

**EXECUTIVE OFFICER REMUNERATION (GOVERNMENT ENTITIES)
LEGISLATION AMENDMENT BILL 2015**

Second Reading

Resumed from 9 November.

HON SUE ELLERY (South Metropolitan — Leader of the Opposition) [11.40 am]: I rise to indicate that the opposition will support this bill. Its principal purpose is to amend the Salaries and Allowances Act 1975 and the statutes that constitute the listed government trading enterprises, to do two things. Firstly, it will provide a mechanism by which the setting of remuneration for chief executive officers of the listed government trading enterprises may be brought within the jurisdiction of the Salaries and Allowances Tribunal. Secondly, when that jurisdiction is not, or ceases to be, activated—that is, when the government trading enterprises are not captured—the bill will require remuneration for a CEO to be determined on the recommendation of the minister responsible for the government trading enterprise. There is a savings clause, if you like, in clause 5, indicating that existing chief executive officers, whichever GTE they are employed by, or whether or not that GTE is captured by this legislation, will be covered under the current system for the term of their office, so there will be no change to the remuneration package that they entered into before this legislation existed.

I thank the officers for providing a briefing. I am advised that the tribunal will establish a band, and the board of the respective government trading enterprise will determine where, within that band of salary points, their particular chief executive officer will sit. If the government trading enterprise thinks that the band is not suitable, it can go outside that band, but it will need ministerial approval to do that. The relevant government trading enterprises are listed in schedule 2. They include those captured by the Electricity Corporations Act 2005; the Gold Corporation, as defined in the Gold Corporation Act 1987; the Perth Mint; port authorities, as defined in the Port Authorities Act 1999; Racing and Wagering Western Australia; the Water Corporation; the WA Land Authority; and the WA Treasury Corporation. Some enterprises are not on the list, and I am advised by the officers that those not captured by this legislation are already captured by the Salaries and Allowances Tribunal.

Chairs of boards are not captured. Some board chairs of GTEs, given what many others have been earning in 2016, are earning a lot of money. Nevertheless, they are not captured by this legislation. That is something that this or the next government needs to think about, because it is about community standards. Many people in the community are worried about their job security and their salary. Many in existing jobs are in workplaces that have had to take wage cuts. My husband is in manufacturing. Three weeks ago, after some notification, the whole site had its shifts changed and its hours reduced across the site, and workers are earning 25 per cent less than previously. That is not a big deal in our household; we can manage that. However, for many of my husband's colleagues with young families, big mortgages and one income, that is a 25 per cent cut in their household income. For those people, looking at chairs of government trading enterprises earning excessive amounts of money is galling, and the fact that this legislation captures some, but not all, of those on the public payroll is disappointing to them.

In addition to the elements that I have just outlined, there are some consequential amendments to, among others, the Constitution Acts Amendment Act 1899. As I said, the bill does not change any existing salary levels. It will apply to future employees in positions as CEOs of the listed government trading enterprises. The bill is long overdue, but it does not capture everybody that it could. The Western Australian community is looking to us to set the standard, and I look forward to the legislation capturing everyone it needs to capture at some point in the future. With those comments, I indicate that the opposition will support the legislation.

HON ROBIN CHAPPLE (Mining and Pastoral) [11.48 am]: I will be very brief in my remarks on the Executive Officer Remuneration (Government Entities) Legislation Amendment Bill 2015. We had a briefing on the bill from Nigel Brennan and Christabel Rosario, for which I thank them. We find nothing particularly obnoxious in this piece of legislation. It deals with many of the issues about bringing some uniformity to executive salaries, and it is to be commended.

HON PETER COLLIER (North Metropolitan — Leader of the House) [11.49 am] — in reply: I thank members opposite for their indications of support for the Executive Officer Remuneration (Government Entities) Legislation Amendment Bill 2015. All I can say is, hallelujah for this bill! One of the biggest issues I ever had as Minister for Energy was dealing with the salaries, or proposed salaries, of executive officers. When they were set by the boards, I would very frequently have arguments with the respective boards based on what I regarded as proposals well beyond community expectations, and it was very difficult. It is very hard, of course, in the area of energy, because I would always have the excuse thrown at me that the proposed packages were based on interjurisdictional comparisons, or international comparisons. In the very small boutique market that we have in Western Australia, although it is a little different, executive officers from Western Australia could quite easily

move interstate or overseas and get wildly inflated salaries. Having said that, they were beyond the realms of community expectations and what this bill will do is eminently sensible. It actually hands that over to the Salaries and Allowances Tribunal so it will be almost exclusively divorced from the board and the minister, although there will be an opportunity for the minister, in unique circumstances, to make an alteration. However, simply, the whole point of the exercise is to ensure some consistency, uniformity and sanity behind executive salaries. I think that is long overdue. I am delighted the government has brought in the bill and I thank members opposite for their support of it.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

Third Reading

Bill read a third time, on motion by **Hon Peter Collier (Leader of the House)**, and passed.