

TASMANIAN INDUSTRIAL COMMISSION

Industrial Relations Act 1984

T Nos 5044 and 5110 of 1994

IN THE MATTER OF applications by
the Health Services Union of
Australia, Tasmania No. 1 Branch
and the Tasmanian Chamber of
Commerce and Industry Limited to
vary the Welfare and Voluntary
Agencies Award

re Clause 7 - Definitions and
restructure of the award

DEPUTY PRESIDENT ROBINSON

HOBART, 7 October 1994
continued from 30/9/94

TRANSCRIPT OF PROCEEDINGS

Unedited

DEPUTY PRESIDENT ROBINSON: Thank you, Ms Harvey.

5 MS HARVEY: Yes, Mr Deputy President. Before we actually start this morning I have got a threshold matter which I foreshadowed a couple of hearings ago that I will be seeking an interim decision on an operative date because of difficulties that we are experiencing with the length of the case. Now, my union completely understands the situation that Mr FitzGerald was in this week in having to cancel Thursday and he certainly has our condolences in respect to that personal matter in his family and so I do not want our action in relation to this to be interpreted as somehow being unsympathetic to the situation he finds himself in because that is not the issue.

10 The issue is that we have replaced one hearing day with now three hearing days, that we have pushed - because of the problems with timetabling, you will recall that HACSU sought to add additional days and that was indeed opposed by Mr FitzGerald on the grounds that it was not necessary. Because of timetabling difficulties we have now got those extra days but they are spread over a three-week period. It is leading to industrial - we believe industrial - potential industrial unrest amongst our members in this sector because this case has been going since - well, certainly May but earlier than that. It has been going for many years and whilst we do not seek to in any way restrict Mr FitzGerald in terms of putting the case he sees necessary, I think we have been very tolerant of the delays, of changes in hearing dates, the fitting in with his diary, of half-day hearings and a variety of other matters.

15 20 25 Now, we understand that Mr FitzGerald has a right to put his case but we do not see that that should compromise the right of our members to have a speedy resolution to this matter. Therefore, we believe that it would assist in industrial harmony, if you like, if we could have an interim decision with an operative date for this matter were the award to be varied as a result of the applications before you and we would seek the operative date to be the date that it was intended that the case should have been finished when we actually scheduled it and timetabled it in. So I am not asking for today's date.

30 35 I am asking for the date that would have occurred had the case run according to the scheduled timetable that the parties agreed a few months ago and, in particular, I think that date, Mr Deputy President, was to have been 21 October. So that is the operative date we are seeking. We believe it is consistent with the act and the wage fixing principles because we are not asking you for a retrospective payment. We are asking you for an interim decision to determine the payment, so therefore it cannot be considered to be a retrospective payment.

40 We believe it is in the public interest because of the risk to industrial disharmony as a result of the delays and we also think it is only fair and equitable given that we have met our commitments in relation to timetabling and for whatever reasons that the TCI has not been able to do that, we do not

believe that our members should be disadvantaged. Therefore, we would be seeking an interim order with an operative date - sorry, an interim decision with an operative date of 21 October. If the commission pleases.

5 DEPUTY PRESIDENT ROBINSON: Thank you. I will hear Mr FitzGerald on that question.

MR FITZGERALD: Thank you, your Honour. I was sort of partly aware that this was coming, Mr Deputy President. I was not aware that it was going to happen today but I am happy to respond in brief at least and may be given the shortness of it, and I acknowledge that in some of the threshold issues we
10 raised we did not always give notice as well, but I simply would reserve our right to make further submissions on this particular point. I am somewhat surprised, however, because I think the union have taken a great deal of time to present a very comprehensive and well presented case which I have acknowledged before.

15 We, in responding to that case, I do not think there has been any undue delays, there has been some slight delays because of procedural reasons and availability of witnesses, etcetera, but - and regrettably through my circumstances this week we have had to postpone some of those hearing dates and I thank the commission and Ms Harvey for flexibility in that regard, but
20 that is nothing out of the ordinary in a case of this magnitude - I received some transcript now - pages this morning, I think we are up to somewhere near 900 pages.

It is indeed an extensive case and I think we would say that we are concerned about the indication by Ms Harvey that there is potential for industrial unrest.
25 That is certainly not something within our instructions and if it is we can only say that that unrest has been caused by the union. Now, that is concerning. In my view the responsible position to put to employees is that - and to employers alike - is that a case of this kind, because it has involved extensive evidence and submissions, is indeed lengthy.

30 Now, there have been cases in this jurisdiction, particularly in the public sector, which have extended over very lengthy periods of time and we do not see that this case is - given - even though Ms Harvey is saying it has been going for some two years - given the type of case it is that the period of negotiations is not unusual and indeed the period of formal arbitration before
35 the commission, I think, starting in May this year is relatively short. What Ms Harvey is seeking really is in fact a retrospective application, in my submission, despite her denial of that and as the commission would be aware pursuant to section 37(4) of the Industrial Relations Act there really is a bar on retrospectivity. Any award which is made by this commission should have
40 either a date of effect from the date of determination or a prospective effect but definitely not a retrospective effect unless there are special circumstances which are made out.

DEPUTY PRESIDENT ROBINSON: Well, it is agreed.

MR FITZGERALD: Oh, it is agreed. Thank you, yes, for that and I can indicate by our submission that there is no agreement, of course. I think that is taken for granted but in terms of the - - -

5 DEPUTY PRESIDENT ROBINSON: I recall that being in 37 of the act.

MR FITZGERALD: Yes, that is correct but in terms of the special circumstances I would submit that there has been no special circumstance made out by Ms Harvey this morning which would require - which would enable the commission to grant retrospectivity. Indeed our submission, and we have not yet got to that point, in respect to operative date would be - given the nature of this case and potential increases emanating therefrom, we would seek a phasing-in of any increases. So we are categorically opposed to the application.

15 It does not in any way have any application or appropriateness to the wage fixing principles. It is not in the public interest, in our submission, except to say that there was some bald submission by Ms Harvey that there is potential for industrial unrest. As I said, we are concerned by that aspect. We have no instruction that that is in fact what is occurring out there in workplaces subject to this award and for all those reasons we would oppose quite categorically the submission made by Ms Harvey for an interim decision on operative date. If it pleases.

20 DEPUTY PRESIDENT ROBINSON: I respond by saying that I think the commission has not delayed the matter unnecessarily. I think the commission has done its best to meet the various dates desired by the parties and I think there is only one week where dates were sought recently where it was indicated that there were difficulties. In fact I think we eventually picked up - yes, next week picked up one date during that week eventually. I certainly accept that it is very desirable for matters to be dealt with as expeditiously as is possible to do so and sometimes expectation can be built up by those out there who are affected by the award concerned.

25 I will take all that into consideration when I have reached the stage of having heard the whole of the case. I think it is a little bit premature for me to make a ruling in relation to the operative date when I do not know whether merit has been proven or not proven on the list of matters which really are before the commission. But, as I say, I will take into consideration the history of the course of this particular matter at the relevant time and I would hope that my brief comments are of assistance. Mr FitzGerald?

30 MR FITZGERALD: Thanks, Mr Deputy President. I have one witness only today and I just reiterate the comments I made in respect to the response of Ms Harvey. I do appreciate the flexibility as far as the commission is concerned in terms of these hearing dates. We will not be having submissions

5 this afternoon, but we have one witness this morning which I think would probably - depending on the extent of cross-examination, we will complete this morning, and I do not think that -despite not proceeding this afternoon, in my view I do not thin it will unduly slow the program down and we will attempt to expedite it from here on in in any event.

DEPUTY PRESIDENT ROBINSON: What would be the rest of the program so far as your understanding?

MR FITZGERALD: I think next week, which is - my diary, sir - I think next Thursday is in fact the date of resumption.

10 DEPUTY PRESIDENT ROBINSON: Yes, I know the date, but do you think that given those dates you will finish as thought?

15 MR FITZGERALD: Well, I will attempt to do so, yes. As I indicated, there is a great amount of evidence and submission to respond to. Some of it will be responded to fairly quickly, but others will require further elaboration, but I would hope to be able to complete on the next day of hearing.

DEPUTY PRESIDENT ROBINSON: All right.

20 MR FITZGERALD: But, you know, I cannot make any guarantees at all, Mr Deputy President, but certainly we are not intending to unduly delay it by making unnecessary submissions.

DEPUTY PRESIDENT ROBINSON: Thank you, Mr FitzGerald.

25 MS HARVEY: Just perhaps before Mr FitzGerald commences with his witness, if I could just foreshadow that perhaps at the end of the hearing today that we should just talk about dates, because I know this is very tedious, but it would be good if we could try and sort it out, and I think perhaps if we do it at the end of Mr FitzGerald's witness so that he can get away, rather than holding him up now. He is from the North-West Coast.

30 MR FITZGERALD: That does not pose any problem as far as - but I think given that Mr Snadden, who is the next witness, is expecting to be called in very shortly, I think it might be best if we proceed with him and I am happy to go off record and discuss dates if necessary.

DEPUTY PRESIDENT ROBINSON: All right.

MR FITZGERALD: So, if I could call Mr Snadden.

35 DEPUTY PRESIDENT ROBINSON: Yes. Mr Snadden might have got sick of waiting for us.

MR FITZGERALD: I do not know if the delay was that long, but - - -

IAN McEWEN SNADDEN, sworn:

DEPUTY PRESIDENT ROBINSON: Yes, when you are ready, Mr FitzGerald.

5 MR FITZGERALD: Thank you very much, Mr Deputy President. Mr Deputy President, just for the purpose of the record I think both the commission and Ms Harvey have copies of the statement, as has Mr Snadden, which we will seek to include as our witness statement.

DEPUTY PRESIDENT ROBINSON: Mm hm.

10 MR FITZGERALD: Mr Snadden, you have a copy of the statement, TCCI witness, Ian Snadden, general manager. Could I ask who prepared that statement?---I did, Mr FitzGerald.

15 Right. Could you just read slowly from the top, and what I will do is intersperse that with questions, just the first bit under Personal, if you could just read that for a start?---Sure. My name is Ian Snadden. I reside at Purtons Road in North Motton. I am 42 years of age. I am the general manager of Summit Industries and have been since 1980. I am a member of the Tasmanian Association of Disability Services Incorporated. I have been since 1981, and I'm currently the treasurer of that association and have been
20 for about three years.

Thank you. Just to confirm for the purposes of the record, Summit Industries was in fact one of the inspection sites; is that right, involved in these hearings?---That is correct.

25 Okay. Thank you. Could you just outline the role the Tasmanian Association of Disability Services?---The Tasmanian Association of Disability Services is a state body, a peak body which has membership of the managers or CEOs of the supported employment organisations in Tasmania, which gives us the opportunity to discuss issues and lobby government from that instrumentality.

