

Mr David Templeman; Deputy Speaker; Mr Peter Watson; Mr John Bradshaw; Mr John Kobelke; Mr Rob Johnson; Mr Mike Board; Mr Tony Dean; Mr Bob Kucera; Acting Speaker; Dr Janet Woollard; The Acting Speaker (mr A.D. Mcrae); Mr Arthur Marshall; Mr Paul Omodei; Mr Bernie Masters; Mr Colin Barnett

FINANCE BROKERS CONTROL AMENDMENT BILL 2003

Second Reading

Resumed from an earlier stage of the sitting.

MR D.A. TEMPLEMAN (Mandurah) [8.00 pm]: It is important that I speak on the Bill before the House this evening because I feel it is my responsibility to represent those people in my electorate who have been affected by this issue. The Deputy Leader of the Opposition, in his opening address, could not bring himself to refer to the matter as the mortgage broker's fiasco, scandal or debacle, but proceeded to refer to it as an issue. The many people who have been into my office since I was elected as the member for Mandurah in 2001 have referred to it as a fiasco, a scandal and a debacle.

This afternoon a number of speakers talked about the importance of the Bill. There is no doubt that the Bill is an important platform from which the whole finance broking structure will be dealt with in future, but we cannot forget the past. Some members opposite would have us forget the past. We cannot forget the past and we must make sure that those people in my electorate -

Several members interjected.

The DEPUTY SPEAKER: Order members!

Mr D.A. TEMPLEMAN: It is very interesting, Madam Deputy Speaker, that the member for Murray-Wellington asks what we have done. The question should be what his party did in government. The fact is it did nothing. All it did was protect a minister who was inept and unable to deliver to the people in my electorate and many other electorates in this State who were affected very badly by the incompetence of the former minister.

Mr J.L. Bradshaw: What have you done to fix it?

Mr D.A. TEMPLEMAN: The member for Murray-Wellington, as a member of the former Government and a member of this House for 14 years, was in a position to represent the people in his electorate and he, Madam Deputy Speaker, did nothing at all.

Ms S.E. Walker interjected.

The DEPUTY SPEAKER: I call to order the member for Nedlands.

Mr D.A. TEMPLEMAN: I want to quote from a letter that I received, which is one of many examples of people in Western Australia who were affected by the Opposition's ineptness when it was in government. We should never forget it. We must never allow something of that nature to take place again. We must make sure that we learn from the errors of the previous Government. However, opposition members must admit that they were in power at the time and that they did nothing in terms of the minister who was in charge. All they did was to attempt to protect that minister at every opportunity. They never listened to the people who were constantly banging on their doors and telling them, as members of this Parliament, that they must act. I will read from a letter from a very well liked member of my community who has volunteered for a number of causes over time. His name is Jock Carville. He is a great bloke. He volunteers for a range of things in the community. He is just one of the many hundreds of people who were affected by this debacle and fiasco. That is the term the Deputy Leader of the Opposition could not bring himself to use. Jock Carville wrote -

I am one of the many victims of the finance brokers scandal and have been battling since 1998 to get our money back, mainly from Grame Grubb trust fund. This fiasco has been going on now for 6 years and I and many others have had tremendous strain put on us, not to mention -

He then spoke about his triple bypass operation in 1999. He also mentioned that some of the victims had unfortunately taken their lives -

... because of the previous Govts' lack of response, as Doug Shave (Minister of Fair Trading at the time) choose to ignore the warning signs as far back as 1996, consequently this whole fiasco has blown sky high, and at the moment the only people getting any remuneration is; the liquidators & solicitors -

I agree with the comments made by the Leader of the National Party earlier this afternoon. I agree with his point that we must make sure that the legislation that is now before the House puts in place structures to ensure enforcement. I do not think that anybody in this place would disagree with that. However, we must never forget that this event affected the lives of many people in our communities. Many of those people were vulnerable. They included seniors in my electorate who have made tremendous contributions to the State in their personal

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and professional lives. We must make sure that the hardship that was brought upon them by the previous Government is not forgotten.

Mr D.F. Barron-Sullivan: I will come to Mandurah soon and talk to them about this.

Mr D.A. TEMPLEMAN: The member for Mitchell will be very welcome. They probably will not know who he is.

Mr D.F. Barron-Sullivan: They will when I'm gone. I will debate you publicly. Will you accept the challenge?

Mr D.A. TEMPLEMAN: This legislation has been structured to make sure -

Mr D.F. Barron-Sullivan: Will you accept the challenge for a debate in Mandurah on this issue?

Mr D.A. TEMPLEMAN: The Deputy Leader of the Opposition might need to get a telephone box for him to meet, because that is probably the only thing that will turn up to see him. He said tonight during his opening address that the more he looks at this Bill, the more it appears deficient. Why does he not look at himself? The more I look at him, the more I see deficiencies. Not once in his speech this afternoon did he accept or admit that tremendous hardship had been brought upon the people of Western Australia. It is a pity that he did not do that, because I think he would have gained a lot more support and a lot more understanding and empathy if he had done that.

This legislation does a number of important things in terms of how we move on from here. I reiterate for the people of my electorate - the seniors and others who were affected - that this must not be forgotten. It has been said this afternoon that we should move on and forget about the past. The past happened and is still affecting people in our electorates. We must never forget that. I hope that the Deputy Leader of the Opposition is true to his word and will work with the Government on this legislation. I also hope that members opposite will ensure that this Bill has safe passage through this House so that we can put in place measures that should have been acted upon by the previous Government, particularly the previous Minister for Fair Trading.

MR P.B. WATSON (Albany) [8.10 pm]: Madam Deputy Speaker -

Ms S.E. Walker: Look at all the people we are getting who do not normally speak in Parliament!

The DEPUTY SPEAKER: Order! I call the member for Nedlands to order for the second time.

Mr P.B. WATSON: I find it hard when members opposite want to make this a funny type of situation. Our members are bringing up valid points about a very serious situation that seriously affected many members of my community. The member for Nedlands comes from a toffy area and probably has plenty of money. I represent the people of Albany who had their life savings taken away through the incompetence of the previous Government. Albany was badly hit in the finance broking scandal. It was hit not by one, but two, lots of finance brokers. The Prime Minister now says that seniors should work hard and put their money into superannuation. People are too scared to put their money with finance brokers. However, there are some great finance brokers. I am not speaking tonight to have a go at all finance brokers. This legislation will make the situation safer and provide people with confidence when they put money away for their future.

