

STATE SUPPLY COMMISSION AMENDMENT BILL 2007

Second Reading

Resumed from 15 August.

MR T. BUSWELL (Vasse - Deputy Leader of the Opposition) [3.56 pm]: I will make some remarks on the State Supply Commission Amendment Bill 2007, which the opposition will basically support. I point out to the Leader of the House that I have just been outside and battled through the throng of press to get a copy of an annual report. It is always interesting on these days when the annual reports are handed down. They almost shower onto the Parliament. The Leader of the House might be interested to know that the government very generously provided one copy of an annual report for the press and the opposition office to scramble over, in a true measure of good accountability. If we do not get it, we cannot read it. Is that not interesting? The good news for the Leader of the House is that we got the police annual report, and we are going to look at it. The other good bit of news for the Leader of the House is that I have the Department of Housing and Works -

Mr C.J. Barnett: It is actually an interesting point you make -

Mr T. BUSWELL: I know it is.

Mr C.J. Barnett: - because apart from the fact that it is an inconvenience, it is clearly a parliamentary responsibility to provide every member with a report, if he or she so wishes. Therefore, the government is failing in its parliamentary responsibility.

Mr T. BUSWELL: It is an absolute disgrace. We have been out there all day trying to battle for a copy of an annual report. Half of them are full of rubbish and pseudo government advertising. I wish the minister who sits behind the Leader of the House was in the chamber, because when I opened the first page of the Department of Housing and Works annual report, I could not believe it. There was a picture of the Fremantle Prison tunnel tour. The Minister for Corrective Services claimed in the house this afternoon that a prisoner had escaped from Fremantle Prison yesterday. What a prime example of an overpaid person who is not across her portfolio. Anyway, that has nothing to do with the bill.

The ACTING SPEAKER (Mr A.P. O’Gorman): Member, I trust you will bring your comments back to the State Supply Commission.

Mr T. BUSWELL: I will come back to the State Supply Commission, Mr Acting Speaker, because the State Supply Commission annual report was also provided. For better or for worse, there was a lot of press interest in the State Supply Commission annual report. I have perused it quickly, and I will refer to it during my second reading contribution.

As I indicated in my opening comments, the opposition will support this bill, although we are not entirely comfortable to be doing so. There is just something about this bill that does not sit well with me. I cannot put my finger on it. The bill seems to me to be technically sound. I do not think there is a justification for opposing it. However, there is just something that does not sit comfortably with me.

Mr J.C. Kobelke: But you’ve been looking very hard to see if you can find one, have you?

Mr T. BUSWELL: Leader of the House, I always examine the legislation that is put before me to the best of my capacities. I will tell the Leader of the House later on why I feel a little uncomfortable about this bill. Essentially, this bill deals with State Fleet. It tidies up what I and the government consider to be an anomaly in the administration of State Fleet. It is interesting to go back and look at the history of State Fleet. On 30 May 2001 the State Supply Commission delegated a range of powers to the Treasurer that effectively related to State Fleet. They gave the Treasurer, or his representative in the Department of Treasury and Finance, the capacity to take on board matters associated with the management of State Fleet, to consider the future management and operation of State Fleet, to borrow under section 31 of the State Supply Commission Act and to operate a sub-account of the State Supply Commission’s statutory account. In other words, the day-to-day operational aspects of State Fleet were transferred, as I understand it, from the State Supply Commission to the Department of Treasury and Finance. It seems to have operated with minimal fuss from that time until now.

The issue is that the financial reporting and financial responsibilities for State Fleet remain with the State Supply Commission. There was the unusual situation in which the operation occurred out of Treasury and the financial reporting through the annual reports - one of which was showered down onto us today - was the responsibility of the State Supply Commission. This bill effectively, in pure technical terms, transfers financial reporting and financial responsibilities for State Fleet across to Treasury. I do not have a problem with that process. The opposition will be supporting the bill, but I say that while having a couple of issues that I wish to raise in the house today. One of the issues that still concern me is that in the time I have been in this place I have observed that the Department of Treasury and Finance is often the place where the government moves entities that are causing it issues. I go back to the issues that arose last year with the Perth Convention and Exhibition Centre

and the fact that, before we could blink, government responsibility for the centre was picked up by the Department of Treasury and Finance under the Under Treasurer and ultimately by the Treasurer. Similarly, I look at another example on which we had a brief discussion today, the Office of Shared Services, which for so long resided in the hotchpotch management regime in the Department of the Premier and Cabinet and was overseen by the Premier and the Director General of the Department of the Premier and Cabinet. It became an absolute farce. It has ended up in the Department of Treasury and Finance.