30 Right. Just as an example, what sort of issues would that association discuss which would be particularly pertinent to Summit?---Primarily issues relating to disability issues. We also have, as a spin-off of that association, pursued quality assurance and a number of organisations, being timber-related, have obviously worked in co-operation with each other. We do discuss common contracts and assist each other in commercial sides of our operations as well.

So, they are sheltered employment organisations?---Yes.

So, where are they situate, those type of organisations?---Well, the organisations are statewide, covering north-west, north and southern parts of the state.

5 Have you a formal qualification, Mr Snadden?---Not particularly in the work I am doing, I am an electronics technician prior to being employed by Summit Industries. However, my experience and qualifications, I suppose, come more in the commercial side whereby I completed what I believe was the necessary component of an associate diploma in accounting to give me some accounting and business skills and I have undertaken a number of business management type courses at TAFE as managers would in the commercial sector and I have attended a number of seminars and conferences from a disability aspect of the organisation.

10
15 Right. Okay. In your view, is it necessarily desirable to, in a role of manager of Summit Industries, to have formal qualifications particularly relating to the disabled?

MS HARVEY: Leading question. I am sorry, that is a completely leading question. I would ask if Mr FitzGerald could rephrase.

MR FITZGERALD: Well, I am happy - - -

20 DEPUTY PRESIDENT ROBINSON: That old problem again, Mr FitzGerald.

MR FITZGERALD: Well, I am happy to but I thought we had settled on this but - - -

25 DEPUTY PRESIDENT ROBINSON: I think that there are some things which a witness can be led on. If we make a - - -

MR FITZGERALD: Factual comments.

30 DEPUTY PRESIDENT ROBINSON: - - - simple - that is right, a central analogy, you know, name - what address? Were you, for instance, in a traffic accident situation driving up Hobart Road last week and when you saw something happen, what was the something? You know. That is all we are interested in.

35 MR FITZGERALD: Yes, I can certainly understand that but I think there has - I can understand that as a view, Mr Deputy President, but I think there has been a lot of flexibility shown on both sides and certainly there is many questions which Ms Harvey has asked in her witnesses which are completely leading as well and I think all parties have been flexible. So even though she may have valid grounds for objection, it is something within these

proceedings, in my view, we have been very flexible on, particularly the commission.

5 DEPUTY PRESIDENT ROBINSON: We are not a court of law but if both advocates could continually try to not lead, to ask witnesses to express views or opinions or facts in relation to nominated things.

MR FITZGERALD: Well, if I could - it is leading to some extent but it is a matter of fact. Could I ask the question then: has Mr Snadden, has he any particular qualifications relating to disability services?---Not formally, no, but I have 15 years experience.

10 That would be fine, thank you. If we could just slowly proceed through the statement headed: Summit Industries - next category Summit Industries and just address the service type things, Mr Snadden?---Summit as defined by Commonwealth legislation is a section 13 service which - - -

15 I wonder if you could just explain that as we go through?---Okay. A section 13 service is what is called a prescribed service. It is a service that met the criteria of the Handicapped Persons Assistance Act and that act was repealed in 1986 by the new act, the Disabilities Services Act. It's basically a service in transition towards meeting the criteria of the new legislation and we received a component of Commonwealth funding to assist us in providing the support we do to the employment of people with disabilities, and basically we have to meet certain outcomes of disability services standards before we meet the criteria of the new act. In other words, the eligibility criteria which is section 10, and if you wish, I can comment and say that there is only a couple of remaining standards that we need to address to - before we are considered to meet the criteria for section 10 and they are wages issues for people with disabilities, predominately we meet all other standards. So we meet minimum standards for section 13 and I suppose we are, as the majority of other supported employment options in Australia, concerned with viability issues and the fact of paying our employees skills based or productivity-based wages and the cost impact of that.

20
25
30 Okay. All right. In terms of funding, could you address that issue briefly at this time?---Yes, we receive, as I said, a component of funding from the Commonwealth and that funding is purely provided to offset the cost of support. That funding is based on the funding that we received under the old act which was then - it was a funding called salary subsidy and that funding basically hasn't changed in the interim years apart from some indexation. So we are still receiving funding based on that old act which is quite minimal in terms of the percentage of income compared to what we produce from trading as a commercial operation.

35
40 Okay.

DEPUTY PRESIDENT ROBINSON: Has that funding got a particular formula or - could you tell us a little bit more about that funding from the Commonwealth?---Certainly. Funding was initially established simply on the number of people employed and referred to as supervisors and there was a number of types of funding available generally, and it was called salary subsidy, and generally that was 50 per cent of a person's salary or you could apply for a higher percentage if you deemed that particular person was a key staff, and I think key staff, from memory, could be as high as 80 per cent funding back in those days. And that is the way the funding was calculated. In the last 10 years, basically, it has been very difficult to seek an increase in your recurrent funding and, as I said, funding basically has been indexed and in the interim period. So funding is still based on that old calculation of pre the Disability Services Act.

You lose me a little bit when you say that funding is indexed but it is - some of it is 50 per cent of salary. I mean, when you have got a fixed percentage do you need it to be indexed?---I suppose indexation reflects CPI obviously adjustments.

But where you lose me, if you have got, say, 50 per cent salary subsidy does - with indexation how good is the fact that you have got that percentage? Does the percentage increase or - - - ?---Okay. I understand what you are saying. What has happened is that history has dictated that some of the industry in its present form does not represent anywhere near what it was 10 years ago. It has grown dramatically. Therefore we employ now 76 people, whereby 10 years ago it was down in the 20s and 25. So we have employed a lot more people in the interim period that that funding does not cover. The funding still basically covers the organisation as it was back in those days which was, you know, 20, 20 plus people.

Well, I just based it upon the number of employees and - - - ?---Yes. So if your organisation has grown in the interim, funding hasn't been reflected in that form.

Goodness gracious me?---So funding remains - - -

There is nothing you can do about it?---Nothing really you can do about it. There is only so many dollars available and the disability dollars haven't increased dramatically over those years.

I see. Sorry to interrupt.

MR FITZGERALD: No, that is fine. That helps, I think, Mr Deputy President, to explain the circumstances. We will address the funding issue later in the statement and may be that is the time to do it but that is fine.

In terms of, if we are just at the point of Summit Industries, the second point, the commercial operation against the human service side, I wonder if you could address that, please?---Sure. Predominately - - -

5 I am sorry, had you finished addressing the aspect of the legislative definition?---Yes, basically.

Okay. If you would like just to - - - ?---Sure. Summit Industries is predominately a human service organisation that offers employment to people with disabilities. People that by definition of disability would struggle to retain a job in the open work-place. It is also a commercial operation and it
10 needs to be to allow the other to exist because the bulk of the viability for Summit Industries is through trading as a commercial enterprise and I believe the two work fairly well together and if I can go on, Mr FitzGerald? A little bit of history about the organisation, if I may clarify a few of those issues. As I said before, Summit in 1994 is nowhere near like it was in 1980. We
15 had a very small operation. We employ about 20 people. We predominately produced a product, wooden toys. Previous management prior to me starting the Summit developed this production line and there were some financial difficulties hence a change of management and we ceased making toys back in 1980 simply because annual sales for that year were 17,000 and there was
20 \$35,000 worth of stock. So it wasn't a viable proposition. So we ceased making wooden toys and we looked at other aspects of creating a commercial environment which was viable and basically we looked at, in those days, value-adding timber, because that was what we were fairly good at, and we looked at a product that didn't require particularly a high standard of finish. We felt with the people that we employed it was very difficult to achieve a
25 very high standard of finish in those days. Things have changed. So we produce pallets and garden stakes. We predominately did a lot of work down the west coast for the mining companies in stakes and mining plugs and so on. One of our biggest customers would have been Telecom in those days making their marking pegs for their cable laying work.
30

Yes?---In 1982 we sought to replace a contract that we lost and we had a very big factory, very big factory floor space and we leased about 50 per cent of that out to APPM to store their bulk paper pulp and they withdrew that
35 contract in 1982, so we looked at something to replace that lost revenue and we had the opportunity to buy a business which was a laminating plant and we did that in 1982 and we inherited the employees that operated that laminating plant. We saw the continuity of being able to produce that product effectively and to the standard required by customers as being very important. And in purchasing that we became very commercially orientated, I suppose. We
40 inherited the customers on the mainland that came with this business and the business started to grow as with the demand for the product and our customers on the mainland we developed a very good business relationship with, a separate business entity but a good working relationship, and being a fairly aggressive business they saw the need to offer a wider range of product to the
45 market place. So they sought our assistance in helping them develop and

manufacture new products for them. So we saw quite a rapid growth in our organisation. It became very commercially focused.

5 Right?---We saw the need to buy equipment that was required to produce these products and we employed a considerable number of people to enable us to meet the demand for the product. About the mid 1980s we saw a new product coming on line which was kitchen cabinet doors - and I believe you have seen the operation in recent weeks. And that was a pilot project back in the mid 10 1980s of which we were a little bit skeptical that that would work for us because it was a little bit more technical. However, with the employment of tradespeople who are basically production workers we managed to succeed in producing the product and meeting the volumes that were required. We now see that as being our primary product and the original laminated bench tops as being the secondary product, and the business has grown quite dramatically over the last few years. So what we see basically is now a very much 15 commercial environment; still a human services organisation employing a number of people with disabilities, but we see an industry that very much mirrors open employment and I believe it offers - because of that it offers quality employment for people with disabilities. Most people that look through Summit Industries have a bit of difficulty differentiating between 20 Summit Industries and your timber manufacturer down the road - you know, very commercially focused. So I believe that is a very good outcome for people with disabilities, the fact that it does mirror open industry. If I may go on, Mr FitzGerald?

25 Yes, I think that is a very good potted history. Thank you for that. Anything further to add in terms of - - -?---I think just with the history I'm not sure whether, Mr Deputy President, you are aware that in the interim we've looked at picking up some of the other needs for people with disabilities and ;we did start a residential program back in the early 80s and that residential program grew to the degree that it is today and it's now removed from under the 30 umbrella of our parent body, which is the North West Coast Disabled Citizens Association, and that now operates in its own right as an incorporated body, and that is the North West Residential Support Service. That did originate from Summit Industries.

35 thank you. You mentioned in your evidence that the two aspects of the commercial operation as against the human service operation works very well together. Can you give some elaboration of that statement?---Yes. Well, obviously the organisation has to be commercially viable to exist and it doesn't have to be particularly a profit-making venture; it has to be self sufficient and it has to hopefully break even; that is a very good outcome for 40 us. I believe with the relatively labour intensive nature of the work most people that are - or the majority of our employees that are trained to fulfil a particular job function can do it with confidence knowing that contracts don't change. We make everything to order. A door is a door, so people are very confident in the work they do from day to day because it is very similar on 45 a day-to-day basis. Is that answering your question, Mr FitzGerald?

