

Legislative Assembly

Tuesday, 31 May 2011

ESTIMATES COMMITTEES A AND B ESTIMATES COMMITTEE A

Dr M.D. NAHAN: I refer to page to 110, and the heading "Significant Issues Impacting the Agency". The second dot point under that heading states that the tribunal will be taking over the responsibility of determining the remuneration of the chief executive officers of government trading enterprises. That is a significant change. What is the reason for this, and how does this decision relate to the boards of those agencies, which, as I understand it, have in the past generally determined the wages?

Mr C.J. BARNETT: It can vary from one piece of legislation to another. But generally, from my experience at least, if a board determines what it believes a CEO should be paid, that will come to the minister, and perhaps the Treasurer, for agreement. So there is usually that check. This government has been somewhat dissatisfied with some of the arrangements that have been built into contracts for CEOs, such as incentives and the like. Those things more properly belong in the private sector.

I do not think they sit well within government employment, particularly bearing in mind that GTEs are a sort of bridge between the private and the public sectors. The government feels more comfortable with the Salaries and Allowances Tribunal providing advice to the boards of GTEs on salary levels, and probably also the structure of salaries. Mr Coleman may wish to comment further.

Mr W. Coleman: Thank you, Premier. We believe that we have the expertise and the resources to address these issues, and it is really a part of the fabric of government and quasi-government employment that is missing from the jigsaw at the moment under the jurisdiction that the Parliament has given us. We already provide the recommendation for the local government CEOs. This is an extension of the work that we have been doing in that area for some five or six years.

Dr M.D. NAHAN: Will the tribunal also be determining the remuneration for the boards of directors of GTEs?

Mr C.J. BARNETT: I do not think the tribunal plays a role in that. I think that is set through the Public Sector Commission. Does Mr Coleman want to add to that?

Mr W. Coleman: No.

Mr C.J. BARNETT: If I can add to that, the Salaries and Allowances Tribunal is, and needs to be, independent. As a government, we are asking SAT to take on some other roles. That includes the entitlements of members of Parliament. However, that does enter into a grey territory. The more this government asks SAT to do, the more we could infringe upon its independence, and we are both very conscious of that. But its independence and expertise are something that can be used and should be used.