The point I am trying to make is that when entities end up in the Department of Treasury and Finance, it is usually because there has been major mismanagement, more often than not related to the incompetence of one government minister or another. In the case of the Office of Shared Services, of course, the incompetence clearly rested with the then Premier and the current Premier before the Treasurer came in as a white knight to take it over. I highlight these examples because although I indicated earlier our support for moving the financial reporting of State Fleet to Treasury, when entities are taken over by Treasury there is a reason for it; it is either a managerial problem or some other government incompetence, which the Treasurer has to come in to try to fix up. I am not saying that the Treasurer is more competent than other ministers, but as I highlighted today, I reckon that even the Treasurer would know that Fremantle Prison is closed and that there has not been an escape from Fremantle Prison for quite some time. That must be teased out by others -

Mr E.S. Ripper: I think you are teasing.

Mr T. BUSWELL: I am not teasing. It is the fact. I do not know how a minister can get up in this house and tell us that there was a breakout from Fremantle Prison, when the only people who have been breaking out are the ones who have been paying to go on a tour.

Mr R.C. Kucera: If you have a look at *Hansard*, you will see that it was Fremantle Hospital.

Mr T. BUSWELL: Here we go! Have a look.

Mr E.S. Ripper: I should not have provoked you, member. Let us deal with this bill as quickly as we can.

Mr T. BUSWELL: I wish we could, because I was paired from three o'clock today so that I could drive home for a function. I have had to sit around here at the Treasurer's convenience. I am none too pleased about that. When the Treasurer tells me that I should hurry up for his convenience, my answer will be short, brief and not forthcoming in this place.

The Treasurer took over the Office of Shared Services in Treasury because it was a basket case, and it still is. It is \$100 million over budget and two years late. What have we found out today? For the first time, the annual report did not get a tick off by the auditor. That is one of the reasons I am slightly concerned about this bill. It is generally areas that cause problems to the government that end up in Treasury. I am not aware that State Fleet has caused any problems for the government, but who would know?

I also have some ongoing concerns about the way in which State Fleet will be reported to the public and to the Parliament. At least at the moment I can go to the State Supply Commission annual report - if I can battle my way through the crowd and get the only copy - and find out a little bit about State Fleet, because State Fleet forms one of the major areas of operation of the State Supply Commission and the data is readily available in its annual report. One piece of information I can find out about State Fleet from reading the State Supply Commission annual report is, for example, that it is profitable. In 2003-04 it returned \$5.1 million in profit to the government; in 2004-05 it returned \$7.32 million; and in 2005-06 it returned \$6.8 million. So, I know from reading the commission's annual report that State Fleet is profitable. What worries me is that when State Fleet disappears into the enormous entity that is the Department of Treasury and Finance, this clarity in reporting will be lost.

I have the Department of Treasury and Finance annual report, which has the auditor's clarification in it. I am wondering whether I will be able to find out how profitable State Fleet remains when it goes across to be reported on by the Department of Treasury and Finance. I wonder whether I will be able to pick up the Department of Treasury and Finance annual report and find out how many vehicles are in the state fleet. Does the Treasurer think that I will be able to do that next year, as I can this year and I could last year in the State Supply Commission annual report? The people of this state might have an interest in what happens to the size of the state fleet. I am very interested in it; particularly the continued growth in the size of the state fleet, which in the past three years has increased by 2 074 vehicles - from 8 287 to 10 638 vehicles. There has been a massive blow-out in the size of the state fleet in the past couple of years under this government's control. Will I be able to find that out that sort of information when I look at the Department of Treasury and Finance annual report next year? I probably will not, because it will be buried in some back page. I think that clarity in reporting is a serious issue. I would like to hear what the Treasurer says about it when he responds.