We have heard the white knight, the Deputy Leader of the Opposition, speak tonight. When Hon Doug Shave was the minister, the Deputy Leader of the Opposition supported him. I have read *Hansard*. He is now the white knight of the finance brokers. He will save them; he will do this and that. Where was he -

Mr D.F. Barron-Sullivan: Didn't you listen to my speech?

Mr P.B. WATSON: I listened to the member's speech.

Mr D.F. Barron-Sullivan: Tell us, this is your opportunity.

Mr P.B. WATSON: The member had his chance to say his piece. Does he support Hon Doug Shave coming back?

Several members interjected.

The DEPUTY SPEAKER: Order, members! Members can see what happens when interjections across the Chamber get out of hand. I urge the member to address his comments to the Chair. I ask other members to desist.

Mr P.B. WATSON: Mortgage broking is an industry that represents one-third of the \$100 billion home loan market. It is one of the biggest industries in Australia and the world. If we do not legislate to bring this sort of industry under control, we will have serious problems in the future. We have an ageing population. I am one of the baby boomers, even though I do not look it! I am looking at retiring -

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Mr C.J. Barnett: Yes, in about a year!

Mr P.B. WATSON: I am looking at retiring and looking after my money. If I were the Leader of the Opposition, I would not worry as much about retiring as the knives coming from behind. He should not worry about what I will do next year. He should worry whether he will still be here.

The Deputy Leader of the Opposition said the Government had done nothing for investors. The Government has given \$1 million for legal aid funding and has assisted consumers to recover funds when possible. Unfortunately for many investors, it is not possible to recover some funds. They are lost forever because of dishonest and illegal actions.

Mr J.L. Bradshaw: The member is not supposed to be reading; he is supposed to speak off the cuff.

Mr C.J. Barnett: These are the member's constituents; he should be across this issue. This is an issue for Albany.

Mr P.B. WATSON: It is an issue for Albany and I am speaking about it. I could bring up a lot of things off the cuff that the member would be very embarrassed about.

Mr C.J. Barnett: The member started sledging the Opposition. If he wants to sledge, he should be able to cop it!

The DEPUTY SPEAKER: Order! I call the Leader of the Opposition to order for the first time.

Mr P.B. WATSON: I want what the member for Kalgoorlie is calling. The four-day binge is over, is it? Good.

The DEPUTY SPEAKER: I ask the member for Albany to address his comments to the Chair.

Withdrawal of Remark

Mr J.L. BRADSHAW: This has nothing to do with election commitments, Madam Deputy Speaker.

The DEPUTY SPEAKER: Is this a point of order?

Mr J.L. BRADSHAW: I was under the impression that we had a code of conduct in this place. I find that the member on his feet has abused that code of conduct. I would like you to rule on it. Thank you.

Mr J.C. KOBELKE: The fact is that the Opposition has made incessant interjections trying to put the member off his stroke. It is a standard practice in debate that if there is an attempt to undermine the member who is on his feet, he will respond to the interjections. That is all the member was doing. If members opposite want the code adhered to in a strict way, it is in their own hands to behave themselves and to let the member complete his speech.

Mr R.F. JOHNSON: It was a great speech from the Leader of the House, but as usual it had nothing whatsoever to do with the point of order. The point of order relates to the code of conduct and the comments made by the member for Albany to the member for Kalgoorlie. He knows what he said and he knows that it was unparliamentary. It is unparliamentary to say that someone has been on a four-day binge.

Several members interjected.

The DEPUTY SPEAKER: Order! Members on my right, order!

Mr R.F. JOHNSON: Members must listen to the Deputy Speaker. What the member for Kalgoorlie might have said outside this place at some stage is up to him. What the member for Albany said is relative to what is said in this place. What he said was very unparliamentary and went against the code of conduct. I ask that you ask him to withdraw that comment.

The DEPUTY SPEAKER: Further to the point of order, I believe that all members are well aware of the code. I am also aware that several members have pushed it to the limit this afternoon. I have allowed some latitude due to the heat. That latitude just stopped. I ask members to be mindful of the code and address each other in the appropriate form. I also ask that interjections cease. Members know the proper manner in which they are able to seek one. The member for Albany knows the appropriate way in which to address members in this place. I ask that he do so.

Mr J.L. BRADSHAW: Further to that point of order -

The DEPUTY SPEAKER: Unless the member has a new point of order, he needs to move dissension.

Extract from *Hansard*
[ASSEMBLY - Tuesday, 23 March 2004]
p1000c-1020a

Mr David Templeman; Deputy Speaker; Mr Peter Watson; Mr John Bradshaw; Mr John Kobelke; Mr Rob Johnson; Mr Mike Board; Mr Tony Dean; Mr Bob Kucera; Acting Speaker; Dr Janet Woollard; The Acting Speaker (mr A.D. Mcrae); Mr Arthur Marshall; Mr Paul Omodei; Mr Bernie Masters; Mr Colin Barnett

Mr J.L. BRADSHAW: I want clarification of what you have just said, Madam Deputy Speaker. The facts are that the member on his feet has been baiting us and encouraging us with bad practice in this debate. If he baits us, we will return it.

The DEPUTY SPEAKER: There is no point of order. The member knows the rules of this place. If he wants to dissent from my ruling, he should move the appropriate motion.

Several members interjected.

The DEPUTY SPEAKER: I have ruled that the member for Albany address members in the appropriate way.

Mr P.B. WATSON: Yes, Madam Deputy Speaker.

Mr M.J. Birney: Continue to read.

The DEPUTY SPEAKER: The member for Kalgoorlie!

Mr P.B. WATSON: I will withdraw my remark to the member for Kalgoorlie - not to the Opposition - because I think he is a decent man and I think he will make a fine leader.

The DEPUTY SPEAKER: Member for Albany!

Mr C.J. Barnett: You could not even do that right, could you?

The DEPUTY SPEAKER: Leader of the Opposition!

Mr C.J. Barnett: I thought he was about to do the gracious thing, but he could not even do that.

Mr P.B. WATSON: I withdraw.

Debate Resumed

Mr P.B. WATSON: I want to quote from the *Sunday Times* business section of last weekend. It states -

WA is the only state that requires people or companies carrying out the business of negotiating or arranging loans of money for clients to be licensed. . . .

Peter Jooste QC, chairman of the Finance Brokers Board, welcomed the changes and said that he thought WA now set the pace for the rest of the country.

“The industry has changed remarkably since the Temby royal commission examined it,” Mr Jooste said.

“The mortgage-broking industry is moving ahead very rapidly. It’s a billion-dollar industry now and there are some very significant players in WA.

