

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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**INSURANCE COMMISSION OF WESTERN AUSTRALIA AMENDMENT BILL 2002**

*Consideration in Detail*

Resumed from 10 September.

**Clause 6: Section 6 amended -**

Debate was adjourned after the clause had been partly considered.

**Mr M. McGOWAN:** I move -

Page 3, line 25 - To delete “, (b) or (c)” and substitute -

or (b) or manage and administer arrangements under paragraph (c) or (ca)

The amendment results from a drafting error. It is basically to tidy up the situation that I explained last time at the consideration in detail stage. It is to ensure that the Insurance Commission of Western Australia is able to initiate or participate in and promote programs and schemes for research into treatment of industrial diseases and personal injury, and research into education for, and promotion of, public awareness relating to the prevention of industrial diseases, personal injury and accidental death, being programs and schemes relevant to risks in respect of which the commission is to provide insurance under paragraphs (a), (b) or (ca).

**Mr D.F. BARRON-SULLIVAN:** Far be it from me, having just been berated by the Leader of the House for getting a word wrong in a motion, to in any way rub into the parliamentary secretary that we had to stop debate on this the other night because he was responsible for an error in the drafting of this legislation. I will not mention that. Instead, I will continue my questioning on this clause. I asked a question about the role that the commissioner would have in initiating or participating in and promoting programs and schemes for research, education, public awareness and so on. I asked where the money would come from for this. I was basically told that it would come from the premiums. I am trying to get my mind around this. On the one hand, the Government is saying that the premiums will be charged and determined on a commercial basis; on the other hand, we are giving the commission the authority to spend some of this money on matters that I would have thought had nothing to do with the determination of premiums or the provision of insurance to these organisations. I would like an explanation of why we are dipping into premiums to pay these amounts. Unless there is some sensible explanation, clearly the premiums cannot be worked out purely on a commercial basis. If, for example, the commission decided to undertake some extensive education programs or whatever, it might artificially increase premiums for eligible organisations that want to take out insurance through the commission.

**Amendment put and passed.**

**Mr M.W. TRENORDEN:** Clause 6 refers to risk management. How will that occur bearing in mind that the State Government Insurance Commission has just lost \$26 million? What assurance can we have about the risk management process of the Insurance Commission of Western Australia? Given the press report a few days ago, we need to ask the parliamentary secretary just how good is the risk management assessment.

**Mr M. McGOWAN:** The question relates to the activities of the SGIC and the report in the newspaper the other day of a loss of its investment income. It has nothing to do with risk management or the context of this Bill. However, it proves that insurance is a risky business. I was trying to make that point to the Leader of the National Party the other night when he stood in this Parliament, put his hands above his head and said that there is no risk in the business and that we could simply set up a state government insurer, insure everyone and then sell it off to the highest bidder. The losses incurred by the State Government Insurance Commission merely prove the point that I was trying to make to him that insurance is a risky business. Treating it flippantly and as something in which State Governments should get involved willy-nilly is not the right approach. The Government has a sensible, reasoned approach. I raised the Leader of the National Party's case the other day with a group of lawyers, insurance company executives and people with an interest in this area. They laughed at what the Leader of the National Party said in this Parliament the other night. If he runs around the State implying that sort of thing and saying that the State Government should get involved in insurance easily and willy-nilly, he has learnt nothing from this debate.

**Mr M.W. TRENORDEN:** What has occurred in the two or three days since SGIC announced a loss? Why should we have any confidence at all in the risk assessment that is being talked about? The parliamentary secretary is saying that risk management will occur. Can he demonstrate the difference between last year and the debate on this Bill?

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Mr M. McGOWAN: I will reiterate for the benefit of the Leader of the National Party that the clause we are amending deals with the functions of the commission and its power to manage and administer insurance and risk management arrangements on behalf of public authorities, and to initiate, participate in and promote programs and schemes for research into the treatment of industrial diseases and personal injury, and research into, education for and promotion of public awareness relating to the prevention of industrial diseases, personal injury, accidental death and related matters. The clause enables the commission to carry out those activities in relation to community groups that may receive insurance under the proposed provisions. They do not relate to any of the financial matters that the Leader of the National Party is referring to. If he wants to raise those matters, he should raise them in another forum, because they do not relate to this Bill. We are not here to debate the financial operations of the State Government Insurance Commission and whether it has raised or lost money on its investments. That is not the purpose of this clause and not the subject of the debate tonight. The Leader of the National Party is on record with his profligate attitude to insurance and his belief that the State Government should start to act on a non-market oriented basis and operate on the basis that somehow the State can wave a magic wand, ignore market forces and take risks with public money. His comments are on the record and he has no credibility on this issue whatsoever.

**Mr M.W. TRENORDEN:** I would enjoy a debate about credibility. Who had carriage of this Bill last week when it turned into a debacle? It is the worst handling of a Bill I have seen in 15 years in this House. I am pleased that the parliamentary secretary made the last statement. I presume that he is saying the people who will manage the Insurance Commission of Western Australia will be a totally different group from those who managed the funds of the SGIC. That is what the parliamentary secretary is saying to me. The parliamentary secretary has clearly said that the people who will provide the risk assessment and investment advice for this fund will be different from those who provided that advice for the other fund. When the parliamentary secretary says that, I will be satisfied.

**Mr M. McGOWAN:** To sum up, this clause is actually about the functions of the Insurance Commission of Western Australia and its capacity to assist community organisations with risk management. The Insurance Commission of Western Australia, which received some compliments tonight from members of the Opposition, has the capacity to provide that risk management advice. Its officers are experienced in and have a responsible attitude to insurance. This clause enables the commission to provide advice, training and help lines to community organisations. It is a sensible clause, and members opposite should support it.

**Mr M.W. TRENORDEN:** I would like some response. Tonight's debate is a mirror of last week's. We kept asking the parliamentary secretary questions last week and he kept refusing to answer. If we are to go through this process of constantly asking questions -

Mr M. McGowan: Ask me your question.

Mr M.W. TRENORDEN: Are the people undertaking the assessment on risk the same people, from the same building, who undertook the assessment that led to the \$26 million loss from the State Government Insurance Commission? Is it the same group of people who managed to lose \$26 million from a fund that had parameters in place?

**Mr M. McGOWAN:** I can provide a straightforward answer to the Leader of the National Party. The previous Government outsourced the investment function of the Insurance Commission to a range of funds. Those people are in control of that aspect of the activity.

Mr M.W. Trenorden: The answer is yes then.

Mr M. McGOWAN: No; the answer is no. The internal activities of risk management, training and advice to community organisations, proposed in this Bill, will be conducted by officers of the commission who did not carry out the activities responsible for the loss of funds the member is complaining about. I remind the Leader of the National Party that the previous Government put in place that arrangement. Is that point now clear? The same people are not performing that role. It is straightforward.

**Mr M.W. TRENORDEN:** What is clear to me is that when the Labor Party was last in control of these funds, it lost \$1 billion. The person who was riding that horse at the time was the current Premier. That is clear to me. It is clear that this Labor Party, the people on my left, has a horrendous record in insurance in this State. When I spoke on this matter last week, I pointed out that the Labor Party has a bunker mentality about public insurance.

Mrs C.L. Edwardes: Is the parliamentary secretary saying that there will be no investment whatsoever, however much money goes into that community fund?

Mr M.W. TRENORDEN: He clearly said that the Government would not outsource it.

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Mrs C.L. Edwardes: No, he did not say that. He said that the people who lost the money were part of the outsourcing, but he did not go on to say that there would be no investment of those funds, and that if investment were to occur, it would be done in-house. He talked about risk management.

*Points of Order*

**Mr J.C. KOBELKE:** The parliamentary secretary has tried to point out that the line of argument being taken by the Leader of the National Party is not relevant to the clause currently before the House. He tried to explain that point, but we are continuing to proceed with an issue that relates to losses on investment and has nothing to do with the clause that is before us. We need to deal with the clause and not matters that are extraneous to it.

**Mr M.W. TRENORDEN:** We are talking about risk management. If investment advice is not risk management, I will jump off the Sydney Harbour Bridge.

**The SPEAKER:** Members should restrict their comments to the clause being considered. I am sure that members are endeavouring to do that. I am sure that this particular line of questioning is about to end.

*Debate Resumed*

Mr M.W. TRENORDEN: The parliamentary secretary clearly indicated that investment income into this fund would be handled in-house and not outsourced. Is that correct?

**Mr M. McGOWAN:** That is not correct. I will explain it very slowly to the Leader of the National Party. In fact, I might even spell it out for him, so that he understands. Those investment activities were outsourced by the previous Government. That position is still in place. The training and advice functions of RiskCover are carried out by RiskCover officers. That is the most straightforward answer that I can give to that straightforward question. The Leader of the National Party looks as though he is about to jump up and say the same thing again. The member should sit back in his chair for a moment.

Mr M.W. Trenorden: No.

Several members interjected.

The SPEAKER: Order, members!

Mr M. McGOWAN: The investment activities are outsourced to a range of funds. As the Leader of the National Party is the financial guru of the Parliament, he will be aware that a great many investment funds around the world, such as superannuation funds and the like, have recently suffered losses. One need only glance at the business pages of newspapers to notice that. Those activities are not undertaken by those officers. The previous Government outsourced those activities to a range of institutions to manage those funds on behalf of the State. The advice and risk management functions provided to community organisations that might receive insurance cover will be carried out by experienced officers of the Insurance Commission of Western Australia, who, in other words, are employed by the Government of Western Australia.

**Mr M.W. TRENORDEN:** I interpret that answer as saying that risk management, in terms of underwriting, will be done by the Insurance Commission of Western Australia, but no-one will have any interest whatsoever in investment. ICWA has no interest whatsoever in controlling -

Mr J.C. Kobelke: It is not in this clause. This clause does not relate to that.

Mr M.W. TRENORDEN: The clause refers to risk management.

Mrs C.L. Edwardes: Clause 5 relates to investment. The term "eligible community organisations" has been added. Of course it relates to that.

Mr M.W. TRENORDEN: There is no question that it relates to that issue. The parliamentary secretary is clearly trying to outline to us that ICWA will do all things necessary to manage the underwriting of this fund, but will pay no interest whatsoever to risk management of investments. That is an interesting point.

**MR D.F. BARRON-SULLIVAN:** I am still waiting for a response from the parliamentary secretary. Perhaps he was a bit tied up earlier. I will try to go through my questions again. I will not again berate the parliamentary secretary in the way I did earlier, albeit not quite as loudly as the Leader of the House berated me earlier. The question I had was very simple. Can the parliamentary secretary provide some assurance that undertaking the tasks set out in this clause - that is, initiating research, participating in programs and such things - still fits in with the charter that the commission will have to provide insurance to eligible organisations on a commercial basis? For example, I expect that the commission will provide certain risk management assistance for community groups and organisations. Overall, that might assist to improve the situation and reduce the element of risk and

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therefore put downward pressure on premiums; consequently, that might be considered a commercial decision. What types of similar research programs and so on that other companies in the private sector would carry out are provided for in this legislation? Will the minister assure me that by spending money on these things, we will not artificially jack up premiums by imposing a cost that will be passed on to community groups? It is all very well to sneer, but the parliamentary secretary is on the record in the newspaper as saying that premiums are not coming down. I am trying to find out why they are not coming down. The parliamentary secretary can sneer at us during the consideration in detail stage when we ask questions, and he can berate members of the Opposition; however, we will keep asking these basic questions until we get sensible answers.

**Mr M. McGOWAN:** This provision of the Bill is about helping to reduce the premiums of community organisations that might receive coverage under this Bill. It includes research into the treatment of industrial diseases and personal injury. Successful activity in relation to that matter will reduce premiums. Premiums will be reduced if research, education and promotion of public awareness regarding the prevention of industrial diseases, personal injury and accidental death is conducted, which has increasingly been the case over the past two centuries. This provision is about reducing the risk faced by organisations; it is very straightforward. It mirrors the provisions that are in place for government agencies, which are covered by RiskCover. The provision mirrors those provisions for community organisations that might receive coverage under this Bill. Research into the treatment of industrial diseases and personal injury and research into the education and promotion of public awareness of industrial diseases, personal injury and accidental death are very admirable purposes. All those things increase the premiums of some organisations. This is a very straightforward provision. It mirrors those provisions that are in place for government agencies and it ensures that community organisations have proper risk management practices in place.

Mr D.F. Barron-Sullivan: Do other commercial insurers undertake these activities? What percentage of total premium receipts is expected to be spent on those activities?

Mr M. McGOWAN: The implication of the member's question is that he does not think that the Insurance Commission of Western Australia should carry out these activities. This is pure filibustering. The member for Mitchell thinks that it is inappropriate to include provisions to try to ensure that research into industrial diseases, personal injury and accidental death is conducted. He would be the only person in Western Australia who thinks that is inappropriate. That type of argument merely delays this Bill and the Civil Liability Bill. At the commencement of their speeches, the member for Mitchell, the Leader of the Opposition and the Leader of the National Party said that this State was facing a crisis and that the Government had to urgently do something about it, yet they continue to delay it. The Opposition's motion to refer this Bill to a committee was a stunt designed to delay these Bills. These Bills will have widespread public support. The Government is trying to solve a major crisis that has occurred across Australia. The Leader of the Opposition has said it is the most major crisis across Australia, yet the Deputy Leader of the Opposition nitpicks about the Insurance Commission researching industrial diseases and personal injury. These provisions are about reducing premiums, which they will do.

