GOVERNMENT TRADING ENTERPRISES BILL 2022

Consideration in Detail

Resumed from 14 March.

Debate was adjourned after clause 14 had been agreed to.

Clause 15: Recommending candidates for vacancies —

Dr D.J. HONEY: Clause 15(1) states that if a vacancy occurs, the board may recommend a candidate. Subclause (3) states —

> The Portfolio Minister is not required to wait for, or follow, a recommendation.

Why does the bill contain that equivocation? I would have thought it would be incumbent on a board that it must recommend a candidate. Perhaps the Treasurer can explain that.

Mr M. McGOWAN: The reason that it provides discretion is to ensure that the minister's powers are not fettered.

Ms M.J. DAVIES: Following on from the member for Cottesloe's question, what will happen if the portfolio minister does not follow the recommendation? The board can make a recommendation but the minister obviously has final say on the appointment; how will that interaction be undertaken if they disagree?

Mr M. McGOWAN: It is the prerogative of the minister to make a recommendation to cabinet and cabinet will decide who the member of the board will be.

Ms M.J. DAVIES: Just to be clear, it is within the remit of the portfolio minister to override the recommendation of the board. They need to go to cabinet to have that approved and the board's recommendation will be disregarded.

Mr M. McGOWAN: That is correct; that has always been the case.

Clause put and passed.

Clause 16 put and passed.

Visitors — Friendship Force

The ACTING SPEAKER (Ms M.M. Quirk): Before I give the call to the member for Central Wheatbelt on clause 17, I welcome members of Friendship Force to the public gallery.

Debate Resumed

Clause 17: Terms and conditions of appointment —

Ms M.J. DAVIES: Clause 17 refers to the terms and conditions of the appointment of a director. Specifically, subclause (2) states —

> A director of a GTE holds office on the terms and conditions of appointment determined by the Portfolio Minister.

Will a standard set of terms and conditions be used? Can the Treasurer explain what they might include as part of the appointment process?

Mr M. McGOWAN: It will be fairly standard things, including the term of appointment, which is one year, three years or five years; the remuneration, which will be determined by the State Administrative Tribunal; and the frequency of meetings, which, as the member knows, can be quarterly, monthly or whatever the case might be. Those are the sorts of terms and conditions that will be part of it.

Ms M.J. DAVIES: Obviously the purpose of the bill is to standardise these things across all government trading enterprises. Will they be standardised or specifically written for each of the GTEs? Will there be specificity for each GTE or will the appointment of directors be standardised across all GTEs so that when directors are appointed, there is a clear expectation of government policy and their requirements, notwithstanding the specifics of the legislation of the entity within which they will operate?

Mr M. McGOWAN: As I said before, the terms of appointment will include the term, remuneration, frequency of meetings and so forth, anything specific to that board—that might include code of conduct for that particular board or agency—and any particular corporate policies for that GTE.

Clause put and passed.

Clauses 18 to 23 put and passed.

Clause 24: Review of board performance: self-assessment —

Dr D.J. HONEY: These comments relate to clauses 24 and 25, but we can obviously deal with them separately. I refer to this idea of the assessment of the board's performance—firstly, the internal assessment against the criteria, and then, as I say, the next clause relates to the external review of that. This legislation is supposed to be normalising government trading enterprises with what the private sector does. I am not aware that private sector boards actually report on their own performance, or, unless there is some enormous dysfunction, engage in any external review of their own performance against KPIs. I just wonder why this clause is here, particularly the part relating to internal assessment. Given the board has control of both processes, even though one is with an external consultant, I wonder whether we are likely to get any meaningful or harsh review of the board's performance.

Mr M. McGOWAN: I suppose the relevant comparison is that, contrary to what the member said, private corporations present annual reports that are made public and then hold annual general meetings, which shareholders can attend and often have a go at the members of the board about whatever the issues might be, or take up specific issues. In the case of a government trading enterprise, I suppose that is a comparable arrangement.

Dr D.J. HONEY: I appreciate that I am crossing the boundary into clause 25 here. In that case, might it be better for the minister to arrange the external review? My concern is that it is going to be a self-congratulatory exercise controlled by the board. It will have the appearance of transparency. I had not thought of the point that the Premier made, but I take on the point that private corporations have shareholder meetings at which the boards are subject to questioning, which is a good thing. If that is the intention, should the external review be more in the hands of the minister rather than the board itself?

Mr M. McGOWAN: We are going into clause 25. Proposed section 25(4) will allow the minister to do that. I assume that would occur if there were any specific concerns.

Ms M.J. DAVIES: Is it currently the practice of GTEs to conduct self-assessments? Is there a standard or a template that they use? If it is something that GTEs currently do, how would that be communicated to the minister? Is it as part of the annual reporting process? Is it ahead of the budget? What would be the timing for this assessment?

Mr M. McGOWAN: The expectation now is that the chair of the board may well report to the minister any such assessments of overarching performance, whatever they might be—financial performance and so forth. This legislation will ensure that there is an assessment of performance. My expectation is that ministers and chairs of boards would then have the opportunity to discuss that assessment, but the legislation does not actually require a discussion of that assessment.

Visitors — Palmyra Primary School

The ACTING SPEAKER (Ms M.M. Quirk): Welcome to Parliament House, Palmyra Primary School.

Debate Resumed

Ms M.J. DAVIES: Just so that I am clear, is it currently the practice of GTEs to conduct self-assessments to review board performance; and, if so, which GTEs are currently doing that? To the point that I made earlier, is there a pro forma that is going to be expected of GTEs if they do not currently do it, given that this legislation is about standardising transparency and ensuring that we improve governance of our government trading enterprises?

Mr M. McGOWAN: I think that, currently, it is up to the individual GTEs. I do not think there is any requirement. This legislation will require it to take place. I missed the second part of the member's question.

Ms M.J. DAVIES: I have forgotten it myself!

Mr M. McGowan: It will come back.

Ms M.J. DAVIES: It will come back. I asked whether it is currently the practice of GTEs. The Premier said that it is not; it is informal. Which GTEs do and do not conduct self-assessments? If the Premier is saying that it is informal, he would not currently have access to that information.

Mr M. McGowan: I do not have that information.

Clause put and passed.

Clauses 25 to 37 put and passed.

Clause 38: Selection criteria —

Dr D.J. HONEY: I refer to clause 38(1), which states —

> A GTE's board and the Portfolio Minister must endeavour to agree selection criteria for the office of the GTE's chief executive officer.

