transport and the Australian Shipping Commission.

The Committee meets about four times a year and any travelling expenses are carried by the organisations represented.

The Committee mainly watches the position of supply of various commodities to avoid shortages of such things as petroleum or grain. It also concerns itself with interstate trade statistics, cargo movements, freight rates, and industrial disputes:

There are no resolutions and no particular actions. The Committee is just a body of people involved in the industry who meet regularly and keep each other informed.

From the information which was provided by the Director, we are satisfied that the Shipping Review Committee, at minimal cost, provides a valuable service to transport for this State.

ADVISORY COMMITTEE ON MECHANICAL AIDS

This is an internal committee in the Public Service composed of representatives from the Public Service Board, Treasury, Supply and Tender, and the Computer Services Branch. It was constituted in 1955 at the request of the then Premier. No fees or allowances are paid to the members. The Committee is responsible to the Chairman of the Public Service Board for the review of proposed purchases of office and photographic equipment by Departments in order to avoid unnecessary duplication of equipment and effort; ensure that uniformly high and efficient standards of production of work are maintained; and achieve economies in the use of man-power and operating costs.

Thus, the Committee's basic functions are to evaluate the needs for various types of office equipment and to ensure that the best possible value for money is achieved in the purchase of this equipment. The Committee's ambit extends only to Public Service Departments. It does not review, for example, equipment purchased for use in schools, hospitals or statutory authorities.

By April each year, Departments' lists of equipment requirements are submitted to the Committee. Major items, costing more than \$1 250, are examined individually, and at times in considerable depth. Other cheaper items are passed if they conform to the Committee's policy.

All items, whether major or minor, do still have to receive Treasury approval in the normal budgetary process.

The Acting Chairman of the Advisory Committee on Mechanical Aids conceded that in recent years the volume and complexity of equipment needed has grown so much that the part-time approach in this case may not be sufficient. The Committee has usually trimmed Department requests to about 65 per cent of what was originally asked for, and this can mean a saving of the order of \$300 000 in a year.

A good case could be made out for setting up a larger operation to supervise mechanical aids purchases which could extend its cover to other State authorities. However the members of the present Advisory Committee are sufficiently centrally placed in a Public Service of the size of Tasmania's, and its methods informal enough to offset, we believe, the direct and indirect costs of a cumbersome bureau.

KENNERLEY CHILDREN'S HOME BOARD

The Committee included this Board for examination on the basis of the Kennerley Children's Homes Act 1969. That Act enabled the Board to change the location and type of accommodation and to care for a less restricted range of children. It is not a Government body and receives no financial assistance beyond board for particular children placed there by the Department of Social Welfare. The homes are managed under the will of the late Alfred Kennerley.

HEN QUOTA REVIEW COMMITTEE

This body was established under section 21 of the Egg Industry Stabilization Act 1973 to provide an appeal body for egg producers who consider that, because of special circumstances, they were disadvantaged at the time base (hen) quotas were being allocated under the Egg Industry Stabilization Act.

An egg producer may also appeal to the Hen Quota Review Committee where The Egg Marketing Board reduces a producer's hen quota for non performance. A Department of Agriculture witness said that no such reduction has yet been made by The Egg Marketing Board.

The Hen Committee has three members appointed by the Minister as follows:—

Chairman,

One member being an officer of the Department of Agriculture, and

One member appointed to represent egg producers.

Members are not appointed for a specific term.

An officer of the Department of Agriculture is Secretary of the Committee.

The Hen Quota Review Committee meets when required to hear an appeal lodged by a producer.

The last meeting was held in March 1979, when an application was resolved as ineligible. This was the only application which has been received since the Committee's first year of operation, 1975-76, when thirteen applications were dealt with.

The Chairman receives an honorarium of \$500 per year plus travelling expenses in accordance with the Public Service (Conditions of Service) Award. The honorarium is not paid to the Chairman unless meetings are held.

The cost of the Committee for the 1979 meeting was \$670.17.

The Public Accounts Committee concluded that this is a case where the Hen Quota Review Committee, at the time of its establishment, met a need, and did so at a more reasonable cost. The thirteen applications dealt with in the first year cost \$1 065.76. The necessity for the body has so reduced that the Government should consider whether it should now be abolished. If it is decided to retain the Hen Quota Advisory Committee, a more realistic provision for payment of its chairman should apply. On the information received, it appears that sitting fees for the 1979 meeting were \$500 for the Chairman, \$52 for the producer member and nil for the Agriculture Department member.