It is interesting to look at what has happened to State Fleet. The number of vehicles has exploded in the past few years. It is interesting to compare that with the performance of the government in holding down the size of the state fleet when it first came to office. I will give an example. On 30 June 2000 there were -

Mr R.C. Kucera: We had to buy back Matrix after the mess you left us in.

Mr T. BUSWELL: The member should go back to sleep.

State Fleet had 8 915 vehicles on 30 June 2001. It had 8 564 vehicles on 30 June 2004. The number had gone down by about 350 vehicles. When asked to comment on it last year, the head of the Chamber of Commerce and Industry of Western Australia, John Langoulant, said that one of the reasons for the drop off between 2001 and 2003 was that Geoff Gallop and Eric Ripper were coming into government and they brought with them a number of ideas from opposition, one of which was targeting the motor vehicle fleet. They made quite a concerted push to reduce the number of cars. In the first few years of this government's existence, after 2001, the size of the state fleet reduced, but the government found it hard to keep the numbers down. During the past couple of years there has been an absolute explosion in the size of the state fleet; in fact, in the past three years the state fleet has increased by 2 074 vehicles; that is, 2.65 vehicles - if one can divide a car into 2.65 - on average a week, which means that five extra vehicles every fortnight have entered the state fleet. I do not know what the excuse is for that. I know what the Treasurer said last year when he got caught out on the size of the state fleet. According to *The West Australian* of December 2006 -

Treasurer Eric Ripper's office said the surge in the size of the state fleet was because the Department of Housing and Works and the Water Corporation had switched back to state fleet leasing arrangements.

Is that right? That was the reason used in 2006 to justify the explosion in the size of the state fleet in Western Australia. What happened this year when there was another explosion in the size of State Fleet? The Treasurer put out a press release on 4 September 2007. Coincidentally, it was about three weeks before a question on notice was answered by the government in this place on this matter. He said in his press release that State Fleet numbers had increased but almost one-third of that increase was due to the Department of Housing and Works and the Water Corporation moving their business into the fleet. He has used the same argument two years in a row to try to justify the blow-out in State Fleet. He cannot do that.

Mr E.S. Ripper: Actually he can.

Mr T. BUSWELL: Rule it out next year, Treasurer. Do us a favour.

Mr E.S. Ripper interjected.

Mr T. BUSWELL: The Treasurer should get up and make the point.

Mr E.S. Ripper: If you want to have a proper debate, take an interjection. The fleets are not transferred holus-bolus; they are transferred as the vehicle leases expire. It is perfectly true for both years.

Mr T. BUSWELL: To justify the increase in State Fleet the Treasurer made an argument that more cars were needed because there were more public servants. An interesting point to draw from that is that in this government's first three years in government, from 2001 to 2004, the size of State Fleet went down by 351 vehicles. The size of the public service, as measured in full-time equivalents, went up by 5 685, or 6.5 per cent. In this government's first three years in office the size of the public service went up and the size of State Fleet went down. In the past three years the size of the public service has gone up 11 959 FTEs and the size of State Fleet has gone up 2 074. The point that Mr Langoulant made last year is valid: The Treasurer has taken his eye off the ball when it comes to financial management. He has certainly taken his eye off the ball when it comes to looking after the Office of Shared Services. He has taken his eye off the ball when it comes to managing State Fleet. He has taken his eye off the ball when it comes to a range of things that revolve around effective expenditure of taxpayers' money in this state.

It worries me, and I make the point again, that the financial reporting of State Fleet is sucked into the Department of Treasury and Finance, one of the few government departments that cannot get a good health tick from the Auditor General - one of the few government departments on whose annual reports and financial statements the Auditor General will not sign off. Will this information be readily available to the public of Western Australia? I doubt that it will because the Department of Treasury and Finance is a much larger organisation. I do not mean that in any way, shape or form as a negative reflection on the people in the Department of Treasury and Finance responsible for State Fleet operations. I had a briefing from them and they seem to be very competent and have a solid understanding of the business model they are working with. In fact, it was their briefing that put to bed some of the concerns I had about this bill.