“Given that the Commonwealth is not taking up the regulation of this area, the rest of the states are very keen for uniform legislation and WA may well become the template.”

Once again the Gallop Labor Government is at the leading edge in Australia, as with everything else it does. We can talk about this all night.

Several members interjected.

The DEPUTY SPEAKER: Members on my left!

Mr P.B. WATSON: People may joke about it. However, one of my constituents is 72 years of age, and will be paying off a \$30 000 loan for the rest of his life. When he gets his pension each week, he gets the money out to live on and pays the rest off as interest on his loan. He will never pay it off. He is just one of the small people with debts under \$30 000. I know people here who have lost their farms, their houses and everything.

Mr D.F. Barron-Sullivan: What are you doing about it?

Mr P.B. WATSON: At least we are trying something. The member asked what we are doing about it. We are introducing legislation here, but the previous Government went to sleep at the wheel. The Gallop Labor Government is at least doing something and I support this Bill.

MR M.F. BOARD (Murdoch) [8.21 pm]: I speak for every single member of this House when I say that we are deeply concerned for those who have lost money in poorly advised investments through finance brokers. I say that because some comments have been made this evening that attempt to paint members on this side of House as lacking feeling or concern, particularly for members of our community, many of them elderly, who lost a great deal of money - over \$100 million in Western Australia. Many of them lost their life savings. I assure government members that a majority of those people lived in electorates represented by opposition members. Large numbers of people in my electorate lost money as a result of poorly advised investments.

Extract from *Hansard*
[ASSEMBLY - Tuesday, 23 March 2004]
p1000c-1020a

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A member: It was criminal behaviour.

Mr M.F. BOARD: It was criminal behaviour, and that has been proved by the royal commission.

Dr G.I. Gallop: We established in the parliamentary debates beyond doubt that your Government failed. Go back and read the *Hansard*.

Several members interjected.

The DEPUTY SPEAKER: Order! The member for Mitchell!

Mr C.J. Barnett interjected.

The DEPUTY SPEAKER: Leader of the Opposition, I am on my feet. The member for Murdoch has the call.

Mr M.F. BOARD: I did not want to introduce this to the debate this evening, but some of the -

Dr G.I. Gallop: You have not learned your lesson, have you?

Mr M.F. BOARD: Has the Premier learned a lesson? I was elected in 1993, and the first two years that the previous Government was in power were spent trying to pay the WA Inc bills. The Premier's side of politics lost billions of dollars for the Western Australian taxpayers. Has any government member mentioned that this evening? Who was asleep at the wheel then?

Mr A.J. Carpenter: Is it relevant to what is being debated?

Mr M.F. BOARD: What is relevant is that mistakes are made in Government.

Dr G.I. Gallop: You did not acknowledge that.

Mr M.F. BOARD: Did the Government acknowledge it?

Dr G.I. Gallop: Yes, indeed we did. We set up the royal commission and acknowledged our responsibilities to the people of Western Australia. Have you ever done it? No! Apologise to the people of Western Australia for your performance in government. Now is your chance.

Mr M.F. BOARD: Has the Government ever apologised?

Dr G.I. Gallop: Yes, we did.

Mr M.F. BOARD: If this were such a pressing issue for this Government, why is it that, in its fourth year in government, it has chosen this day, in Albany, to bring this Bill on? It has been four years. What is the issue? If it so pressing for the Government to protect the Western Australian community and bring about justice, why did it not do this in its first six months? Why is this less important than some of the social engineering legislation the Government has brought in over the past few years?

Mr A.J. Carpenter: We had a royal commission on it.

Mr M.F. BOARD: The royal commission finished quite some time ago, as the member knows, and the federal Government got on and actually dealt with a major part of these pooled mortgages. I have already said that every member in this Chamber - certainly members on this side - have great empathy and sympathy for those people who have lost money. I have had them sitting in my electorate office, as I am sure have the majority of members here. Our hearts go out to those people. I know the circumstances by which they were drawn into situations that they did not understand. Many of them, having retired in the 1970s and 1980s, were used to a high return, because at that time the money market was giving a 14 per cent return. They got locked into a lifestyle on a 14 per cent return because of their investments. When the interest rate went down to five per cent, some of these sharks came in and said, "We can give you your 14 per cent and, not only that, it will be in bricks and mortar." Those people thought it was as safe as houses; they would get into the property market.

There are sharks in all sorts of markets, whichever market it is. The other day the Minister for Consumer and Employment Protection mentioned in a ministerial statement the number of people trying to mislead the community and take money off it. That is what they are trying to do. It is incumbent on us to set an agenda to minimise the chances of people being misled and ripped off by these sharks. That is what we are endeavouring to do tonight. In the spirit of going forward, we should work together on this legislation.

I believe the Deputy Leader of the Opposition made some valid points in suggesting that some amendments to the legislation would make it stronger. Surely it is in everybody's interests to achieve that. If we can do that, maybe we can minimise the chances of people being ripped off into the future. The amendment in the legislation to abolish the previous board and to bring in a commissioner is certainly a good one. The penalties have been

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lifted substantially, and the Opposition supports that. Quite frankly, I feel that those who have been penalised by the courts as a result of their misdemeanours and misbehaviour have been dealt with lightly. I said to some of my colleagues tonight that, unfortunately, young heroin-crazed people who commit offences, particularly in banks and places of that nature, end up with eight, 10 or 12 years' imprisonment; yet in this situation, people who have manipulated others over a long period, stolen their life savings and ruined their future and their family's future have got off very lightly, in my opinion. We have an opportunity to change that and to try to put this to bed once and for all.

I say to everybody in the House tonight that we should resolve these issues. We certainly cannot put them behind us. We will not forget them. However, we will learn from them, as I hope members opposite learnt from their WA Inc years. The State is still paying back the billions of dollars that it lost. Members should think about that. Every taxpayer in Western Australia lost money. We have learnt from those days, as we have learnt to get tougher through government legislation and government controls. We have learnt that tonight. Let us work together on this and do something that is important for the Western Australian people.

MR A.J. DEAN (Bunbury) [8.29 pm]: I do not want to spend a lot of time on the Finance Brokers Control Amendment Bill 2003. However, like a lot of members from both sides, I want to bring before the House the consequences of this type of behaviour in Bunbury. People will have heard all these stories before, but in the class of 2001, when we were first elected, many of us had come through our door the usual number of nutters who had lever arch files so high and expected us to solve problems that two or three members before us had not been able to solve, the Ombudsman had not been able to solve, and in a number of cases the Commissioner of Police had not been able to solve. The same people come to us repeatedly to ask us to help them solve their problems. Therefore, I was somewhat surprised when 17 very well respected business people in Bunbury came to see me -

Mr D.F. Barron-Sullivan: So they were not nutters?