VERMIN DESTRUCTION APPEALS BOARD

The Committee heard evidence from Department of Agriculture witnesses on this body and were told that the Appeal Board of three members is appointed by the Governor and consists of persons nominated by the Tasmanian Farmers' Federation; the Tasmanian Farmers', Stockowners' and Orchardists' Association; and the Municipal Association of Tasmania.

Amendments to the legislation are presently being prepared to cater for the amalgamation of the Tasmanian Farmers' Federation and the Tasmanian Farmers', Stockowners' and Orchardists' Association into the Tasmanian Farmers' and Graziers Association.

The Board was established to hear appeals lodged by landowners against vermin control notices served by departmental officers if the landowner concerned considers the notice to be unreasonable or not warranted. Under the provisions of the act, the board can only determine whether notices to destroy vermin, and/or officers of the department present on a property carrying out the provisions of an order which has not been complied with, should be withdrawn.

Members of the board are included on the Governor-in-Council approval for payment of sitting fees and receive \$56 a day or \$28 a half-day in addition to travelling and other allowances in accordance with the Public Service (Conditions of Service) Award.

The last sitting of the board was on 5 July 1972 at Deloraine.

The Committee were told that a meeting was expected to be held shortly to deal with an application. However notices to destroy vermin are seldom issued and therefore appeals rarely arise. At present, rabbits are the only declared vermin.

Contingency funds are included in the Department of Agriculture estimates, in case they are needed.

The Committee were told that the Board is considered by the Department to serve a useful purpose.

Since no expenditure is incurred when the Board does not meet, and only reasonable fees and allowances are involved on the rare occasions when it does, the Committee conclude that there is no need for any changes to be made.

ADVISORY COUNCIL FOR INTER-GOVERNMENTAL RELATIONS

The Committee discussed this body with the Tasmanian State Government representative, the Hon. K. J. Venn, M.L.C. She said that the Council was set up by a Commonwealth Act following the 1975 election to foster co-operation between the three tiers of government.

The Council consists of three representatives of the Federal Government, two representatives of the Federal Opposition, one representative from each State Government, one representative from local Government in each State, five citizen representatives and two observers who represent the Northern Territory and the A.C.T.

It meets regularly to consider and investigate matters referred to it by the Premiers' Conference. Mrs Venn produced several annual reports of the Council for the Committee's inspection, and also information papers drawn up as a result of investigation of matters referred by the Premier's Conference. One was on the advantages of a staff interchange scheme between Commonwealth, State and local government. Another dealt with the relationship which should exist between the three spheres of Government. She said that the Council was currently investigating matters of roads, housing and care for the aged and trying to ascertain which parts of those matters should be attended to by each of the three tiers of government.

As I say, the Council was set up really to bring co-operation between the three spheres but we are also hoping that in our investigations we will be able to pinpoint areas where the three spheres overlap and so, perhaps, waste money by not being defined in various areas. That is just a brief report.

Members serve for three years. They may serve two terms of three years but no more than that because it is felt that a change round of personnel is important in this type of activity. As far as Federal, State and local government representation is concerned, the natural course of events in elections often creates a change more often than every three years. The five citizen representatives are appointed by the Federal Government and one of that five is the chairman of the Advisory Council. At the moment Professor Ron Gates is the chairman. The original chairman was Professor Russell Mathews. Its headquarters is established in Hobart, though meetings are also held in other States.

The Council, said Mrs Venn, succeeds in being non party-political.

Forty-five per cent of the Council's funds is paid by the Commonwealth; 45 per cent is shared between the States on a pro rata basis; and 10 per cent from local government. The expenses of the Government representatives to the meetings are paid by their Governments. In 1979-80, contributions were as follows: Commonwealth Government \$168 750, New South Wales Government \$44 375, Victorian Government \$37 500, Queensland Government \$26 875, South Australian Government \$21 875, Tasmanian Government \$16 875, Australian Council of Local Government Associations \$37 500.

The secretariat staff consists of a director, two research directors, two project officers, a librarian, an administrative officer, two secretaries and a clerical typist assistant. All are based in Hobart.

ALCOHOL AND DRUG DEPENDENCY BOARD

This body, established by the Alcohol and Drug Dependency Act 1968, is an advisory organ to government. It has eight members. The Chairman is a lawyer, the Deputy Chairman represents the Mental Health Services Commission, and members represent the Council of Social Services, the medical profession, Division of Public Health, the Mental Health Services Commission, the Commissioner of Police and the pharmaceutical profession.

The Committee heard evidence from the Chairman, a member and the Board's Secretary. A full meeting is held at least once a month. There are also sub-committees which meet as required, and some standing sub-committees, in particular one which deals with the classification of drugs.

