

Division 7: Salaries and Allowances Tribunal, \$1 074 000 —

Ms C.M. Collins, Chair.

Mr M. McGowan, Minister for Public Sector Management.

Mr L. Cullen, Executive Officer.

[Witness introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with those details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. The chair will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 2 June 2023. If the minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for Vasse.

[4.00 pm]

Ms L. METTAM: Thank you. I refer to page 100 of budget paper No 2, volume 1, and the research undertaken as a result of the proclamation of the Constitutional and Electoral Legislation Amendment (Electoral Equality) Act 2021. Can the Premier advise what will be the potential impacts on allowances for Legislative Council members in the next term of government?

Mr M. McGOWAN: I will start on that. I think I outlined to the member before that the Salaries and Allowances Tribunal is going to investigate what appropriate allowances and support should be in place for Legislative Council members elected after the changeover in the upper house in late May 2021—something like that—and in 2025. Prior to the next state election, the tribunal will issue a determination to set out the allowance framework for Legislative Council members.

As I outlined to the member before, considering there is now one electorate—it is a democratic system as opposed to the system that was in place before—there will have to be an assessment based on where people’s electorate offices are and I think where they actually live. Those sorts of things will need to be considered by the Salaries and Allowances Tribunal. Other states have this system, so there are models around the country to look at. But, obviously, if someone is living in Newman, Broome, Kalgoorlie or Esperance, and certainly if their office is there, that would impact their entitlement to allowances for travel, accommodation, charters, vehicles, and all those sorts of things. It is just a process that the Salaries and Allowances Tribunal will go through. I suspect the trickier thing will be ensuring that people do not set up their electorate office somewhere and then live somewhere else and claim allowances that they would not be entitled to; that will obviously be a bit of an issue, but I am sure that the Salaries and Allowances Tribunal will work through that. Perhaps Mr Cullen has something to add to that.

Mr L. Cullen: Yes, thank you. The Premier has pretty much summed it up. The tribunal is very much in the investigation stage at the moment; it is collecting data. There are no firm decisions on what the allowances will be or whether there will be any changes, so there is no figure on the potential changes. In 2024, the tribunal will probably be in more of a position to issue a determination and set out all those changes.

Ms L. METTAM: Does the Premier think there will be significant changes? I note the comment the Premier made earlier. I guess the Premier is saying that regional MPs will still have quite similar travel allowances to take into account the distances and the costs of supporting a regional community?

Mr M. McGOWAN: I would not think there will be any changes to lower house regional allowances; I think that is pretty well set. With respect to upper house MPs, it will be a matter of coming up with an arrangement that reflects where their offices are and where they are located. I am sure the Salaries and Allowances Tribunal will work that out. I expect there will be significantly enhanced allowances and support for travel and so forth for genuinely regional MPs, depending upon how far they are from Perth. I think that is the existing arrangement; that would be the continuing arrangement. I want to encourage people to have their offices and live in regional WA, so we have to encourage that. However, we do not want people to seek allowances without actually being regional. That can happen now, of course, but we want to make sure that, as much as we can, people are based in regional communities, wherever it is around the state.

Ms M.J. DAVIES: I understand the rationale. It may just be something to throw into the mix that every member in the upper house is going to be representing the whole state, so one would assume that there would be accommodation

within the allowance for people to be able to actually do that properly, not necessarily just based on where their office or home is. If we are expecting every member to be able to cover the entire state, that comes with expenses, as well.

Mr M. McGOWAN: That is true. This is an interesting discussion, because, obviously, all the lower house metro members of Parliament—I can see three of them here—have an interest in regional WA, as well. We do not want the allowances and pay, if you like, and whatever else to be too far out of kilter between the upper house and the lower house. Certainly, I would expect the Salaries and Allowances Tribunal to take that into account. We have to remember that, currently, I think every MP has \$6 000 or \$7 000 per annum for travel. It is called the parliamentary travel and study allowance, and it allows city MPs to travel anywhere around the state or the country for whatever purpose. But I know that the Salaries and Allowances Tribunal takes this seriously, and it has a considerable period before it will make a determination; I suspect that it will make a determination sometime next year. I encourage the Salaries and Allowances Tribunal to sit down with members opposite and get their views on that sort of thing, and I will ensure that is passed back so that John Day, Barry Sargeant and Margaret Seares sit down with members opposite and hear their concerns. As members know, John Day is a very reasonable person who understands what it is like to be an MP. I suppose we could say his electorate was quasi-rural. He would understand the issues. The member makes a good point; it is worth considering. I do not want to discourage people from establishing offices and living in the regions, but I do not want someone to get the same allowance for an office in Kununurra as they would if their office were in, with all due respect, Northam or Mandurah.

Ms M.J. DAVIES: I appreciate that, but there is still a requirement for us to be able to cover the state. Regardless of whether my office is in Northam or not, as a shadow minister or someone in the opposition or government, I have a responsibility to be in all areas of the state. The Premier said that we should sit down with the Salaries and Allowances Tribunal; I welcome that opportunity and I hope that the SAT will. What kind of consultation will SAT be doing in advance of that determination?