That is fine, thank you. Yes, if we could just turn now to the organisational structure on the final page of your witness statement. The line - well, firstly, the board of management - can you just give an indication of - not necessarily names but the nature of the individuals representing that board?---I think it is very important to state that one of the reasons that Summit operates to the degree that it does is that the board of management runs Summit Industries through me as general manager. However, they don't get involved in the day-to-day operation of the business. They direct and I manage - and that is very clear, and that works very well. We do have a line of department managers. I haven't actually put those in, but we have two production managers who basically are in charge of those two plants on the left-hand side of the structure, the glulam machining plant and the door plant. We have an administration manager and an accountant who runs the administrative section. We have a personnel manager and we have a quality assurance manager. The next line down, you can see I've indicated the type of people that work in those different departments and I have outlined that we employ tradespeople and non tradespeople and there is a mix of tradespeople who are supervisors and tradespeople who are purely production workers. As well as the non tradespeople there are some people who are supervisors and some that are purely just production workers. We do have an apprentice working in one area. We have trained quite a few apprentices over the years and I suppose like most commercial businesses we have been a little bit cautious over the last couple of years with the economic downturn and we will be looking at employing apprentice again next year. We have a full-time vocational trainer and that person is basically responsible to the personnel manager; a number of clerks and receptionists. And we have a small program on the right-hand side of Canteen which initially developed from the CIP program - the community integration program - of integrating people from Willow Court back into the community, and that is self explanatory and I think you may have seen it. It is basically just our canteen at Summit that provides meals for the employees if they wish to buy meals at lunchtime and it is basically separate to the production area.

Okay - - -?---Sorry, Mr FitzGerald, I should outline that the board of management comprises of obviously volunteers, and those people are predominantly of business and professional background.

Thank you. You mentioned - if you could just take up the point "total number of employees". I think you have given some - made some mention of it, but if you would like to elaborate on the number of employees?---We presently employ 76 people and of that 76 includes 38 people in receipt of the disability support pension. And I thought it was important just to explain that terminology. Some organisations refer to their people with disabilities as clients or trainees. We refer to everybody that is employed by Summit as employees, but for purpose of today I think if it is agreeable I just refer to people with disabilities as DSP employees.

DEPUTY PRESIDENT ROBINSON: Right?---We tend not to differentiate between our employees.

MR FITZGERALD: Is there any particular reason why you take that position?---I think it just enhances just a non discriminatory role that we play.
5 We prefer not to discriminate between any of our employees. I'm an employee of Summit as is our people with disabilities.

Okay. Thank you. If you would like just to continue on with your statement and make some comment as to the disability types, particularly in respect to how that affects supervisors on the floor at Summit?---I have outlined the
10 disability types for that purpose, and as defined by the State Disability Services we have 26 of those 38 employees that are defined as having a mild intellectual disability, and those people predominantly work in the production section of the factory. The next category down, moderate intellectual disability, four people, are the people that work in the canteen program. Back
15 in the production area again we have one person with a psychiatric disability, one person with multiple sclerosis. ABD is acquired brain damage or acquired brain injury, usually as a result of a motor vehicle accident, a head injury; two people with physical disabilities and three people with multiple disabilities, and that can be a combination of mild intellectual and sensory or
20 physical and intellectual, maybe, giving a total of 38. But you can see from that that the overwhelming majority of our employees do have a mild intellectual disability, and are therefore considered to have relatively low support needs; they are relatively high functioning people, and the majority would not have much difficulty in their involvement in the production line on
25 a day to day basis, so quite low support required for those people.

Could you make some comment how the DSP employees fit into the work environment generally?---I could make a flippant comment to say that a lot of our employees, our DSP employees, are very dedicated, very committed employees; in fact, generally we have less problem from our DSP employees
30 than we do from people that you would call able-bodied or our staff, our able-bodied employees. The fact that they are high functioning and require a low level of support I believe means that they can be involved in the commercial side of our operation with very little difficulty. Again repeating what I said previously, that the bulk of our processes are labour intensive, are repetitive,
35 and skills don't have to be reinforced on a day by day basis, and the fact that these people are relatively high functioning means that they can undertake what is required of them on a day to day basis with very little or no supervision.

Thank you. If you would like - have you got anything further to add in terms
40 of that first page, Mr Snadden?---No, I don't think so, Mr FitzGerald.

Right. If you would like just to commence the second page, meeting the needs of DSP employees, and start at the word "vocational", please?---Okay. From a vocational point of view, a new employee, a DSP employee, would

5 go through an induction process when they're first employed at Summit from day one. They would be made familiar with our conditions of employment; they would be made familiar with the bricks and mortar of the organisation, where the canteen is, where the amenities block is, so they'll be introduced to the people that they will be involved with on a day to day basis. They will be explained the agreements and disputes procedure in case there is a concern in that regard.

10 Could you just outline that briefly, what that is?---Sure. Basically, it mirrors the grievance procedure in the award. It just enables people, employees, to be quite aware of the process, the formal process, that they may take if there is a grievance or a dispute that they wish to follow through, and generally that would channel very quickly through to middle management or to the personnel manager or myself.

Right?---I can expand on that a little bit further on, if that is possible.

15 Yes. Okay?---So that formal assessment would be undertaken by the personnel manager. Of course, he would liaise with the leading hand of the particular production section that that new employee would be working in, and any skill deficiency would be identified, and those specific skills that that person would need to be able to fulfil their job on a daily basis would be taught to that person by a vocational trainer, a person we have specifically for that function. After about six months there would be a formal assessment undertaken of that employee, and any specific training in the interim that needs to be done to reinforce the skills required by that person would be undertaken by the vocational trainer. I suppose it is very similar to a competitive employment training and placement service, without getting too far off the track, where we can offer support and reduce it as that support is no longer needed, and that's usually done by a vocational trainer.

20 So what is the extent of the interaction with the supervisor or leading hand, as you describe, in that process?---Well, the personnel manager basically wouldn't be on the factory floor with that new employee on an eight-hour basis, so he would need to liaise with people that were, and he would normally talk to the leading hand and they would establish: does this person have the skill to do the job that they're required to do? If not, what skills do they need to be trained in to fulfil that job, and that deficiency would be met by the vocational trainer.

25 Okay. Thank you. You have probably covered some of these points already, but if you would like just to continue with any further points in that category?---Sure. That employee would then obviously work in the workplace, generally with limited supervision, and the intensity of supervision would purely be determined by the need of the individual, and that supervision would be withdrawn as the person became competent in the work that they were doing.

I wonder whether you can give some examples of that, you know, giving the distinction between high support and low support; is it possible?---Yes. Well, I mean, the people that work in the canteen that have a moderate intellectual disability would require by definition of that disability more support and support at a higher level, but generally the people in the factory require less support because of their level of ability, I suppose, and their ability to retain the skills and knowledge of what has to be done to undertake the job.

DEPUTY PRESIDENT ROBINSON: From what you have told us about employee support, particularly with new DSP employees, how would that compare with a person who was not a DSP employee but a tradesperson or a non-tradesperson - - -?---Sure.

- - - working - and you have got about a fifty-fifty composition, have you not - - -?---Yes.

- - - between DSP and what we call able bodied employees?---Sure. The induction process would be similar. If the person was a tradesperson, you would expect them to be able to undertake any function that was expected of them - especially when you consider the very narrow range of product that we produce. There would be some specific functions that they may not have been exposed to in their trade in the past and they would be taught to be able to perform those functions. It is possible that the vocational trainer would be utilised to assist somebody in being trained for a specific function, even if that person may have a trades background. Generally, a person - that is, an able bodied person - may not necessarily have a trades background. They may have experience that we consider to be equivalent but we would expect the person to be able to have woodworking skills to the degree that they could pick it up very quickly.

Yes. I suppose it is difficult to generalise. It would depend upon the individual very much, but to the extent that it is possible to generalise, would you be able to estimate the length of training and the length and the degree of supervision which would be applicable in both the two cases?---Well, you are right, Mr Deputy President. It is very difficult to generalise in that case - depending on the individuals and depending on the complexity of the work required as well. It is very difficult to generalise but, I mean, some of the more difficult functions to perform, if we are talking about training a person, a DSP employee, we may be talking about intensive training for a week, to a lesser degree for another week. Maybe the third week it may be just a matter of hours but again it depends on the complexity of the function required and the person.

Yes. In relation to DSP employees, would the training be only in relation to skills acquisition and skills assessment, and when they got on to the shop floor, would the supervision be only in relation to levels of skills and competencies, or would there be some other factor for which supervision

would be necessary?---The basic function of supervision at Summit is to ensure that production demands are met, more than imparting training and skills required. The supervisors would be predominantly trades. They could be non-trades background. They could have the experience we spoke about
5 before, the equivalent to a trade, and they would supervise a number of people - that could be people with disabilities, people who are non-disabled - to fulfil production requirements and meet the production demands. That is the primary role of supervision.

10 Right. With some of your DSP people, would there not be the possibility that there might be behavioural problems or mood swings or something like that that might be not expected and not normally occur with able-bodied people, and I do not want you to read that the wrong way?---No, I understand what you are saying and it is possible and from time to time it does happen, as it does happen with able-bodied people as well.

15 Sure. We know?---Yes, and generally, as I said, our people are relatively high functioning people and I suppose the incidence of that is fairly minimum but I cannot deny that it does happen from time to time, but I do have to reiterate and say it certainly does with our able-bodied employees, as well.

20 Yes. It was not brought out as part of evidence but if you were not aware, there were a few employees who suggested to the inspecting group at that time that - and these were non-DSP people, obviously - they had some apprehension at times, working with DSP people and they felt that they were under greater obligation to just accept unacceptable behaviour - my words -
25 that they would not be expected to put up with, tolerate, with able-bodied people. What is your reaction to that sort of suggestion?---I understand what you are saying. Are you referring specifically to Summit Industries?---

Yes. At inspections at your establishment, there were a group of people who said, "Look - " something along the lines of, "We really have a problem in
30 that we are expected to cop difficult abuse, even occasionally, and because of - because we are dealing with people who have got some disabilities which have to be recognised and that makes it difficult - our job more difficult" and, I suppose, unpleasant?---Mm. It surprises me somewhat. We have very little incidence of physical violence. I suppose it comes back to individuals again, where some people can be paranoid about the inevitable or something that may
35 never happen. I think you can probably almost relate it to the fact that I live in the country and I never lock my car. I leave the keys in the ignition. My parents come and visit me and they lock the car and they are a bit paranoid about security. It depends on the individual, I suppose. I think that - - -

40 The suggestion from these people was that these incidents that I have tried to describe actually happened from time to time, not just in their minds that it might happen?---Yes, and I think one - a problem that I can allude to is simply that we have a number of people at Summit Industries that may not exhibit good moral leadership skills. They may not be good role models and

a lot of problems are created by that. A lot of problems can be created by that, I should say, and I think that is very important to recognise. I have a number of able-bodied employees that interact extremely well with people with disabilities and there is never an incident, as you may refer to - but certainly that moral leadership one is very important and unless a person is a good role model, they can put themselves in a position and create the situation you are referring to, but generally it is the exception more than the rule, I would imagine.