Who wins in that case? It may be that there is a profound difference of opinion. The bill uses the word "endeavour". Will the minister or the board have the final say on what those criteria will be?

Mr M. McGOWAN: It will be the board.

Ms M.J. DAVIES: I will just follow up on that question, Premier. The board will have final control of the selection criteria for the appointment of the CEO, but, ultimately, the portfolio minister and cabinet will have responsibility for signing off on who is appointed; is that correct?

Mr M. McGowan: No, the board does.

Ms M.J. DAVIES: The board will sign off.

Mr M. McGowan: But cabinet decides who the board will be.

Ms M.J. DAVIES: Presumably, there will be an informal discussion between the minister and the board about the appointment.

Mr M. McGowan: Yes.

Ms M.J. DAVIES: I think that it would be an unusual outcome for the board to make an appointment that would not align with the portfolio minister's desires.

Mr M. McGOWAN: My expectation, and I think this is current practice, is that the board will appoint the CEO subject to an interview process and so forth. This is saying that it will try to seek some sort of agreement between the relevant minister and the board about what the selection criteria might be. It will then be up to the board to undertake the selection process. I expect the board will use—those organisations, what are they called again?—executive search firms and so forth to find who might be suitable. It will then be up to the board to undertake the appointment.

Ms M.J. DAVIES: Can I confirm that the government trading enterprise minister, which will be created under this legislation, will have no role in the process of setting selection criteria for individual GTEs? They will have no formal responsibilities around appointments or selection criteria for the CEO.

Mr M. McGOWAN: The GTE minister will not.

Clause put and passed.

Clauses 39 to 44 put and passed.

Clause 45: Fiduciary relationship with, and duties to, GTE —

Dr D.J. HONEY: I refer to subclause (1) of clause 45, "Fiduciary relationship with, and duties to, GTE". What will happen when there is a conflict between the opinion of the minister and what the board strongly believes is its fiduciary responsibility? For example, as we go further into it, we see that there is what I think is called the "statement of corporate intent", which is to provide stable power. What if there were a ministerial direction around, for example, shutting down coal-fired power stations and the board formed the view that, in fact, doing that would cause a problem? I am not alleging that this is the case. I am just using this as a hypothetical example. How far will the board's responsibility go and how will a conflict like that be resolved?

Mr M. McGOWAN: There will be no change in relation to that. Currently, if the minister and the relevant government trading enterprise board have a conflict of views, the minister, if they want to—I think this is a very rare occurrence—can issue a direction, and that will not change.

Clause put and passed.

Clause 46: Care and diligence —

Dr D.J. HONEY: I will not go through every single subclause agonisingly. Clause 46(3) has a penalty. I am surprised that a fine is included there because I would have thought that in the great majority of these cases, certainly based on my previous experience in industry, that if I committed that offence as an employee, I would be summarily dismissed. I wonder why that is not there. We can go on further around people telling lies and whatever. Again, in any normal organisation, as soon as someone crosses that line, they do not have a job. I wonder why we have a fine in this clause and what effect it would really have. As I say, I would have thought that these matters would have been very, very serious for the integrity of a board, director or officer. In fact, is a person still able to be dismissed for these contraventions?

Mr M. McGOWAN: Regarding what the member said about someone being disciplined, dismissed or what have you, depending on the circumstances and the nature of any such breach, that can take place, but that does not really require legislation. The penalty the member pointed out currently exists under the Statutory Corporations (Liability of Directors) Act, which is a state act, so that has been brought across to this bill. It also exists in some form under the commonwealth Corporations Act.

Dr D.J. HONEY: This is a matter of interest as much as anything else. Has it ever occurred? I am intrigued by this fine because I cannot see that it will ever be applied. If someone did this, they would be subject to other disciplinary action. I cannot imagine someone who had committed these offences being fined and continuing in their role. I am intrigued about whether it has actually ever occurred, because it seems almost redundant.

Mr M. McGOWAN: We do not have any information about whether it has occurred, but this is the existing position that is being moved across.

Clause put and passed.

Clauses 47 to 69 put and passed.

Clause 70: Statement of expectations —

Dr D.J. HONEY: The statement of expectations is outlined in this clause. Is this, in fact, just a reprising of the statement of corporate intent or is there a difference? If there is a difference, what is the difference?

Mr M. McGOWAN: The statement of expectations will replace the strategic development plan, and it will now be a term-of-government document. If there is a new government, the new government will have the opportunity to put a new one in place, and it will automatically expire.

Ms M.J. DAVIES: The bill states that the strategic development plan needs to be in a form acceptable to the portfolio minister and the Treasurer. My understanding is that the Treasurer is intended to be the GTE minister as well. How will that process work? Will there be a form from Treasury to outline its requirements or will it be led by the portfolio, the board or the portfolio minister? I am trying to get an understanding of who does the work up-front.

Mr M. McGOWAN: The Department of Treasury will provide guidance to the GTE about the content of the document and then facilitate the development of the document between the portfolio minister, the Treasurer and the GTE.

Ms M.J. DAVIES: Is that different from what happens currently? From my recollection and experience as the Minister for Water, I prepared documents with the Water Corporation, or the Water Corporation prepared documents in concert with Treasury. Is this simply formalising a practice that already occurs or, as the member for Cottesloe asked, are there differences; if so, where are they?

Mr M. McGOWAN: This is the way that Treasury has always wanted, and it tries to work with GTEs, which I think makes sense. This basically standardises it across GTEs so that there is an understanding of how these things should work.

Ms M.J. DAVIES: It might be further down the track—I cannot see it—but the statement of expectations is not a public document; is that correct?

Mr M. McGowan: Correct.

Ms M.J. DAVIES: I think it was the statement of corporate intent. Is there an equivalent of the publicly available document under the current system that is being created as part of this process to be shared?

Mr M. McGOWAN: There will be an annual performance statement, which is a public document, under clause 74.

Clause put and passed.

Clause 71: Preparing draft statement of expectations —

Dr D.J. HONEY: Under clause 71(1)(a), the board must consult the portfolio minister and the Treasurer regarding the GTE's statement of expectations for the statement period. I know it is in a different guise, as the Treasurer outlined; however, is that done currently so that the Treasurer and the minister input before the board puts down its own thoughts of how it should meet overall expectations?

Mr M. McGOWAN: There is currently not a formal requirement to consult with the Treasurer.