The Chairman of the Board said that basically the board responds to requests from the Government in relation to particular matters involving the areas of alcohol and drugs. Queries arise from the director-general, from the Minister and from other agencies. The Board researches those queries to give such advice as can be given. The Chairman said there have also been a number of projects initiated by the Board itself. Most of them are currently the subject of reports before the Government. The most topical one at the moment is the under-age drinking report recently tabled in Parliament; 'It contains a number of recommendations but the Government has not yet indicated which ones it intends to accept or reject.' He said there is also a submission before the Government in relation to a separate levy on alcohol, based on the New Zealand system. There it helped to defray some of the cost of public education, treatment, funding of treatment centres, *et cetera*.

The Chairman called for a change in the handling of dependency:

The situation in Tasmania is that alcohol and drug problems basically come under three agencies. We ourselves have the duty of advising the Government in general policy area what we think ought to be done; we really have no executive function actually to do things, nor do we have the staff or funds. The actual treatment of people suffering from alcohol and drug disorders is carried on by the Mental Health Services Commission within the mental health institutions. The responsibility for general public education in relation to these problems is the responsibility of the Director-General of Health Services through the health education centre. So these are the three instrumentalities involved.

There is a clear trend now throughout Australia and indeed in New Zealand for there to be a separate service in relation to the whole of the alcohol and drug problem. There is a great problem when this particular field is within the mental health system because our only facility is to put people in mental hospitals. But these people are not mentally ill in that sense. In fact the system can have counter-productive results. Also, because it is spread across three areas and because the problems of alcohol and drugs are often a poor relation in the health field — along with some of the psychiatric fields — the resources and so on allocated to them are not, to say the least, always of topmost priority. So we have suggested the creation of a separate authority in Tasmania to attempt to deal with the alcohol and drug problem. We are not empire-building because we think that authority would be constituted differently from the way our board currently is, and our board may well go out of existence as such. That is allied of course with the idea of the separate levy on alcohol which would hopefully fund most of the activities of that organisation.

The Board's accounting is handled by the Department of Health Services. Its expenditure was \$50 000 in 1979-80. Half of this is for salaries for the staff which consists of a secretary and a typist. The Chairman receives \$5 900 per annum and some members also receive remuneration.

The Committee were told that lack of staff limits the Board's effectiveness. It does seem difficult to see how an eight member board including a Chairman paid as noted above can do worthwhile work in the circumstances. They are at present providing the secretariat for the inter departmental committee which is examining all reports of royal commissions and boards of enquiry made in Australia in the last few years.

Whether the single organisation called for by the Chairman of the Board to manage the problems of alcohol and drug dependency should be set up is a policy matter. However, the committee believe that any decision in this matter should focus clearly on the actual Tasmanian situation. What is desirable or necessary in another state may not be appropriate for Tasmania.

PRIVATE FORESTRY COUNCIL

The Committee heard evidence from the Chairman and the Secretary of the Council, who said that the Council was formed as a result of the report of the Board of Enquiry into Private Forestry Development. It consists of three producer-members (one from each region), a sawmillers' representative, a processors' representative, Forestry commission officers and an independent chairman.

The Council reports any matter of private forestry interest to the Minister and carries out any investigations the Minister requires.

The Chairman said that his Council's first major task had been to study the effect of the Australian income tax laws on private forestry. It has also been involved in environment protection, and a range of smaller things such as tendering for railway sleepers, control of game and pests, etc.

The Council's appropriation, through the Forestry Commission, for 1980-81 was \$9 000. The Chairman receives remuneration of \$5 000 per year. He said that although the Council has met only three or four times a year:

I meet with the Chief Commissioner at least once a month. At certain times we talk a great deal over the phone. I meet with the Minister fairly often because private forestry is such a large part of the Tasmanian forestry industry. On the income tax matter we met very frequently looking at drafts of proposals.

I am involved for a reasonable time each month in matters outside the actual council meetings which start about 9.30 in the morning and last all day. They have been entirely conducted in Launceston. My involvement would be at least a day a month. We are involved in weekly meetings on forest practices for many weeks. There is a fair amount of personal involvement.

The Committee believe the Chairmen of such advisory bodies should receive sitting fees for meetings attended, rather than a fixed annual sum. If an individual is genuinely interested in making a contribution in a field for the good of his State, and does not depend upon the post for his full-time employment, he will accept the appointment on these terms. We recommend that such payments be standard for such positions.