I put it to the Treasurer again that I bet the reporting requirements will not be the same when this matter is absorbed into the Department of Treasury and Finance. One thing I know about the Treasurer is that he does not like providing information to people. I looked at what was happening to the Office of Shared Services for so

long. It blundered along blindly, blowing out its budget by only \$100 million! The Treasurer did not tell anybody about it and when he did we did not get the full story. I bet the same thing happens with State Fleet.

I am interested to go to the other side of the equation to ascertain what will happen to the State Supply Commission when this role is removed from it. I was interested to go to the budget papers to look at the functions of the State Supply Commission, and I can get the same information from its annual report. I refer to the State Supply Commission budget paper which outlines its major initiatives for the 2007-08 financial year. They are -

- Develop a program of working with agencies to ensure that the Commission's supply policies remain relevant and understood, and to guide ongoing policy reviews.
- Continue to monitor the development of Free Trade Agreement government procurement chapters in order to develop appropriate policy responses.
- Undertake procurement reviews to determine the integrity of agencies' procurement processes and to increase awareness of the Commission's supply policies.
- Report on information from procurement reviews that identify opportunities for policy and process improvements and procurement trends.
- Continue to provide executive support to the State Tenders Committee -

The State Supply Commission is really an oversight body. It does not purchase anything. Government purchasing, funnily enough, now resides with the Office of Government Procurement; again, that office is in the Treasurer's ever-growing empire of control. The Office of Government Procurement is tucked in next to the Office of Shared Services, that very aggressive Office of State Revenue and those other bodies that make up the Treasurer's expanding empire in Treasury. Every time I think about the Treasurer's expanding empire my mind casts back to that wonderful video presentation that our staff arranged prior to the budget being brought down in which he came out dressed up as Darth Vader. That is what it has been like - the expansion of the empire through government. His tentacles are now spreading far and wide. The State Supply Commission has absolutely nothing to do with procurement.

Mr C.J. Barnett: China is next.

Mr T. BUSWELL: They will be quaking in China.

The role of the State Supply Commission is monitoring and compliance. It has 20 staff and an appropriation of about \$1.67 million. I am of a mind to accept the argument that it is not a bad thing to have an independent body to oversee the probity of government purchasing and the behaviour of government agencies in going about procurement. It is important to set those broader policies. If that is to be the role of the State Supply Commission, it is probably acceptable.

Effectively, this amendment bill acknowledges that the future of the State Supply Commission is in that probity, auditing and complaints monitoring role. The Treasurer said to me earlier today that he would much rather a supplier who missed out on a contract or had a complaint about the process by which a contract was not awarded to them had the capacity to go to an independent umpire to assess the issues.

I will spend time examining a case study of how the State Supply Commission does that. It is important to understand that, because that is what this bill will do. I will refer to two issues. Firstly, the role that the State Supply Commission can play in granting exemptions. One of the things the State Supply Commission can do is grant exemptions from some of its policies on tendering and procurement. An interesting example relates to a chap who previously worked for government and went off as a consultant and is now employed by the Department of Health on a very large consultancy. I refer to Mr Piper. We know the Minister for Health has a soft spot for Mr Piper and he wanted to use his expertise, as he put it, in the health department. The health department applied to the State Supply Commission for an exemption so that it could cut a \$200 000 contract in half and issue him two \$99 000 contracts. That is what happened. It concerns me that agencies can manipulate the State Supply Commission to deliver outcomes like that. We now know that Mr Piper went on and his position of procurement overlord at Fiona Stanley Hospital was advertised. There were four applicants, none of whom was Mr Piper. Funnily enough, the Minister for Health had that tendering process stopped. That tender was withdrawn, a new tender was written and Mr Piper got the job. There are serious issues in that.

