

INSURANCE COMMISSION OF WESTERN AUSTRALIA AMENDMENT BILL 2013

Introduction and First Reading

Bill introduced, on motion by **Mr T.R. Buswell (Treasurer)**, and read a first time.

Explanatory memorandum presented by the Treasurer.

Second Reading

MR T.R. BUSWELL (Vasse — Treasurer) [12.17 pm]: I move —

That the bill be now read a second time.

The purpose of this bill is to further align the Insurance Commission of Western Australia to the state's policy statement on competitive neutrality. The statement aims to eliminate resource allocation distortions arising out of the public ownership of entities engaged in significant business activities. In Western Australia, minimum requirements for government trading enterprises to achieve competitive neutrality include being subject to both full commonwealth and state tax equivalent payments, and the payment of dividends to the consolidated account. The majority of Western Australian GTEs, from large utilities such as the Water Corporation and Western Power, through to smaller entities like Western Australian Treasury Corporation and Gold Corporation, are subject to these requirements.

Under current arrangements, the Insurance Commission of Western Australia is subject to full commonwealth and state tax equivalent payments. However, unlike most Western Australian GTEs, it is not required to return any portion of its profits to the state in the form of dividends. This bill will align the Insurance Commission of Western Australia to other state-owned GTEs by making it subject to dividend provisions. The bill will provide for the Insurance Commission of Western Australia to recommend both an interim dividend and final dividend payable for each financial year. If the Insurance Commission does not believe it is in a position to pay an interim dividend or dividend for a financial year, it can make this recommendation to its minister.

I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman**.