Mr A.J. DEAN: No, they were not. Members know the people I am talking about - the recidivist offenders, I think we could call them - who come to our office year after year hoping that we can help them to solve their problems. These 17 people were different. It was probably the first time that most of them had been to their local member's office. They came in with their lever arch files and their well-documented cases of how their lives had been ruined. These people were, and still are, well respected in Bunbury. I will not mention their names, because they would be embarrassed. These people had committed a lot of their life savings to accommodation projects in the south west were worth about \$500 000. Some of those people had committed only \$20 000, and others had committed \$150 000 or \$200 000, but that was their life savings. They had committed that money on the advice of a mortgage broker, and on the bad advice of a valuer, who had over-valued the properties by 100 per cent. Of course, when push came to shove, these people were out of pocket by about \$1.5 million. These people came to me, because one of the reasons that we are elected is to help our constituents. Unfortunately, at that early stage in March-April 2001 there was not a lot I could do. However, I did pass on their concerns, and I believe the matter is now with Denise Brailey and her group.

Mr J.L. Bradshaw: So you are getting her to fix your problem!

Mr A.J. DEAN: I was not in government at the time. This problem was handed on, and presumably over the next year or so this problem in Bunbury will be fixed. These people would not want to be named. They would be totally embarrassed, because they are successful businessmen.

Mr D.F. Barron-Sullivan: They will lose 35 per cent.

Mr A.J. DEAN: I know they will.

Mr D.F. Barron-Sullivan: Because you broke a promise to them.

Mr A.J. DEAN: They will be totally embarrassed by this, so it will probably never come out in the Press for those reasons, because they think they are successful business people - and a lot of them were - and they just do not want people to know about it.

Greed touches all parts of society. I accept what some members said earlier. I think it was the member for Murdoch who said that there are always people out there who are willing to take our hard-earned dollars off us. In this case, what made the situation worse was that, as many members on our side have said, it was an incompetent Government that let it go through. I thank the member for South Perth for his interjection a while ago, when he put in his succinct way what that Government was like. I wanted to bring that to the attention of the Parliament, because we should watch this space vigorously over the next six to 12 months. I support the Bill wholeheartedly.

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MR R.F. JOHNSON (Hillarys) [8.34 pm]: As my colleagues have said, we on this side actually support the Finance Brokers Control Amendment Bill 2003, because we will support anything that will help consumers. I came to Albany a few months ago and met a group of people from the Association of Independent Retirees. I am sure the member for Albany has met those people as well. Those people lost a lot of money - of course they did. In my role as shadow minister for seniors, I have met a lot of people over the past year or two who are in the same position. It is mainly independent retirees, who had invested their savings, at very high rates of interest. Quite frankly, they were conned by crooked finance brokers. I believe that the valuers who put these extraordinary values on these properties should be held to account, but they have not been.

A government member interjected.

Mr R.F. JOHNSON: Of course we did not know at the time. We set up the inquiry, and it was easy for the then Opposition to say what it would do and how it would look after the people of Western Australia. It made all sorts of promises. How many of those promises has the Premier kept? Not very many. He said there would not be increases in taxes and charges. That was a big untruth. He is accumulating \$600 million each year in taxes - it is going up all the time. That is what the world's best Premier and the Treasurer have done for Western Australia. I have said many times that a monkey could prepare a balanced budget if all it did was increase taxes.

Several members interjected.

Mr R.F. JOHNSON: Anybody could do that. All he has to do is hike up the taxes and charge everybody in the audience more taxes every year and there will be a balanced budget. There is no initiative, no imagination and no vision. The Premier has not saved any money in government departments; he has wasted a lot of government expenditure. We have seen all these fantastic advertisements. How much has been spent telling people about the Perth to Mandurah railway? Is it \$1 million - to tell the people about a railway that has not even started yet?

Mr A.P. O'Gorman: Yes, it has.

Mr R.F. JOHNSON: No, it has not. We will see when the first train runs down that railway line. We see this all the time. We heard this from the Minister for Tourism and for Small Business, who was an abject failure in health. The health crisis is out of control. The Premier said it was in crisis when one ambulance bypassed a hospital. Now we see dozens of them do so every day, but he will not admit it is a crisis. He is like the three monkeys: hear no evil, see no evil, speak no evil.

Point of Order

Mr R.C. KUCERA: I have a point of order on a matter of relevance. This matter is not relevant to the debate.

The **DEPUTY SPEAKER**: It is clear that the member for Hillarys had digressed somewhat from the subject at hand, but I am sure he is about to bring his remarks back to the matter of finance brokers.

Mr R.F. JOHNSON: Absolutely, as I always do. I get distracted from time to time by some people opposite. They have that effect on me.

The **DEPUTY SPEAKER**: The member should try to resist.

Mr R.F. JOHNSON: I will try to, but they are so irresistible; that is the problem.

An opposition member: Which ones?

Mr R.F. JOHNSON: Some are more irresistible than others.

Debate Resumed

Mr R.F. JOHNSON: We support the Bill, but I would be grateful if this Bill actually dealt with and helped the people who lost all that money. It does not do a thing. This Bill does nothing whatsoever for any of the people involved in any of the 17 cases that the royal commission looked at. I take members back to when the Labor Party was in opposition. They make promises. That is where the relevance comes in: they make promises but they do not keep them. As we are in lovely Albany, a fantastic place, I want to quote from the *Albany Advertiser* of 26 October 2000 -

Labor pledge to brokers' victims.

It is a pity that the Attorney General is not here, because he is the subject of this article. It contains a picture of him, but not a very nice one. I want to tell members what this article says about our Attorney General, who made a promise on behalf of the Government. I want to know whether the Premier will back up that promise. I know the answer but I would like him to at least acknowledge it, and admit that he will not. The article continues -

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Mr McGinty, speaking on Monday at an Albany meeting of investors lobby group Albany Fighting Force, -

That is what they were called -

promised to pay out investors if ordered to do so by courts.

The pledge to compensate finance broking victims was one of five promises Mr McGinty said would be kept if the Labor Party was elected to government at the next State election.

Mr M.P. Whitely interjected.

Mr R.F. JOHNSON: No, it does not say that at all. That was not part of -

Mr M.P. Whitely interjected.