The point is that the serious issues are not being investigated by the State Supply Commission, but by the Auditor General. Today we are debating a bill that cuts back or redefines the role of the State Supply Commission to probity and oversight. There is a major issue at the Department of Health in the awarding of a contract to Mr Piper. It may be that Mr Piper was the best person for the contract. I am not judging his credentials in any way, shape or form. The Minister for Health thinks Mr Piper is fantastic. He thinks he is so good that he came out prior to the completion of the tendering process and put in a plug for him. It is expected,

but it is absolutely disgraceful. The State Supply Commission did not get involved, yet we are attempting to hold up this body. It no longer oversees State Fleet; it will simply be an oversight and probity body and will not get involved in anything else.

I want to touch on another case study. It is reported on page 14 of the annual report that in 2006-07 the commission undertook three investigations. It is important to know how the commission undertakes investigations, because that is effectively the aim of this bill. We are saying that is its role now. One investigation related to the Department of Education and Training and contracts awarded to Huntly Consulting Group and Miles Morgan. The Treasurer may well be familiar with that investigation. He instigated that investigation when he received a letter from the former failed, disgraced Minister for Education and Training. We are not sure whether that letter passed through any Australia Post channels. I am assuming it did. He received a letter, which said, "Crikey; I'm in a bit of strife; they are starting to sniff around. Everyone now knows a few facts about the awarding of contracts to Huntly Consulting, you'd better have a look at it and try and help me out." The Treasurer wrote to the State Supply Commission in the role we are about to give it and said, "Can you have a bit of look at what has happened in relation to the awarding of contracts by DET to Huntly Consulting?" The State Supply Commission dutifully conducted an investigation into the Department of Education and Training contract awarded to Huntly Consulting Group. I want to make a couple of important points about this. The chief underlying point is that, here we are today, saying through this bill that the State Supply Commission has lost State Fleet and it is there for oversight and probity. My concern is that the commission will not have the teeth to do the job. The government is happy to have the commission's teeth filed back so that it cannot bite the government on the backside when something embarrassing happens. This is a very interesting case in point.

I will take the house through the background in case the Treasurer has forgotten. I refer to a chap named Gregory Huntly Phillip, if my memory serves me correctly, who is a director of a firm called Huntly Consulting. Prior to establishing Huntly Consulting and becoming a director, we know that he was a friend and associate of the then failed, disgraced Minister for Education and Training.

Mr P.B. Watson: Who is that?

Mr T. BUSWELL: Hon Ljiljana Ravlich. We know he was a friend of hers; we know he worked under contract in that minister's office for some time during 2005. We know his wife worked in a senior managerial position in the Department of Education and Training. He left the minister's office and established Huntly Consulting, of which he was a director. The other director was the brother of his wife, a senior executive in the department, and we know that he started to get contracts from the department. We might put all those together and say, "Crikey, there might be something worth investigating." This was stirring in the political winds in this state at the time. Suddenly, the Treasurer received that mystical letter - the famous post-it note on the toaster, I think is how it was described at the time - and he got the State Supply Commission to conduct an inquiry, the result of which I have here. I will take the house through some of the results of that inquiry, and members will see the point I am trying to make.

Points of Order

Mr E.S. RIPPER: While I am quite happy to listen to the member pursue this issue if he wants to, the purpose of this bill is to shift formal accountability for the administration of the state fleet from the State Supply Commission to the Department of Treasury and Finance. It is not about the regulatory role of the State Supply Commission. Madam Acting Speaker, you may, of course, rule that the bill is broad enough for the regulatory role and particular investigations of the State Supply Commission to be covered. However, I suggest that to move from the purpose of the bill, which is the shifting of formal accountability of the state fleet, to the regulatory role and thence to particular investigations is not actually within the confines of the debate.

Mr T. BUSWELL: The point I am trying to make in debate is to highlight what structure the Treasurer is leaving behind in the State Supply Commission. This bill will take a large chunk of responsibility away from the State Supply Commission and leave it with a regulatory and overview role. The point I am trying to make to the Treasurer, by choosing a case - it happens to be the only one I can find - is if that is what he wants to do, he must do more than is provided in this bill to help the State Supply Commission. I think it is a valid line of argument.

