

Division 6: Salaries and Allowances Tribunal, \$1 084 000 —

Ms L.L. Baker, Chairman.

Mr C.J. Barnett, Premier.

Mr S. Kennedy, Executive Officer.

Mr B. Graham, Principal Policy Adviser, Office of the Premier.

The CHAIRMAN: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The Premier may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the Premier to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number.

If supplementary information is to be provided, I seek the Premier's co-operation in ensuring that it is delivered to the principal clerk by Friday, 3 June 2016. I caution members that if the Premier asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

[Witnesses introduced.]

The CHAIRMAN: I give the call to the member for Cannington.

Mr W.J. JOHNSTON: I refer to page 95 of the budget papers. Under the heading "Significant Issues Impacting the Agency" it states that legislation has been introduced to Parliament about the remuneration for the chief executive officers of government trading enterprises. Where are we at with that legislation? When does the government expect that legislation to be completed? Will board members of the GTEs be included in those arrangements?

Mr C.J. BARNETT: I think the legislation is currently before the upper house; it has been through this house and it is in the upper house. I would hope it will be passed probably not before the winter break, but shortly thereafter. It is important. I do not know whether Mr Kennedy can provide any further information.

Mr S. Kennedy: No. We are really just awaiting the outcome of that before we move on it.

Mr W.J. JOHNSTON: Will that include the boards of the GTEs or just the CEOs?

[5.00 pm]

Mr C.J. BARNETT: It relates to the CEOs, not the boards, and I think that is appropriate. Often there is a pattern when the board will recommend that the CEO gets a salary rise, and then the CEO will come back a bit later and say that the board is not being paid enough. I am always conscious of that little nexus. The issue in the public eye is the CEO position; but even with respect to board members, too. I understand that there can be considerable work in some of the GTEs, but they do not really bear the responsibilities of the private sector board members because, again, the government is standing behind the board and the minister will ultimately bear the brunt of any issue.

Mr W.J. JOHNSTON: I have another question under "Significant Issues Impacting the Agency" about the CEOs and elected members of local government. I want to get a picture of whether limits being placed around other SAT decisions are being applied to local government. Is there an expectation that there will be only limited increases for these officers?

Mr C.J. BARNETT: Just like GTEs, there has been quite a bit of concern in the public about the salary levels of CEOs of local government authorities. Therefore, that matter will come under this legislation and under SAT. Maybe it is a work-for-value case. A lot of people find it surprising that in a number of local governments, the CEO is paid more than the Premier. That is not a subterfuge for a pay rise for the Premier, but I think most people would see that as being out of whack. The salary levels of some CEOs in local government, given their level of responsibility, is clearly excessive. However, it is not intended—I am sure Mr Kennedy will correct me if I am wrong—that the remuneration of the elected officers of local governments come under SAT; we are talking about the CEOs.

Mr S. Kennedy: At this stage the discussions are ongoing as to the exact nature of that agreement. It may well include elected members as well as the CEO, but of course that will be finalised at a later time.

Mr C.J. BARNETT: We have not had a discussion, but my view is that it will not be elected members; it will be the CEOs.

Mr W.J. JOHNSTON: Is the Premier saying that he will allow the councils to continue to set their own fees?

Mr C.J. BARNETT: I think that is probably better dealt with through the Minister for Local Government.

The appropriation was recommended.