Mr M. McGOWAN: I will let Mr Cullen comment.

Mr L. Cullen: At the moment, we are doing a lot of jurisdictional research, speaking to administering agencies, and just getting in a lot of data. The plan is to write a discussion paper and put it out to the public, including members of Parliament. Then we will speak with members of Parliament, get further feedback and go forward from there. Yes, the plan is definitely to consult with members.

Mr M. McGOWAN: I think that there will be full consultation. Knowing those people, I think that they will come up with something very reasonable. Obviously, it is outside our control, but I think that they will come up with something very reasonable.

Ms M.J. DAVIES: Is the time line set for when that will be finalised? Did the Premier mention that earlier?

Mr M. McGOWAN: The SAT will publish the determination before the state election. Obviously, that will allow people who are standing to know what the terms and conditions will be. I would expect it to be published in the second half of next year, I would think, but it is really outside my control. We are now in May 2023 and the election is in March 2025. I would have thought that it will probably be published sometime in the middle of next year or thereabouts. That is my assumption. Mr Cullen, did you have anything to add?

Mr L. Cullen: Yes, I think the determination will probably be handed down around the second half of 2024. There is no firm deadline at the moment.

Ms M.J. DAVIES: I refer to page 100 and the heading “Significant Issues Impacting the Agency”. Paragraph 2 refers to the Government Trading Enterprises Bill 2022. Can the Premier advise what is the expected remuneration that will be paid to the directors of the 12 government trading enterprise boards?

[4.10 pm]

Mr M. McGOWAN: Our government trading enterprises are often very major businesses, so the Salaries and Allowances Tribunal will have the power to set the remuneration for board members of those GTEs. They include Synergy, Horizon, Western Power, Water Corporation, Bunbury Water Corporation, Busselton Water, Fremantle Ports, Pilbara Ports Authority, Mid West Ports Authority, Southern Ports Authority, Kimberley Ports Authority and DevelopmentWA. Those businesses combined are multi-multibillion-dollar businesses, so getting good and appropriate people and people with the right skill sets to be board members is important. When we compare the remuneration of these boards with some of the private sector boards, we see it is significantly lower. I am not saying that the remuneration should reflect the private sector—it probably should not—but it certainly requires proper analysis. I expect that will be the role. With regard to the figures, that is a matter for the Salaries and Allowances Tribunal, but maybe Mr Cullen can add more information.

Mr L. Cullen: Yes, that is still subject to tribunal discussion, so there has not been a decision on any final figures for those boards yet. It will issue a determination and publish it on the website through the State Law Publisher.

Ms M.J. DAVIES: Is there a time line for when it is likely to be published?

Mr M. McGOWAN: I will hand to Mr Cullen.

Mr L. Cullen: Yes. It will be subject to the passing of the bill and proclamation dates, but I think the plan is for that to be in place on 1 July. Once everything has been proclaimed, the tribunal will have the powers and a determination will be issued the next day.

Mr M. McGOWAN: Is that this year?

Mr L. Cullen: Yes.

Ms L. METTAM: I refer to the line item “Quantity—Determinations/Reports” under the outcomes and key effectiveness indicators on page 101 of budget paper No 2, volume 1. Can the Premier please explain why there were only 18 determinations and reports—well below the budget target of 25?

Mr M. McGOWAN: The number of determinations is expected to remain relatively steady. It can vary due to the number of appointments, machinery-of-government changes or positions being included in the tribunal’s jurisdiction. There is a range of factors involved, but I will ask Mr Cullen to comment further.

Mr L. Cullen: The requirement to do a determination is often influenced by factors outside the tribunal’s control, including new appointments, retirements and variations to determinations. This year there was less need for us to do variations, so that is reflected in the lower number.

Ms L. METTAM: Under the table headed “Desired Outcome”, with regard to the remuneration set for all areas the tribunal covers, which officers will have their salaries determined in 2023–24 and 2024–25?

Mr L. Cullen: The tribunal is required to do annual determinations on all those officeholders, apart from the Governor, whose remuneration is set when he is appointed. We will do all those officeholders in 2023–24. We have done them all so far except for members of Parliament and members of the special division of the public service, which are due to be done in June. It is annual, so they will all be done again in 2024–25.

Ms M.J. DAVIES: I refer to page 102 of budget paper No 2, volume 1, and the third dot point under “Services and Key Efficiency Indicators”, which states —

determine the fees, expenses and allowances to be paid or reimbursed to local government elected council members ...

Does the latest local government legislation have an impact on what needs to be done with the Salaries and Allowances Tribunal?

Mr M. McGOWAN: No, I understand it does not. There is a range of other reforms contained within it. With regard to the remuneration for local government, the member is talking about CEOs and elected members. That has been under the control of the Salaries and Allowances Tribunal for a considerable period. I cannot remember how far it goes back; certainly, when I was a local government councillor, your payment was a blazer that you received at the start of your term and that was what you got. These days there is a bit more financial reward, which means there are more people attempting to do it, because of the time considerations that go into that job. But, no, that legislation will not have an impact.

The appropriation was recommended.