Right. So you are saying that it is the employees themselves who need to be good role models. Otherwise they might, in my words, invite a reaction?---Yes. If I can refer to a specific incident that comes to mind, I believe an employee that should have known better suggested to one of our DSP employees that his value was such that a pair of concrete boots and launched in the river might be quite appropriate to his attitude to work at the time. Now, you and I may laugh that sort of statement off but that hurt the person and created some enormous difficulties for the person that made that statement. Now if that statement was not made and that situation was handled a little bit differently, and we are not talking about a complex situation. We are just talking about discussion between two people. It could have been averted, so, yes, role modelling is very important.

Are you saying then that in your view the apprehensions broadly expressed to us by a small group would only occur through provocation?---That would not always be the case but I would say that there is a fair degree of that. In my early days as manager of Summit, I spent a considerable amount of time on the factory floor. Fifty per cent of my working week would be out on the factory floor, and I have - so my experience dictates that it is more the exception than the rule.

Yes?---Day to day problems of behavioural problems and mood swings are relatively insignificant, I believe, when you consider the number of people we employ.

I see. Thank you.

MR FITZGERALD: Thanks, Mr Deputy President. Just a question clarifying some of the responses there. In terms of the vocational trainer and the personnel manager, what role do they play, particularly in respect to challenging behaviour of DSP employees?---The vocational trainer would react to that type of situation if and when it occurred, the same as a supervisor or tradesperson would. He would refer it to someone more appropriate to deal with it and that would primarily be the personnel manager or myself.

Right. And what steps would you then take - would your personnel manager or yourself take in dealing with that problem?---It depends on the severity of the problem I would imagine. I mean, it may result in maybe relocating a person to a different part of the factory if that was required, if there was a

personality clash between two people. It may result in suspension or in the worst case dismissal of somebody if the situation was that serious.

5 Thank you. All right. I think just going to your statement. You are up to non-location, would you like to just elaborate on that statement?---Sure. I included that simply because we are aware of some of the non-vocational needs of our employees and if those needs are identified during the assessment process it is possible if and where required that we could refer our employees to outside agencies and outside professionals for non-vocational purposes.

10 Can you give me some examples of those?---They may be residential needs or recreation needs. They may be medical needs if they are identified, dental-type needs. We can refer people to the appropriate professionals in the community.

15 Is there any particular reason why these matters are referred to your personnel manager in the first instance?---I suppose we are talking about people who lead - if I can put it in terms - a fairly shallow life. I mean, their employment may be the most important aspect to their life. I have never worked in a place before where employees have rung up during the Christmas holidays asking when the factory is due to start again, "Can I come back to work early?" If you take their work away from their life there isn't a great deal more there and I suppose in that case they are very familiar and very open with their colleagues at Summit and these sort of needs will arise and can be brought to our attention and usually, you know, we feel that if we are aware of them we just cannot say, "Look, that's a non-vocational issue. It doesn't interest us. It is not our - in our portfolio," but we can refer those people and help them in non-vocational issues.

20
25
30 Thank you. Would you like just to commence the next part, employee numbers?---I just thought this was important that we looked at the make up of the employees at Summit and, Mr Deputy President, you saw from the organisational structure that we have six managers at Summit and that includes myself, two production managers as I referred to before, an admin manager, a personnel manager and a quality assurance manager. We are 15 people that may be - a mixture of trade and non-trade who are employed as supervisors. We have 14 people again who could be tradespeople or non-tradespeople who are purely production workers and wouldn't be involved in any supervision.
35 We have 38 - - -

Is there any interaction at all there with DSP employees?---It depends on the definition of interaction. Well, there would be interaction as any people working together there would be interaction. Whether that is interaction during break times or - certainly.

40 Okay?---Thirty-eight people that receive disability support pension and three people that would be clerical positions, receptionists in our admin section, making a total complement of 76.

Okay, thank you. Would you like to continue?---Sure. I've outlined some of the qualifications of a number of people at Summit. Obviously with the fact that we are commercial operation and involved very predominantly in the timber industry, we employ a number of people with a trades certificate.
5 Those people would be cabinet makers, joiners, wood machinists, a trade relative to the sort of work we do. Our personnel manager has an associate diploma of community services and those qualifications were achieved prior to him being employed at Summit.

DEPUTY PRESIDENT ROBINSON: Was that qualification looked for in the person to fulfil that position?---Yes, it was. A vocational trainer is a person that has been employed at Summit for many years. In fact, he did his apprenticeship at Summit, so he is a tradesperson now. He has worked as a supervisor. He is "the ideal role model". He is that sort of person and his position now is vocational trainer and he has undertaken a train-the-trainer course to assist him in his - the delivery of the work he does and the canteen, two supervisors in the canteen have or are undertaking qualifications in the disability area and you can see I have indicated there associate diploma of community services and the advanced certificate in the developmental disability course. Those - although there is two people that work in that area they job share: one person does 24 hours and the other person does 16 hours, so it is equivalent to one position. The qualifications of those people has resulted from the fact that our personnel manager teaches a component of the developmental disability course and he has got to know these people and when this program developed we offered a position to one of the students who was looking for some part-time work and it sort of developed from there. We have - our accountant has an associate diploma of accounting but apart from that it is basically the trade qualifications of the people we employ.
10
15
20
25

MR FITZGERALD: Okay. If you would like just to move on to employee training?---Sure. I've listed some in-house training that we've undertaken. I think it would be fair to say that the training that has been undertaken is what you would expect in a commercial operation. We've helped our leading hands through a communication - they have been involved in a communications workshop. We have, as I mentioned before, moved down the path of quality assurance and - - -
30

Could I ask you why you have taken that step?---Twofold basically. Quality assurance is a requirement of - or will be a requirement of manufacturers supplying government instrumentalities and the certification to the Australian Standards is certainly something we would like to achieve. However, the other aspect and the other benefit to us, I believe, is through the continuous improvement aspect of quality assurance where we can become better at what we are doing, become a more effective manufacturer and improve our gross profit margin and we believe that's very important to us and - - -
35
40

Does that process have any direct impact on DSP employees?---It certainly does. I mean, it enables people to understand and - to understand the

function that they perform to be able to identify when something is going wrong because the necessary documentation is in place and I think people are a lot more confident in what they are doing if - through the process of quality assurance and quality management systems. We have run a couple of training sessions over the years on epilepsy awareness. Again, I would feel that that may even be pertinent to a commercial enterprise if people employ someone who is a controlled epileptic and the certificate of wood machining skills is an interesting one. That's basically a course that we ran in conjunction with our vocational trainer for our DSP employees and we ran nine people through that course last year and they achieved a certificate in wood machining skills which is industry-based and recognised by the industry.

DEPUTY PRESIDENT ROBINSON: It is not a trade qualification as such?---It's not a trade qualification, Mr Deputy President, as such. I suppose the closest thing you could relate it to would be the old pre-vocational course where people have a certain knowledge of a particular trade but not a trade course as such, but it is recognised in industry.

MR FITZGERALD: If you would like to continue with the - for the rest of the time?---A number of external aspects of training that we have been involved in is introductory values training. I don't know whether anybody has mentioned that, but social role valorisation is a recognised base for training. Social role, the value of someone's social role in the community and just basically establishing that, it is very difficult for a person to be competent at work if they do not have a house to live in, for example. I mean, that is a number one criteria in most people's life. So it just establishes those values, those social values. Our personal manager has gone further in that process and does actually teach advanced values training.

As I explained the - our vocational trainer has completed a train-the-trainer workshop and that was an external course. The communication in the workplace, two of our department managers have attended that type of course, and one of our managers has attended the senior management development training which was undertaken by the Commonwealth government and the National Technical Assistance Unit in the last couple of years.

DEPUTY PRESIDENT ROBINSON: Was any of - is any of that external training made necessary because of the work environment composing as it does 50 per cent DSP employees and 50 per cent other?---Yes, I suppose some of it would. I mean, the communication in the workshop would be something you would find in most commercial enterprises as would senior management development training, train-the-trainer. The values training would be the ones that are pertinent to disability, but I think it just enhances - enhances the moral leadership of people. I mean, it is very difficult to teach that, but you can make those sort of methodologies aware and people accept them or they do not.

And would the participants in those courses - well, what would be their classifications at the workplace be?---The last one that we attended there was a - two supervisors and myself attended a values training course, yes.

5 Right. Would there be any other people at other times involved?---Yes, yes. Generally supervisors.

Generally supervisors?---Generally supervisors, yes.

MR FITZGERALD: Thank you. I am not sure, have you completed the employee training? Anything else you would wish to add there, Mr Snadden?---No, I believe that is fairly complete.

10 Okay. I would like just to move onto the next area, responsibility of employees?---Yes, I am referring to this because I believe that the majority of our employees are production focused because of the nature of the business. As we said before, it's very commercially focused, and the supervisors that we - the people that we classified as supervisors are predominantly production
15 focuses, but certainly they are expected to carry out some supervisory duties, and I alluded to that before, those duties are primarily to maintain production output. The training of skills is - is undertaken by a vocational trainer so that people basically have the skills but the production output needs to be maintained and that supervision is primarily for that reason.

20 Okay. If you would like to go over the page, I think you have adequately explained. Do you wish to add any further comment there?---No, I don't think so, Mr Fitzgerald.

Okay. What - when recruiting for the positions, particularly supervisory
25 positions, what qualities do you look for?---I suppose the basic - the most important quality that I have alluded to before is - is for a person to be a good role model, that moral leadership is very important, probably more so that the trade. I say that because of the work we do being very repetitive it is not always a particular tradesman's, I suppose, cup of tea to work in place that has very repetitive skills as far as his trade are concerned, so as we discussed
30 before I think that moral leadership one is very important and certainly when we are interviewing applicants for a position we certainly are very aware of that and - and if a person seems to exhibit those sort of skills in that interview process that is a person that would interest us.

Okay. If you would like just to continue the stress, tension in the workplace
35 area please?---Yes, as I said - stated before, we do have a formal mechanism in place, and that formal mechanism reflects the - the grievance and disputes procedure in the award and people have been encouraged and have - and understand that procedure. If a person is not able to read a - through a literacy problem, that is - they can - that is available in cassette form or they
40 can talk to our production manager and he can - he can run them through that process. So it basically enables those - any stressful situations or issues to -

to be referred to the management level and as we discussed before most of those issues would be resolved at management level by either our personnel manager or myself and away from the factory floor.