**Mr M.W. TRENORDEN:** I will make it easy for the parliamentary secretary. How much will be spent on research into the treatment of industrial diseases and personal injury? Who will carry out the research? Will it be done in-house, in conjunction with the workers compensation system, or by private enterprise?

Mr M. McGOWAN: Most of the activity conducted by the Insurance Commission relates to training, advice and assistance. The Leader of the National Party might take note that the primary Act has been in place for 16 years. I have not previously heard the member say that the Government should not undertake these types of activities. It is the Government's role to carry out this type of research and promotion. The provision is also a risk protection facility for government assets. If the Government is to take on these responsibilities for community groups, it should try to ensure that those groups have the best risk management practices in place. If we are to risk taxpayers' funds, which the Leader of the National Party seems to think is a walk in the park and does not entail any risk according to the Trenorden theory of insurance, we must try to ensure that there are appropriate risk management practices in place. If appropriate risk management practices are in place, that is a commercial activity.

**Mrs C.L. EDWARDES:** This section adds consideration of eligible community organisations to the functions of the Insurance Commission of Western Australia. As the parliamentary secretary said, the functions of the commission have been in place for a considerable time. They have been in place for insurance policies that have been issued for motor vehicle third party insurance, workers compensation and public authorities. The Government is seeking to include eligible community organisations to those provisions. The bodies about which we have been talking include the girl guides etc. These are very worthwhile functions. Who will pay for those

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functions? Will the funds come out of the consolidated revenue fund to go into the community fund to pay for this, or will they come out of the community fund that is made up of the premiums of those eligible community organisations?

Mr M. McGowan: Part of reducing premiums for these groups involves having appropriate risk management practices in place.

Mrs C.L. EDWARDES: I do not disagree with that, but that is not the question. There is a long tail to some of these matters. It might take community organisations three, five or 10 years before they can put proper risk management processes in place so that it will have an impact on their premiums. How many times have we been told by community organisations that they have never made a claim, yet their premiums have increased? Risk management will mean nothing because some of these organisations have never made a claim.

Who pays for the functions about which we are talking under proposed section 6, which apply to eligible community organisations? Is it the Government, or is it the community fund, which is made up of the premiums of those eligible community organisations? Disregarding where the money will come from, what percentage of a community's funds does the Insurance Commission consider will be necessary to pay for these measures? Will it work on the basis that it will be half a per cent, one per cent or three per cent? The Insurance Commission must have some idea about how this measure will be funded and what the likely annual cost to an organisation will be.

**Mr M.W. TRENORDEN:** The Government talks about a promotional budget and public awareness. Therefore, it is obvious that it has plans to promote this matter to the public and to make it aware of what is happening. What is that promotional budget? How much of that budget has been allocated to this clause of the Bill? It is a simple question.

Mr M. McGowan: Do you support a promotional budget?

Mr M.W. TRENORDEN: I support the conduct of research by the commission. I just want to know how much it will cost. It is the parliamentary secretary's responsibility to tell me. I give him a 100 per cent guarantee that I believe research should be conducted, but how much will it cost? I also support promotion of the aspects of this Bill. However, the very reasonable question to the parliamentary secretary is: how much will it cost? We need to know how much it will cost and who will pay.

**Mr M. McGOWAN:** At this stage no promotional budget has been set aside.

Mr M.W. Trenorden: Why is that not surprising!

Mr M. McGOWAN: Hold on. On the one hand, the Leader of the National Party says that we must ensure that we reduce premiums as much as possible, and, on the other hand, he says that we must spend money on promotion. The Leader of the National Party cannot have it both ways. He seems to be walking on either side of a barbed wire fence. No budget has been set aside for promotion. This matter is receiving widespread consideration throughout the State. A range of community organisations have already contacted the Insurance Commission of Western Australia informally about this matter, asking when the legislation will be passed. Those organisations hope that the Parliament will do its job and pass this Bill in a reasonable time frame.

I refer to the commission's activities under clause 6 and remind the Deputy Leader of the National Party that it states -

to manage and administer insurance and risk management arrangements on behalf of eligible community organisations.

That is the major part of the clause that we are debating. Those activities will be paid for by the commission out of premiums received in a global sense.

**Mr M.W. TRENORDEN:** Unfortunately, the situation is the same tonight as it was last week. We do not get an answer to any question we ask about this Bill. We spent five hours until half past 12 on Tuesday night last week asking question after question, but we received no answers. Tonight we have received no answers to some fundamental questions. We asked a very simple question: what is the promotion budget? I support the promotion budget, but what is it? I cannot be told. I support the research, but what is the research budget? I do not know. I also point out to the parliamentary secretary that at some stage last Tuesday we put him out of his misery. We might have to do it again tonight.

**MR D.F. BARRON-SULLIVAN:** I thank the parliamentary secretary for reiterating the fact that these costs will effectively be taken out of premiums.

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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Mr M. McGowan: The Insurance Commission of Western Australia obtains its funds through premiums. From where do you expect these costs to be met? Do you think there is a pot of money out in the ether from which money can be taken for these things?

Mr D.F. BARRON-SULLIVAN: The parliamentary secretary has indicated that these premiums will be determined on a commercial basis. In the first instance, we were trying to drag out of the parliamentary secretary where the money will come from. Last week he said that it will come from the premiums. It is amazing that it took 10 seconds to get that out of the parliamentary secretary last week, but it has taken 10 minutes to get it out of him tonight. He is obviously a bit sensitive about it. However, the fact is that the money will come out of the premiums. My next question is: when the same sort of insurance is provided by other providers of insurance - in other words, private sector insurance companies - will they undertake all these sorts of programs as well; and, if so, will they fund them out of premiums charged to their clients? That is all I want to know. Is this normal commercial practice?

**Mr M. McGOWAN:** I thank the Deputy Leader of the Opposition for his question, which relates to the commercial activities of private insurers. I am not sure that that is relevant to clause 6 of this Bill, but, in any event, I will answer the question. A worthwhile, decent insurer will ensure that risk management practices are in place. If a person went to every decent insurer across Australia, I expect he would find that they have practices in place to manage and administer insurance and risk management arrangements on behalf of the people they insure. That is what this Bill does. It will carry out that practice. That is standard practice across Australia in insurance companies. It is not different. If the Deputy Leader of the Opposition is asking whether the Government does it more than commercial operators, I suspect it probably does, because I believe it is a legitimate activity of government to do research into industrial diseases to try to prevent accidental deaths and to try to make sure that proper risk management practices are in place for community groups. That is an appropriate activity on the part of government and also commercial insurers. As to whether the Government does it more than any particular insurer, of which there are dozens, I cannot give an exact answer. I know that the Leader of the National Party will say that I am not across my stuff, but I do not know whether the Insurance Commission of Western Australia spends more funds on industrial disease prevention in this area than does the Royal Automobile Club of Western Australia, NRMA Ltd or Suncorp. I do not know the exact answer to that question, but I believe it is a legitimate activity of the Insurance Commission.

**Mr B.J. GRYLLS:** The parliamentary secretary just contended that the Government may well spend more money on research because it is necessary. However, the crux of this Bill is to provide reduced insurance premiums to volunteer groups. If the Government spends more on those research functions than do the private companies, how will it possibly provide cheaper premiums?

**Mr M. McGOWAN:** The Insurance Commission of Western Australia is already carrying out these activities according to its charter, as laid down by the Bill that was passed 16 years ago. Any additional cost to any community group that receives insurance would be extremely marginal, because all these activities are already going on. However, the money is spent in a global sense. The Insurance Commission does not say that it picked up a premium from a surf-lifesaving club; therefore, it will take a certain amount from that. The commission spends its money in a global sense.

I say again that risk management practices reduce premiums. This Bill is about providing insurance to worthwhile community groups that cannot obtain insurance elsewhere, or can obtain it elsewhere only at an exorbitant rate, and that carry out worthwhile activities or activities analogous to government. As to whether the commission might have to participate as part of this, I believe that is a legitimate activity of the Insurance Commission. It is about reducing premiums for community groups, because the commission is playing a part in ensuring that appropriate risk management practices are put in place. However, it would be marginal.

**Mr M.W. TRENORDEN:** We have been questioning the parliamentary secretary on this clause for 40 minutes, and we have received the typical answer, "Just pass the Bill and trust me. I can't answer any of your questions. Don't ask me any questions."

Mr D.F. Barron-Sullivan: "Give me the money first, then trust me."

Mr J.C. Kobelke: He has answered them more than adequately.

Mr M.W. TRENORDEN: He has not answered one question in 40 minutes. It is reasonable to ask what are the costs associated with this clause. The answer is, "Trust me, but we will bring down premiums. This Bill is about introducing a fund that will bring down premiums, and we can guarantee that will happen. Just trust us." We trusted the Labor Party 10 years ago and it blew it then. Why will it not blow it now?

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**MR D.F. BARRON-SULLIVAN:** I have another question on the application of clause 6 and the substantive section. Where it refers to research activities, will it be possible, and is it intended, that the Insurance Commission carry out research to determine the impact of this legislation and whether it has hit the mark? In other words, some time down the track, will the parliamentary secretary or the minister be receiving a report from the Insurance Commission detailing what the impact of this legislation has been?

**Mr M. McGOWAN:** The Insurance Commission will regularly report on the operation of this legislation to the Treasurer, to whom it will be responsible under the operation of this Bill. That will be a regular process. The Insurance Commission presents a major annual report, which details all of its activities. It is very accountable to government, and the Government will follow very closely the operation of this aspect of this fund. At the moment there are no members of the fund and there is no money in the fund because the Bill has not been passed. It is impossible at the moment to provide the member with that ongoing advice, because we have not actually reached that stage. However, there will be regular reporting as outlined, and the Treasurer has final approval over anyone who receives coverage under this Bill. That is more than adequately covered by this Bill.

**Mr R.A. AINSWORTH:** I want to ask the parliamentary secretary a couple of questions relating to the issues that have been discussed in the past 20 minutes in this House. It is quite clear, and the parliamentary secretary has said it himself, that the facility for raising funds for research into several areas in promotion and health and so forth has been in place for many years. This clause adds another category of funding to that research capacity of the commission by taking part of the premiums that will go into the new fund established by this Bill and applying them in a similar manner to funds currently going into the Insurance Commission. If the object of this legislation is to not only provide public risk cover for community organisations but also, as far as is possible commercially, minimise their insurance premiums, why was it deemed necessary to include in the existing Act the new fund that is proposed in this clause, which will take part of those funds and use them for research into the treatment of industrial diseases, for example, which probably would not be part of the insurance cover for community groups? Does the inclusion of that type of funding, which will come from those community organisations and their premiums, suggest that not enough money is going into these research programs at the moment, or is it tidier to have a portion of all the premiums go into that research effort, regardless of what fund they are in, rather than have different rules for different funds within the global Insurance Commission portfolio?

**Mr M. McGOWAN:** I think what the member for Roe is asking has been covered fairly extensively over the past 20 minutes or so. In effect, it is merely making it an efficient operation of the Insurance Commission in that funds are not divided and different responsibilities are not given to different funds. All funds are treated in a global sense, invested globally and treated in the same way when they are received. That is an efficient arrangement for operating such a fund. I reiterate that the research activities are actually a minor part of the risk management activities of the Insurance Commission of Western Australia. The risk management activities are principally advice, training, and ensuring that help lines are in place. The amount of money we are dealing with here is minuscule, and it is all about reducing premiums for these groups by putting these risk management practices in place. It is very straightforward. The Government is not trying to carry out anything sinister here. I understand the point of the member for Roe, but the Bill is about making sure that funds are managed in the most efficient way possible, and that the Insurance Commission operates in the most efficient way possible. This will mean that premiums are lower for these community groups.

**Mr M.W. TRENORDEN:** I refer to the answer that the parliamentary secretary gave to the Deputy Leader of the Opposition. Once these funds have been established and the reporting functions are operating, will they be reported on the basis the parliamentary secretary just outlined - a global position - or will those reports include precise expenditures from each of the new funds?

**Mr M. McGOWAN:** The report will be an attachment to the annual report of RiskCover, which will detail the activities of this fund. It will not be substantial amount for a period of time, because there is no money in the funds at the moment. It will take a while. I can assure the member that appropriate monitoring of this fund will take place because the Government wants to be responsible with taxpayers' funds. It will be in the annual report, and it will be reported. The member for Avon, and anyone else in Western Australia, will be able to see it, and it will be on the Internet.

**Mr M.W. TRENORDEN:** I still did not get an answer to the question. When I open the annual report, after this fund has been in operation for some time, will I be able to follow each of these points related to this fund in that report? I do not want them to be reported in a global context, because we need to be able to measure -

Mr M. McGowan: It will be separate, but it will be in the annual report as a separate fund.