Mr R.F. JOHNSON: No, he has gone on to say what he would do. I will read it to members again.

Mrs C.L. Edwardes: You will probably need to read it out three times.

Mr R.F. JOHNSON: Okay, I will read it out three times. The important part of the article states -

The pledge to compensate finance broking victims was one of five promises . . .

Mrs C.L. Edwardes: That is “pledge to compensate”.

Mr R.F. JOHNSON: I will draw pictures for the members if they like. Mr McGinty said five promises would be kept if the Labor Party was elected to Government at the next state election. That is what the Premier’s good friend and colleague - I think he might be - the Attorney General said when government members were in opposition. The Premier has broken many other promises but is he going to try and keep this one? Is he going to see that those investors are compensated?

Mr M.P. Whitely interjected.

Mr R.F. JOHNSON: I am not talking to the member for Roleystone. He is completely irrelevant.

Several members interjected.

The DEPUTY SPEAKER: Order, members!

Mr R.F. JOHNSON: I would desperately love to have an interjection from the Premier.

Mr M.P. Whitely: I will give you one. Does that article say “if ordered by the courts”? That’s what you read out the first time.

The DEPUTY SPEAKER: Order, members!

Mr R.F. JOHNSON: The Premier also pledged to open the Government’s books to an inquiry to facilitate quick court action to resolve the affair. What else has the Government done? It promised to pay legal aid to help these investors. It has since cut them off.

Mr J.C. Kobelke: After a million dollars.

Mr R.F. JOHNSON: Oh, after a million dollars! This Government spends about \$10 billion or \$11 billion a year and it has only allowed for \$1 million to help pay legal aid fees for all those investors who were duped out of their money by some shonky finance brokers. Why does it not say that it does not give a stuff about those investors now because otherwise it would be helping them? Government members opposite made promises when they were in opposition that they had no intention of keeping.

Mr J.C. Kobelke: We have fulfilled all of them.

Mr R.F. JOHNSON: The Government has fulfilled none whatsoever. Members opposite know that this Bill does not help any of those people. Do members opposite accept that this Bill does not help any of those people who lost money through pooled mortgages?

Mr J.C. Kobelke: This Bill is about putting in a framework to protect people in the future - \$20 million of help has already been given.

Mr R.F. JOHNSON: For those in the audience, that is a typical Labor Government response in which it does not actually answer the question. The fact is that this legislation is good legislation; it puts in regulations with regard to those normal finance brokers or mortgage brokers who conduct their business every day of the week, 99.9 per cent of the time without any problem at all. As my colleagues have said, they are the ones to whom the members

Extract from *Hansard*
[ASSEMBLY - Tuesday, 23 March 2004]
p1000c-1020a

Mr David Templeman; Deputy Speaker; Mr Peter Watson; Mr John Bradshaw; Mr John Kobelke; Mr Rob Johnson; Mr Mike Board; Mr Tony Dean; Mr Bob Kucera; Acting Speaker; Dr Janet Woollard; The Acting Speaker (mr A.D. Mcrae); Mr Arthur Marshall; Mr Paul Omodei; Mr Bernie Masters; Mr Colin Barnett

of the public go if they want to buy a house or raise some money. Those brokers then go to the banks - they have perhaps 10 or 12 banks that they go to - and arrange the mortgage deal with them - not a problem at all. Those members of the public are not duped out of their money. However, this Bill does not do anything for those people who suffered at the hands of those crooked finance brokers.

This Government has decided to start its election campaign today, or probably yesterday, in Albany and it is going to con the people of Albany by telling them that it will sort out these finance brokers, all the associated problems and try to help those people who lost their money. Let me tell the people of Albany that they are being conned because this legislation will not do anything of the kind. It will not produce one zack. The people of Albany will see through the Government's charade, and this feeble little attempt to try to make the Government look good, which is a very hard job. The wandering member for Roleystone is trying to find a seat somewhere. All his colleagues are looking at him sideways as they think he is after their seat. The Deputy Premier and the Minister for Police are watching themselves very closely.

Several members interjected.

Mr R.F. JOHNSON: The Premier and the Minister for Police -

Several members interjected.

The DEPUTY SPEAKER: Member for Hillarys, your latitude just ran out.

Mr J.N. Hyde: Talk and breath at the same time; come on - you can do it!

The DEPUTY SPEAKER: Order! Member for Perth, it is unhelpful to have interjections across the Chamber.

Mr R.F. JOHNSON: It is most unhelpful.

Opposition members remind ministers, in this case the Attorney General, about the irresponsible promises they made in opposition. It was clear that they did not mean to keep those promises.

An opposition member: They will do and say anything.

Mr R.F. JOHNSON: They will say anything. I think the slogan of the Labor Party at the last election was "Whatever it Takes". Their attitude was that they could promise what they liked because they would not have to deliver. Members opposite will do the same again at the next election. I warn the people of Albany about all the promises they have heard ministers make yesterday and today, and those they will hear tomorrow; where is the money? The people of Albany should wait until they see those promises delivered. They will not be delivered.

Mr P.B. Watson: They are delivered on because the money is there.

Mr R.F. JOHNSON: The member for Albany says the money is there; he lives in hope.

Mr P.B. Watson: So don't you want the people of Albany to have this?

Mr R.F. JOHNSON: Of course I do, but I do not want members opposite to make false promises to people, as they did at the last election. I cannot stand people who make promises and do not keep them. I am afraid that members of the Labor Party are past masters of such things.

Mr P.B. Watson: You should come down more often.

Mr R.F. JOHNSON: I have been down here and talked to the member for Albany's people many times. I helped them with the Buy Local policy, which seems to have fallen by the wayside. I spoke to some businesspeople today, and they wondered where it had gone.

Mr P.B. Watson: Who were they?

Mr R.F. JOHNSON: Those people are not too keen on the member for Albany. They reckon he was a good runner, but they are not too keen on him.

Mr E.S. Ripper: Is it true that you were a supporter of Doug Shave? Are you ashamed of it now?

Mr R.F. JOHNSON: Is the Deputy Premier a supporter of Brian Burke and Kevin Reynolds? If the Deputy Premier wants to get into personalities here, who runs the Labor Party - is it the Premier or Brian Burke? I would say it is Brian Burke and Kevin Reynolds.

Several members interjected.

The DEPUTY SPEAKER: Order! Member for Hillarys and other members present, we are currently discussing the Finance Brokers Control Amendment Bill. I would like the Chamber to concentrate on that matter; I am sure

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members of the public gallery have some interest in the matter as well. I suggest that we get back to the subject at hand.