5 Yes. How would you assess the effectiveness of that process or procedure?---I think - I think its success is - can be measured purely by the fact that if that type of situation arises supervisors and non-supervisory people are aware of the process. They - they can see it works and they - I suppose they have the comfort that they do not have to resolve those issues on the factory floor, that it can be done by people at management level.

10 DEPUTY PRESIDENT ROBINSON: Did you deliberately say that most of the problems are resolved at management level away from the factory floor, meaning that there are some which are resolved at other levels?---Again, Mr Deputy President, it would depend on the severity of the problem, I suppose. I mean, may be there would be a myriad of things that would be resolved at
15 the factory level. It might be just a matter of answering a question for somebody, but if it is a grievance or a dispute it would - it would very quickly be channelled to people at a management level.

Thank you.

MR FITZGERALD: Thank you.

20 If you would like just to continue the next point?---I have made a statement that I do not believe that production related stress is any different to a comparable manufacturing company.

25 Are you able to substantiate that statement?---I - I suppose I'm basically saying some it is very - is a very - is a commercial enterprise. I have - I have visited a number of commercial organisations - commercial businesses that produce a product very similar to ours and I believe our people aren't under any more stress, the production related stress, as those allied companies would be. We - we have some very high tech equipment, as you probably
30 saw during your site visit, we have some computerised equipment and a lot of those very labour intensive aspects to our production of years ago are - are now performed by some high tech equipment and I think our workforce works very well as a team and, yes, probably the stress is reflected at the top in me because I'm the person that liaises with - with our major clients.

35 DEPUTY PRESIDENT ROBINSON: My job here is to sometimes act as devil's advocate, so understand that when I ask questions?---That's right.

40 And in this instance you are painting to me a picture where you have got a production oriented establishment that functions very well, and the picture I get is that it is virtually no different than any other commercial production factory and - but how do you reconcile that with the fact that you have got 50 per cent of your employees who are in - who qualify and receive a disability

service pension?---I suppose simply by the nature of the fact that the majority of the people employed - the DSP employees are high functioning and the bulk of those people are quite skilled people. They perform the duties that are required of them with relative ease because of the repetitive nature of the business, and I suppose it is a reflection on changing times whereby we have a very high unemployment rate on the north-west coast. A decade ago the people that we employ would possibly be employed at the local APPM, for example, but with mechanisation and technology and economic circumstances those times are not here any more and we employ those people with disabilities and the majority are quite skilled and can fulfil their jobs quite adequately.

Well, again, you see the picture - acting in this particular role that I have - the picture you paint is that arguably these 38 people who are getting this pension do not really qualify for it. They are ordinary production workers who fulfil the job very well and there are no problems created at the workplace as a result of them being there?---The picture you paint is an ideal situation.

No, the picture I am receiving?---Right, okay. To answer your question, I feel that - because the people have relatively high - because they have very low support needs, and they are relatively high functioning people, we don't have a lot of problems from the workplace as a result of that. We do have some. I don't deny that. But we believe, because of the very structured nature of the commercial side of our operation - and it is very structured; contracts don't change; we're making the same product day in, day out. Some people are doing the same job quite comfortably so, day in, day out. They're happy to do that. And things don't change very much, so it's - - -

But you see, the question I am posing is really why in the goodness do these people get pensions?---Well, I would imagine, unless the system is very horribly wrong, and I don't think it is, that they are eligible for that disability support pension, but naturally, like any justification of a welfare payment or whatever, I mean, there are obviously fine lines. I mean, the people that we employ are - they require relatively low support needs because of the degree of their disability. There are people with more profound disabilities that couldn't fulfil the work that we do, for example, but it would be rather pointless us employing those people because our organisation would be inappropriate for them, for example.

Okay, thank you.

MR FITZGERALD: If you would like just to move on to the next point, staff turnover?---Sure. We did a bit of a study on staff turnover and absenteeism and we believe that with the relatively low percentage of staff turnover and absenteeism - I mean, it doesn't reflect Summit as being a stressful workplace.

Would you like continue with the statement?---Regarding staff turnovers?

No, no, medication, if you - - -?---Right. The only medication that we are involved with is the observation of two of our employees taking prescribed medication from prepared dosettes and that's basically those people with moderate intellectual disabilities in the canteen. Apart from that we have no involvement in the administration of medication at all, as purely an observation and maybe just a reminder that it's 12.30 and whoever that person is, you know, "Have you taken it?"

Who undertakes that role?---Maybe the jogging of the memory?

Yes, yes?---A supervisor in the canteen.

10 Right. Okay. All right. Would you like to continue with funding?---I mentioned funding because I think it's very important. We receive a fairly small percentage, or a low percentage of Commonwealth funding in relation to our total income. I've indicated 6 per cent in round figures. Summit turns over from trading approximately \$3 million per year and the Commonwealth
15 funding that we receive is about \$160,000 in round figures, so it is a fairly small percentage and I think we discussed that at the beginning, the reason that that is quite small. It's not our policy to fundraise. We don't believe that you can be a commercial operation and rattle the charity can. You can't have that dual role in the community, I believe, and, you know, I suppose the
20 underlying factor is that Summit industries, as other organisations that employ people with disabilities and are funded by the Commonwealth have to be commercially viable to operate as a human service. I mean, the viability has to come first, otherwise you don't have the basis to operate a service at all. Simply by the nature of the product that we produce there's very strong
25 competition in that field for our type of product, and as a result the market determines the prices of our product. Costs are further inflated for us because the majority of our product is sold in Melbourne and Sydney, so we have the added cost of transport across the water. So, you know, we can't obviously charge and reflect the high cost of producing that product. It has to be a
30 product and a selling price that is acceptable by the market place. Our operating costs are fairly high due to the labour intensive nature of our operation. There are a number of areas that we could streamline and that we could be automated, but however, because of the human services side of the operation we are and can be fairly labour intensive. It's probably in our
35 interests in some areas. And we believe that our capacity to maintain viability is restrictive, and that's certainly been evidenced by cumulative losses over the last couple of years. I was discussing this recently and I believe quite simply if Summit Industries was my own business, during the recent economic downturn I would've had to have seriously considered whether I would've
40 continued trading. However, because we're not a - our intent isn't to be a profitable, or purely a profitable operation to fund my leisure needs, it's a human services organisation as well, we're quite happy if we break even, but we certainly have struggled over the last couple of years to maintain viability.

What is the current state of viability?---The current state of viability is we at the moment are approaching the break even point again, but we have had these accumulative losses of the last few years.

5 DEPUTY PRESIDENT ROBINSON: Are there any indicators to you which would suggest that the difficulties caused by down turn in the economy might be improving?---There certainly seems to be a lot more confidence in the building sector in Victoria and to us that is the indicator that things are picking up. You know, 80 per cent or 78 per cent of our product is sold in
10 to the Melbourne and Sydney market places and the big bulk of that 78 per cent is in Melbourne. So if that confidence is increasing in Victoria it is a direct reflection that the demand for our product is increasing and certainly has proven to be the case.

MR FITZGERALD: Mr Snadden, you are familiar with the HSUA application?---Familiar with the - - -

15 Are you familiar with it?---I am familiar, I am not - - -

Yes. How would your organisation deal with - if this application was successful how would your organisation deal with that?---If the application was successful and we saw an increase in salary costs we would have to fund that from the commercial side of the operation. It would be inevitable that we
20 would possibly have to restructure our organisation and we would possibly have to go the way of our competitors, our commercial competitors and look at probably replacing some of the labour intensive functions that we would perform by mechanisation and technology.

25 Right. What impact would that have on DSP employees, in your view?---It would probably see, and I hope it would - that that could be done through natural attrition but it probably would reflect in a reduction of those number of people employed.

I have no further questions. Thanks very much for your evidence, Mr Snadden.

30 DEPUTY PRESIDENT ROBINSON: I have just got one or two more, thanks, Mr Snadden. Your workforce mix, as we are all aware, is 38 per cent DSP - 38 people DSP, 38 non-DSP. Has that mix been constant over the years or has there been some change? What is the trend?---Very much a
35 change over the years, and as we became more commercially focused we saw the need to employ a larger skill base. Back in 1980, for example, that ratio probably would have been one able-bodied person to eight people with disabilities, so it has changed considerably over the years and, as I said, that change has purely been reflected in, you know, us needing to increase our skill base to perform and produce the product that we supply our customers.

5 Yes. Thank you. And, finally, you mentioned that staff turnover and absenteeism is in your view very low. Could that be attributable to the fact that you have got a dedicated and highly committed group of people, and could it be influenced by the fact of very high unemployment in Australia and in this state, and I guess the north-west coast is no exception?---I suppose, yes, the dedication and commitment is certainly a determining factor. Another factor would be security of employment.

10 What, sorry?---Security of employment. Although Summit Industries is predominantly timber based, I mean there are a lot of organisations - a lot of businesses, I should say, that have a very fluid workforce and that do the same sort of work that we do, and those organisations would employ people with disabilities, of course. I mean, what typically happens there is that a contract is won, the workforce is increased to undertake that contract; when the contract is completed, the workforce is reduced again. And that does not
15 happen with us. We prefer to maintain our levels of employment and our dedicated people, the people that have been - a lot of people have been there many years and are key people in the operation of the business. So, yes, we don't have that fluctuation that is reflected in industry.

20 Yes. Well, obviously the function of the commission is to look to relevancy of such factors, and when you first indicated this low turnover and low absenteeism, I wondered whether it might have been introduced to demonstrate the things which are of interest to me, and that is whether or not it is a very comfortable, easy sort of occupation, that the people are interested, and it is not, conversely, difficult, stressful or any of those sort of
25 negative things?---I suppose it's somewhere in between those two parameters. Certainly there are expectations of people that are employed at Summit. The primary expectation, I suppose, is meeting the orders from our customers, and, depending on the individual, people react and accept that in different ways, but I don't believe the production pressure is enormous. I suppose you
30 indicated, Mr Deputy President, that the high unemployment factor on the north-west coast - although it is quite interesting that if we need to replace a position or put a new position on, and this would be a position of maybe a tradesperson or a person with equivalent experience, we have run a couple of advertisements recently looking at increasing our workforce and haven't had
35 any applications at all, which indicates - - -

40 I wonder what that tells us?---Well, that indicates that the building industry certainly is picking up, and there are a lot of - there are a lot of similar businesses to ours that didn't survive the recession, and most of those employees have gone out and set up their own little backyard businesses and work out of their garage, so there's a lot of people now working under those circumstances. But I suppose it's inevitable that as things are picking up, our competitors may - and it does happen from time to time - obviously encourage some of our employees to go over to their employment by offering them whatever, it is a possibility, yes, but generally it's a fairly stable workforce.

