

**STATE SUPPLY COMMISSION AMENDMENT BILL 2007**

*Introduction and First Reading*

Bill introduced, on motion by **Mr E.S. Ripper (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

*Second Reading*

**MR E.S. RIPPER (Belmont - Treasurer)** [12.19 pm]: I move -

That the bill be now read a second time.

The purpose of this bill is to formally transfer accountability for State Fleet from the State Supply Commission to the Department of Treasury and Finance. State Fleet is the government entity responsible for the provision of passenger and light commercial vehicles to the majority of government agencies. It is required to be financially self-sufficient and receives no direct budget funding. State Fleet borrows from the Western Australian Treasury Corporation to fund the purchase of motor vehicles, provides the vehicles to client agencies under commercial-style operating leases, and disposes of the vehicles at the end of their lease terms. State Fleet operates under the powers and functions of the State Supply Commission Act 1991 but is controlled and managed by the Department of Treasury and Finance under delegation from the State Supply Commission and other legal instruments that have been in place since May 2001. It is intended that the management of State Fleet will remain with DTF and it is not contemplated that State Fleet will at any stage be managed by the State Supply Commission.

However, the State Supply Commission Act, as presently structured, requires that accounting for the operations of State Fleet be undertaken through the commission's statutory account and reported through the commission's budget and annual report. This is administratively inefficient, tends to swamp the operations of the commission in the budget and annual report because of State Fleet's much larger financial flows, and is confusing to readers of both the State Supply Commission and DTF annual reports.

The amendments incorporated in this bill will enable the State Supply Commission to enter into an agreement with the minister of another agency - in practice this will be the Treasurer and DTF respectively - for the commission's functions to be transferred to the Treasurer and delegated by the Treasurer to DTF, to the extent necessary to permit DTF to provide State Fleet services in its own right. The amendments will enable DTF to draw on the powers of the State Supply Commission Act to the extent necessary to undertake the State Fleet functions. The powers required will include powers to contract with any person, to set and retain charges from other government agencies and to borrow. The amendments will also amend the State Supply Commission Act's accounting provisions to provide that State Fleet functions will be accounted for as DTF functions in that department's budget and annual report, in compliance with the Financial Management Act 2006.

These changes will resolve the inefficiency and confusion I referred to earlier by allowing State Fleet to be treated, both operationally and in relation to budgeting and financial reporting, as a function of DTF. This will more clearly reflect actual practice, and make it clear that responsibility and accountability for State Fleet rests with that department. Mr Speaker, I commend the bill to the house.

Debate adjourned, on motion by **Mr T.R. Sprigg**.