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Mr M.W. TRENORDEN: It does not matter where it is reported, as long as the parliamentary secretary, and more importantly the Treasurer, the Premier and people reading that report can make their own judgment about what has happened to the premiums and the expenses of this fund. I thought that would be a fundamental point.

**MR D.F. BARRON-SULLIVAN:** Can the parliamentary secretary confirm that the Insurance Commission is off budget? In other words, during consideration of budget estimates, it is not a government agency that members can normally ask questions about.

Mr M. McGowan: Yes.

Mr D.F. BARRON-SULLIVAN: Picking up on the points about reporting, what other accountability mechanism will there be for the community to get to know the detailed operational affairs of the community to the nth degree? It is all very well reading an annual report, but, as we all know, sometimes that only leads to further questions. At the moment we cannot ask them during budget estimates hearings, for example. The Leader of the House is not here at the moment, but there has been a recommendation that budget items should be eligible for questioning during the budget estimates hearings. If the parliamentary secretary is able to give me some sort of assurance that I will be able to ask questions about the Insurance Commission next year in the budget estimates hearings, I will be quite happy.

**Mr M. McGOWAN:** The Insurance Commission, under the eight years of the Court Government, was off-budget. That was standard practice. This Government has not changed that arrangement. The commission will report, and the reports will be public. If the member wishes to ask a question about the commission's activities, it will have a responsible minister with a representative in this place. Members will be more than welcome to ask that minister whatever questions they might like to about this matter in the Parliament via questions on notice, or during question time.

Mr D.F. Barron-Sullivan: There has been a recommendation to enable these sorts of agencies to be considered during the budget estimates hearings. It is something the Leader of the House took on board before this year's hearings. Would you have any difficulty with the Insurance Commission being subjected to questioning during the budget estimates?

**Mr M. McGOWAN:** That is outside the scope of this clause and my responsibility for this Bill. That question would be more appropriately answered by the responsible minister in the upper House. The request sounds reasonable, but it would have to be decided by the Cabinet.

**Mr M.W. TRENORDEN:** We all know that one of the reasons members of Parliament find annual reports fairly useless is that, at the very best, they come out 18 months after the action. I do not expect the parliamentary secretary to make a decision about the budget estimates now. However, I suggest that the 57 members of this House and the 34 in the other place do not find the annual reports to be a useful tool because they are produced a long time after the action. I ask the parliamentary secretary to put the member for Mitchell's suggestion to the appropriate minister for consideration. I know that the parliamentary secretary has an interest in accountability. Annual reporting is a very slow process that takes place a long time after the event.

**Mr M. McGOWAN:** The member earlier referred to the loss incurred by the Insurance Commission. He knew about that because its annual report for the last financial year was published last week. It took three months, not 18, for that to occur.

**Mr M.W. TRENORDEN:** Do we know about the loss through the annual report or the actuarial assessment?

Mr M. McGowan: It was in the annual report.

Mr M.W. TRENORDEN: Is the annual report for the last financial year out now?

Mr M. McGowan: Yes.

Mr M.W. TRENORDEN: Has it been released only three months after it was signed off?

**Mr M. McGOWAN:** Like any taxpayer or company, government agencies compile their annual returns or reports at the end of the financial year. They are audited by the appropriate body and released for public scrutiny. The Insurance Commission completed that process between 30 June and now. It has been fairly efficient and quick. I think the Insurance Commission deserves commendation for that efficiency.

**Mr M.W. TRENORDEN:** If that is the case, I would agree. If I were to go over the records of the Insurance Commission for the past five years, would I find that consistency with the reporting process? I see a lot of nodding around the Table. The Insurance Commission needs a big tick because it is the only government agency

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that I know of that reports within 12 months of the end of the financial year. Part of the problem is that not only does the agency have to balance its accounts and conduct an internal audit, but also the accounts must be audited by an external body, which usually takes some time. Even though that external auditor is the Auditor General, he must also audit all the other agencies of the State. However, if that is the case, I give the Insurance Commission a big tick.

**Clause, as amended, put and passed.**

**Clause 7: Section 7 amended -**

**Mr M.W. TRENORDEN:** Why are the matters in section 7 very similar to the matters in section 16? Why is it necessary to make provisions for a fund in both sections?

**Mr M. McGOWAN:** Clause 7 will extend the Insurance Commission's current powers to enable it to establish and maintain funds, manage insurance and risk, and arrange insurance of risk for eligible community organisations. It already has these powers for public authorities. Clause 7 is the crux of this Bill as it provides for the activities the Insurance Commission is due to carry out. Proposed new section 7 will ensure that the State of Western Australia underwrites the new fund, which I am sure is something that the member supports, whereas the provisions in section 16 of the Act would make the fund a fund of the Insurance Commission, which we do not want. Clause 7, the crux of the Bill, makes sure that community groups are able to be insured by the Insurance Commission and underwritten by the State, which, according to all the advice I have heard the member pass on during this debate, is something he would be quite happy with.

**Mr M.W. TRENORDEN:** I am. I am trying to understand why the Bill establishes two funds. The legislation establishes a fund under section 7 and a fund under section 16. My reading of the Bill is that the fund will operate under section 7. If that is the case, why is a fund established under section 16?

**Mr M. McGOWAN:** This clause ensures that the fund itself is underwritten by the State, which is something the Liberal and National Parties would support. It means that at some time in the future it can be handed back to the commission and operated under section 16.

**Mr M.W. TRENORDEN:** The purpose of that would be to sell it. For what other purpose would the Government transfer the fund from section 7 to section 16? The parliamentary secretary berated me for saying that 20 minutes ago. He said that a sale was a terrible and outrageous idea, and everyone laughed me out of the House. I would like a direct answer from the parliamentary secretary. If this fund were up for sale, would it be for sale under section 7 or under section 16?

**Mr M. McGOWAN:** The question is moot. We have no intention - I suspect the National Party also has no intention - of selling this fund.

Mrs C.L. Edwardes: It is possible.

**Mr M. McGOWAN:** The Act does not permit it to be put up for sale. The privatisation of other agencies, which have taken place while the Leader of the National Party has been a member of Parliament, occurred with the authority of an Act of this Parliament. It would be the same in this case.

**Mr M.W. TRENORDEN:** We have no explanation of why a fund is to be established under section 16. It is a very reasonable to ask why there is provision for the fund to be established under section 16. I will be happy for the parliamentary secretary to correct me, but I assume that under section 16 the State would not underwrite the fund. Section 16 provides the capacity for the establishment of a fund. The parliamentary secretary said a few moments ago that the State would have the capacity to transfer operations from section 7 to section 16, but under what circumstances would it do that?

**The SPEAKER:** Clause 8 refers to section 16. Is the Leader of the National Party referring to clause 8?

**Mr M.W. TRENORDEN:** I am referring to clause 7 and seeking to establish the difference between the two sections before we move on from clause 7. I am referring to section 16, but to an untrained eye like mine, both sections seem to result in similar outcomes.

**Mr M. McGOWAN:** It would probably be better if I dealt with this question under clause 8, because it relates to section 16 and the operations of section 16. I will give a precis, and then, if the Leader of the National Party likes, we can deal with it under clause 8. Essentially, the answer is that section 16 provides the Insurance Commission with the flexibility to establish a fund that is different from that under section 7(4), if assistance from the Government to community organisations to obtain insurance becomes a long-term solution. In effect, the fund is set up under section 7 with the State underwriting it to get the fund established and going. In due

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course, if and when it becomes a long-term solution to the problem, authority will be given for the operations to be transferred to section 16 under which the Insurance Commission operates in relation to most, if not all, of its current insurance activities on behalf of the Government.

**Mr M.W. TRENORDEN:** It is therefore reasonable to ask what is the difference between section 7 and section 16. Why would the State do it? I am sure the parliamentary secretary will tell me if I am wrong, but I presume that the State would not underwrite it under section 16. If that is the case, it is a very important question. What provisions would keep the operations within section 7 and what would be a trigger to transfer it to section 16 and why?

**Mr M. McGOWAN:** Section 7 relates essentially to the activities of RiskCover, which are the analogous activities to those we are proposing for community groups. Those analogous activities of the Insurance Commission operate in relation to government agencies that receive insurance from the Insurance Commission of Western Australia. Section 16 basically covers the following funds: the third-party insurance fund; the compensation - miscellaneous risks - insurance fund; the compensation - industrial diseases - fund; the government insurance fund; and the Insurance Commission general fund. These funds are separate from the activities that RiskCover undertakes. RiskCover, as I have said before, is the closest analogous fund operated by the Insurance Commission to that which we are proposing in this legislation for eligible community groups. That is why it is set up under section 7 and not under section 16. The provision merely enables it to be transferred in due course if and when it becomes self-sustaining. It is a long-term solution with enough capital base to sustain it. At the moment it does not have any capital base. The Government is proposing to put in \$250 000 to kick it off, but of course premiums will have to build to ensure that it is self-sustaining, as happens with every insurance company.

**Mr M.W. TRENORDEN:** Therefore, because it is public liability insurance is the parliamentary secretary indicating that it will not be transferred to section 16 for eight years or so until there has been some experience of the tail?

**Mr D.F. BARRON-SULLIVAN:** With regard to the reinsurance of risks that is referred to in clause 7, how will those risks be assessed by the Insurance Commission when it is working out the premiums for community groups? Will any actuarial or other investigation be based on risks in Western Australia alone or will it be based on the national situation? We have heard a number of times that premiums have been inflated because of the situation in New South Wales.

**Mr M. McGOWAN:** The Insurance Commission will base it on the Western Australian situation.

**MR D.F. BARRON-SULLIVAN:** I am pleased to hear that. Will the scope of cover include not only public liability but also things like medical treatment liability, property insurance and motor vehicle insurance? What take-up does the parliamentary secretary expect from community groups for those other forms of insurance, and was that really the main aim of this legislation?

**Mr M. McGOWAN:** Public liability is the principal focus of this Bill, because that is the area of the greatest need. We have also made provision for motor vehicle insurance and the other types of insurance that the member has raised, so that we can bundle up a policy that will cover all those things if a community organisation is unable to obtain insurance at all or is unable to receive insurance at other than an exorbitant price. That is the main purpose of this Bill and that is what we will do. It will be quite helpful to any community organisation in that situation.

#### **Clause put and passed.**

#### **Clause 8: Section 16 amended -**

**Mr B.J. GRYLLS:** I would like the parliamentary secretary to address the fact that under clause 8, the Government has the ability to set up a long-term fund. I would like the parliamentary secretary to address whether the Government considers that the scheme being set up under the Insurance Commission of Western Australia Amendment Bill will provide the long-term solution or whether that will be provided through the Civil Liability Bill, through which tort law will be reformed. I would like to know the direction in which the parliamentary secretary sees this matter heading. The two Bills aim to reduce premiums. Where does the parliamentary secretary consider the best results will occur? We would like the Government to work with the private insurance industry to come up with solutions, rather than set up a state-based fund in the long term.

**Mr M. McGOWAN:** The Government is attempting to ensure, through both Bills, that there is a marketplace for public liability insurance. For instance, through the Civil Liability Bill, the Government is attempting to make sure that insurers come back into the market. In relation to the Insurance Commission of Western Australia Amendment Bill, the Government recognises that there is an area of market failure for some community

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organisations which carry out essential activities on behalf of the community and which are unable to obtain that insurance. By setting up this fund and establishing this Bill, the Government is making sure that those groups are able to apply for insurance at a reasonable rate without risking taxpayers' fund, which I am sure the member would not want. The Government will not set up a whole new state government insurance office; however, it is putting back a little competition into the marketplace so that organisations that carry out important public functions can get some insurance. That is what this is all about. As I said before, the State Government of Western Australia is the only Government that is putting in place this scheme. It will be done on a professional basis. The Government will not allow any organisation that, quite frankly, would be a major and unacceptable risk to the taxpayers of Western Australia to be insured. That is not the role of government or a professional organisation like the Insurance Commission, and it is not proposed in the legislation.

**Mr M.W. TRENORDEN:** Section 16(1)(e) of the Insurance Commission of Western Australia Act provides that an Insurance Commission general fund be established. What class of insurance was intended to be provided under that fund?

**Mr M. McGOWAN:** The Leader of the National Party is referring to section 16(1)(e) of the Insurance Commission of Western Australia Act, and not the amendment Bill. He is asking me to explain the operations of a provision of an existing Act, and not a provision of the Bill that we are discussing. Section 16(1)(e) has been in place for the past 16 years and will continue to operate in the same fashion.

**Mr M.W. TRENORDEN:** If and when the funds are moved over to this section, which fund will they go into?

**Mr M. McGOWAN:** The Bill proposes that section 16(1a) be inserted. That proposed section outlines the fund that will be established for that purpose under section 16. Those funds will not be placed under any of the existing funds outlined in section 16(1)(a) to (e). If and when those funds come under section 16, they will come under proposed section 16(1a).