Dr D.J. HONEY: I heard in the preamble for this bill that the expectation was that it would align the GTEs with the private sector and that we wanted boards to have greater scope and accountability and the like. Does this not run the risk that boards do not in fact do that and do not act freely? If they know up-front that they have the Treasurer and the minister saying that they must do X, Y and Z, there is a strong inclination, being human, that the boards will simply do that and that may subvert the requirement for them to act freely and act like a normal private sector board. I am not aware of any equivalent process in the private sector and this step itself will intrinsically bias that process and, in effect, prevent the board from acting freely.

Mr M. McGOWAN: There is an expectation contained within a number of provisions in the bill to keep government informed of the boards' strategic direction. This clause allows for the government's expectations to be made clear to the boards when they set their strategic direction. That is similar to the private sector, I would have thought, whereby they are answerable to their shareholders, and the shareholder under this legislation—in fact, the only shareholder—is the government for government trading enterprises.

Dr D.J. HONEY: I am not aware of shareholders listing a series of demands—I will call it that to be pejorative—or a set of expectations that the board will have to comply with, knowing that further in this clause is reference to the Treasurer. I will ask why that is, knowing that it cannot go through without the agreement of the Treasurer. I am concerned that the government will have appointed a board of knowledgeable people with a matrix of skills and they are there to work out the best way to meet the overall objectives of a particular enterprise, yet up-front the minister

and the Treasurer will tell them what to do, basically. Why have that knowledgeable board with that matrix of skills if that is what is going to happen? Regardless of the ministers we have now, we know that over time various ministers, and Treasurers, have been particularly strong-willed and have had particular ideas. They may be wrongheaded ideas, but effectively they could stop the board from exercising all the skills in preparing that draft statement of expectations. The board will just give the minister and the Treasurer what they ask for right at the start and it will become an almost redundant exercise. Why have a board if a minister or Treasurer is going to do that?

Mr M. McGOWAN: Clause 71 provides the opportunity for government to provide its expectations to the board so that it understands what the government's direction might be and whatever broadly it is—economic activity, maximising economic development, supporting regional development or making sure that people who can least afford services are protected as best they can be within commercial parameters. I think that is what it is designed to do. As has just been pointed out to me, privately the major shareholder would most likely have a seat on the board, so it would actually be on the board. That is not necessarily the case with GTEs. This clause allows for the government's views to be known to the board.

Dr D.J. HONEY: Thank you, Treasurer. Clause 71(2) provides that after receiving the draft statement of expectations, the portfolio minister may require the board to reconsider and so on. My interest is with paragraph (b); I am intrigued as to why the Treasurer needs to be involved. I would have thought that the normal process of government would be that the Premier would give very clear expectations to his ministers and would tell the ministers what he wanted them to achieve and the ministers would go away and do that. The Premier, through this process, would hold them accountable for whether they did what they should be doing. Something has come into this bill. I know this bill went through Treasury and that Treasury was heavily involved in its preparation, but it looks like an enormous amount of control will go into the hands of the Treasurer and that the minister will effectively be sidelined and will not have absolute authority. I cannot see how the Treasurer is going to cope with the workload that will come out of this; I think he will be utterly overwhelmed, to be frank. The current Treasurer may be a fine fellow, and I am sure he would agree with that contention. However, we might end up with a particularly strong-willed Treasurer who has strong views and is wrongheaded, and that person will have enormous influence over the GTEs and what they are doing, above the minister. What is clear is that the minister will be subsidiary to the Treasurer in running their own government trading enterprise. I wonder why we have gone down this path. I can understand it from Treasury's perspective—it likes to have its hands in and control of everything—but I am not sure that this will necessarily be a good outcome for good government.

Mr M. McGOWAN: There is a concurrence role under existing laws for government trading enterprises. This will move it to an approval role. The reason for that is the management of financial risks to the state. GTEs are major businesses and present an inherent risk to the state. It is a risk worth taking, of course, but they have a risk. This is designed to manage that financial risk.

Dr D.J. HONEY: Thank you, Treasurer. I understand that motivation and appreciate that we do not want GTEs to do things that would put the state at risk, but this will cover a whole range of areas and not just financial risk. Just to clarify: if a minister is running their own portfolio or enterprise, would it perhaps be prudent to limit the Treasurer's scope to the consideration of matters that represent a financial risk to the state, if that is the motivation?

Mr M. McGOWAN: As I said before, there is an inherent risk, but it is a risk worth taking. This will ensure that there are more checks and balances on that risk. All major strategic decisions inherently have potential financial or economic consequences.

Ms M.J. DAVIES: If we accept that, and if the premise of the bill is that the government is attempting to increase transparency and accountability and put in checks and balances, we have an example right now in which the minister and the Treasurer are in the same role. Is there a responsibility to have a check and balance of someone outside the Treasurer's role? For instance, if the Premier were still the minister responsible for the Perth Mint, or Gold Corporation, and also the Treasurer—that is, the portfolio minister and the Treasurer were one and the same—how would that work in the spirit of the legislation, which is to increase transparency and accountability checks and balances?

Mr M. McGOWAN: The protocol will be that the Deputy Premier, assuming that that person is not the Treasurer, will undertake that role.

Ms M.J. DAVIES: To be absolutely clear, in cases in which the Treasurer also holds the portfolio for one of the GTEs, will the Treasurer's sign-off role be handed to the Deputy Premier or another minister who is not involved in Treasury or the portfolio?

Mr M. McGOWAN: The Deputy Premier will endorse the statement of expectations before such time as the Treasurer agrees to it, so it will have that additional check and balance.

Ms M.J. DAVIES: Is that in the legislation or is that just a protocol? In terms of how the Treasurer is presenting this legislation, that is something that someone has obviously thought about and anticipated, so is it legislated or is it a government policy?

Mr M. McGOWAN: It is a longstanding protocol. That protocol exists for the Insurance Commission of WA, the Government Employees Superannuation Board, the Western Australian Treasury Corporation and Lotterywest, and that will continue.

Clause put and passed.

Clauses 72 to 75 put and passed.

Clause 76: Submitting draft annual performance statement and related information —

Dr D.J. HONEY: I will not read through this clause, but, in effect, subclause (1) states that the annual performance statement cannot be published before the GTE has given the Treasurer the relevant budget papers for the year and the draft statement has gone to the portfolio minister or the Treasurer. Subclause (2) states that after receiving a draft annual performance statement, the portfolio minister may require the board to consider other matters. Effectively, GTEs will not be able to put out a report that the portfolio minister or Treasurer does not completely agree with. Is that the current practice? Rather than drawing this out, I will go directly to my concern. Is this a way of making sure that a minister or the Treasurer can ensure that negative information is not revealed to the public and that the only thing that will go out is information that will put the government in a good light? I do not know whether the current practice is that GTE annual performance statements or their equivalent have to have the minister's final approval before being released. It concerns me that important information that could put the government of the day in a bad light could simply be suppressed.