5 Yes. It still leaves me wondering a little bit as to what are the principal reasons for low staff turnover and low absenteeism?---I've talked to our employees about that issue. I mean, I have a pretty good relationship with most of our employees, I hope all of them but most of them I'll say, and generally the security factor is very important to them, yes, but that's mentioned time and time again.

Yes. Good. I do not have any more questions at this stage. Ms Harvey, do you need a bit of time?

MS HARVEY: Yes, I will require some time.

10 DEPUTY PRESIDENT ROBINSON: Do not take any notice of that clock.

15 MS HARVEY: Perhaps if we could have till, say, 25 to half an hour. I do not - it may take me a while to go through Mr Snadden's evidence as some of it is quite detailed but I do not imagine that it would take very long in my cross-examination. I was wondering whether we could sort of push on through. I know we normally have a break at quarter to 1. I am in your hands, really, how you want to deal with it, given the time.

20 DEPUTY PRESIDENT ROBINSON: Well, we invariably grant an adjournment at this stage of proceedings, and I grant one now and look forward to hearing from you through my associate when we are ready to resume.

MS HARVEY: Okay.

SHORT ADJOURNMENT

DEPUTY PRESIDENT ROBINSON: Yes, Ms Harvey?

25 MS HARVEY: Mr Snadden, you may have to bear with me because I will be trying to clarify some of the things you said in your evidence, and some of them I think do require a little clarification. So one of the first things I want to turn to is the role of supervisors, as you see your staff, and your view of what they do and what their responsibilities are. You said, and I just want to be correct in that this is what I interpreted you to be saying, that the major
30 function of supervisors is really just maintaining production, that that really would be just like workers in open employment maintaining production; is that correct?---Yes, maintaining production and ensuring that the people that work in their close proximity are maintaining levels of production.

35 Right. So do they have a duty of care to the DSP people employed in their section?---Informally I suppose, yes.

Yes, they do. And is that the same in open employment, is it? Do supervisors have the same level of duty of care as they do to - - -?---To their work colleagues? I would imagine so.

5 Well, I understood that you said that they had a duty of care to the DSP employees. So you are saying there is no difference in the duty of care relationship between a supervisor supervising DSP people to what there would be in open employment for a supervisor?---I don't see it - no, I don't see it as being that different. I mean, the supervisors may also supervise other non-disabled people in their group as well, and I would imagine that - and they do.
10 I mean, everyone is treated the same.

So there is no difference whatsoever, is that what you are saying?---The way I see it there is no difference, no.

Right. Okay. So who does bear the duty of care in your organisation for DSP people?---I suppose - well, management would, obviously.

15 And how often are you on the factory floor, did you say?---Not as often as I used to be and not as much as I would like to be, but I mean I would spend, I suppose, 5 to 10 per cent of my time on the factory floor. The personnel manager would spend 30 per cent of his time, I suppose; other managers are there 100 per cent of the time, or close to it.

20 Right. Okay. So in your view your supervisors have no duty of care to DSP people?---They have a duty of care.

They do have a duty of care?---Yes.

Right. Okay. But it is no different to anything else?---I don't see it as being any different, no.

25 Do you have position descriptions in your organisation?---We have to a certain degree. I have developed up position descriptions for all our award wage people, but with this process taking place we haven't finalised those.

So have you formally informed your staff that they have got no responsibility in relation to duty of care with DSP?---No.

30 MR FITZGERALD: Well, I am not sure that is the way Mr Snadden actually answered the question. He did indicate there was some informal obligation to recognise duty of care.

DEPUTY PRESIDENT ROBINSON: Well, do not answer the question for him, Mr FitzGerald.

35 MR FITZGERALD: Well, no, I am just saying the answer to Ms Harvey's question before he did acknowledge that there was some duty of care. Now

Ms Harvey is trying to say that, "Did you inform your employees that there is no duty?"

DEPUTY PRESIDENT ROBINSON: Well, it has not all gone over my head. I have been listening to the questions and listening to the answers.

5 MR FITZGERALD: Okay.

MS HARVEY: So there has not been any formal communication with your supervisors who are supervising DSP about what their - any particular responsibilities they have vis-a-vis DSP employees?---Not formally, no.

10 Informally?---To a certain degree, but I suppose - can I answer that and say that because of the commercial nature of our business, I mean that is predominantly the way the business is run on a day to day basis.

15 Can I ask you why you took your supervisors on social valorisation training if they have got no responsibility in this respect?---I suppose to enhance their understanding of some difficulties that may arise on the factory floor and to enhance their leadership skills, I suppose.

20 Why do they need enhancing in social valorisation which particularly relates to disability if they really do not have any role?---I think I did recognise that they do have a role, but I mean nothing has been formally documented but certainly a number of our supervisors - we could see benefit in them attending some of these training programs.

I want to come onto this issue because you put a lot of emphasis about moral leadership, that when you select people you do not select them in a supervisory role for their production skills; you actually select them for their moral leadership. Is that the correct term?---Yes.

25 Right. Could you just explain to the commission how this moral leadership sort of manifests itself? I assume it is not something that you can see in somebody's face?---No, that's true. I suppose, deputy president, well it's a feeling you have when you interview somebody that - of their attitude towards employment in a place such as Summit Industries; it does employ people with disabilities. And I don't believe that I stressed it was the primary facet of employing somebody, but we see it as being important. Certainly, the person has to be able to exhibit the technical and production skills that we need.

30
35 Yes. I am still a little bit confused about what you actually mean by moral leadership because, I mean, you obviously do not employ people on a feeling; obviously you are looking for some manifestation of the way they relate to people?---Sure.

I mean, what is it exactly that you are looking for, that you can actually see, not feel or get a hunch at; what is it you can see in the way they relate to people that you are looking for?---Well, I mean, you have the opportunity, of course, to inspect an individual's references. We have the opportunity to talk to previous employers perhaps and, I mean, I believe it's very important that people can operate and be a good role model on the factory floor.

You have not answered my question. I am asking you what moral leadership is; what it is exactly that you are looking for - and you kept referring - in fact, I think you said when you were discussing behavioural management that the problem is with some staff were a bit paranoid and that if they had moral leadership it would alleviate problems actually occurring. So there must be some manifestation of it in a concrete visible way that you have in mind?---Yes. I mean, I don't see it as being something concrete. I mean, employing people is a fairly difficult situation - to employ the right person; for that person that you are interviewing to exhibit exactly what you want as an employee and I just feel, as I have stated that - and you are looking to me for a definition of moral leadership?

Well, you are the one who used the term and it related - you used it very explicitly in relation to avoiding conflicts in workplaces around behaviour management. And so I suppose what I am trying to get at is you are saying very clearly to this commission that, really, there is no particular skills in addition required for a person working with people with disabilities in a normal production worker. At the same time you keep talking about moral leadership, so I am trying to work out exactly what it is you are saying?---I suppose that moral leadership is those qualities that a person exhibits that enables them to undertake their day-to-day tasks and we aware of other people's circumstances, their disability; to not make reference to or make that person feel uncomfortable as a result of their disability; in other words, accept their disability, accept a person as a human being - as a fellow human being - and not to make an emphasis on that disability. And, I mean, I would find it very difficult to give you an accurate definition of moral leadership. It's that feeling that we have as managers at Summit that some people exhibit good role modelling and others have difficulty with that.

So this is a skill that you see as desirable in your people working with people with disabilities?---I don't think it's a skill more than a trait maybe that some people are good role models in the community and - - -

What the difference between a skill and a trait?---I suppose a skill is something that someone can learn. Is trait the right word? Moral leadership is the way a person is and the way a person treats a fellow human being, I suppose.

So it is not possible to learn behaviour that demonstrates its way and has a skill in relation to this nebulous terms of moral leadership, in your opinion?---I'm not sure that it's not possible to learn it. I mean, there are

people in this world that are humanitarians and that treat their fellow human being with the respect and dignity they deserve and there are others that don't. I suppose that's a fact of life.

5 All right, so you do not see it as a training issue or a skill that people can acquire?---I think it's more a you are or you aren't situation than a skill you can learn.

10 And this particular "are or you aren't," from what you are saying, that is additional to what you would expect from a normal worker in an open employment area?---No, a lot of people that work in open employment may exhibit that level of role modelling that we see as being advantageous for people that we employ.

15 So are you going to maintain this view? You maintain a view that really there is no difference between open employment and what you do and the skills that - - -?---No, there is a difference. However, what I am indicating is that the majority of people that we employ have low support needs.

20 No, the staff that you are employing - your non DSP people is what I am trying to get at - the supervisors. I am just wanting to be clear because you seem to be changing ground a little bit and this is the last time I will ask you about it. But are you saying that, really, there is no particular skill needed by your staff as compared to any other production - comparable production place that does not employ disabled people?---No, that's what I stated and that's what I believe, yes.

25 Right, okay. Now, you said that - so that there is no actual skill difference whatsoever. I am just wondering how this sits with your charter in the evidence that you gave about someone that had had a role of both a human service delivery and a production service delivery. If there is no ostensible difference between what you do and what open employment does, how does this actually fit with your charter?---I mean, it's a fine line. What you are referring to is - and what I am representing is an organisation that employs people that don't have high support needs. The majority don't have high support needs; therefore, I make reference that it is very similar to comparative businesses - manufacturing businesses.

35 Right, okay, we will come back to this point later when we talk about your DSP employees. But I want to now turn to the issue of training that is done by your vocational trainer you said in relation to both the DSP and non DSP staff. Do you actually have IPPs for your - - -?---We have vocational assessments.

Which is an individual assessment in plan for - - -?---Yes, basically, yes. We call them vocational assessments.

5 Okay. So the supervisors, do they have any role in that assessment?---Primarily it is the next sort of tier up which we categorise and classify as leading hands; have more input into vocational assessments. I would imagine - I don't - the personnel manager is the person responsible for documenting vocational assessments. It is possible at times that supervisors - it may be discussed with supervisors.

Are you saying you do not know for sure?---It's possible at times. I don't get involved in every vocational assessment.

10 So you do not know for sure is the answer to the question I am asking you?---I don't get involved in vocational assessments.

So it is possible that you do not actually know?---I would say what I'm saying is fairly correct, yes.

15 Well, I am not asking you to say what you are saying. I am saying is it possible that you do not actually know?---In discussing the situation at management level, what I am saying - - -

That is not the question I asked you. I asked you, is it possible that you do not actually know?---No, it's not.

So you do know? So you can answer my question with 100 per cent certainty?---I hope so.

20 Right, okay. So if I can go back to the question about assessment, you are saying - you said that supervisors do or do not have a role in assessment?---Supervisors have a minor role in assessments.

They do have a minor role, okay. Now, do they have a role in feedback about performance?---At times they would.

25 Do they have a role in monitoring progress?---That would more likely be the leading hand, the person in charge of that small section.