**MR D.F. BARRON-SULLIVAN:** This clause covers the long-term operation of this arrangement, including the establishment of the other fund. It begs the question: is it likely that the fund in the medium term, let alone the long term, will be profitable? The parliamentary secretary said earlier that about \$250 000 might be needed to kick-start it. Depending on the take-up, does the parliamentary secretary envisage that the fund could be profitable?

**Mr M. McGOWAN:** I am happy to announce that this fund will operate in a socialist fashion. The Government will contribute \$250 000. As the fund generates its own sources of capital, it will aim to break even. The profits will be put back to ensure that premiums are reduced.

Mrs C.L. Edwardes: Will the \$250 000 have to be paid back at some stage?

Mr M. McGOWAN: The Bill contains no provision for the Government's contribution to be recovered. I suspect it is something that a future Government might examine.

Mr D.F. Barron-Sullivan: Where will the \$250 000 come from in the first place?

Mr M. McGOWAN: The Government has not yet decided where it will come from. However, we expect it to come from the consolidated fund. It is a lot of money, but it is for a very worthwhile purpose. If the Deputy Leader of the Opposition wants to attack the Government for doing this, he cannot have it both ways. The Government is establishing this fund to provide insurance to worthwhile community organisations. It cannot start with nothing; we are giving it a kick-start. I am sure the member for Merredin supports our giving the fund a kick-start so that it can operate for community organisations.

**MR D.F. BARRON-SULLIVAN:** The moment we ask questions or get too close to the bone the parliamentary secretary gets very touchy and has a go at us. As I said earlier, the Leader of the House, in his usual way, was ranting and raving at the top of his voice, that I had a word wrong in the motion moved earlier. He was correct: I referred to a select committee rather than a standing committee. The parliamentary secretary has completely stuffed up the progress of the legislation for which he is responsible. As a result it had to be delayed recently. We are not trying to harp on these points. If the parliamentary secretary is to take this approach, I will get political and have a dig at him; in fact, I will do that now. I cannot believe he has come into this Parliament with legislation that requires \$250 000 expenditure, yet he cannot tell us where the money is coming from. If it were \$10 000 to be taken from the Insurance Commission's petty cash I might turn a blind eye - perhaps not even for \$10 000. However, we are talking about an estimated \$250 000. Is it \$250 000, \$300 000 or \$500 000? We are told it is not a loan and will not be paid back. It must come from somewhere. This highlights why the Treasurer and the Premier should be handling such important legislation. We have just asked where the \$250 000 will

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come from and the parliamentary secretary does not know. Can he give us some idea which area of the budget it will come from?

**Mr M. McGOWAN:** I will be very specific for the Deputy Leader of the Opposition. It either comes from the consolidated fund or from internal sources inside the Insurance Commission of Western Australia; it is one or the other. The Government has not made a decision on this matter. When we do, members opposite will find out.

**Mr B.J. GRYLLS:** Will the parliamentary secretary categorically rule out that it will not come from the regional investments fund, which is where the Government gets all the other money that it needs?

**Mr M.W. TRENORDEN:** The parliamentary secretary did not answer that very fair question.

Page 16 of the explanatory memorandum refers to section 6(a) and reads -

moneys available to the commission that are not required to be credited to any other Commission account;

Will other funds be removed from this fund to go into any other of the commission's accounts? What are the normal procedures? There is no point in the parliamentary secretary berating me by saying that this is a standard measure. I understand that; however, because this is a standard measure of the previous Bill, it means that it must be there for a purpose. Therefore, there is a chance -

Mr M. McGowan: The member is debating a provision of an existing Act, not an amendment. He can ask me how the provision of any Bill relates to this clause, but he is not relating his question to the clause we are debating.

Mr M.W. TRENORDEN: I am. Section 6(a) of the memorandum states that the Insurance Commission can take funds out of this fund and apply them to another purpose in the commission. What funds are they?

**Mr M. McGOWAN:** The provision to which the member for Avon refers is a standard wind-up provision. It is contained within the head Act so that, if a fund were to fold, it would be appropriate, as a security measure, for any of the funds contained within the fund to potentially go back to the consolidated fund. It is a standard wind-up provision relating to the Insurance Commission under its current activities.

Mr M.W. TRENORDEN: Did it hurt the parliamentary secretary when he gave me an answer to my question?

### **Clause put and passed.**

#### **Clause 9: Section 18 amended -**

**MR D.F. BARRON-SULLIVAN:** Earlier, the parliamentary secretary said that the fund would be run on good socialist principles; that is, that it would be run on a break-even basis. In that case, why is the Government introducing an amendment to enable that when the financial statements show that the fund established under section 16(1)(a) - the Insurance Commission's general fund - has a surplus, the commission, with the approval of the Treasurer, may transfer the amount or a portion of the amount to the consolidated fund, for example? Why, when the parliamentary secretary says the fund will break-even because members opposite are all good socialists and do not want to make profit, do we have a provision that specifically states that if there is a profit, it can be put into the consolidated fund? I am confused.

**Mr M. McGOWAN:** The nature of insurance is that there must be a fund. If the Government were to make a payout for someone who had incurred a loss through a public liability incident, there must be money from which to make the payout. I thought that was straightforward. Across Australia a range of private insurers maintain a capital fund because there is often a long tail of claims made against the fund. This clause is a wind-up clause in the event that at some time the fund is required to be wound up and it enables the payment of the remaining amount in the fund to be paid back to the consolidated fund. That is all the clause does.

**Mr B.J. GRYLLS:** If that is true, why does the clause not provide for any surplus to be transferred back to the insurance fund, unless the fund needs to be wound up and then it could be transferred to the consolidated fund? The clause provides for a surplus to go directly to the consolidated fund.

**Mr M. McGOWAN:** Where would the member like it to go? The member is correct that the operation of the fund is not meant to be profitable. However, there must be a surplus to create capital, depending on the number of parties that enter the fund. The more potential drawers on the fund following a public liability incident, the greater the amount of capital needed in the fund. As a consequence of that, if at any time an event prompted the winding up of the fund, the Bill must provide for the funds to be distributed. That has been the case for 16 years

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with the existing Insurance Commission of Western Australia Act. This Bill has a mirror provision of that aspect of the fund for efficiency purposes.

**Mr B.J. GRYLLS:** The explanatory memorandum at the top of page 18 states that this is an amendment that specifically creates section 16(1a) so that if a surplus results, that surplus may be transferred to the consolidated fund. Why should a surplus not be transferred back to the fund to provide reductions in premiums? If the fund needs to be wound up, the surplus can be transferred to the consolidated fund.

**Mr M. McGOWAN:** Because it is a wind-up clause so that the fund, for whatever reason, can be wound up. It is impossible for the surplus to be transferred back to the fund if the fund is being wound up.

**Mr M.W. TRENORDEN:** Where does it say in the Bill or in the explanatory memorandum that this is a wind-up clause? That is not referred to in any clause at all. I believe the parliamentary secretary has got it wrong yet again. This clause clearly refers to a surplus in the fund under section 16(1a). A surplus occurs every financial year if there is not a loss, not at the end of 50 or 100 years. We talked about that a few days ago in relation to the State Government Insurance Commission. A surplus is a surplus; it is clear that that means it is an annual event. This clause states that any surplus each year can be put into the consolidated fund. The National Party does not believe that is appropriate.

**MR D.F. BARRON-SULLIVAN:** On that same point, will the parliamentary secretary state which part of the Bill states that any surplus funds in the financial statements prepared under the Financial Administration and Audit Act 1985 can go into the consolidated fund? My understanding is that the Financial Administration and Audit Act applies not only when a fund such as this is being wound down but also to full accountability for the running of such a fund. As the Leader of the National Party said, this is an ongoing arrangement. Will the parliamentary secretary tell me what financial statements are referred to in the Bill? Are they financial statements that apply only when the fund is being wound down or do they apply during the operation of the fund? The bottom line is if the fund is to be run at a profit and this Government intends to chuck money into the consolidated fund, I will have no choice but to accuse the Government of profiteering at the expense of the misery of community organisations that must pay excessive insurance premiums.

**Mrs C.L. EDWARDES:** Under section 18(3) of the Act, the commission may transfer moneys from the compensation - industrial diseases - fund to meet any amounts required to be expended by the commission under the Mine Workers' Relief Act. The issue is that this Bill deals with eligible community organisations, most of which will be incorporated associations. That is what the parliamentary secretary said last week. He said that essentially they would be incorporated associations. Therefore, if an incorporated association were to be wound up and it had surplus funds, the money would usually go to another incorporated association that has similar objectives. In this instance, when the money comes from incorporated associations, I do not believe that it should go to the Government, because it certainly does not have the same objectives as associated corporations.

**Mr M. McGOWAN:** The purpose of this clause is to enable this fund to be wound up at some time if a Government wishes to do so.

Mrs C.L. Edwardes: And to transfer the surplus.

Mr J.A. McGINTY: Yes. I explained before the reason that the Bill makes provision, as it does, for the surplus. Insurance claims often arise years after an event.

Mrs C.L. Edwardes: Why should it go to the Government?

Mr M. McGOWAN: The member is well aware that asbestosis claims, for instance, have arisen 30 years after the event, at which time a limitation period kicks in. It is quite clear and simple. The reason that the money goes to the consolidated fund or to any other fund or account is that we need to retain those funds to cover potential liabilities. That is all this is about. It is not profiteering; it is just to ensure that there will be opportunities to settle claims that may arise years, if not decades, after the event. It is sensible and appropriate management of the funds. It will ensure that if and when those people who take out an insurance policy make a claim, there is money to cover them. There should be funds available to meet a claim that people might make. Someone with a valid policy may want to make a claim against the fund years after the event, but he will be told that the money has been handed to some other group. If the member wants to argue that funds should not be available, she can do so, but she is wrong, because this is the nature of insurance. This is how insurance works. It covers a risk that may develop years after the event. We all know about the Wittenoom and HMAS *Melbourne* cases. These things can happen, and those liabilities must be covered. I suspect that some federal laws ensure that those liabilities that may arise at some time are covered. The member for Kingsley is implying

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that we should somehow distribute the money to some other group, and it may at some point give it back to us. Frankly, that would be irresponsible.

**Mr B.J. GRYLLS:** The parliamentary secretary could clear this up fairly simply by stating that the fund is operating, it will not be wound up, and at the end of the year it will make a surplus. Will the parliamentary secretary confirm that that surplus will not go to the consolidated fund?

Mr M. McGOWAN: Yes.

**Mr M.W. TRENORDEN:** Can the parliamentary secretary confirm that, under this clause, the Insurance Commission of Western Australia has no power to transfer any surplus at any given time before the closure of the fund?

**Mr M. McGOWAN:** This is a wind-up clause.

Mr M.W. Trenorden: That is not the question.

Mr M. McGOWAN: I will answer the question. Wind-up clauses are very common in all sorts of organisations, whether they be companies or not-for-profit associations. The constitution of the local darts club may well have a wind-up clause. This is a wind-up clause in that sense. If, because of our magnificent reforms in civil liability, insurers flow back into the market and there is a major reduction in the premiums, a future Government, of which the member might be the Deputy Premier, may want to wind up this fund; it may see it as unnecessary. It is merely sensible, appropriate practice. The member will note that the clause enables the transfer of the surplus to the consolidated fund or any other fund or account. The only way I foresee that money being transferred to any other fund or account is if one organisation took it up and was wound up and no individuals had any claim against it potentially now and forever. That seems to me to be unlikely. I think it would be most appropriate to cover the potential contingencies.

**Mrs C.L. EDWARDES:** The parliamentary secretary has mentioned wind-up on a number of occasions. I took him at face value. However, I have read the other sections of the Act. Section 18 deals with transfer between funds. Subsection (1) states -

The Commission may temporarily transfer moneys or other property from one Fund to another Fund subject to appropriate adjustments being made at intervals not exceeding 12 months.

There is no mention of wind-up in that subsection.

Mr M.W. Trenorden interjected.

Mrs C.L. EDWARDES: Yes. It can be made at intervals not exceeding 12 months.

Mr M.W. Trenorden: They intend to wind up this fund before 12 months.

Mrs C.L. EDWARDES: The Government does not even intend to wind it up; it can transfer the moneys at any point, but at intervals not exceeding 12 months. However, it gets better. Subsection (2) states -

Where the financial statements prepared under the *Financial Administration and Audit Act 1985* in respect of the Third Party Insurance Fund, the Government Insurance Fund -

This is where the amendment comes in -

, the Insurance Commission General Fund or a fund established under section 16(1a) -

That is in the clause we have just dealt with -

indicate that there is a surplus in that Fund -

Let us not forget that subsection (1) states that the commission may temporarily transfer moneys at any time -

the Commission, with the approval of the Treasurer, may transfer the amount, or a portion of the amount, of that surplus to -

(a) another of the Funds;

It can be transferred from fund to fund.

Mr M.W. Trenorden: Is the consolidated fund a fund?

Mrs C.L. EDWARDES: It continues -

(b) the Consolidated Fund; or

It is provided for.

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(c) any other fund or account.

This clause allows the Government to get its sticky fingers on this money from community organisations, and that has nothing to do with wind-up.