Mr M. McGOWAN: The information in annual performance statements is forward looking and included in the GTE's full budget statements. This includes disclosure of significant issues, whether they be opportunities or risks, that will impact a GTE's achievement of key deliverables that it has agreed to with government. The statements include factual information that in and of itself will not be able to be changed because the government might like to.

Dr D.J. HONEY: I am intrigued; I would have thought that this would be the equivalent of the annual report. I know the Treasurer is saying that it is forward looking, but although there might be factual information that cannot be altered, could factual information that the board recommends be left out? More particularly, there may be information involving potential—not actual—risks or concerns that, if they had the potential to put the government in a bad light, the minister and/or Treasurer could make sure did not see the light of day so that the public would not be informed.

Mr M. McGOWAN: An independently audited annual report is released that is a backward look on the year that was and then there is the annual performance statement, the equivalent of the statement of corporate intent, which is a look forward at the year ahead. Only commercial-in-confidence information would perhaps not be included in that, but I would have thought the board would be keen not to include that, in any event.

Ms M.J. DAVIES: Just for clarity, in my experience the statement of corporate intent, which is to be replaced by the annual performance statement, is a publicly released summary document that is much shorter, has less detail and is broad brush in terms of providing information about the potential risks, opportunities and priorities the board has for that government trading enterprise. I am just trying to clarify whether the annual performance statement is, in fact, the equivalent of the statement of corporate intent under a different name. As the Treasurer said, it does not include any commercial-in-confidence information that could be compromising and it is not a detailed document, whereas the annual performance statement is the internal government agreement about what the GTE will deliver between the organisation, the government and the minister of the day. Do we have that right—that we are transitioning with new names for essentially the same outcomes? Is there any material difference between the statement of corporate intent and the annual performance statement?

Mr M. McGOWAN: The annual performance statement performs the same role as the statement of corporate intent.

Ms M.J. DAVIES: Just to confirm, there is no real, material difference between the statement of corporate intent as it currently exists and what is proposed under the new legislation.

Mr M. McGOWAN: There is no material difference between the statement of corporate intent and this document, but it is true that there are now enhanced disclosure requirements in the budget papers that we brought in two years ago—another accountability measure.

Clause put and passed.

Clauses 77 to 87 put and passed.

Clause 88: Right to request, obtain and retain information —

Dr D.J. HONEY: In relation to the right to request, obtain and retain relevant information, I did not want to consider clause 87 here but these are, I think, good clauses. It must be a frustration for ministers, sometimes, that they are held accountable for issues that they have limited control over or information on. But at the end of the day, they are the person who is pinged, if you like, when there are problems.

This clause states —

(1) A relevant Minister is entitled —

(a) to be given, and to retain, information in the possession of a GTE or any subsidiary of the GTE; and

(b) if the information is in or on a document, to be given, and to make and to retain copies of, that document.

I am a little concerned about that. As an example, during the caretaker period, government trading enterprises go into a state in which the minister does not give direction and is not normally entitled to that sort of access. Will the minister subsequently gain access to all the documents in that organisation? A shadow minister may correspond with a government trading enterprise during the politically sensitive caretaker period. Will the minister, after the caretaker period, have complete access to all the emails, records of telephone conversations and so on with that entity during the caretaker period, or will that information remain confidential, which, to be direct, is what I would expect, given that it covers the caretaker period?

Mr M. McGOWAN: I am not quite sure what the caretaker period issue is, other than to say that the release of any cabinet information relating to a previous government requires the consent of the Leader of the Opposition. Sometimes that is requested, for whatever reason, and that remains in place. The provision of the right to be given and to make and retain copies of a document is so that the minister can see the actual information as opposed to a summary of the information that the GTE might provide. I do not think there is any other relevance than that in respect of caretaker periods, election campaigns and so forth. I do not see the relevance. As the member for Central Wheatbelt knows, ministers have their fortnightly or monthly meetings with their GTEs, whatever it might be, and whatever information they give a minister is there, so if they want to use it at some point in time, I suppose it is open to a minister to use it however they might wish. I do not know whether there is any great difference if they use it during the caretaker period or otherwise.

Dr D.J. HONEY: Just to be very clear, the wording is "in or on a document", and that could be email correspondence, for example, to the government trading enterprise. Does that mean that the minister will have access to all emails and all letters that go to the government trading enterprise? Will the minister have the right to access that information generally, but more particularly during the caretaker period? I would think that most ordinary citizens would expect that they could communicate with GTEs and that the minister would not have access to their emails or letters; otherwise, this is a very wideranging authority.

Mr M. McGOWAN: Currently, the minister has the power, because we are the only shareholder, to request information from a GTE. If I wanted Lotterywest to give me its emails, bearing in mind that 250 people work there, in the course of a day, there would be tens of thousands, if not hundreds of thousands, of emails. If I wanted all the emails, it would be millions, if not billions, of them. I suppose I can ask for that currently. It never occurred to me that I could do that. I hope Lotterywest can give me next week's numbers! I might ask Lotterywest for Saturday night's numbers—it is $20 million! That is currently the case. I think this is just formalising the existing situation.

Dr D.J. HONEY: Just to go further with the analogy that the Premier gave about a private corporation, I doubt whether any company in the world would release its correspondence and emails to shareholders. Regardless of whether the government is a single shareholder or whether it has a thousand or a million shareholders, I cannot see the parallel. In particular, it concerns me that correspondence during the caretaker period would be available—any letter and any email to the minister. I do not see any parallel between a private sector company with shareholders and a GTE in that regard.

Mr M. McGOWAN: I am advised that this is the same clause that is in all the GTE enabling bills. It is just transferring across to the head legislation.

Dr D.J. HONEY: Just to be clear, is the Premier saying that would apply to any correspondence during the caretaker period during an election campaign?

Mr M. McGOWAN: No. The convention has been that that cannot be done during the caretaker period. I cannot imagine a circumstance when I would call the Government Employees Superannuation Board and ask it to give me its emails during the caretaker period. I would be too busy for that.

Dr D.J. Honey: After the election has been held and you have had the caretaker period. So after the election.