Mr R.C. KUCERA: There is another point of order I wish to raise as well under standing order 92. The member is clearly making imputations against a member of the other place. He is using emotive words such as "disgraced" and "failed" and making suggestions about possible impropriety on the part of the member in terms of a relationship with other people. If it is to be examined, that should be examined in a substantive motion, not as part of an issue to do with this bill.

The ACTING SPEAKER (Mrs J. Hughes): Thank you, member. On the first point of order, members have a right to speak in whatever regard. However, I ask the member to try to keep his comments close to the relevant

matter. Secondly, according to standing order 92, members are not to impugn a member of this house or the other place. I therefore ask the Deputy Leader of the Opposition to refrain from doing that.

Debate Resumed

Mr T. BUSWELL: Thank you for your wise guidance, Madam Acting Speaker. I will continue because it is important, whether the Treasurer likes it or not, that we understand the role he is now creating for the State Supply Commission. This inquiry into Huntly was the only one I could find, otherwise I would have used another one; he knows that. I am very generous like that; I like to look around for information. It just so happens that the only one I could find is a bit near and dear to the Treasurer's heart. I understand that he is a bit sensitive about it, but that is his worry, not mine. The point I am trying to make is that this will be the role of the State Supply Commission and I want to look at how it will perform in that role. It conducted an inquiry, and it was a good inquiry. I have read the report on it. On page 3 it states -

The investigation highlighted that the DET's procurement processes in relation to HCG -
That is Huntly Consulting Group.

and MMA were not supported with an adequate level of documentation. Where not compliant:
It says further on -

... there was no evidence that verbal bids were sought or written bids were obtained apart from the DET providing the SSC with a copy of an invoice;

... did not contain a copy of the Request document, evidence that all potential bidders were invited to quote and were provided with identical information,

These are the sorts of things the State Supply Commission found out in its probity role. It found out that the education department was giving contracts to one company without any process in place to make sure other potential bidders for the contract were given the same information. It goes on and on. It is unbelievable. Members should listen to the following comments in the executive summary -

The initial request to the DET for contract files and information was made on 29 November 2006. Although some of the information was provided on 4 December 2006, the SSC had to issue several requests and reminders to obtain additional information to complete the investigation. Despite these requests, the DET was still unable to provide some information.

The point I am trying to make is that, if the Treasurer wants to set up a body to have oversight and make sure that public money is spent properly, he should give it the teeth to make sure that is what happens. He should not set up the situation to enable what happened in the case of Huntly Consulting and the State Supply Commission's investigation into it.

I refer to some other specific findings. The report states on page 9 -

Based on the lack of documentation, the award of contract 55335 was not in compliance with the SSC *Open and Effective Competition* policy and guidelines.

It states on page 10 -

Based on the information provided, the award of contract SR61835 was not in compliance with the SSC *Integrity, Ethics and Probity* policy. Given the value of the contract, this is regarded as a significant purchase off a panel contract.

It goes on and on with example after example of how the Department of Education and Training under the then minister who was moved from that portfolio, no doubt due to her stellar performance, had failed to fulfil its obligations under the State Supply Commission Act.

This is the point I am trying to make: it is exactly the same as the issue with the health department and the awarding of the contract to Mr Alan Piper. I had to write to the Auditor General so that he could get involved and examine it. I cannot wait to see that report. This report was tabled in the house by the Treasurer in a very brief flurry of activity. It went to the current Minister for Education and Training - who will have to sack all these teachers next month because they will not pay \$50 to join the Western Australia College of Teaching - and he did nothing. He sat on it and is probably still sitting on it. The Treasurer will probably say to me, "If you think there's something wrong, send it to the Corruption and Crime Commission." That is the Treasurer's standard answer. Guess what? The opposition sent it to the CCC. I have no idea what it has done with it, but we sent it to the CCC, and I will be interested -

Mr A.D. McRae: Nobody knows what they've done with any of their reports. I can vouch for that.

Mr T. BUSWELL: The member for Riverton makes a good point. Generally, when the opposition sends something to the CCC and the CCC does not intend to do anything, it writes back to say, "Thank you, but no thank you." However, we did not hear back on this matter. I wonder what has happened. That is the point I am trying to make.