But would the supervisor perhaps tell the leading hand how they are going; if they are having problems - - -?---Yes, that's possible.

30 - - - with the extra skills they might actually need?---Extra skills in regards to?

Identifying problems and extra skills they think that someone might be having?---Extra skills of the DSP employees, yes, that's possible.

35 Right, and they have a role in perhaps implementing aspects of the IPPs? is it possible the vocational trainer comes and says to the leading hand and the supervisor: I think this person needs X, could you keep an eye on it and just

provide a bit of reinforcement and instruction?---Generally that discussion would be between the vocational trainer and the leading hand, and if there is additional training required it's generally done by the vocational trainer.

5 Right. But can you explain to me how, if you have got one vocational trainer and 76 staff, that they can actually do that in a detailed way?---I think our advantage is the repetitious nature of the work and the fact that the people that we have are relatively high functioning.

10 Right. So you are saying categorically that your supervisors do not have any role in instructing or training?---Our supervisors have a very small role in training.

Are they instructing - - -?---Instructing and training - a small role.

In training?---Yes.

And in instructing?---Yes, a small role.

15 Right, and a small role - how would you describe their role in relation to, say, monitoring the dynamics of the group?---Generally that would fall back to the leading hand. Supervisors, as I've stated, their primary role is production focused.

20 So they have some role in assessment. You said that they have a role in monitoring and feedback; they have a small role in instructing and feedback mechanisms on group dynamics. Is that a fairly accurate summary?---That is reasonably accurate, yes.

25 So that is identical to a production worker in open employment, in your opinion, is it?---Not - it would not be identical. I mean, you have to consider that my experience is 15 years at Summit Industries; therefore, my greatest knowledge is Summit Industries.

So you cannot actually make the comparison that you have been making - - -?---It's difficult for me to make the comparison.

30 Right, okay. Now, you said you generally had problems with your - you generally do not have any problems with your non-DSP people but the problems generally come from your DSP - sorry, you said generally that DSP people are generally very committed and dedicated, you do not have problems, and the problems generally come from your non-DSP employees. Can you just explain what you meant by that?---I'm not sure that I said it in those exact words but what I was saying was that problems and disputes arising from the factory are not always generated or stem from people with DSP. I mean, a lot of problems that we do have can be from our award base employees.

So you do or you do not have more problems with your non-DSP people?---It's difficult to give specifics but I would say that if I were to accurately balance which group of people give the most problems it would possibly be people that are paid an award wage.

5 Right. And what are these problems? I am just not clear on what these problems are that these award wage people give you?---Again, it's difficult to be specific but personality clashes between employees is a fairly - is a - can be a common occurrence and that would probably be the primary one.

10 That is it. So it would not be what you characterise as being a fairly big problem?---No, I wouldn't.

Right, okay. And it is also something you have really only got a feeling about? You cannot actually quantify?---Sure, it's hard to be specific, yes.

Right. So in relation to that evidence that you gave it is really just in a sort of a general form?---Mm hm.

15 Okay. I understood you to say that your staff - I understood you to say that the staff's concerns that the deputy president were asking you about was really because they were paranoid, I think was the words you used. Is that really what you were trying to convey?---I think in a - with the number of people that we employ, I mean, you're going to get a small core of people that possibly could fit into that category and, I mean, I'm not aware of the people that the deputy president were speaking to.

I can give you their names if that would assist?---Yes, well, I wasn't there on the day. I mean, I could - I would - I could guess, I suppose, but I'm not exactly aware. I mean, I assume that Eric Alderson would be one of them.

25 Yes?---I'm not particularly sure who the other person was. Eric Alderson is a very solid person. Now, the other person that I imagine may have been involved is a person that generally tends to take things a bit further than they need to be taken at times.

30 Could you elaborate?---He is a guy that has some very strong feelings about the way things should be done and shouldn't be done and is not frightened to express them and they may not always reflect Summit's aims and objectives or the management's aims and objectives.

35 So is this your definition of what a problem person is; someone who expresses what they think?---No, I'm not saying he's a problem person. I mean, he's entitled to his opinion and he is very willing to give it.

Is not that something that one would encourage in a company, an honest assessment by their staff of what they think their problems are?---An honest assessment, yes. I mean, that would be encouraged. With respect to the

person that we may both be talking about this person is a good employee but he is a guy who is very free to give his opinion and his opinion may not always reflect - - -

5 Your opinion?--- - - - my opinion or the opinion of some of the board of management in the direction that we are taking.

Is that why non-DSP employees may be a bit more of a problem for you?---Sorry?

Is that why non-DSP people are perhaps a bit more of a problem for you because they - - -?---No - - -

10 - - - have a habit of expressing what they think?---No, we certainly have some DSP employees that are very willing to give their opinion.

MR FITZGERALD: No, I just think that line of question is objectionable, Mr Deputy President. Also, I just make the point that - - -

15 DEPUTY PRESIDENT ROBINSON: Yes, I think you should withdraw that last question, Ms Harvey.

MR FITZGERALD: And, also, in terms of this hypothetical employee I think, you know, we have got to be certain we are talking about the same employee otherwise - - -

DEPUTY PRESIDENT ROBINSON: Yes. Well, I am guilty of - - -

20 MS HARVEY: Well, I was not going to get Mr Snadden into a liable suit so I thought it was perhaps better that he did not mention the name.

25 DEPUTY PRESIDENT ROBINSON: I was guilty of using the situation which the expectant party encountered for the purpose of launching a general question in relation to whether or not there were matters which able bodied staff could feel uncomfortable about in their employment because they were in contact with DSP people.

30 MS HARVEY: With respect, I mean, I think the response that we had from the witness, Mr Deputy President, was that it really was the able body employees problem, not the disabled body employees problem and I think that that is an assertion that requires testing.

35 DEPUTY PRESIDENT ROBINSON: Yes. Well, that is right but I am saying I was not - I think I prefaced my question at the time that it was not evidence the commission had before it but because of some comments which had been made during the inspections in your opinion, you know, is it - was it possible that staff were subject to particular stresses or the work

environment was not the same as it would be if people were not in contact with DSP personnel.

5 MS HARVEY: Certainly. And as you are aware, Mr Deputy President, I mean, these are assertions which we would be quite entitled to test in cross-examination and it may be once that we have relayed the comments to the workforce then it may be an issue that they want to take up.

DEPUTY PRESIDENT ROBINSON: Yes, but I did not want it to become personalised concerning the individuals who were involved at that time who were not formally witnesses.

10 MR FITZGERALD: Is that a threat that last statement? I am not sure what that was meant to mean?

DEPUTY PRESIDENT ROBINSON: I am sorry?

MR FITZGERALD: I just think that the statement made by Ms Harvey a moment ago seemed to be threatening in its context.

15 MS HARVEY: I certainly did not mean to be threatening. All I was indicating - - -

DEPUTY PRESIDENT ROBINSON: Well, I do not feel threatened. Who was threatened?

20 MR FITZGERALD: Well, I am not sure whether you heard it but it seemed to be threatening in nature in my view.

MS HARVEY: I think - I do not know what Mr FitzGerald is referring to. He may have been referring to the fact that this is a publically available transcript and that the people concerned may be interested in reading it. I do not see that as a threat.

25 DEPUTY PRESIDENT ROBINSON: I did not pick up any suggestion of a threat. I am certainly not going to scurry back to my office as a result of - - -

30 MS HARVEY: So in relation to - I want to now to turn to the issue of behaviour management problems that you said that you occasionally had and your ways of dealing with them, I think it was correct, was one was removing them from the particular place that they work in, the second was suspension and the third was dismissal. I was just wondering how - if you could explain to us how this assists with behaviour management for DSP employees?---The actions taken as a result of a dispute you are saying or what is the way of
35 dealing with the situation?

5 No, you referred to it as being a behaviour management mechanism of dealing with problems?---Look, after - Miss Harvey, after 15 years working or nearly 15 years working at Summit, I mean, I stand by what I have said before. We do not seem to have a daily occurrence of problems. I mean, occasionally behavioural problems will - - -

10 That is not the question I was asking you actually, Mr Snadden. I was asking you in relation to - if you could explain how those three techniques of dealing with behaviour management were of assistance to DSP employees?---I mean, obviously there are other areas but, I mean, the most effective way we see if there is a personality clash or a problem, then we do have the ability to relocate someone into another area and that does happen. People may request, because of their concern with working with whoever - - -

15 No, we were not dealing with requests; we were dealing with your specific comments in relation to a way of dealing with behaviour management?---Right, okay. We believe it is fairly effective. Suspension and dismissal, the other two options are infrequently used options.

20 So would you characterise this an aversion approach to behavioural management: ie, via discipline?---I think the - if I can understand your question, I mean, the relocation into other areas is, as I said, a very effective way of overcoming some of those behavioural management problems.

Are you qualified in relation to behavioural management?---No.

25 Right. So just before I go off - I am about to leave the issue of the supervisors and by supervisors I am also obviously talking about leading hand people. I just want to be very clear what you are saying to the commission - is that in your view these supervisors and leading hands really have no responsibility or extra skills because of the fact that they work with people with disability?---My statement was that I believe the supervisors that we employ at Summit really don't have - have very similar responsibilities as it reflects in the open workforce.

30 And skills?---And skills.

35 Okay. If you could now turn to the issue of DSPs and the level of support you say that they require. I think you said that DSP employees - you have described them as having a high functioning level, a high level of skills and that they do not need supervision other than just in a general production way that any other employee would need?---Mm hm, that's what I said, yes.

Okay. What percentage, you know, as a collective figure would you say that they function at as compared to, say, a non-DSP employee - production employee roughly?---It varies greatly and it depends what you're measuring I suppose.

And on measuring, you were saying that they were high functioning and basically the same as any other production employee, well, how would you - you know, would you put it at 100 per cent?---No, it would be less than a hundred.

5 Do you want to give us what you mean - I am trying to find what you mean by high functioning?---When I - my comment about high functioning, my opinion about high functioning is that those people can maintain a certain skill level and as a result of that require a fairly low level of support. I mean, it is very difficult to put it into percentages because we are talking about 38
10 people, I mean, that would vary within those 38 people.

But they have high skill levels, high functioning, do not need supervision?---Yes. We have one DSP employee who receives the equivalent of an award wage. I mean, he functions at that high level. If that is what you call 100 per cent, yes, it is 100 per cent.

15 Right. So are all of your employees on an award wage - your DSP employee is on an award wage?---No, one is on the equivalent hourly rate of an award wage and the rest are paid a wage relative to their productivity and within the ability of our award, or within the constraints of our liability.

20 Right. So are they paid according to their productivity?---They are paid relative to a wage structure that was set some years ago and we are working towards productivity based wages.

25 Right. So are you saying they are very high functioning; they are high skilled; they do not need supervision, and that you have also said that you do not want to discriminate between them and other employees that they are really just the same?---That's correct.