Mr M. McGOWAN: I have got the gist. Can either the caretaker minister or the opposition spokesperson, after the election, go back and ask for all those emails for that month? I do not know. Whatever the caretaker conventions say is what the situation would be—whatever that is—but I suspect not. I suspect that period is a black hole because a new government cannot access what happened in an old government without the old government's permission. I suspect there would be a period in which that information could not be accessed. Whatever the existing protocols are is what will continue.

Clause put and passed.

Clause 89 put and passed.

Clause 90: Minister must be kept informed —

Ms M.J. DAVIES: I refer the Treasurer to the language in this clause in relation to the GTE. Clause 90(a) states —

> keep the Portfolio Minister reasonably informed of the operations, financial performance and financial position of the GTE …

I presume this has been dropped in from existing enabling legislation, as have many of the other clauses. Can the Treasurer give me an understanding of what "reasonably informed" would entail and provide examples of what might be seen as operational versus something of significance that a minister should be made aware of? It is a bit of a grey area. I have been a minister when I relied on the judgement of a board and its executive to run their eyes over what would be the risks for the minister, who is ultimately responsible. The buck stops with the minister in terms of accountability to the Parliament and the people of Western Australia. Is there a formal definition of what "reasonably informed" is across the board, just so that the legislation can deliver on the government's aspiration to provide additional accountability and transparency for our government trading enterprises?

Mr M. McGOWAN: The minister is not the CEO. I think it is a mistake for ministers to delve into GTEs in that manner. The types of matters that the GTE would be expected to keep the minister informed of would be matters like financial standing or the obtainment of key performance objectives. Other government expectations are matters that impact on the operations and day-to-day decision-making of government. There would probably be a discussion between board and management about what is required and what the minister should be informed of. It is not about the day-to-day operations, though.

Ms M.J. DAVIES: We have been having a debate in this house in relation to the Gold Corporation and when and how information was shared with the responsible portfolio minister in terms of changes to policy or the outcomes of changes to policy. There is clearly room for improvement. Is this in the enabling legislation now, and does the Treasurer believe that this needs to be enhanced to ensure that we do not have a repeat of some of the issues that have come out over the last six months in relation to the Gold Corporation?

Mr M. McGOWAN: The existing law requires ministers to request what they want, so they can seek the information from GTEs, but that is being reversed here, to some extent, by requiring the GTEs to keep the government informed. This legislation will put the obligation on the GTE to provide the information.

Ms M.J. DAVIES: What guidance has been provided to GTEs in terms of what they should be offering to the portfolio minister to keep them reasonably informed of the issues outlined in clause 90(a)? Will a pro forma document be provided by Treasury or government to set a level of expectation or will it be left to the discretion of the board and the CEO to make those judgements? I think we would all agree that from time to time there are differences in what government trading enterprises see as risk and what governments and cabinet ministers see as risk with their different roles and responsibilities.

Mr M. McGOWAN: As I said before, the legislation will put the onus more on the GTE to provide the information. We are encouraging more information to be provided to the relevant minister and how the rules or the protocols around that could be covered in the statement of expectations or in correspondence between the minister and the GTE or agreed to at a meeting between the CEO, the board and the relevant minister. It will basically require GTEs to keep government more informed of those matters that are outlined in clause 90(a).

Ms M.J. DAVIES: Thanks, Premier. What will be the consequence if they do not adhere to that? I cannot see any. I appreciate that there is now a clear indication in the legislation that the GTE will have responsibility to keep the minister and the government informed, but will the consequence of not doing that be horses for courses? If a minister and a GTE decide it would be unpalatable for people to know something and decide not to make it public, and the Parliament may not know about it, would it be reported? Will it be part of the reporting process through either the annual report or the statement of expectations and the other various documents that will be created? Whilst we have created an expectation, there needs to be a remedy for government or the government trading enterprises to make sure that that is in fact what happens.

Mr M. McGOWAN: If a GTE does not adhere to this and the minister is dissatisfied, in due course the relevant board chair and/or CEO may not be in that role anymore.

Dr D.J. HONEY: The intent of this provision is good. A private corporation would certainly be required to report anything that could materially affect the market. Obviously, that is enforced by the stock exchange in terms of reporting requirements. I would have thought that clarifying the scope of this in that way could perhaps help.

Mr M. McGOWAN: We would expect information to be provided to the minister because the minister and the government are held publicly accountable for whatever occurs within it.

Clause put and passed.

Clause 91: Notice of financial difficulty —

Ms M.J. DAVIES: Do the provisions within clause 91 sit in the current enabling legislation for GTEs or is this a new provision?

Mr M. McGOWAN: It is a current provision.

Clause put and passed.

Clauses 92 to 94 put and passed.

Clause 95: Terms used —

Dr D.J. HONEY: I have tagged clause 95 and subsequent related clauses as the GTE-forever clauses in the bill. Can the minister enlighten me as to whether that is correct? I want to ask questions on a couple of the provisions in this clause. At the moment, Western Power is nominally poles and wires, but it is increasingly going down the path of installing stabilising infrastructure such as batteries and the like. A subsequent government may decide that it wants Western Power to be just poles and wires and that it does not want other businesses, if you like, or other aspects of the operation to creep into that business. It might think that that is inappropriate, and then it could be extremely expensive to dispose of those battery installations and the like. I want to clarify whether this clause applies to those things. Let us imagine that a subsequent government wanted to dispose of those internal assets but not alter the GTE's main purpose. Is that encompassed by this clause?

Mr M. McGOWAN: In terms of disposal, as in being sold off or transferred for whatever reason, anything that is an asset of a GTE and meets these criteria will need ministerial approval and Parliament will have the opportunity to disallow the disposal of any significant asset.

Dr D.J. HONEY: Is the arrangement whereby a GTE cannot dispose of a significant asset without being subject to the potential for disallowance in Parliament found in existing legislation; and, if yes, what is the current trigger for a disallowance in Parliament?

Mr M. McGOWAN: The same provision exists under the Electricity Corporations Act for electricity utilities.

Dr D.J. HONEY: To be clear, will this clause expand the arrangement, or at least the provision, that exists for electricity corporations to all other government trade trading enterprises such as the Water Corporation?

Mr M. McGOWAN: It will expand the existing requirement of the Electricity Corporations Act to other GTEs.