**Mr M. McGOWAN:** It might be a reflection of the hour when the member for Kingsley says that the Government will get its sticky fingers on these funds from community groups. That takes the cake in this debate. The only conceivable use for this clause is for wind-up. That is the advice I have received from the Insurance Commission of Western Australia. In light of the hour, the member can make allegations, and she will probably talk to *The West Australian* about her allegation that the Government will get its sticky fingers on the money. However, that is not the intention of this provision. The member for Kingsley has misread the clause. As I explained to members, this Bill tries to do the right thing by community groups across Western Australia. The Opposition is delaying this Bill unnecessarily with its pernickety approach and its allegation of sticky fingers. It is not doing the Opposition any credit at all.

**Mr M.W. TRENORDEN:** The parliamentary secretary should be more careful in his choice of words. It is clear that, unless the parliamentary secretary stands up and says that it is not possible to transfer funds at any given time under this clause, we must believe that it is possible. Leaving aside the moral aspect, if the parliamentary secretary wishes to tell the House that it is not legally possible for funds to be transferred under this clause, I would love to hear him say it.

**Mr M. McGOWAN:** The best advice I have is that this is a wind-up clause, and is there to provide for the distribution of any surplus funds. Section 18 has been in existence now for 16 years, and that has always been its role. It is not very becoming of the Opposition to start alleging some sort of misdeeds by the Government. The Opposition is really just looking for anything at all to pin its hat on, and to try to get a headline in *The West Australian*. That is not the intention of the section, and has not been its operation. It is not the intention of the amendment, and that is the position of the Government. It merely enables surplus funds to be distributed. I will explain again. The reason this may have to be done, is that the fund may be wound up by some future Government. The reason the surplus funds must be distributed is that contingencies may need to be taken into account. It is straightforward and simple. People may have a claim that must be taken care of, so funds must be set aside for that. There is nothing more sinister in this than that.

**Mrs C.L. EDWARDES:** The Opposition now has worked out why the Premier is not handling the Bill - SGIC! Remember temporarily transferring funds?

Mr M. McGowan: I would be careful if I were you. I could say some things about you.

Mrs C.L. EDWARDES: Really? Can the parliamentary secretary tell me where, in the Act, wind-up is referred to? It is not referred to at all. Section 18(1) reads -

The Commission may temporarily transfer moneys or other property from one Fund to another Fund subject to appropriate adjustments being made at intervals not exceeding 12 months.

The next subsection refers to the Financial Administration and Audit Act statements for the third-party insurance funds and the government insurance fund, and this is where the amendment proposes to insert the words “the Insurance Commission General Fund or a fund established under section 16(1a)”, indicating that there is a surplus in that fund. If there is such a surplus, the commission, with the approval of the Treasurer, may transfer the amount of the surplus or a portion of the amount to another fund or the consolidated fund. It is very clear that it does not say anything about a wind-up. Section 18(3) deals with the industrial diseases fund; and section 18(4) states that subject to this section, no money or other property shall be transferred from fund to fund. Therefore, if it does not comply under subsections (1) or (2), nothing else happens. Section 18(5) reads -

In this section “**surplus**” means any amount standing to the credit of a Fund which, in the opinion of the Treasurer, is in excess of that required as adequate provision for actual and contingent liabilities and the operating and other expenses of the Fund.

It is quite clear that that has nothing to do with winding up, because subsection (5) would not be there in that case. We are being fed a whole lot of rot, and the parliamentary secretary is expecting us to sit here and cop it. He should tell it straight, and we can all go home.

**Mr M. McGOWAN:** The clause has to do with the winding up of the fund. That is all it is about. The Opposition can accuse the Insurance Commission of Western Australia, or me of having sticky fingers, but it does the Opposition no credit. If she thinks that the Gallop Government of Western Australia is out to steal funds through this provision that has been put in place to aid community groups, she has rocks in her head.

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**Mr M.W. TRENORDEN:** Let us make it clear what we are talking about. I have no doubt whatsoever that the intention of the Insurance Commission was for this to be a wind-up clause. However, that has nothing to do with the argument. The argument is about the legal technicalities of the provision. The parliamentary secretary cannot get his tongue to say that this clause will give the Government of the day - the Treasurer of the day - the capacity to transfer surplus funds.

Mrs C.L. Edwardes: Temporarily or otherwise.

Mr M.W. TRENORDEN: That is what this clause will do. There is no point in having the assurance of the current staff, because in time they will go, as will the parliamentary secretary and everyone else in this place. However, we will have left in this legislation the capacity at any time for any Treasurer of the day to withdraw moneys from these funds for whatever purposes he sees fit. The moneys will be able to go from the fund to the consolidated revenue without the fund being wound up. The parliamentary secretary is not prepared to say that. It is clear to everyone in the House except the parliamentary secretary. We all know what the capacity of this provision is.

I would love to go home. If the Government wants us to go home, why does the parliamentary secretary not say that he will fix this instead of saying that it is not the intention of the Gallop Government to take moneys from this particular fund? Why does he not amend this clause so that it cannot happen? He is not being direct with this Parliament. There is no question whatsoever that any future Treasurer of the day will have the capacity to remove moneys from this fund and put them in the consolidated account.

**MR D.F. BARRON-SULLIVAN:** The parliamentary secretary has been put on the spot with this matter. He has been unable to convince this Chamber that this clause relates only to the winding down of the fund. It is clear from what we have said that this clause will have far wider ramifications than he will concede. This illustrates why this legislation should have been referred to a committee. These are the sorts of detailed matters that could have been dealt with by a committee. I offer the parliamentary secretary an olive branch. I have accused him of profiteering at the expense of the misery of community organisations. If he wants to indicate that that is not the Government's intention, he should say now that he will ensure that this provision is fixed before this legislation gets to the upper House.

Mr M.W. Trenorden: I suggest that a better process would be for us to go home now and think of an amendment.

Mr D.F. BARRON-SULLIVAN: I agree. If the parliamentary secretary is not prepared to give such commitments, the Liberal Party will not support this clause.

**Mr M. McGOWAN:** If the Opposition wishes to move some amendments to this clause, it is quite welcome to do so in the upper House. I have had advice from the relevant officials in the Insurance Commission, who have been there for 30 years, that there has never been a transfer of the fashion members are suggesting. I am satisfied with the drafting of this clause. It is a disgrace to allege that we will somehow profiteer or that bureaucrats or politicians have sticky fingers.

Mr C.J. Barnett: We never said that.

Mr M. McGOWAN: The member for Kingsley said that. She referred to our little "sticky fingers". It is a disgrace for her to come in here and allege that. To do it at this hour during debate on a Bill which will do the right thing by the public of Western Australia and which the Opposition is deliberately and unnecessarily holding up does her and this Parliament no credit. I take offence at the member saying that about the Government. The State is putting funds into the account. The provision for winding up whatever fund it may be has been in place for 16 years. It might well be the third-party insurance fund if the State decided to buy out of that and hand it over to private enterprise. The State might want to use the provision for that purpose. The advice we have had is that the provision is a safety mechanism in case of a wind-up. We are advised it is the only conceivable circumstance in which it could take place.

**Mr C.J. BARNETT:** I heard very clearly the statements by members on this side, particularly by the Deputy Leader of the Opposition. He did talk about sticky fingers, but he was talking about a Labor Government. In no way did he refer to any officials in the finance organisation. A few of us were ministers and came into government in 1993. I do not know if the parliamentary secretary was born then, but he certainly was not a member of Parliament. We remember all too well the distraught officials from the SGIC who had to divulge to the new Government how a Labor Party in government had plundered the SGIC to cover up the grotty, corrupt dealings of a Labor Government. Those diligent public servants felt professionally compromised in their fiduciary responsibilities and roles as public servants. It was not the fault of the parliamentary secretary who was not around then, but he should not get prickly and self-righteous when members on this side of the House try

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to make the point to protect the financial assets of the people of this State from Labor Governments. This is not hypothetical; this is exactly what happened under the Labor Government in the late 1980s and early 1990s when tens of millions of dollars were plundered from funds such as this to cover up the Labor Party's rotten, corrupt dealings in government.

**Mr M.W. TRENORDEN:** Before we go home tonight, the parliamentary secretary needs to tell us whether under the section it is possible - not desirable or always the experience - for a Treasurer of the day to transfer surpluses out of the fund.

**Mr M. McGOWAN:** If the Leader of the National Party and the Leader of the Opposition had any logical consistency in their argument on this clause, and if they saw the provision as some great threat to the State of Western Australia, they could have deleted it when they were in government for eight years. Section 18 has been in existence since 1986, the year the Leader of the National Party was elected to this place. I do not recall his raising section 18 of the Act as a pressing issue of public policy. Section 18 provides for the winding up of any of these funds, as I outlined. It has been in existence for 16 years, for eight of which the Leader of the National Party was a senior member of the Government and in charge of the Public Accounts Committee. He did nothing about it. Had he any logical consistency to his argument, he would have done something about it then. The section has never been used to transfer funds in the way in which the Leader of the National Party is suggesting, and it will not happen under the Gallop Government.

**Mr M.W. TRENORDEN:** This is a brand-new fund, not something that was established in 1986 or with the change of Government in 1993. A brand-new fund is being established under the Act. It will be subject to a range of provisions that may or may not come from the master Act, but to all intents and purposes the fund will be subject to new conditions because the fund is new.

Mr M. McGowan: No. We have put in place mirror provisions, as we have outlined in the past two hours.

Mr M.W. TRENORDEN: It is a brand-new fund. We are asking the parliamentary secretary whether this clause will allow the Treasurer of the day to transfer funds without the fund being wound up. The parliamentary secretary has refused to answer that question. I put it to him again. Forget about all the other funds. This is a brand-new fund. If this fund has a surplus, will this clause allow the Treasurer of the day to transfer funds from this fund?

**Mr R.F. JOHNSON:** I have been listening closely to the debate on this clause and I have not said a word until now. All the Opposition is asking for is some certainty. If the parliamentary secretary cannot see the anxiety on the part of opposition members then he is not in the same Chamber as we are. The concern is that if there is a surplus, this clause may be used to allow funds to be transferred at 12-month intervals, as I think the member for Kingsley said. The Government can amend this clause quite easily with two or three simple words, and we can all go home. The Government can prefix this clause with the words, "In the event of the fund being wound up, the funds can be transferred to the consolidated account", or whatever. Members on this side of the House will then know that funds can be transferred only if the fund is wound up. It will put us at ease to know that the fund cannot be pillaged by a Labor Government, because that is the concern of members on this side of the House. It was the Premier who was in charge of the former State Government Insurance Commission when it had its financial debacle; and, as the Leader of the Opposition said, it was not until 1993 when we came into government that we found out about what was virtually the insolvency of the SGIC. We do not want that to happen again. All we want is some certainty.

**Mr J.C. KOBELKE:** I will say a few words in support of the argument put very ably by the parliamentary secretary. I do not know whether it is a mixture of delaying tactics or paranoia, but the member for Hillarys does not know what he is talking about. The member for Hillarys should step back and look at what this Bill is doing. The Insurance Commission of Western Australia already writes insurance in a number of limited areas. This Bill seeks to enable the Insurance Commission to provide insurance for specific community organisations through the process that is laid out in this Bill. Section 18 of the Act provides that the surplus of these funds can be transferred through various processes. That section has been in the Act for many years.

Mr M.W. Trenorden: This fund has not been there for many years.

Mr J.C. KOBELKE: So that we can offer this insurance to specific community groups, we are providing an initial fund to handle that matter. All we are seeking to do is replicate in this clause what is already in the Act for the third party insurance fund, the government insurance fund and the Insurance Commission general fund. We are simply seeking to put into this clause that it can apply also to special funds established under proposed section 16(1a), which relates to insurance for community groups. It will not change the operation of the

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Insurance Commission. It simply states that, with respect to surpluses, this special area of insurance will be treated the same as the existing funds. We cannot make an amendment just for this fund.

Mr R.F. Johnson: The parliamentary secretary has already said it will apply only if the fund is wound up, so why not put it in black and white?

Mr J.C. KOBELKE: I am trying to get the member to understand that these provisions have been in the Act since 1986, and in the knowledge of the officials whom we have here it has not been used to transfer funds to the consolidated fund.

Mr R.F. Johnson: You did not have any surplus funds when you were last in government.

Mr J.C. KOBELKE: That is absolute nonsense. It is absolute twaddle. It had huge surpluses.

Mr R.F. Johnson: We'll come back tomorrow with some facts on that, my friend.

Mr J.C. KOBELKE: This is the absolute nonsense that comes from the Opposition. I did not say that the funds did not go into deficit. I said that at times when the Labor Party was in government there were huge surpluses. There were also losses, but at times there were huge, monstrous surpluses that were lost. That was the point of the Leader of the Opposition's charges. The fact is that when there were huge surpluses, under whatever Government, they were not, in whole or in part, transferred to the consolidated fund.

An Opposition member interjected.

Mr J.C. KOBELKE: They were not transferred out. What the member opposite is alluding to is investment management, which does not come under section 18 of the Act. It comes under investment decisions.