MOUNT CAMERON WATER RACE BOARD

Under the Mount Cameron Water Race Act 1926, the management and control of the Mount Cameron Water Race is vested in the Mount Cameron Water Race Board which meets annually. The Board consists of three members, the Director of Mines as Chairman and two members representing local industry. Two board members form a quorum. The Chairman gave evidence to the Committee, together with the Administrative Officer, Department of Mines, in May 1981.

The race and all works are under the immediate control of the Manager who is subject to the Board. The Manager is authorised to enter into contracts for the sale of water and the collection and receipt of payments.

The Director of Mines told the Committee that water is supplied from the race for mining purposes to some of the alluvial tin mines which operate in the Gladstone district. The water is measured through guage boxes. The unit of measurement is the Tasmanian sluicehead which is approximately 150 gallons per minute. Water is also sold to the Ringarooma Council for garden and domestic purposes. There are sixty-two connections.

Water may be supplied on a cash scale (Fixed Scale) or on payment of a royalty of 20 per cent on the proceeds of tin produced from the use of the water (Royalty Scale). With the Royalty Scale the tin concentrates are passed to the Manager who consigns the ore to Associated Tin Smelters Pty Ltd.

A new fixed scale of charges was approved by the Board in May 1978. for a twelve month contract the charge became \$8 per sluicehead per week and for a shorter term \$20 per sluicehead per week.

The previous rate, \$3.70 per sluicehead, had applied for six years. In May 1980, the domestic water charge was increased from \$4 to \$8. The previous figure of \$4 applied from 1971.

No payment is made to any member. Losses incurred by the Board in the financial years 1975-76 to 1979-80 were \$21 802, \$18 132, \$18 840, \$26 274 and \$28 354.

There are three connections to tin mines and sixty-two domestic connections for the Gladstone township. The domestic water charge is paid by the Ringarooma Council. The Board has three employees. Its expenditure in 1979-80 was \$31 866 and its revenue \$3 512, producing the loss noted above.

As explained above there is an option for a tin mine to pay for its water by the fixed royalty of \$8 per sluichead per week or as 20 per cent on sales of tin produced. All three mines pay on the fixed charge basis and their payments in 1979-80 totalled \$3 016. Had the royalties option been used, they would have paid around \$56 000, and the water race would therefore have returned a profit of some \$24 000 to Consolidated Revenue.

The system of offering options so wide apart is very difficult for the Committee to understand. A witness said that the return of revenue has not been the sole consideration in the operation of the race. 'Without the water from the Mount Cameron race these mines would probably be forced to close. Water would have to be obtained from the Ringarooma River; it would mean these mines would have to invest in pumps and piping; they would probably then apply to the Department of Mines for assistance under the Aid to Mining Act so probably we would be assisting them there. Failure to do that would mean the mines there would close.'

However, the Committee believe the question is not whether the race should continue. It is rather whether the mines and the Gladstone residents should be subsidised in this way and to this extent.

Following the Committee's enquiry, the Committee received the following letter from the Director of Mines:

Department of Mines
6 July 1981.

Mr P. T. McKay, Secretary,
Parliamentary Standing Committee on Public Accounts, Hobart.

Dear Sir,

Charges to Ringarooma Municipal Council

I wish to advise that the Mount Cameron Water Race Board approved the following increased charges at a meeting on 29 June 1981.

The annual charge per connection was increased from \$8 to \$16 for water supplied to the township of Gladstone.

The Ringarooma Council has been charging ratepayers \$8 per annum up until the present time. This is the amount which the Board was charging to the Council.

Water Charges to Operating Mines

The charge per sluichead of water was increased from \$8 to \$10.50 per sluichead.

Casual Labour

During the past year, 1980-81, the employees of the Board have consisted of the Manager, one permanent channel keeper and one casual channel keeper. The casual channel keeper has been fully employed during 1980-81. The Board has decided that casual labour is only to be employed for six months of the year, and any additional time will require the prior authority of the Board.

All increased charges will apply from 1 July 1981. It is estimated that the increased charges should provide additional revenue of approximately \$3 000 and the reduction in wages should result in a saving of approximately \$2 500. This will give an overall benefit of \$5 500.

Yours faithfully,
(H. Murchie)
Director of Mines.

This benefit, it seems, will mean that there will still be a loss of over \$20 000 per year.

The Committee believe that the Board is an appropriate way of dealing with control and management of the race. However since decisions on charges for water really amount to appropriating funds from Consolidated Revenue, we recommend that charges in future be decided by the Minister.