Dr D.J. HONEY: Can the Premier explain why he saw the need for that? He probably understands my concerns with this from at least the comments that I have made. It appears that if we look at the subsequent clauses up to clause 98, and perhaps a little further, this is a GTE-forever clause. Given the changes that the government is making to the upper house voting system, it is extremely unlikely that any government will control the upper house in the foreseeable future. Effectively, we could end up with a situation in which it is impossible for the government of the day to govern whatever a GTE embarks upon. Why would we do that? The whole idea of GTEs is that they are supposed to act, if you like, with the freedom akin to a private entity, whilst the government is the sole shareholder. But the government of the day could potentially have its hands completely tied. What is the logic behind this? Why would any government want to make the selling of assets within a business disallowable in Parliament? It seems to be to entrench the status quo forever.

Mr M. McGOWAN: It is giving oppositions a greater say and it is making these sorts of transactions, which are obviously significant, more publicly accountable. It gives the members who have been elected by the people a role in these important matters. One could argue it is an accountability measure for the public. There will be consultation requirements around asset disposal and it will enhance the transparency and accountability mechanisms that support informed government decision-making—for example, the potential impacts the disposal of a significant asset may have on future strategic uses, particularly development areas, trade opportunities or strategic infrastructure planning.

Dr D.J. HONEY: There a real risk that if the government is intent on making a decision to exit out of a business, it can simply let those assets wither. That will not help the public. I understand the point the minister made about transparency, and we on this side are especially keen on the topic of transparency, but it seems to me that this is fundamentally putting at risk the ability of government and government trading enterprises to make sensible decisions. These decisions will be subject to the whim of the upper house of the day. As I said, I think there is the high likelihood that although we have a unique situation at the moment, in the future minor interest group parties will have the balance of power in the upper house. The only thing that government trading enterprises will be able to do is acquire assets, grow bigger and take on more and more functions. They will be in a position in which they will risk not being able to divest significant assets in conjunction with a mandate that a government has given after taking a policy to an election.

Mr M. McGOWAN: The trigger is for issues, matters or transactions of substance and significance. The minimum is $100 million. It is about giving the Parliament a say in the disposal of assets of more than $100 million and making sure that it is accountable, transparent and open so that an organisation does not do something of which the public and Parliament are unaware and unable to have a say in the matter.

Dr D.J. HONEY: Just to be clear, I did not quite read it as the minimum being $100 million, but I will not agonise over the words. Is it clear that the minimum value of the asset must be $100 million, so it must be an asset that is worth $100 million or more? I thought the $100 million was a catch-all, or otherwise, if the Treasurer knows what I mean. Could assets under $100 million still fall within the scope of this clause?

Mr M. McGOWAN: The minimum is $100 million. If a GTE is small—I cannot think of one that is very small—it is to deal with those big transactions and big matters.

Clause put and passed.

Clauses 96 and 97 put and passed.

Clause 98: Disposal orders —

Dr D.J. HONEY: Just to be clear—perhaps the answer is simple—either house can disallow the disposal of an asset.

Mr M. McGowan: Correct.

Clause put and passed.

Clauses 99 and 100 put and passed.

Clause 101: Restriction on effecting significant transactions —

Ms M.J. DAVIES: Clause 101 states, in part —

> (1) A relevant entity must not enter into a significant transaction unless the Portfolio Minister has approved the significant transaction under section 103.
>
> (2) A relevant entity must not organise or structure a transaction with the sole or dominant purpose of avoiding the application of subsection (1) to that transaction.

Can the Treasurer provide an explanation of subclause (3)? It looks like it is a get-out-of-jail clause! It might just be the way I am reading it, but I seek clarification on why it has been included and how it will work.

Mr M. McGOWAN: The clause will ensure that the government is aware of significant transactions that might be taking place. If a GTE breaches, we do not want to be subject to a breach of contract action or become commercially unreliable by invalidating contracts entered into between a GTE and another entity.

Ms M.J. DAVIES: Essentially a GTE will be able to, for whatever reason—I would say that it would be a fatal flaw in the relationship between the government and the minister!—enter into a transaction that does not have approvals that have been laid out in the legislation and this particular clause says that the GTE can progress regardless. Therefore, a GTE could progress down the pathway of a significant sale that would have implications for the state without the minister or the government being aware and there would be no recourse for the minister to stop or halt the transaction. Is that what that subclause (3) is saying?

Mr M. McGOWAN: I cannot really explain it better than I did before. The minister is required to be informed, but if the GTE does not inform, this provision will not invalidate any such contract because that would basically be a sovereign risk. It will not invalidate it. I suspect, as the member said, it may damage the relationship between the minister and the board chair and/or the CEO, but the subclause will ensure that the government is not a risky partner in these matters. There is still the ministerial direction capacity, which, as we all know, is rarely exercised, that may be able to stop an agency from doing something, but then the agency would be subject to legal action. That is a complex thing and it is unlikely to be used.

Ms M.J. DAVIES: Can the Premier clarify that this is a new section—that it does not exist in current GTE enabling legislation?

Mr M. McGOWAN: There are similar sections in all, I am advised. This will clarify for all of them what the position will be.

Clause put and passed.

Clause 102: Consultation regarding significant transactions —

Ms M.J. DAVIES: I assume that the convention will be that if the Treasurer and the portfolio minister are one and the same, there will be a requirement for consultation outside of those two portfolios.

Mr M. McGOWAN: Correct; it will be the Deputy Premier.

Clause put and passed.

Clause 103 put and passed.

Clause 104: Excluded transactions —

Ms M.J. DAVIES: Clause 104(1) states —

> With the approval of the Treasurer, the Portfolio Minister for a relevant entity may declare —
>
> (a) a specified transaction not to be a significant transaction for the relevant entity …

Can the Premier give us an example of what this clause may be required for? Again, this sounds a little bit like a get-out-of-jail-free card in how it applies to the significant transaction requirements that are outlined earlier in the legislation. When does the Premier envisage that may be used, and how, within the GTEs that are captured under this legislation?

Mr M. McGOWAN: Proposed sections 99 to 103 will enable the portfolio minister with the approval of the Treasurer to exempt a GTE's transaction on a singular basis or a specified class of transactions. Exclusions may come with terms and conditions determined by the portfolio minister and the Treasurer. The exclusion provisions aim to cater for those transactions that are part of a GTE's activities that are considered to be business as usual, such as repeat transactions on standardised terms and conditions with low residual risk to the state. This provision relates to business as usual repeat transactions such as buying fuel for power stations. A GTE might have constant contracts to do that, with the same conditions every day, so it is to exclude those sorts of ongoing transactions that should not be subject to this provision.

Clause put and passed.

Clauses 105 and 106 put and passed.

Clause 107: GTEs not generally subject to direction by Government —

Ms M.J. DAVIES: This proposed section is under division 4, "Ministerial directions". Am I right in assuming that this is lifted directly from the current enabling legislation?