What we have here is a mixture of paranoia and a move to simply delay and thwart what is a necessary move that will provide an ability for public liability insurance to be given to specific forms of community groups. If members opposite want to step back for a moment to consider what they are talking about, they will find that those specific provisions relate to other funds that are already provided in the Act. This amendment allows for an extension to a new form of insurance and a fund to manage that. We need this provision. There is no intention to use the fund to take out money other than, as the parliamentary secretary said, in winding up. That is the way these funds have operated.

**Mr B.J. GRYLLS:** I thank the Leader of the House for his efforts to become involved in this debate. However, I was far more interested in speaking to the parliamentary secretary, who was advancing this issue. We seemed to be getting somewhere. The whole point that the Opposition is making is not about whether it has ever happened before, but whether this clause will allow it to happen in the future.

**Mr M. McGOWAN:** If members opposite had any concerns about this section and its operation, they had eight years in which to amend it. This section was around for the eight years that the Liberal and National Parties were in office. There was never any misuse of funds under this section in the seven years prior to or 18 months since the Court Government. Members opposite can go out, as the Leader of the Opposition has done, and refight the battles of the 1980s. They say how terrible and shocking was the Government of that time, and that it did terrible things. The Liberal and National Parties are back in opposition. It is about time they started looking to the future. They should forget the 1980s - no-one cares. They should get on with the future.

Mr C.J. Barnett interjected.

Mr M. McGOWAN: The Labor Party has a majority in this place of about 10 members. Does that not say something about fighting these battles over and over again? The Premier has a popularity rating that is about three times that of the Leader of the Opposition, so the Leader of the Opposition should stop fighting these battles. This Bill is about trying to put in place an administrative regime to give community groups a chance to get insurance. It is not about refighting battles of the 1980s, but about putting in place that regime. Keeping us here until midnight by nitpicking over sections that have been in place for the past 16 years is stupid. The Opposition might say that the Government is keeping it here until this hour of the night. The Government actually cares about this Bill. It wants to get the Bill through. This Bill will do something for community groups. The Opposition is holding up the Bill; it is stopping community groups from having something decent done for them. Let that be on the heads of members opposite. If members opposite do not like community groups and do not want them to get decent insurance, that is their responsibility and philosophy. The Government wants to get something decent through this Parliament. This clause is about doing that.

**Mr R.A. AINSWORTH:** I can understand that the parliamentary secretary is probably feeling as frustrated as everybody else at midnight, but the fact is that members on this side of the House are very concerned about community groups. We are also concerned that, for the first time, we are looking at a piece of legislation that sets up a specific insurance fund to deal with community groups that have a problem. We are not talking about

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the past. I agree that we should not. This Bill will set up a specific fund for a very specific purpose. Given the special nature of this fund, which has never existed before, can we be assured that under the existing legislation there is no capacity, regardless of what might have occurred in the past, for any Government, whether it is this or another Government, to transfer surplus amounts of money from that specific fund to another fund or to the consolidated fund? We are not saying that we have done nothing about a problem with the existing legislation before. The Bill relates to the new fund. This is a different concept; it is not the old Act or other funds in existence. It is a community fund. Given the special nature of the fund, is it hypothetically possible for a Treasurer or Government to do what we have suggested is possible?

Mr M.W. Trenorden: He will not answer the question.

Mr J.C. Kobelke: He has more than adequately answered it.

**Mr M.W. TRENORDEN:** Do parliamentary secretaries take an oath in the same way as ministers do? In the carriage of this Bill, the parliamentary secretary does not represent the Labor Party, which was his argument during previous sittings of the House. He is taking the attitude today that this Bill is the province of the Labor Party. However, he should represent every soul in Western Australia.

Mr J.C. Kobelke: He is doing a much better job than you are.

Mr M.W. TRENORDEN: Why does he not answer the question?

Mr J.C. Kobelke: He has. You don't want to listen.

Mr M.W. TRENORDEN: The parliamentary secretary is doing everything in his power to avoid answering the question. Why is he refusing to answer a question on a Bill that has been introduced for the sake of all Western Australians?

Mr J.C. Kobelke: He has answered it time after time.

Mrs C.L. Edwardes: He doesn't know the answer.

Mr M.W. TRENORDEN: He knows the answer. The only conclusion we can reach is that the clause has been included to deliberately serve the Government. If that is not the case, why has the parliamentary secretary not said so? It is clear to everyone, including him, that it will be legally possible for a Treasurer to transfer funds. That has been established even though the parliamentary secretary will not say so. Why will he not confirm that is the case?

Mr R.C. Kucera: You are talking in circles. The Bill has been in since 1996.

**Mr M.W. TRENORDEN:** It is QED. Why will the parliamentary secretary not say that it is legally possible for a Treasurer to transfer funds, although it is not the intention of the Insurance Commission to do that? In case the parliamentary secretary does not know, the Insurance Commission of Australia does not handle every fund. It does not insure houses, boats or aeroplanes. Funds with the Insurance Commission are there for a purpose. Today we are establishing a brand-new fund for a purpose. It is no good telling me that I did not amend it six years ago, because the fund did not exist then.

Mrs C.L. Edwardes: It was not before the Parliament.

Mr M.W. TRENORDEN: It is before the Parliament now. Why will the parliamentary secretary not answer the basic question of whether this clause allows a transfer of funds? We began asking an hour ago whether it was possible and he has refused to answer the question. Cabinet obviously wants this clause in place so that surpluses can be transferred; if that were not the case, the parliamentary secretary would not be stonewalling this debate. It is a very simple process. He could say that the words "in the event of winding up the fund" will be added. These things will occur, but he is refusing to say that. Why will he not be reasonable? Why will he not act for the well-being of all people in Western Australia? Why is he acting in that position just as a soldier of the Australian Labor Party?

**Mr R.F. JOHNSON:** Does this clause enable funds to be transferred from that fund that is being established by the Treasurer to other than the fund being wound up? Does the parliamentary secretary understand the question?

Mr M. McGowan: I have answered the question.

Mr R.F. JOHNSON: He has not answered it. He can say yes or no.

Mr M. McGowan: I do not take instructions from the member for Hillarys.

Mr R.F. JOHNSON: I am asking the parliamentary secretary a question.

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Mr M. McGowan: The member for Hillarys can ask me a question, but I do not take instructions from him.

Mr R.F. JOHNSON: The parliamentary secretary has a duty to give an honest answer in this House.

Mr J.C. Kobelke: He has. He has a job to do and he is doing it well. Members opposite are off the planet.

Mr R.F. JOHNSON: It is a simple question. The Leader of the House might have some difficulty because he is tired and irritable, as he gets when it is past midnight. It is a simple question. The parliamentary secretary has a duty to answer questions in this House. The Royal Commission into Commercial Activities of Government and Other Matters criticised ministers for not answering questions in this House.

Mr M. McGowan: I have answered the question.

Mr R.F. JOHNSON: The parliamentary secretary can placate me or do whatever he likes. I will ask the question one more time. He thinks that he has answered the question, but I do not believe that he has. Does this clause enable money to be transferred from this fund other than at the winding up of the fund? It is a simple yes or no question.

Mr M. McGowan: I have answered your question 15 times.

Mr R.F. JOHNSON: The parliamentary secretary will not answer it. If he answers it, I promise that I will sit down, because I do not want to be here any longer than is necessary. The member is being evasive.

Mr M. McGowan: I have answered your question 15 times.

Mr R.F. JOHNSON: Humour me. If the member answers it one more time, I promise that I will not ask it again.

Mr M. McGowan: It is for the purposes of winding up.

Mr R.F. JOHNSON: That was not the question, and that is not the answer to the question; we both know that.

Mr C.J. Barnett: He will sulk now.

Mr M. McGowan: I am not sulking. It is for the purposes of winding up. Just because you have a different view does not necessarily mean it is true.

Mr R.F. JOHNSON: I am asking the parliamentary secretary a question. He has carriage of the Bill. I am not being awkward; however, I have a concern and the more the member avoids giving an answer to a simple question, the more concerned I get. The member does not answer my question by simply saying that it is designed for winding up the fund. I want to know whether amounts from this fund can be transferred at any time other than for the purpose of winding up this fund. The question requires a simple yes or no answer.

Mrs C.L. Edwardes: The answer is yes.

Mr R.F. JOHNSON: I think it is yes, but I want to know for sure. If the answer is no, I will accept that.

*Points of Order*

**Mr A.J. DEAN:** My point of order goes to tedious repetition.

Mr R.F. Johnson: What a stupid comment. You are a joke.

**The ACTING SPEAKER** (Mr P.W. Andrews): Order, members!

Mr A.J. DEAN: In the space of three minutes and 40 seconds, I counted 15 times when the member asked the same question.

Mr R.F. Johnson: I will count up in *Hansard* how many times I asked the question.

Mr A.J. DEAN: The point of order was taken on repetition.

**Mr R.F. JOHNSON:** That was not a point of order. The Chamber is trying to get to the truth of this matter. I am trying to get an answer from the parliamentary secretary. He gave me an answer but it was not an answer to the question I asked. This is a serious question. I have not at all wasted the time of the Chamber tonight. I sat silently listening to most of the debate not only on this clause but also on other clauses. I have a serious concern about this clause and my question was not tedious repetition. It is a right of every member to get an answer to a question.

**The ACTING SPEAKER** (Mr P.W. Andrews): There is no point of order. If anything, the member continued to phrase the question in such a way that he asked why the question was not answered and subsequently he asked a different question at each point.

*Debate Resumed*

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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**Mr R.F. JOHNSON:** Mr Acting Speaker, I thank you very much indeed. If I can compliment you, you make some very wise judgments.

I am standing because I am giving the parliamentary secretary an opportunity to answer the question. He has been discussing this matter with his advisers, and it is a good thing that he does that. I have very little time left on this clause - I have 54, 53, 52 seconds left.

**The ACTING SPEAKER:** The member for Hillarys is starting to push me on this point.

Mr R.F. JOHNSON: I am asking whether the parliamentary secretary is ready to answer my question because I do not want to stand again and ask a similar question. Will the parliamentary secretary stand?

**Mr C.J. BARNETT:** This is a disgraceful performance because this is a straightforward issue which has been well summarised by members on this side of the Chamber. We simply want to know the answer. The parliamentary secretary is sitting at the Table with three advisers. It is patently obvious to every member in the Chamber that the three advisers know the answer and the answer is yes. We know the answer and, if members opposite have been listening to the debate, they will know that the answer is yes. The question now is why the parliamentary secretary will not put on the public record that these funds can be transferred at times other than at a wind-up of the fund. That is a significant fact that must be on the record. If ever this fund is misused or abused in any way by this or a future Government, it will come back on this parliamentary secretary for not answering this question in the Chamber tonight.

Mr J.C. Kobelke: That is utter nonsense.

Mr C.J. BARNETT: That is what this is about. The parliamentary secretary is not sworn as a parliamentary secretary; he is representing the Premier who, frankly, should be sitting at the Table answering this question. If the parliamentary secretary will not answer the question, he should go back to the Premier and seek his advice on whether he wants to answer yes or no. The parliamentary secretary cannot leave an issue like this unanswered. That is his job.

Mr R.C. Kucera: He has answered.

Mr C.J. BARNETT: No, he has not answered it. If he has answered it, I invite him to answer again. I did not hear him answer it. If he has answered it, he should repeat the answer so that Hansard can record whether this Government acknowledges that moneys can be transferred out of the fund at times other than at a wind-up. That is an important but straightforward issue. The answer - which is yes - must be stated by the parliamentary secretary representing the Premier. Members will remember that the Premier was the minister responsible for the State Government Insurance Commission at a time when large amounts of losses and transfers occurred. It is with that sense of history that the Opposition raised this issue. The answer is yes, the parliamentary secretary must state that it is yes, and then we must discuss the issue of whether it should be corrected and whether the fund should be protected. Indeed, the community groups who will pay the insurance premiums deserve the protection of knowing that moneys will not be transferred by this or any future Government or minister from the fund to which they have contributed those premiums. If the parliamentary secretary is serious about protecting and providing security to community-based organisations, he should ensure that moneys will be transferred only in the event of a wind-up. It matters neither here nor there what the provisions have been previously. As members on this side of the Chamber have said, this is the first time this fund has been established and this is the first time that this clause has come before the Parliament. This is the time that the parliamentary secretary should answer the question, clarify the situation and fix it.

Mr M. McGowan: I have answered it.

Mr C.J. BARNETT: If the parliamentary secretary is so smart and says that he has answered it, he should indulge me. He should stand and answer it again for my benefit alone.