Mr R.F. JOHNSON: Absolutely, Madam Deputy Speaker. I will do that straight away.

Mr P.B. Watson: You have spoken about everything else but that.

Mr R.F. JOHNSON: It is that naughty man from Albany again. I am getting intimidated by him!

The DEPUTY SPEAKER: Order! The member for Hillarys should not push his luck.

Mr R.F. JOHNSON: He is interjecting on me.

Mr J.N. Hyde: Come on - on the topic!

Mr R.F. JOHNSON: Now the member for Perth is interjecting.

The DEPUTY SPEAKER: Order, member for Perth!

Mr R.F. JOHNSON: I place another couple of quotes on the record. This quote comes from Solomon Brothers, which seems to be active in helping people to try to recover their money. I quote a little from this rather large document. The most important part of this material is an extract from Hon Jim McGinty's speech from the *Hansard* of 16 November 1999. This was when members opposite, including the now Attorney General, were in opposition and having a go every day about finance brokers and what then opposition members would do in government. There is too much material to read it all. One part of the comments by the Attorney General is very important; it reads -

The undeniable fact is that in light of the documentary evidence appended to the media release, the board and the ministry have seriously let down the public and the Government should take responsibility for the losses that it has caused.

If that is the case and the Government is responsible, the Government is the Government is the Government. It is incumbent on this Government - members of which made promises in opposition to help these people - to truly help these people. At least it should pay their legal aid expenses.

Several members interjected.

The DEPUTY SPEAKER: I call to order for the first time the member for Perth. The member for Hillarys has the call.

Mr R.F. JOHNSON: Madam Deputy Speaker, another quote stated that the responsibility for the ongoing crisis must be at the feet of the Government in general, and the Minister for Fair Trading in particular.

Ms M.M. Quirk: Do you agree with that?

Mr R.F. JOHNSON: Yes, if that is what was said. However, the Government is the Government and I am saying that this Government must come up with its election promises. It made a promise to look after those people and compensate them for all the money that was lost, not at the hands of the previous Government but at the hands of crooked finance brokers and very questionable valuers. I am saying that Governments must honour commitments of previous Governments. I will give an example. This Government is signing contracts for the Perth to Mandurah railway. If we win the next election in nine months or 10 months - whenever the election is held - we will have to honour all the commitments that the present Government has made, including any mistakes it has made. We will have to honour any mistake that the Minister for Planning and Infrastructure has made in the design of the train to Mandurah. However, the Premier just wants to get out of all that sort of commitment. He is the Premier of the State. He is the Premier of the day. His colleagues the Minister for Consumer and Employment Protection and the Attorney General made a promise to those people when they were in Opposition. They have broken a lot of promises, but why do they not keep that promise and help out those poor people who lost a lot of money? They will not give them back their money, but they should at least keep that promise and pay their legal fees. Those people should not be forced to pay 35 per cent of whatever amount they manage to get back through the courts for their legal fees. The Government should do the right thing and keep its promise. The Premier is ultimately responsible for his and his shadow ministers' promises. Does he accept that?

Dr G.I. Gallop: I am listening to your speech,

Mr R.F. JOHNSON: The Premier is enthralled with my speech; I am quite flattered. I wanted a quick response from the Premier - yes or no. Madam Deputy Speaker, I have posed a question to the Premier and he refuses to

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answer. He will not say yes; he will not say no. He is not going to respond. I hope he gets to his feet and talks on this Bill, because he will actually help us.

Ms A.J. MacTiernan: You are bullying us all with your questions.

Mr R.F. JOHNSON: Bullying or boring?

The DEPUTY SPEAKER: Order, members!

Mr R.F. JOHNSON: It is that minister at me again.

Ms A.J. MacTiernan: The Bill you are really interested in is on TV, so you had better hurry up; that is your favourite Bill.

Mr R.F. JOHNSON: Is it time for *The Bill* already? The Minister for Planning and Infrastructure must watch it. I will not ask for an extension of time, I am sure members will be delighted to know, unless they encourage me to.

Several members interjected.

Mr R.F. JOHNSON: I again pose one last question to the Premier and give him an opportunity to answer so that the people of Albany will know whether he and his Government will help those people who have been duped out of their money by those crooked finance brokers. Will the Premier come good with the promise to help those people; yes or no?

Mr N.R. Marlborough: This is *Little Red Riding Hood*.

Mr R.F. JOHNSON: Here we have the three monkeys - hear no evil, see no evil and speak no evil. I think the answer is no. I will say it for the Premier. The answer is a resounding no to the people of Albany who have lost their money. They should forget it, as they will not get any help from this Government whatsoever.

Several members interjected.

The DEPUTY SPEAKER: Order, members!

MR J.L. BRADSHAW (Murray-Wellington) [8.55 pm]: I would certainly like to say a few words on this Bill. The finance broking scandal was an issue -

Mr M.P. Whitely interjected.

Mr J.L. BRADSHAW: The member for Roleystone should worry about finding himself a seat, because he has a major problem. He should worry about that and not about me.

Mr M.P. Whitely interjected.

Mr J.L. BRADSHAW: It is all right; I have been here for 21 years. The member might be a one hit wonder.

Several members interjected.

The DEPUTY SPEAKER: Order, members! The member for Murray-Wellington has the call.

Ms A.J. MacTiernan: You are for seniority, not for merit.

Mr J.L. BRADSHAW: Correct. The finance brokers scandal was a problem for our Government and we paid the ultimate price for that; we lost government.

Mr R.C. Kucera: That puts it into perspective at least.

Mr J.L. BRADSHAW: I admit that. It is like all things; hindsight is a wonderful thing. There were things that we would have done differently if we had known what we knew afterwards. That is one of the problems. At the time some of us in the party room were asking what the hell was going on. We were getting explanations from the minister at the time. He indicated that it was not his fault and that there were other reasons down the track that caused the problem. One of the big problems is that when situations go off the rails it gets to the stage that if the Government jumps in quickly and stops it, people may lose all their money, or it can allow the finance brokers to try to trade out of the situation. If members opposite had been in government at the time, they would have had the same problem and the same difficulties, regardless of whether they might have handled it differently. I think we should have handled it differently; there should have been more compassion for the people who lost their money. Compassion was not shown by our Government or our minister. All he was worried about was defending himself against the now Attorney General. Looking back, we handled it quite wrongly. I admit that. As I said, we paid the ultimate penalty. We lost government and we perhaps deserved to lose government over that issue. I was not totally involved in the situation but I asked at times in the party room

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what was going on. If people are losing their money through finance brokers, it is sometimes too late to do anything about it because the money is gone. The Government can do whatever it likes. It can set up all the things it likes to change the system. The other point I will quickly pop in is that the Government cannot have it both ways. It is bringing in changes to tighten up the system to prevent the problems of the past. Was the previous Government at fault or were not enough controls in place to fix the problem at the time? That is a very interesting point that I think the Government should answer because if the Government is bringing in changes, perhaps the controls were not in place to do the right thing. An example I can use is that sometimes -

Mr R.C. Kucera: How can we possibly do that if we were not in government at the time?