Mr R.C. Kucera: They're busy looking at you.

Mr T. BUSWELL: Is that right? The member for Yokine is a foolish man. I have said before in this place that we know that during some of those interviews when people were being held down and convinced to sign their confessions, a few struck back. We know there were a couple of blows too many to the old cranial space. There has been the slow, steady descent of a clouded curtain over the member's capacity to think and function. That is why the member was swept off the front bench to re-emerge up with the gods on the back bench.

The ACTING SPEAKER (Mrs J. Hughes): I bring the member back to the bill.

Mrs C.A. Martin: Goddess. Don't you know the difference?

The ACTING SPEAKER: The member for Kimberley!

Mr T. BUSWELL: The term "up with the gods" is a generic term, as I understand it. I tell the member for Swan Hills that I would not insult her with the terms "god" or "goddess", as she battles to secure a safe seat for herself after Bill Johnston tries to stitch her up and push her over the border into Swan Hills and keep her out of that lovely safe seat that was created immediately to her west. It is obviously not a seat to be populated by a member of the new right. Perhaps her faction is on the rise!

The ACTING SPEAKER: Member for Vasse, I ask that we return to the business of the house.

A government member: Where is the member for Capel going?

Mr T. BUSWELL: The member for Capel is going to contest a very difficult election. He will do very well, because he is a hardworking local candidate -

The ACTING SPEAKER: Did the member for Vasse not hear me? I asked the member for Vasse if we could please return to the business of the house.

Mr T. BUSWELL: My humble apologies for digressing in that state of excitement.

Ms J.A. Radisich: You get excited by us?

The ACTING SPEAKER: Member for Swan Hills!

Mr T. BUSWELL: It is just the barrage of cutting interjections. I can see why the new right is in rapid retreat.

Those are basically all the points I wanted to make. To recap, the opposition will support the bill, but it does so with a couple of concerns. Firstly, generally when things are handpassed to Mr Marney and his staff at Treasury, it is because there is some issue that needs to be resolved. My conscience is pricked by the extent of the issues at the Office of Shared Services. The Treasurer himself rose and said "Crikey, I'm surprised." I am worried that there may be sleepers that we need to know about in relation to this handpassing. Secondly, will we have access to the same information in the same, relatively easy-to-read format we currently have? Thirdly, if the Treasurer wants the State Supply Commission to fulfil its role properly, he should give it some teeth so that it can pursue matters appropriately. The two examples I used - Huntley Consulting and the awarding of contracts to Alan Piper - make that point extremely well.

MR E.S. RIPPER (Belmont - Treasurer) [4.33 pm]: I thank the Deputy Leader of the Opposition for the opposition's support of this legislation.

The situation is that the Department of Treasury and Finance is currently responsible for the administration of State Fleet and has been for many years. However, the Department of Treasury and Finance does not have powers under its applicable legislation to conduct the operations of State Fleet; it draws on the powers of the State Supply Commission and its governing legislation. Consequently, although all the administration of State Fleet is performed within the Department of Treasury and Finance, the reporting of the financial outcomes appears in the annual report of the State Supply Commission. This is not conducive to a good understanding of either the operations of the Department of Treasury and Finance or of the State Supply Commission. It is not conducive to openness, transparency and accountability because the reports present what could be a misleading picture of who is actually responsible and who is performing this service. This legislation does something relatively routine and mechanistic. We are adjusting the legislation to reflect the actual practice in the administration of State Fleet. There is no problem in State Fleet, as alleged by the member for Vasse, that would require its transfer from the State Supply Commission to the Department of Treasury and Finance. State Fleet has been with the Department of Treasury and Finance for many years.

The second issue raised by the member for Vasse concerned how the Department of Treasury and Finance would report the operations of State Fleet. I am advised that the Department of Treasury and Finance, in its annual report, will report the operations of State Fleet as a separate service and that the same information that is provided in the annual report of the State Supply Commission will be provided in the annual report of the Department of Treasury and Finance. I expect this to be the case, because I suspect that the Department of Treasury and Finance provides the relevant information to the State Supply Commission when the State Supply Commission report is being drafted.