**Mr M.W. TRENORDEN:** Let us be clear about what is happening. A fund is being established because people in the general community cannot afford to pay premiums or cannot get insurance. As part of the process, we are seeking to find out from the parliamentary secretary whether, in the future, this fund will reduce premiums for people in the community. It may not be able to reduce premiums if the Treasurer of the day decides to take moneys out of the fund. That is a simple premise; it could not be simpler. I now suspect that the answer the parliamentary secretary gave me on the previous clause, which I gracefully accepted, is incorrect. I suspect that, under the previous clause, there is a capacity to take charges out of this fund in the same manner, because the answer the parliamentary secretary gave me on the previous clause is exactly the same as the answer he gave me on this clause. Therefore, I suspect that is the case. Fifty-seven members in this place have earnestly decided that we will do our level best to reduce the pressure on the community by lowering premiums and making public liability cover available, and we need to know about every avenue that is available to assist in the lowering of

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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those premiums. That is what this is about. The parliamentary secretary has refused to say that a future Treasurer - it cannot be this Treasurer because it will be years before there is a surplus in the fund - could not take moneys out of the fund, but we all know that he could. Something here just does not fit. If we leave this debate at this stage, the parliamentary secretary will go down as one of the few people in this House who has totally refused to answer a question. I have been a member of this place for some time, as have other members. What the parliamentary secretary is doing is a rare event in this House.

**MR D.F. BARRON-SULLIVAN:** As we draw debate on this clause to a close, it is disappointing that we have not had a definitive answer from the parliamentary secretary. The parliamentary secretary keeps indicating that the Opposition has been trying to delay this legislation. I have indicated the opposite and said that our proposal and the way in which we could handle this legislation would speed its progress through the Parliament. In view of what the parliamentary secretary has said today, the Opposition will not only oppose this clause, but also when the Government, with its numbers, forces this legislation through this place and it gets to the upper House, I suggest that there will be an even greater appetite in that place for this Bill to be sent to a legislation committee. I do not think that will necessarily come from just our side of politics; I would be very surprised, for example, if the Greens (WA) did not see the principle behind this and if the matter did not go to a legislation committee. What has happened is extremely disappointing.

Mr R.C. Kucera: It will be on your head if you do that.

Mr D.F. BARRON-SULLIVAN: It will be on the Minister for Health's head when his parliamentary secretary becomes the next David Parker of this State. The minister's parliamentary secretary is renowned for having a brown leather bag by his desk. This legislation leaves it open for that sort of thing to occur. I am not casting any aspersions on the parliamentary secretary. I am saying that the Labor Party has shown how it gets its grubby mitts on money in these ways. As Her Majesty's watchdog in this Parliament, we are endeavouring to prevent any possibility of that happening. With those comments, I make the point that we do not have the undertaking we sought earlier from the parliamentary secretary, and we will oppose this clause.

Clause put and a division taken with the following result -

Ayes (24)

Mr J.J.M. Bowler	Mrs D.J. Guise	Mr M. McGowan	Mr J.R. Quigley
Mr C.M. Brown	Mr J.N. Hyde	Mr A.D. McRae	Mr E.S. Ripper
Mr A.J. Carpenter	Mr J.C. Kobelke	Mr N.R. Marlborough	Mrs M.H. Roberts
Mr A.J. Dean	Mr R.C. Kucera	Mrs C.A. Martin	Mr D.A. Templeman
Mr J.B. D'Orazio	Mr F.M. Logan	Mr M.P. Murray	Mr M.P. Whitely
Dr J.M. Edwards	Mr J.A. McGinty	Mr A.P. O'Gorman	Ms M.M. Quirk ( <i>Teller</i> )

Noes (15)

Mr R.A. Ainsworth	Mrs C.L. Edwardes	Mr B.K. Masters	Mr M.W. Trenorden
Mr C.J. Barnett	Mr J.P.D. Edwards	Mr P.D. Omodei	Mr T.K. Waldron
Mr M.F. Board	Mr B.J. Grylls	Mr D.F. Barron-Sullivan	Mr J.L. Bradshaw ( <i>Teller</i> )
Mr J.H.D. Day	Mr R.F. Johnson	Mr R.N. Sweetman	

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Pairs

Dr G.I. Gallop	Ms K. Hodson-Thomas
Ms A.J. MacTiernan	Mr A.D. Marshall
Mr P.B. Watson	Mr W.J. McNee
Ms S.M. McHale	Mr M.G. House

Independent Pair

Dr J.M. Woollard

**Clause thus passed.**

**New clause 10 -**

**Mr B.J. GRYLLS:** I move -

Page 5, after line 6 - To insert the following -

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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## **10. Section 23 Amended**

Section 23 is amended by inserting after paragraph (b) the following -

“

- (c) the Minister is to report to the Parliament as soon as is practicable 12 months after the commencement, and annually thereafter, of operation of the fund for eligible community organisations as specified in Section 6(ca) of this Act, via a 20 minute ministerial statement detailing the operations and profits of the fund and the capacity to reduce premiums to policy holders.

”.

It would be no surprise to the parliamentary secretary that this really puts into a nutshell the whole debate we have been having, not only tonight, but last Tuesday night as well. The National Party is extremely concerned that any profits from this fund are returned to policyholders, and that the Parliament is made aware by the responsible minister, as soon as possible after the end of the first 12 months of the operation of this fund, of details of the operations of this fund. Given the debate on the previous question, and that members on this side are still in the dark about what can happen to surpluses in this fund, this amendment is all the more important. We want to know exactly what is happening. Given the efforts of the parliamentary secretary to provide good legislation and good government, I can see absolutely no reason that he would not want to support this amendment.

**Mr M. McGOWAN:** I appreciate the intention of the amendment that the member for Merredin is proposing. He proposes that the minister report to the Parliament after 12 months operation, and annually thereafter, by way of a 20-minute ministerial statement on the operations and profits of the fund. I will explain the way the system operates at present. The Insurance Commission of WA is a government agency that provides an annual report under the Financial Administration and Audit Act 1985. The most recent report was handed down just a few days ago, and is available for everyone to see on the Internet. It provides exactly the information sought by the member for Merredin on the fund. There will be a provision, as part of that annual report, for this particular fund. Technically, it will be a note to the accounts. It will be part of that annual report, and all the details the member for Merredin seeks will be in that annual report. Legislative provision is already made under the Financial Administration and Audit Act for exactly what the member for Merredin seeks. Therefore, the amendment moved by the member is redundant.

The other reason the Government will not support this amendment is that it ties in the procedures of the Parliament to legislative provisions, which is not the preferred option. In fact, it is unheard of in the State. It is actually saying that a 20-minute ministerial statement will be made about the operation of the fund each year. We never put provisions into an Act of Parliament determining the operation of the Parliament. A couple of years ago, there was a review of the standing orders, which were changed in a number of ways. There may well be another review in time to come, and the length of time during which ministers may make statements might be reduced. Therefore, there will be a legislative provision contrary to the standing orders of the Parliament. The practice of the Parliament is not to put in Bills measures or provisions which tie in the procedures of the Parliament, because the standing orders of the Parliament may well change, causing a conflict between delegated legislation and legislation. In that circumstance, the provision of the Bill would prevail, because legislation always prevails over delegated legislation. That would create quite an interesting situation for the Parliament, and one which none of us would like to see.

**Mr B.J. GRYLLS:** Can the parliamentary secretary confirm to me whether there are time line constraints on the handing down of an annual report, which will have specific reference to my amendment?

**Mr M. McGOWAN:** It was raised a while ago in the debate. Under the Financial Administration and Audit Act, the annual reports of organisations such as this one are required to be presented every 12 months. The point was raised earlier about how regularly the Insurance Commission presents its annual report. Generally, they are presented in September. The end of the financial year is 30 June. The report came down the other day, and that has been the practice.

**Mr B.J. Grylls:** Is there a requirement for that to happen, or has it been just good timeliness?

**Mr M. McGOWAN:** Under the Financial Administration and Audit Act, the commission is required to produce such reports on a timely basis. I cannot say exactly when it will happen, but the experience of ICWA has been that it hands down its reports in a timely way shortly after 30 June. As I said before, members can always ask a

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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question in this place about the operations of the fund. I suspect that the Treasurer will regularly explain the operations of the fund to the Parliament and the people because of the high degree of interest in it.

**Mr M.W. TRENORDEN:** The National Party deliberately chose a 20-minute procedure of the House by which a report could be made. The parliamentary secretary has obviously forgotten that that procedure provides an opportunity for the Leader of the Opposition and, if there is a second party in opposition, the leader of that party to respond to the ministerial statement. We chose a ministerial statement so that the Government would be accountable.

Mr A.D. McRae interjected.

**Mr M.W. TRENORDEN:** I am happy to go for another hour if the member wants. It does not worry me. The Financial Administration and Audit Act spells out what must be included in an annual report. The parliamentary secretary is deliberately trying to avoid the fact that we want specific information. We want to know the political aspects of the fund - the everyday aspects of which the relevant minister will be conscious. That is why we want a 20-minute statement from the responsible minister - the Treasurer. The agency is instructed to report annually on certain matters. We want the Treasurer of the day to come into this place and report on the political aspects in which the 57 members of this House are interested. We want the opportunity, even though it is short, for the Leader of the Opposition of the day and the leader of the second party in opposition, if any, to respond to the statement. The parliamentary secretary has said that he does not like that process. This House has on numerous occasions sent matters to the Public Accounts Committee. The practice is as regular as blinking. I could not say how many times in the eight years I was Chairman of the Public Accounts Committee the House directed the committee to do precisely what we are talking about now. We did not put that in our new clause because it would be an onerous responsibility for the Public Accounts Committee.

**Mr M. McGowan:** Can you tell me of any Acts in which there is a requirement for a 20-minute ministerial statement?

**Mr M.W. TRENORDEN:** There is none. The parliamentary secretary says that he will not accept this new clause. The very minimum he could do would be to send the matter to the Public Accounts Committee. That does not need a motion from the Leader of the Opposition or me. All that is needed is for the Treasurer to request the Public Accounts Committee to annually review the legislation. The Public Accounts Committee must then do that. I did not want to do that because it would take the Public Accounts Committee some hours of its time. All we want is a political reporting process. If the parliamentary secretary wants to wipe out our amendment, he or the Treasurer need only say that the Government will instruct the Public Accounts Committee to report annually to this House on the standing of the fund. That does not need an amendment from us. Such an instruction would be perfect, as that is the role of the Public Accounts Committee. However, it would be more onerous for the Public Accounts Committee to review the fund than it would be for the responsible minister to provide a 20-minute statement to the House. If the parliamentary secretary does not want to accept our new clause, the least he could do is tell the House that the Treasurer will request the Public Accounts Committee to report annually on this matter.

**Mr M. McGOWAN:** I appreciate what the Leader of the National Party is trying to say. The Treasurer may answer that question himself or he may want to consult with his agencies to seek advice on the proposal instead of making commitments on the run without seeking appropriate advice.

**Mr M.W. Trenorden:** What commitments?

**Mr M. McGOWAN:** The Leader of the National Party should be reasonable. We are not dealing with what the Treasurer may or may not do; we are dealing with an amendment that is redundant and repeats the requirements of the Financial Administration and Audit Act.

**Mr M.W. Trenorden:** It does not at all.

**Mr M. McGOWAN:** Yes, it does. It puts in place something that is, quite frankly, unique - a requirement in an Act of Parliament for a 20-minute ministerial statement. If the member can point out to me any Parliament in the common-law world that has that provision, I will take my hat off to him. I am unaware of any provision that puts in place a requirement relating to standing orders.

We do not want to put the provision into the Bill for very good reasons. Standing orders are the prerogative of the Parliament. They may well be changed. We do not want to put provisions into this Bill that will tie up the standing orders of the Parliament. The reasons are very simple. The Treasurer in an informal way, as ministers do every day, may want to make a statement about the operations of this fund and RiskCover. Ministers make

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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statements on a regular basis. The Leader of the National Party's intention for pushing the point is admirable, but he knows very well that it cannot be supported by the wording of the clause, because it is redundant.

Mr M.W. Trenorden: Refer it to the Public Accounts Committee.

Mr M. McGOWAN: I appreciate that the Leader of the National Party wishes to support the new member who has come up with a unique, progressive idea, but it is really unworkable and does not advance the cause of this Bill whatsoever.

**Mr M.W. TRENORDEN:** Here we go again. I presume that because this parliamentary secretary has not been required to give an oath to the people of Western Australia, he is flat-batting everything that comes down the pitch. In no way will he accept the sun coming up tomorrow morning. The Treasurer is sitting behind him. Any minister of the House has the capacity to refer this to the Public Accounts Committee. We could do it by way of a motion next week. Does the parliamentary secretary want us to argue for an hour about sending it to the Public Accounts Committee? The Chairman of the Public Accounts Committee is sitting on the other side of the House. I have tried to keep him out of this, because I have been in his position. It looks as though he might cop this. I know his job and how he carries out the task. He would cover this in not very much time, but he must go through the process of calling committee members and his staff together, compiling a report and bringing it to this House. It is a far more substantial process than a minister merely reporting to this House. However, if that is the way it must be, that is the way it must be. Surely the parliamentary secretary will not ask us to bring on a motion so that tomorrow, the day after or sometime next week, we debate this issue for another hour so that the Labor Party may take this up as an issue of accountability. How can he resist it?

Mr R.F. Johnson: You can move a motion at any time before the third reading stage.

Mr M.W. TRENORDEN: I think we might have to get a motion ready. All the parliamentary secretary need do is to give us three seconds of consideration and then we will not have to do that. If he does not do that, we will move the motion that it be referred to the Public Accounts Committee for it to report on annually. Why is this such a hard deal? Why is this such a drag?