Mr J.L. BRADSHAW: No, the member said that we had failed.

Mr R.C. Kucera: I am not saying what we said; I am saying that you just said -

Mr J.L. BRADSHAW: No, the member said that we had failed and that now the Government is bringing in changes through this legislation to tighten it up.

Mr R.C. Kucera interjected.

Mr J.L. BRADSHAW: Of course it makes sense. The Premier understands. The member is not so bright, but the Premier understands what I am saying.

Mr C.J. Barnett: He's not a happy chappie now.

Mr J.L. BRADSHAW: He is a very unhappy chappie. It is just one of those sad things. I will give an example. The regulatory body was getting audit reports from HIH Insurance. In one year those reports said that HIH had assets of \$700 million or thereabouts. It was a huge amount of money. Twelve months later it had a deficit of a similar amount. I am not sure what happened with HIH Insurance, but it went from having a \$700 million asset to having a deficit of \$700 million or \$800 million. It finished up worse than that when it all boiled down. It is sometimes hard for regulatory bodies to get into these companies, unless they sit by the side of the people who are running the businesses and look over their shoulders. We cannot afford to have government agencies sitting in these places day in, day out and looking at how these systems work. A prime example is what happened with HIH. The regulatory body was looking at it, but one minute it went from a -

Dr G.I. Gallop: There was one difference, which was that in the Parliament of Western Australia the member for Armadale and the member for Fremantle gave the warning signs to the then Government, which ignored them.

Mr J.L. BRADSHAW: Correct.

Mrs C.L. Edwardes: What about the promises?

Mr J.L. BRADSHAW: I will get to that in a minute. The fact is that some of us asked in the party room what was going on. We were given explanations that, looking back, we should not have accepted. We should have come down harder. Members opposite should look at taking some responsibility. I cannot remember whether the Premier was the minister at the time the State Government Insurance Commission bought Bell Resources shares. Was he?

Dr G.I. Gallop: No.

Mr J.L. BRADSHAW: Okay, but he was a member of Parliament.

Mr R.F. Johnson: He was a member of the Cabinet.

Mr J.L. BRADSHAW: Was the Premier in the Cabinet?

Dr G.I. Gallop: I was in the Parliament.

Mr J.L. BRADSHAW: Regardless of whether he was, he was still a member of Parliament. As a result, the SGIC lost more money than the finance brokers. That affected every Western Australian, even though individual amounts may have been less than they were for people affected by the finance brokers. Anyway, we came in with minus \$300 million, in addition to the other assets that were lost. That is not to mention that there was no collusion with Bond Corporation to buy 20 per cent of Bell Resources, which then gave Bond Corporation control, which proceeded to rip off the poor Bell shareholders.

It is hypocritical of the Government to attack us when, in the big picture, it has probably lost much more money of the people of Western Australia than we did in our failure.

Dr G.I. Gallop: The member is the only member of the Liberal Party who has acknowledged the mistakes. He is the only one who has faced up to the consequences, and I applaud him for it.

Extract from Hansard
[ASSEMBLY - Tuesday, 23 March 2004]
p1000c-1020a

Mr David Templeman; Deputy Speaker; Mr Peter Watson; Mr John Bradshaw; Mr John Kobelke; Mr Rob Johnson; Mr Mike Board; Mr Tony Dean; Mr Bob Kucera; Acting Speaker; Dr Janet Woollard; The Acting Speaker (mr A.D. Mcrae); Mr Arthur Marshall; Mr Paul Omodei; Mr Bernie Masters; Mr Colin Barnett

Mr J.L. BRADSHAW: I have no problem admitting it because I am not a person who blames everyone else for my problems. If I have a problem and I have caused it, I will take the blame.

Several members interjected.

The ACTING SPEAKER (Mr A.D. McRae): Order, members!

Mr J.L. BRADSHAW: One of the other problems -

Several members interjected.

The ACTING SPEAKER: Order! The members for Carine and Peel do not have the floor. They are not engaged with the member on his feet. They should desist.

Mr J.L. BRADSHAW: One problem is that we can enact all the rules and regulations we like so that, according to the law, people cannot speak. However, people still speak. Rules and regulations are put in place and people find that, if others want to be devious, mischievous and corrupt, they will go out of their way to get around or ignore the rules and go down the route of trying to get money from people. As much as I applaud trying to strengthen this legislation to look after the finance broking situation, I believe there will still be con men who will try to get money from people under false pretences or providing false information.

Something that the Government has not looked at fully is the role played by the valuers. There were many overvaluations, involving huge amounts. I am not sure whether even one valuer has been taken to court over those circumstances. I cannot understand that. Why have those people not been pursued? In his response, the minister may tell us why the valuers have not been pursued. If the valuers had not allowed themselves to be manipulated, or if they had not connived with the finance brokers, people would not find themselves in these circumstances. Some people said investors were greedy chasing high interest rates. I do not agree with that because, supposedly, they had first mortgages. I believe that some were hoodwinked and then found out that they did not have first mortgages. Maybe it was naivety on their part that they did not make sure that they did have them. Some of the people involved were fast talkers, and people took for granted what they said.

Some people in my electorate had been dealing with finance brokers for 10 years or longer. They had complete faith in them and believed what they were being told. They were quite happy until the crunch came and they lost their money. They now have some of it back, although certainly not all. They were not greedy; they had a first mortgage and to back it up they had a sworn valuation giving them the true value of their property. I know that life is not simple and that when people sell their property they might not realise all its value, particularly if they are under pressure. However, those people had a first mortgage with a proper valuation. They were not greedy at all, but were trying to maximise their returns, as anybody else would do in those circumstances. I have no problems with those people. I also know of people in Harvey who have suffered greatly. They said that they had been dealing with their finance broker for 10 or more years. They put their money into not only one project but into several, to spread it around so that if one investment failed they had the others to fall back on. The finance broking scandal was very unfortunate for those people and I certainly feel sorry for them. I wish that more had been done for them.

