

**PARLIAMENTARY COMMITTEES**

*Statement*

**HON BARRY HOUSE (South West)** [9.38 pm]: In this place, all members serve on parliamentary committees from time to time, and occasionally we wonder where we are going with parliamentary committees and what the purpose and value is of the work that we are undertaking. A report that has today been put into the public domain provides a very good illustration and example of the relevance of parliamentary committees in playing a meaningful, constructive part in the governance of Western Australia. Earlier today the Salaries and Allowances Tribunal gazetted a recommendation report into local government CEOs. Very briefly, in July 2003 - almost three years ago - Hon Tom Stephens, the then Minister for Local Government and Regional Development, referred a matter to the Standing Committee on Public Administration and Finance, of which I was the Chairman. I am the Chairman of the successor committee. Hon Tom Stephens referred the situation of the dysfunctional Joondalup City Council to our committee for an inquiry. I suspect the minister's motives in seeking an inquiry into the personal circumstances surrounding the CEO, Denis Smith, may have been slightly political. Our committee could not take on an inquiry into an individual. It took on the inquiry but framed the terms of reference to examine the generic issues involved in public administration through local authorities, using the Joondalup City Council situation as a case study. The other members of that committee in this chamber would recall it very fondly. We had an interesting six months or so with some very interesting hearings with a lot of people involved with the Joondalup City Council and quite a few people who were not involved with the Joondalup City Council. The purpose of the inquiry was to report back to this chamber on some issues involving governance of local authorities.

If we did not learn anything else during the hearings, I certainly learnt two things very vividly. Firstly, a committee should not have a hearing with a panel of witnesses - we had six to eight witnesses at one stage - who did not necessarily respect or like each other. That hearing was quite interesting. Secondly, a committee should not have a hearing with a lawyer as the witness representing a body. We got that back to front. The lawyer, being paid very generously by the minute, was very keen to appear before the committee for vast amounts of time. We did not really get to talk to the actual people representing the Joondalup City Council at the time.

The committee did its work and duly produced a report entitled "Report of the Standing Committee on Public Administration and Finance in relation to the Local Government Act 1995". That was tabled in December 2003. I recommend it to members; it is good reading. We examined issues involved with local governments, using the Joondalup City Council situation as a case study. We came up with a series of recommendations. Recommendation 4 states -

- (a) The Government give consideration to amending the *Local Government Act 1995* to require local governments, prior to advertising a vacant Chief Executive Officer position, to obtain advice from the Salaries and Allowances Tribunal as to an appropriate range in which to negotiate a remuneration package for the position;
- (b) The Government give consideration to amending the *Local Government Act 1995* to permit local governments to advertise a Chief Executive Officer position with a remuneration package within a specified negotiable range as determined by the relevant Council after its consideration of the advice from the Salaries and Allowances Tribunal; and
- (c) Councils be required to follow a public and accountable process, to be developed by the Department of Local Government and Regional Government and the Western Australian Local Government Association, which may require the re-advertising of the position, in circumstances where a Council wishes to appoint a candidate to the advertised position on a total remuneration package in excess of the advertised range.

That recommendation obviously struck a chord with many people in the community and the government. It arose out of the situation in Joondalup, in which there were some issues with the appointment and subsequent remuneration of the chief executive officer. Local authorities were asking for some guidance without wanting to lose complete autonomy in a particular situation. We recommended that the Salaries and Allowances Tribunal get involved in providing recommendations, not stipulations as it does with other parliamentary officers, such as members of Parliament, parliamentary officers who service the Parliament, the judiciary and senior public office holders. The government took up that matter with an amendment to the Local Government Act, which inserted in the Salaries and Allowances Act 1975 new section 7A, "Recommendations as to remuneration of local government CEOs". Subsection (1) states -

The Tribunal shall, from time to time, inquire into and make a report containing recommendations as to the remuneration to be paid or provided to the chief executive officers of local governments.

The first of these reports from the Salaries and Allowances Tribunal was gazetted today. It sets out a series of recommended bands for the remuneration of chief executive officers. I commend the Salaries and Allowances Tribunal because, on face value, it seems to have done a pretty good job. It has divided the 142 local authorities in Western Australia into nine overlapping bands. It recommends a remuneration package range in each of those bands. Band 1 contains 30 councils across the state and has the lowest remuneration package. The recommended range for band 1 is \$95 000 to \$128 500. Only two councils have been identified in band 4. The recommended range for band 4 is \$126 000 to \$171 000. There are only two councils in band 9: Perth City Council and Stirling City Council. The councils range in size from those large councils down to Sandstone Shire Council. The remuneration package range recommended for band 9 is \$201 500 to \$273 000. Chief executive officers in those councils obviously do pretty well for themselves, but they have a big job. It would be worthwhile if the Parliament noted that parliamentary committees sometimes produce something that is meaningful and useful and that is taken up by the government, the Parliament and the community to provide, in this case, better governance and better public administration.