Mr M. McGOWAN: I have consulted with the Treasurer on the proposal put by the Leader of the National Party. Section 23 of the Insurance Commission of Western Australia Act 1986 states -

The Commission shall, if so directed by the Treasurer -

- (a) cause a separate and distinct annual report to be prepared and submitted under section 66(1) of the *Financial Administration and Audit Act 1985*, in respect of a Commission account; or
- (b) cause separate and distinct financial statements referred to in section 66(1)(a) of the *Financial Administration and Audit Act 1985* to be prepared in respect of a Commission account for inclusion in the Commission's annual report under section 66(1) of that Act.

That provision gives the Treasurer some authority, subject to further advice and consideration, to carry out what the Leader of the National Party is suggesting. The Treasurer has advised me that he is prepared to do that in the spirit of goodwill that has permeated this place tonight.

**Mr M.W. TRENORDEN:** If we are concerned about aspects of the Financial Administration and Audit Act, we will read the annual report. That is not what we are putting to the parliamentary secretary. We are asking the Government to be accountable. The Government is seeking to pass special legislation for a special provision, and it should take a special measure to inform the House annually about what is happening. We are concerned about the political aspects, not the requirements of the FAAA and the Auditor General; if that is we wanted, we would wait for the annual report. I have accepted totally the Insurance Commission's view that it will place the annual report before the House expeditiously. I have no problem with that. I want to know that this House will have the capacity to look at the political aspects of this legislation. There is an urgency about this fund that everyone in this House has spoken about for hours. We want this House to have the capacity to ensure that that urgency is met. It is a simple process. It is not complicated. What we want is not the requirements of the FAAA. We want the appropriate minister, or the appropriate committee, to give an assurance to this House, and therefore the people of Western Australia, that the urgency requirements of this fund have been met.

**Mr M. McGOWAN:** I thought I had made a reasonably good offer to the Leader of the National Party. If the Leader of the National Party wants to get that further level of accountability that he is talking about, then when the Treasurer presents the annual report, he is free to ask him questions about that. If he wishes to move a motion in this Parliament about that or any other matter, he is free to do that. However, I remind him and other members of the House that we are dealing with an amendment moved by the member for Merredin. I think even the Leader of the National Party would now realise that the amendment is probably inappropriate for this Bill. I

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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remind members that the reason that we cannot accept the amendment is that an accountability mechanism is already in place. Secondly, we should not tie down the operations of the Parliament by a reference to an Act of Parliament. That is not the way the Parliament should operate, and that has been the standard and precedent that has applied to Acts of Parliament over decades.

**Mr M.W. TRENORDEN:** I ask the Leader of the House, through the parliamentary secretary, whether he intends for the House to now rise, and whether I need to prepare a motion now or will I have an opportunity to do so for tomorrow.

Mr M. McGowan: A motion on what?

Mr M.W. TRENORDEN: On referring the Bill to the Public Accounts Committee. That is what I will do. I am seeking some guidance through the Chair.

Mr M. McGowan: Why do you want to hold up this Bill?

Mr M.W. TRENORDEN: I do not. It will take three seconds to do what I want.

Mr M. McGowan: You should just say that this is a good Bill, because it is.

Mr M.W. TRENORDEN: The National Party wants some accountability and the Government does not; that is the difference. I would like an indication from the Leader of the House about the point at which the debate will terminate tonight.

Mr J.C. Kobelke: When we finish the detail. We are on the last clause.

Mr M.W. TRENORDEN: Will I have an opportunity to move a motion tomorrow to pass the Bill to the Public Accounts Committee?

Mr J.C. Kobelke: No, we want to finish it now. You will have the opportunity to deal with the third reading tomorrow.

Mr M.W. TRENORDEN: My understanding is that I cannot move a motion during the third reading.

Mr R.F. Johnson: It has to be done after the second reading and before the third reading.

Mr M.W. TRENORDEN: That is right.

Mr J.C. Kobelke interjected.

Mr M.W. TRENORDEN: I know that it is 10 minutes to one. I presume that most of us want to go home. I am asking whether the Government wants to debate it now.

Mr M. McGowan: We have already debated it.

Mr M.W. TRENORDEN: I have not yet moved the motion.

Mr M. McGowan: Why don't you ask the member for Merredin whether he is satisfied with the explanation in relation to his amendment?

Mr M.W. TRENORDEN: I am happy to sit down so that the parliamentary secretary can ask that question.

Amendment put and a division taken with the following result -

**Extract from Hansard**  
[ASSEMBLY - Tuesday, 17 September 2002]  
p1098d-1123a

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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Ayes (15)

Mr R.A. Ainsworth	Mr J.H.D. Day	Mr B.K. Masters	Mr M.W. Trenorden
Mr C.J. Barnett	Mrs C.L. Edwardes	Mr P.D. Omodei	Mr T.K. Waldron
Mr M.J. Birney	Mr B.J. Grylls	Mr D.F. Barron-Sullivan	Mr J.L. Bradshaw ( <i>Teller</i> )
Mr M.F. Board	Mr R.F. Johnson	Mr R.N. Sweetman	

Noes (23)

Mr J.J.M. Bowler	Mrs D.J. Guise	Mr M. McGowan	Mr J.R. Quigley
Mr C.M. Brown	Mr J.N. Hyde	Mr A.D. McRae	Mr E.S. Ripper
Mr A.J. Carpenter	Mr J.C. Kobelke	Mr N.R. Marlborough	Mr D.A. Templeman
Mr A.J. Dean	Mr R.C. Kucera	Mrs C.A. Martin	Mr M.P. Whitely
Mr J.B. D'Orazio	Mr F.M. Logan	Mr M.P. Murray	Ms M.M. Quirk ( <i>Teller</i> )
Dr J.M. Edwards	Mr J.A. McGinty	Mr A.P. O'Gorman	

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Pairs

Ms K. Hodson-Thomas	Dr G.I. Gallop
Mr A.D. Marshall	Ms A.J. MacTiernan
Mr W.J. McNee	Mr P.B. Watson
Mr M.G. House	Ms S.M. McHale

Independent Pair

Dr J.M. Woollard

**New clause thus negatived.**

**Clause 10 put and passed.**

**Title put and passed.**

*Referral to Public Accounts Committee*

**MR M.W. TRENORDEN** (Avon - Leader of the National Party) [12.57 am]: I move -

That the Bill be referred to the Public Accounts Committee for consideration and report.

**The ACTING SPEAKER** (Mr P.W. Andrews): There appears to be some conflict between Standing Orders Nos 173 and 171. Standing Order No 171 reads -

At any time after the second reading and before the third reading stage, a motion without notice "That this bill be referred to a standing (or select) committee" may be moved or the bill may be referred without notice to a legislation committee.

As that has been the **case** with the Leader of the National Party's motion, the motion will stand and I will put that to the House.

Mr M.W. TRENORDEN: I do not intend to take up too much more time of the House. The parliamentary secretary refused to accept a far less odious and a far more simple process for this Chamber to find out what this Bill does. We have moved a standard requirement, which has been moved many times in this place since 1972 when the Public Accounts Committee was formed. It is a regular function. I cannot think of an occasion when this type of motion has not been carried by the government of the day.

**MR R.F. JOHNSON** (Hillarys) [12.59 am]: I offered to be the lead speaker on this matter because I have a lot to say on this issue; however, I am the second speaker. I support the motion moved by the Leader of the National Party. He has moved this motion because the Opposition has not been given answers to questions it asked during consideration in detail. The parliamentary secretary blatantly refused to answer our questions.

Mr J.C. Kobelke: He answered them more than adequately.

Mr R.F. JOHNSON: Let us be truthful in this place.

Mr E.S. Ripper: The truth is that you did not like his answers. I heard his answer over and again, but you did not like it.

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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Mr R.F. JOHNSON: This Bill does not mention the winding up of the fund. The parliamentary secretary -

Mr E.S. Ripper: You did not like the answer the parliamentary secretary gave.

Mr R.F. JOHNSON: I like to hear truthful answers. I do not like evasive answers. That is why if this goes to the Public Accounts Committee, it will have the authority to get to the truth of the matter regarding the clauses that gave great concern to members on this side of the House. All we needed was for truthful answers to be given to genuine questions that were put by members of the Opposition. Because it is a financial Bill, members of the Public Accounts Committee should have the opportunity to consider it in detail. Although every member in this House wants to help community organisations that are having difficulty, the Opposition wants to ensure that the funds that we provide for them will be there all the time and will not be pillaged by a Government of any persuasion. That is the concern we have. Government members have no worries about that whatsoever. If they did, they would answer the questions raised by members on this side of the House.

The Leader of the National Party has genuinely put forward this motion. He feels very strongly about these types of issues. He was the chairman of the Public Accounts Committee for eight years and he knows how it operates. What better committee is there for this Bill to go to? It is better for it to go to that committee rather than any other standing committee because it can call people before it on these issues and get to the truth of the matter. All we want is the truth. We have not found the truth tonight in the answers that were given to genuine questions asked by members on this side of the House. I am afraid that the parliamentary secretary has been found wanting.

It is a shame and a pity that the Premier, who has responsibility for this Bill, is missing in action. He has not been here tonight to answer these questions. The parliamentary secretary is handling the Bill for the Premier in this Chamber only as a matter of convenience. The responsibility for this matter goes back to the Premier. We know why the Premier has been missing tonight on this Bill; it is because of his history with the State Government Insurance Office, and that would be an embarrassment to him. The embarrassment will stay with him because the Opposition will not let this matter go. We want to get truthful answers, and we will get them at some stage by hook or by crook.

All we require is a yes or no answer. However, it has proven to be very difficult for the parliamentary secretary to give a truthful answer, because he has not done so tonight. The Opposition supports the motion to send the Bill to the Public Accounts Committee to properly scrutinise it.

**MR C.J. BARNETT** (Cottesloe - Leader of the Opposition) [1.04 am]: The parliamentary secretary did not adequately answer the questions that were asked of him. They were not searching or difficult questions. The Bill did not refer to the winding up of funds. It was obvious that we wanted an answer about a simple measure of accountability of a financial Bill, and he did not provide it.

I add to what has already been said today that if this Government is to delegate parliamentary responsibilities to a parliamentary secretary - which I do not believe is generally good practice - it must give the parliamentary secretary some authority to make decisions in handling the Bill, otherwise the Premier should do the job. It was clear that the parliamentary secretary not only did not have the ability or willingness to answer the questions but also had no authority. What is the point of this Parliament's trying to deal with legislation properly when a junior, pretend minister grapples with and does not comprehend the Bill; or, if he did comprehend it, he did not do so with any authority.

Mr J.C. Kobelke: He certainly outshone you tonight.

Mr C.J. BARNETT: He had no authority to answer the questions and no authority to make decisions while sitting at the Table. I say to the Leader of the House that if he is not going to give that responsibility to the parliamentary secretary, he should not give parliamentary secretaries the responsibility for legislation.

Question put and a division taken with the following result -

**Extract from *Hansard***  
[ASSEMBLY - Tuesday, 17 September 2002]  
p1098d-1123a

Mr Mark McGowan; Mr Dan Barron-Sullivan; Mr Max Trenorden; Mr John Kobelke; Speaker; Mrs Cheryl Edwardes; Mr Brendon Grylls; Mr Ross Ainsworth; Mr D.F.; Mr Colin Barnett; Mr Rob Johnson; Mr Tony Dean; Acting Speaker

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Ayes (15)

Mr R.A. Ainsworth	Mr J.H.D. Day	Mr B.K. Masters	Mr M.W. Trenorden
Mr C.J. Barnett	Mrs C.L. Edwardes	Mr P.D. Omodei	Mr T.K. Waldron
Mr M.J. Birney	Mr B.J. Grylls	Mr D.F. Barron-Sullivan	Mr J.L. Bradshaw ( <i>Teller</i> )
Mr M.F. Board	Mr R.F. Johnson	Mr R.N. Sweetman	

Noes (22)

Mr J.J.M. Bowler	Mrs D.J. Guise	Mr A.D. McRae	Mr E.S. Ripper
Mr C.M. Brown	Mr J.N. Hyde	Mr N.R. Marlborough	Mr D.A. Templeman
Mr A.J. Carpenter	Mr J.C. Kobelke	Mrs C.A. Martin	Mr M.P. Whitely
Mr A.J. Dean	Mr R.C. Kucera	Mr M.P. Murray	Ms M.M. Quirk ( <i>Teller</i> )
Mr J.B. D'Orazio	Mr F.M. Logan	Mr A.P. O'Gorman	
Dr J.M. Edwards	Mr M. McGowan	Mr J.R. Quigley	

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Pairs

Ms K. Hodson-Thomas	Dr G.I. Gallop
Mr A.D. Marshall	Ms A.J. MacTiernan
Mr W.J. McNee	Mr P.B. Watson
Mr M.G. House	Ms S.M. McHale

Independent Pair

Dr J.M. Woollard

Question thus negatived.

*House adjourned at 1.09 am (Wednesday)*

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