Mr M. McGowan: Yes.

Ms M.J. DAVIES: Proposed section 107 states —

> Except as provided by this Act or any other written law, a GTE is not required to comply with any direction or administrative request given or made by or on behalf of the Government.

Just to clarify, can the Premier provide an explanation of what that actually means?

Mr M. McGOWAN: It means that any direction has to be authorised by law.

Ms M.J. DAVIES: Thank you; that was very direct. I have not quite caught up. The proposed section states —

> Except as provided by this Act or any other written law, a GTE is not required to comply with any direction or administrative request given or made by or on behalf of the Government.

The minister will have the power to give a direction to the GTE; that has always been standard. Is this the enabling part of this legislation for giving ministerial directions, or will this give them an exemption if any other part of government is requesting something from a GTE? Sorry, the Premier has lost me.

Mr M. McGOWAN: No, this is an existing provision in enabling acts, but it is saying that GTEs will be subject to direction or administrative request only if it is authorised by this act or any other act of Parliament.

Clause put and passed.

Clauses 108 to 110 put and passed.

Clause 111: Policy orders —

Ms M.J. DAVIES: For the benefit of the house, can the Premier explain the policy orders for GTEs that are captured under this legislation?

Mr M. McGOWAN: It is the equivalent of a Premier's circular but in this case applicable to a GTE. Examples of issues that may be dealt with through policy orders include prioritising the local workforce based in regional areas being accommodated within the local community, supporting industries to invest in programs to train specialist occupations in Western Australia, facilitating the development of alternative energy sources to meet the state's climate policy targets, or being leaders in the provision of inclusive workplaces.

Ms M.J. DAVIES: In essence, policy orders will make clear to GTE boards and executives the particular policy outcomes that the government is seeking. How will that interact if it is at odds with a decision of the board? How

will it be resolved if there is a direct conflict between a government policy order and the board taking a position and exercising its responsibilities?

Mr M. McGOWAN: Currently, under corporations law, directors' duties allow for directors to take account of policy orders or similar things in the private sector. Policy orders are of sufficiently high level that we do not think there will be a conflict.

Ms M.J. DAVIES: This provision is new, because the clause refers to the GTE minister, which will be a newly created role under this legislation. GTEs would not have received these policy orders previously. Is that correct?

Mr M. McGowan: Correct.

Ms M.J. DAVIES: How does the Premier envisage that policy orders will be communicated? What will be the relationship between the GTE minister and the portfolio minister and the lines of reporting responsibility for the board, so that there is a clear line of who is responsible for providing feedback and accountability?

Mr M. McGOWAN: Before the GTE minister issues a policy order, the GTE minister must have the approval of all the relevant portfolio ministers for the GTEs that will be covered by the policy order. Policy orders will be published in the *Government Gazette* and will be required to be made publicly available as long as the order applies.

Ms M.J. DAVIES: Will there be a reporting mechanism? When a policy order is given, presumably the government will want to know that the entities are actually adhering to progressing that government policy. How will that feedback loop be completed? Will it be through the portfolio minister to the GTE minister, will it be through the reports that we have spoken about that will be enabled by this legislation, or will this be a broad statement from government on high that the board can then go about ignoring at its whim and peril?

Mr M. McGOWAN: Was the member's question about a reporting mechanism to make sure that GTEs deliver on policy orders?

Ms M.J. Davies: Yes.

Mr M. McGOWAN: Apparently, it will be on a case-by-case basis, depending on the relevance of the policy order to the GTE. If there were a policy order about having local content in regional communities, for example, obviously, that would not apply to a GTE that does not operate in that regional community. It will be on a case-by-case basis, depending on the GTE.

Ms M.J. DAVIES: There will be no formalised process for policy orders. They are high-level documents that will essentially outline government positions that boards will need to take into consideration, and I guess that the portfolio minister can choose the extent to which that is reported back through their meetings, which we know will occur on a regular basis. Essentially, will there be no consequence if policy orders are not pursued?

Mr M. McGOWAN: It complies with the policy order. If they do not, that will be a matter that no doubt will be taken into account in the appointment of the chair and the CEO in the future. It is not like we are in North Korea and we take them out the back and shoot them. There is a process of taking all these things into account in reappointing people.

Clause put and passed.

Clauses 112 to 139 put and passed.

Clause 140: Final dividend —

Dr D.J. HONEY: Is the process in subclause (3) of clause 140, "Final dividend" on page 83, to be different from current practice, which is that the minister has involvement in that process?

Mr M. McGowan: It is consistent with what occurs now.

Clause put and passed.

Clause 141: Interim and special dividends —

Dr D.J. HONEY: I thank the Premier for the previous answer. In relation to interim and special dividends, I know this has been done, but my concern is with this practice that allows governments effectively to come in and raid corporations for short-term funding problems. I wonder whether there is a proper justification for this power. Is it something that can end up being abused by governments, given that the corporations will have already worked out what a dividend should be, subject to the organisation remaining solvent? A minister may come in, with the Treasurer's approval, and raid an organisation, which may help out with a temporary problem, but it will not, in fact, be in the interest of the GTE. I will not drag this out, but is that still within the bounds of the solvency provisions for the organisation?

Mr M. McGOWAN: Clause 141(2) states —

> As soon as practicable after receiving a request under subsection (1) the board must recommend to the Portfolio Minister an amount for the interim or special dividend, as the case may be, that the board —

(a) is satisfied will meet the solvency requirement; and

(b) otherwise considers to be appropriate.

The board has to meet the solvency requirement of the GTE.

Clause put and passed.

Clauses 142 to 149 put and passed.

Clause 150: Exemption from local government rates —

Ms M.J. DAVIES: Treasurer, I assume that this is again taken directly from the existing enabling legislation, but it would be remiss not to raise it in the context of this legislation because it is something that is regularly raised by local governments. Was any consideration given by government to changing the arrangement for the collection of, or exemptions from, local government rates for those entities? If not, is it something the government would consider down the track?

Mr M. McGOWAN: The answer is that that is the existing position. The second part is no.

Clause put and passed.

Clause 151: Payment in lieu of local government rates —

Ms M.J. DAVIES: The payment in lieu of local government rates is paid to government by GTEs. Is there any requirement for government to use that for the benefit of services delivery specific to local government? Is it set in a particular special purpose fund? It is a curiosity. I suspect it will just go into consolidated revenue, but it would be nice to be able to point to where those rates will go for the benefit of local government. I imagine this sector would be very supportive of that.