NATIONAL PARKS AND WILDLIFE ADVISORY COUNCIL

The Committee was established by the National Parks and Wildlife Act 1970 to:

Keep under review the administration of the Act, and advise, and make recommendations to the Minister on such matters in relation thereto as it thinks fit, and where the Minister refers to the Council any matter related to the administration of the Act, as soon as practicable, consider that matter and make a report thereon to the Minister with such recommendations as it may consider appropriate in the circumstances.

The Act specified that including the Chairman, there should be not more than twelve members and that all of the following interest should be represented: primary production; development and use of forests and timber resources; exploration and development of mineral resources; the tourist industry; planning of the development or utilization of land; study of research in the field of botany; study or

research in the field of zoology; study or research in the field of geology; interest in historic structures or the study of history or anthropology in its relation to the peoples who inhabit, or inhabited, the islands contained within the State; the use of land for outdoor recreational activities, other than hunting or shooting; and hunting or shooting.

The Committee heard evidence from the Chairman and the Secretary, who is an officer of the National Parks and Wildlife Service.

The Chairman said that the Council provides a strong link between the Service and the appropriate sectors of the public and members of the public with an alternative approach to the Service. He said that the Council also acts as a platform for the Service to test public feeling towards any particular proposal. It discusses many of the matters with which the Service is faced and 'the topics can be viewed and discussed without bias towards any single aspect.' Many Service policies are placed for discussion before the Council prior to them being forwarded to the Minister for final approval.

Meetings are held every four to six weeks, usually in Hobart. Inspections of areas managed by the Service are also carried out.

The Chairman receives a payment of \$2 107 per annum and members travelling allowances only. These allowances totalled \$1 751 for the period July 1980 to April 1981. The Committee has no particular argument with this, though it is difficult to reconcile this payment of \$2 107 with the \$5 900 paid to the Chairman of the Private Forestry Council which meets only three or four times a year.

The Chairman said that he believed the National Parks and Wildlife Service had been particularly successful. He believed the Advisory Council had contributed towards this success by providing ready two-way access between the Service and the Public. Apart from its value as a sounding board, it provided at minimal cost a pool of people with a wide range of professional and commercial skills.

The Chairman said that the Council is concerned that the Service might be submerged in a larger department: 'I do not believe that is a good thing. In this new service, which is vigorous and enterprising, the State has something going for it which has I think created much more goodwill than ill will amongst the public and visitors to this State.'

NURSES (OCCUPATIONAL DISEASES) RELIEF FUND

The Committee received a letter from the Tasmanian Hospital Matrons' Association claiming that the Fund is no longer needed because most diseases are covered by the Workers' Compensation Act. They said that the Fund is expensive to administer and that payments to nurses are negligible.

Evidence was heard from two representatives of the Association who claimed that most of the diseases the Fund was set up to cover had been eliminated. The experience of the matrons was that a great deal of paper work was entailed, with quarterly returns of all nurses, medical examinations, X-rays, and so on being required. The contribution of which each hospital makes is 2½ cents per nurse per annum — as it has been since the Fund's inception forty years ago.

The matrons pointed out that in 1979-80 only \$2 469 was paid out from the fund, while administration costs amounted to \$7 863. The fund is administered by the Workers' (Occupational Diseases) Relief Fund Board and the administration costs are based proportionately.

The Chairman of the Board conceded that some change was needed in view of all the above factors. He favoured putting all personnel data on computer, so that the hospitals would merely have to supply details of appointments and retirements. He pointed out that there would be considerable difficulties in transferring the remaining diseases of concern — tuberculosis and virus hepatitis — to the Workers' Compensation Act. The Committee believe that more efforts could have been made in this direction. They include confining X-ray requirements to one employment section and delays in payments to the nurses through the involvement of insurance companies.

Since the costs involved in the fund are so minimal, and 90 per cent or more of contributions are from public hospitals, the Committee believe that the matrons' objections could well be met by retaining the Board and the protection it affords nurses, and funding it by appropriation from the Department of Health Services. This would then eliminate the work load in the hospitals and greatly reduce that of the Board. As an alternative, the Fund could be abolished altogether by hospitals granting additional sick leave to cover the case where a nurse is believed to have contracted a disease at work.

Finally, the Committee believe the Workers' Compensation Act should be re-opened to cover hospital workers in particular and to include tuberculosis, sequaleae to infectious diseases and staff sent off duty with positive swab tests to methicillin resistant staphylococcus.

Apart from the specific points noted in this Report, the Committee found that the administrative bodies that have been examined were working well and with due economy.

Committee Room No. 3,
Parliament House,
Hobart.

N. M. ROBSON, Chairman