30 Do you think your services are typical of support and employment services or sheltered workshops?---Well, it is certainly the one I am most familiar with. I have been to some other services and I mean my comment in regards to that question would be that with the small amount of Commonwealth funding that is available my services have to be commercially viable and run on commercial lines.

Well are you able to say whether your service is similar to other supporting employment services?---In many ways Summit is similar to other services, but there certainly would be - - -

35 So the same sort of dependency levels; the same sort of skill mixes?---I don't think I could accurately answer that, because I don't have the information or the experience.

So you cannot answer the question. Right. Do you consider yourself a sheltered workshop?---We don't refer to ourselves on a day-to-day basis as a

sheltered workshop because we believe that is a reasonably discriminatory title. For purposes of explanation we call ourselves a support employment service.

5 Right. So - I mean, from everything you have said, your staff, your non DSP staff are really just like any open employment staff. Your DSP people are very high functioning and in fact I think you said most of them would have been employed at APPM if it was not for changes in technology?---That's possible.

10 And in answer to the deputy president's question, you were saying it was a very fine line in terms of their disability. Well, if that is the case, then really, you are not a sheltered workshop, are you?---I think one word that you haven't used that should be used is the majority. I mean, we saw the list of disability types and the majority of people are determined to be mild intellectual disabilities.

15 Right. So are they paid according to their productivity?---They are paid relative to a wage structure that was set some years ago and we are working towards productivity based wages.

20 Right. So are you saying they are very high functioning - they are high skilled, they do not need supervision and that you have also said that you do not want to discriminate between them and other employees, that they are really just the same. Do you think your services are typical supported employment services or sheltered workshops?---Well, it is certainly the one I am most familiar with. I have been to some other services and I mean I - my comment in regards to that question would be that with the small amount
25 of Commonwealth funding that is available most services have to be commercially viable and run on commercial lines.

Or are you able to say whether your service is similar to other supported employment services?---In many ways it is similar to other services, but there certainly would be - - -

30 So it is in the same sort of dependency levels, the same sort of skill mixes?---I don't think I could accurately answer that because I don't have the information or the experience.

35 So you cannot answer the question, right. Do you consider a sheltered workshop?---We do not refer to ourselves on a day-to-day basis as a sheltered workshop because we believe that is a reasonably discriminatory title. For purposes of explanation we call ourselves a supported employment service.

Right. So, I mean, from everything you have said, your staff - your non-DSP staff are really just like any open employment staff. Your DSP people are very high functioning. In fact I think you said most of them would have been

employed at APPM if it was not for changes in technology?---Mm, it is possible.

In answer to the deputy president's question you were saying that it was a very fine line in terms of the disability?---Mm hm.

5 Well, if that is the case then really you are not a sheltered workshop, are you?---I think one word that you have not used that should be used is the majority. I mean, we saw the list of disability types and the majority of people are determined to be mild intellectual disabilities; we are a sheltered workshop, yes.

10 You are a sheltered workshop?---Yes.

Do you think you should be covered by this award?---My own personal opinion?

Yes?---I think a more relative award would be an award that reflects the timber industry.

15 Right. So you are not really - from what you are saying, you really are pretty well, in your opinion, just like an open employment service - an open employment business?---Very similar in most ways.

20 Okay. So I now want to go to the HACSU application. I think you said you were familiar with the application?---Well, look, I'm reasonably familiar. I wasn't on the state negotiating committee. I've been to a couple of meetings. Some of the knowledge is limited.

So have you actually studied it in detail?---The last time that I would have studied it in reasonable detail would be a couple of months ago.

25 Right. Have you actually worked out translations for all your staff based on the proposed structure?---Yes, I have, but I must - I feel it has changed a few times and I am not totally familiar probably with the latest changes.

So your comments in relation to the cost impact really you are not qualified to make those comments because you do not really know?---Well, I know there is going to be a cost impact.

30 How do you know that?---Through reading it in the past, but I do not know - I could not accurately tell you right now what the exact dollars would, but I know there would be a cost impact.

35 Right. So you do not really - you are not giving us an informed expert opinion on what the cost impact on your service is, it is really just a general idea possibly?---There will be - well, I know there will be a cost impact and it was calculated back about three months ago and I do not know whether that

accurately reflects any changes that may be in that proposal and the cost impact back then was in round figures in \$100,000 terms.

5 Right. Mr Snadden can you actually present to - or I think that given the assertion that Mr Snadden has made he should be obliged to produce his costings.

MR FITZGERALD: Oh, there is not requirement for that at all, Mr Deputy President. That is - - -

MS HARVEY: Well, there is no way I can attest that assertion.

10 MR FITZGERALD: That is a most unusual request. There is no requirement for that and there needs to be some substantiation for that sort of request. So I would object formally to that request.

15 DEPUTY PRESIDENT ROBINSON: Well, the request for substantiation of assertions can be made and I am going to be left as to what weight, if any, I put on evidence according to its - whether it is accepted, questioned or there is a situation where something can be proven. I mean, there are different levels of proof.

20 MS HARVEY: Sure. I am just wondering whether Mr Snadden would agree, given that he says that he has cost earlier and that it is \$100,000, whether he would be prepared to provide that costing to the union for the purpose of responding to the case by the employers. I do not think it is an unreasonable request.

DEPUTY PRESIDENT ROBINSON: Well, yes, I think probably your request ought to be directed through Mr Fitzgerald that you are making that request.

25 MS HARVEY: Well, can I ask you, Mr Snadden, what - I will make that request, Mr Deputy President, because I think that it is a - the witness has said that they are unfamiliar with the application but that they would estimated it cost 100,000, I think it is fair that that should be tested. Could I ask you, Mr Snadden, what rate you currently pay your trades with non-supervisory responsibilities?---Trades with non-supervisory - - -

30

In the level in the award?---At the tradesman rate within the award.

At just the 100 per cent?---Yes.

Are you aware that there is no cost impact in the HASUAs application in relation to those levels?---Yes, but - yes, I think I can recall that, yes.

Okay. And your supervisors, what level are they currently paid at in the award?---The supervisors that we - our supervisors are paid at supervisor grade 3 level.

5 At grade 3 level, which is level 7 in the current award?---Yes, that is a supervisor that has a trade certificate.

Why are you paying them as a grade 3 when what you have said is that their responsibilities - they do not have supervisory instruction responsibilities?---Well, I suppose there is some historical impact on that is that they have - they have been paid at supervisor grade 3 level for a number
10 of years and back when a viability was not such a concern, to attract the appropriate skilled people from at trade point of view, they were paid supervisor grade 3; they were aligned to a salary more than a classification, I suppose.

15 So you are saying in effect you are making over award payments now?---That would be a fair statement for some people, yes.

Yes, okay, and I just want to come to this question about your statements about your financial viability. You said you made a loss in the last two years but you said that the building trade is a lifting up and that you have broken even already. Are you projecting making a profit?---We are - we certainly are
20 projecting doing - at least breaking even in this next financial period.

But from what I understood, and from the inspections, you are running a very viable organisation, a high quality product to a secure customer?---We are hoping it is going to be a viable business this year, yes.

25 So the two years that you have had a particularly bad time, that is not a fair indication of what your expectations are?---For this year?

No, well, for the next medium term?---Not having a crystal ball and talking - I don't have a direct association with the end user, our customer does. So if our customer - the information that I can base that on is purely through discussion with our customer and indications are that the market is - there is
30 a lot more confidence in the marketplace.

Right. Thank you, Mr Snadden. That concludes the questions that I had for you?---Thank you.

So I will cross to Mr Fitzgerald.

DEPUTY PRESIDENT ROBINSON: Thank you. Mr Fitzgerald?

35 MR FITZGERALD: Thank you. Mr Deputy President, there are a couple of questions which I think flow from your questions that I could put to Mr Snadden. Who determines a person's eligibility for the disability services

support pension?---Government instrumentality, predominantly the Department of Social Security and the Commonwealth Medical Officer.

Right, okay. Do service providers at all have any role in that?---No, we don't have any input at all.

5 Ms Harvey indicated you have not any formal qualifications in behaviour management, but you made a statement about relocating employees which would be to their benefit; how did you come to make that statement? What knowledge did you gain to make that statement?---Through - I do not quite understand your question, Mr Fitzgerald.

10 Well, I think you made a statement that it could be to their benefit if there is a behavioural management problem; not i could be to their benefit to be relocated somewhere else within the factory?---Well, I suppose that's been - my comment is based on that being a successful way of avoiding maybe a conflict between two people who have a personality clash - - -

15 Right, okay?--- - - - and it has worked quite successfully.

In terms of the nature of your DSP employees, is it the nature of the process that you spoke about which makes it easy for your DSP employees to operate, in your view?

MS HARVEY: Leading question.

20 MR FITZGERALD: There is no bar on leading question in re-examination.

DEPUTY PRESIDENT ROBINSON: Well, I still think, with the greatest of respect, that you should not ask leading questions in re-examination which is for the purpose of having explained by the witness anything which has been left unsaid in relation to cross-examination.

25 MR FITZGERALD: I beg to differ, Mr Deputy President, because I am certain that there are no restrictions, generally - even though there is no restrictions generally here in this tribunal, there is no restrictions specifically in respect to leading questions other than examination-in-chief.

30 DEPUTY PRESIDENT ROBINSON: Well, we do not have court rules as a court has and the act says that we may inform ourselves by the best means possible which means that we are not bound by the rules of evidence and I am sitting here, I have got the responsibility of trying to conduct this hearing the best I can and offer guidance, which will apply to both advocates in an even handed way, I hope.

35 MR FITZGERALD: Mr Snadden, I will move on. I think it has been covered by the examination - the evidence-in-chief, in any event. You talk

about employees being high - your DSP employees being high function. Does that apply to all employees, all DSP employees?---At Summit Industries?

5 Yes?---I think by the - Mr FitzGerald, by the listing on page 1, I have listed disability types and I think I made the statement to cover that that the overwhelming majority are. In other words, the 26 of the 38 people are described as having mild degrees of disability, hence have relatively low support needs.

But there are some who fall outside that category; is that so?---Yes.

10 In terms of the Disability Services Act, are you legally a sheltered workshop?---Yes.

Okay. I have no further questions, thank you.

DEPUTY PRESIDENT ROBINSON: Thank you very much for your patience and evidence that you have given to us and thank you for the time you have given us. It is very much appreciated. You may step down.

15 **THE WITNESS WITHDREW**

MR FITZGERALD: That completes the evidence for today.

DEPUTY PRESIDENT ROBINSON: Yes. It was indicated that or there was a request that we have some off-record discussions in relation to future programming or future progress. If we could just go off record.

20 **SHORT ADJOURNMENT**

NO FURTHER PROCEEDINGS RECORDED