Mr M. McGOWAN: It is paid into consolidated revenue. It is the standard position, and it is a competitive neutrality measure so GTEs do not have an advantage over private business.

Clause put and passed.

Clauses 152 to 157 put and passed.

Clause 158: Making certain things publicly available —

Dr D.J. HONEY: The only requirement in making certain things publicly available is to be publication on a website. Is that consistent with other publication requirements now within acts? My concern is that publication will be missed unless people are fastidiously following government websites. It might be easy for a government to publish information. The provision refers to —

… a website of a department of the Public Service assisting the Minister.

It would be possible to have an obscure website that meets that criteria and avoid effective public scrutiny of important announcements.

Mr M. McGOWAN: It is designed to do the opposite, which is to make things more easily publicly accessible. I do not know how many people out there read the *Government Gazette*, so it is designed to put information out there in ways to make it more publicly available for ordinary people.

Dr D.J. HONEY: Would it not be appropriate that it also be published in the *Government Gazette*, or why is that not a requirement?

Mr M. McGOWAN: A range of things throughout the bill already are required to be published in the *Government Gazette*. This is just for things that are not already specifically required to be published in the *Government Gazette*.

Clause put and passed.

Clauses 159 to 303 put and passed.

Schedule 1 put and passed.

Title put and passed.

[Leave granted to proceed forthwith to third reading.]

Third Reading

MR M. McGOWAN (Rockingham — Treasurer) [12.18 pm]: I move —

That the bill be now read a third time.

DR D.J. HONEY (Cottesloe) [12.18 pm]: I thank the Treasurer as the responsible minister for the way he conducted the consideration in detail debate. It sets the standard for other ministers to do that in a good, cooperative

and informative way. I thank also the Treasurer's officers who assisted him in that process; it aids greatly our understanding of the Government Trading Enterprises Bill 2022. The aspects of this bill that will make government trading enterprises more accountable to a minister are entirely understandable. Ministers have been put in an invidious position when material matters have affected government trading enterprises that the ministers could not have been aware of but for which they were held accountable. Equally, these are government trading enterprises. The minister, as a member of cabinet, is ultimately responsible for the good governance of that organisation for the benefit of the people of the state. It is important that there is greater clarity around the role of the minister and having a clear direction for the organisation and an understanding of what is happening within the organisation.

I am a little concerned that some of the review of the boards could end up being a self-serving exercise, but I understand the intent of it, which is to have greater accountability for the boards. I have an ongoing concern. If I were to sit back at a very pithy level, I might say that this bill was entrenching Treasury's absolute control of government trading enterprises and that ministers could be seen to be secondary to the Treasurer or the GTE minister. I have a concern that at times that may confuse the role of the minister and the minister may feel that they are being sidelined to some degree in an area for which they are held accountable but do not necessarily have complete control over the decisions. I appreciate the Treasurer's comment that GTE ministers have a crucial role in ensuring that the overall interests of the state are protected. I will end my comments there.

MS M.J. DAVIES (Central Wheatbelt) [12.21 pm]: I have some brief comments to make at the end of the consideration in detail process. I thank the Treasurer and the staff who provided the briefings to the opposition on the Government Trading Enterprises Bill 2022. We went through the genesis of why this has come about. The opposition indicated that we understood and appreciated the intent to improve accountability and transparency and standardise the requirements of how government trading enterprises operate. Having been a minister and dealt with a number of those GTEs, I think there is a requirement to clarify, and there will be some benefit from clarifying, those positions between ministers and the boards and executive of those organisations. The bill will formalise some of the processes that are in place. There is a strong working relationship—there was when we were in government—between the Treasurer, Treasury and the organisations, particularly those that have significant financial responsibilities, such as the Water Corporation and others.

The bill will provide clarity. Having had some experience of frustration when the board or executive of some of those organisations did not feel it was necessary to provide advice or information to me as minister at the time, the legislation seems to provide greater clarity, or at least signal to those government trading enterprises that they have a responsibility. I suspect that there will still be a disconnect because political risk does not always intersect with business and financial risk. It will always come back to a good working relationship between the Treasury, minister, cabinet and those organisations because they are strange beasts. They are made whole by government. They operate in a competitive environment. Matters such as local government rates and community service obligations allow boards to operate in a commercial manner, but, in essence, government will never let them go broke. By any assessment, it is a strange entity, yet a GTE does deliver and can deliver significant outcomes for the state when that capacity is harnessed. There is great innovation within those organisations when they are allowed to exercise that. For the most part, there is a good dividend financially and also from a policy perspective for those government trading enterprises to continue.

One of the issues I raised in my contribution to the second reading debate, which the Treasurer has since addressed by a statement to the house, was around how the next tranche of GTEs would be dealt with. The question was whether it would be by amendment to this legislation. Currently, the Forest Products Commission, Gold Corporation, the Insurance Commission of Western Australia and the Western Australian Treasury Corporation are not encompassed in this first tranche. Arguably, those four entities potentially pose the most risk and carry some of the biggest challenges and complexities for government. I am interested to see how the next tranche will be dealt with and what the time line will be for them to be introduced. As I understand it, the Treasurer clarified that it would require new legislation for them to be dealt with, rather than just through regulatory changes or an amendment to the current legislation.

The aspiration is to deliver on gold-standard transparency. There would be no argument from the opposition on seeking to make the practices of these entities and the government of the day more accountable when spending significant state funds for the delivery of very important key services. The potential and future sale of assets was briefly discussed in consideration in detail. It will be interesting to see how that plays out when it is tested for the first time and how those business units and sales are dealt with, both by governments of the day and those entities coming forward. Again, we will not know until the first of those are tested and, I suspect, it will cause some headaches as government moves through.

The opposition will not oppose the Government Trading Enterprises Bill. I suspect that our colleagues in the Legislative Council will have their opportunity to go through Committee of the Whole House in greater depth. I again thank the Treasurer for responding to those questions and clarifying when clauses from enabling legislation

have been transferred, when there is new legislation and clearing up for those who interpret that legislation down the track, what that means and how the government intends it to operate going forward.

MR M. McGOWAN (Rockingham — Treasurer) [12.27 pm] — in reply: I thank members for their support of this legislation. It is historic legislation. It means that we will have greater accountability and transparency for government trading enterprises and less risk to government. As a consequence, it is a very safe and precautionary measure that we are putting in place to protect the public interest. It is once again another significant accountability measure that this government is taking. I thank members for their support.

Question put and passed.

Bill read a third time and transmitted to the Council.