The third issue is not really relevant to this bill, as I sought to point out in my point of order about the regulatory role of the State Supply Commission. This bill does not impact in any way on the regulatory role of the State Supply Commission. There is always the possibility of the argument being advanced that a regulatory body should have more powers or more resources. I think the State Supply Commission is quite well resourced. However, I think the State Supply Commission might need to develop a different type of investigatory style and investigatory officer in order to reach its full potential as a regulatory authority, but that is not a debate that is relevant to today's exercise.

The only other thing I have to say is that people have come into this house and made allegations of improper behaviour and corruption. This state has the most powerful and most well-resourced anticorruption body of any of the states, and the government is supportive of the role of that organisation. We have allocated its budget and large staff. We back its operations. If members have any concern about any misconduct or suspected corruption within the public sector, they know where to send their information, and it will be dealt with vigorously, as has been demonstrated already through the operations of the Corruption and Crime Commission. Madam Acting Speaker, I commend the bill to the house.

Question put and passed.

Bill read a second time.

Consideration in Detail

Clauses 1 to 6 put and passed.

Clause 7: Part 3 Division 2 inserted -

Mr T. BUSWELL: Treasurer, proposed section 26AA(1) states in part -

The Commission may enter into an agreement (a “**State fleet agreement**”) with a Minister for the Minister to perform or exercise, in accordance with. . .

Firstly, is it implicit in the clause that only the Treasurer can enter into an agreement? I am interested in the wording and why it does not refer to the Treasurer as opposed to a minister. Secondly, and loosely related to that, is there any compunction on government agencies to utilise the services of State Fleet or are they free to make an independent determination of which vehicle supplier they will utilise? Does this bill achieve that in any way, shape or form?

Mr E.S. RIPPER: This clause provides the mechanism to transfer State Fleet from the State Supply Commission to another department via the department's minister. These provisions ensure that State Fleet, after the transfer, will be separated from the State Supply Commission, but will still have access to the powers of the State Supply Commission Act that it requires to carry out its functions.

The bill does not specifically mention the Treasurer or the Department of Treasury and Finance to provide flexibility in the future in case at some time a government wishes to relocate State Fleet to another department. We have noticed in government that reorganisations of the public sector to achieve better efficiency are sometimes hampered by specific provisions in legislation. This enables State Fleet to be reported in accordance with what is actually happening - that is if DTF is administering State Fleet - while preserving flexibility for future governments if they want to switch responsibility for State Fleet to another government department or another minister. As a matter of policy, all government agencies are required to lease through State Fleet. There have been a few agencies that, for historical reasons, have been outside State Fleet; and we are rounding them up.

Clause put and passed.

Clause 8: Section 30 amended -

Mr T. BUSWELL: I ask the Treasurer to clarify this for my purposes and for the public record: clause 8 loosely deals with financial matters and the creation of a special purpose account under the Financial Management Act 2006 in which, similar to the account created for Fiona Stanley Hospital, the money for State Fleet could be put. Is that the case and will it mean that the financial operations of State Fleet, in their entirety, will reside with Treasury? As I understand it, at the moment, Treasury has access to an account that is operated under the State Supply Commission.

Mr E.S. RIPPER: Yes, the financial operations for State Fleet will be run by the Department of Treasury and Finance and because it is a separate account the figures will not be “mixed in” with the rest of Treasury’s finances.

Mr T. Buswell: Will they be reported as a line item in there? Will that be reported in the annual reports?

Mr E.S. RIPPER: The annual report will report State Fleet as a separate service. I would expect that the financial outcomes of State Fleet operations in the year will be reported in the annual report separately from some of the other Treasury information. Ultimately, it is all consolidated, but members will be able to separate out what has happened to State Fleet.

Clause put and passed.

Clause 9 put and passed.

Title put and passed.

Leave granted to proceed forthwith to third reading.

Third Reading

Bill read a third time, on motion by **Mr Ripper (Treasurer)**, and transmitted to the Council.