The amount that liquidators charge when taking what is left of those people's assets is astronomic. Somebody should look at that aspect of the situation. I was astonished when I saw what was being charged when the first finance broking group went under - I cannot remember its name. Our Government stepped in and said that it would pay those charges to save people the money. Many other people were also affected. Unfortunately, one of my constituents is owed money from a business that went broke. He is spending more and more on legal fees in order to chase the money that is owed to him. He is throwing good money after bad, with no guarantee that he will get anything at the end of it. Liquidators like such situations to continue as long as possible because they keep making money. Liquidators' fees are astronomic. I worked out that one of the men in the process was earning \$12 000 for a 40-hour week - I forget what he was earning for an hour. He was one of the top people. There were then six others who were earning down to about \$50 an hour. The fees mounted to several hundred thousand dollars after a few weeks. The amount of money that was disappearing was incredible. I believe that this Government should be examining how liquidation fees are charged, because they are astronomic and are ripping into assets.

Mr J.C. Kobelke: I have raised concerns with the appropriate federal authorities.

Mr J.L. BRADSHAW: I have another problem. As a result of this liquidation in my electorate, I wrote to Australian Securities and Investment Commission and asked whether the company was trading while insolvent. The commission wrote back that the liquidators would tell it. Why would the liquidators tell the commission whether the company was insolvent? ASIC should be finding out. This liquidation is sending my poor constituent up the wall. He is owed about \$400 000. It is destroying his marriage, but the liquidators do not

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care; they keep it going. I do not have a lot of faith in the liquidators telling ASIC the truth, not merely in this case but also in others. It is very important that there be more control over whether companies that go belly up are trading while insolvent. Some liquidators come under federal jurisdiction, and I believe people are being ripped off by them as well.

DR J.M. WOOLLARD (Alfred Cove) [9.10 pm]: I would not be here today but for two issues that arose during the term of the previous Government - the problems with the finance brokers and the continued logging of old-growth forests. I am very pleased that some members of the Opposition, including the member for Murray-Wellington, have apologised for the failure of the Liberal Party to listen to the community, and for the failure of the minister to accept responsibility earlier and try to do something for the people affected by the finance brokers scandal. I am still looking forward to the day when the Leader of the Opposition makes a commitment, if the Liberal Party is returned at the next election, to not resume logging of old-growth forests. I am looking forward to that commitment sooner rather than later.

Mr J.L. Bradshaw interjected.

The ACTING SPEAKER (Mr A.D. McRae): Order, member for Murray-Wellington! You were seeking the protection of the Acting Speaker just a few minutes ago, and now you are repeating what other members have done. Please do not interject across the Chamber against members who are not engaged in the debate.

Dr J.M. WOOLLARD: When the Parliament last sat, on 11 March, in Perth, this Bill was order of the day No 11 on the Notice Paper. All of a sudden, it has become order of the day No 1 on the Notice Paper. It was introduced on 3 December last year. Part of the Bill states, as the Deputy Leader of the Opposition mentioned earlier, that it will allow for a supervisor appointed to a broker's business to apply to the State Administrative Tribunal for such orders or directions as are required. This is part of the explanatory memorandum. As has been pointed out, the Bill establishing SAT is still in the upper House. This Bill has been brought on for political purposes today. I notice the Attorney General is not here. He is probably out the back at the moment, but he has not been in here for a while. He was the lead speaker for the Opposition in the time of the previous Government in putting forward all the problems that were not being addressed. He was the person who made all the pledges to the community.

Mr P.D. Omodei: Where is the Attorney General?

Dr J.M. WOOLLARD: He is out the back somewhere, I think. He was the person who made all these pledges. The current minister with this portfolio responsibility, if he had the courage, would have kept those promises.

Mr J.C. Kobelke: We have kept them all. I will read them to you and show exactly how they have been kept.

Dr J.M. WOOLLARD: The minister gave the guarantee that the Government would look after the victims, yet when the Director of Public Prosecutions took the brokers to court, there they were with their silks from the eastern States. There were not the same number of silks here. Did our Director of Public Prosecutions have a forensic accountant to help him with those cases? No, he did not. The minister promised he would help look after those people, and he saw the cases fall. The Government did not look after those people. As has been said today, those people are still paying for it. They have lost their savings and will be paying for it for many years. It is another example of the broken promises that the Labor Party - not the minister personally - made when in opposition. The current Attorney General, who was then the opposition spokesperson for fair trading -

Mr J.C. Kobelke: It is a nice accusation to smear the Government with, but it is factually wrong. We gave five clear commitments and they have all been fully delivered on.

Dr J.M. WOOLLARD: I do not have the press cutting in front of me of the pledges that were given by the current Minister for Health. The Minister for Health is writing to nurses throughout the State telling them that he wants them to be among the best paid in the country and that he does not intend to forget their workload pressures. He says that he will not forget the workload of nurses and he is writing to them asking them to agree to a 3.4 per cent increase. He is not telling them to take what they deserve. He says that one day he will look after their workload. As he did previously, which was indicated in the press cuttings that have been read out tonight, when he was in opposition, the current Minister for Health gave a pledge to look after people. People who read the current Attorney General's pledges and promises and compare them with what he delivered will know that they have not been met. Nurses have listened to the Minister for Health tell them that he does not intend to forget their workload pressures and that he understands their need for family friendly workplace policies. This minister was also going to help the people who were affected by the finance broking scandal. Did he help them? No, he did not. The Minister for Consumer and Employment Protection knows that those promises have not been kept.

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Mr J.C. Kobelke: They have been kept.

Dr J.M. WOOLLARD: It is now a case of statistics and lies. The minister has played with words with regard to the promises that the Labor Party gave. The Government has not kept those promises. The current Minister for Health said he would compensate and help those people who were affected by the finance broking scandal. It is because of the Government's track record since it has been in office that the community can no longer rely on the promises the minister makes. Today the community is well aware that this issue is not on the table because of the great concern the Government has for the people who were affected by the finance broking scandal! We will probably neither deal with this Bill tomorrow nor see it again for the next three or six months.

Mr C.J. Barnett: We will see it at the next regional sitting.

Dr J.M. WOOLLARD: This Bill will not be debated in Kalgoorlie-Boulder because it will be the Legislative Council that sits in Kalgoorlie-Boulder. We all know that the Bill before us is not genuine. We are dealing with it now because the two major parties are in pre-election mode. I believe that the Liberal Party has pulled the rug from under the Government's feet, because the Liberal Party has apologised for its role in the disastrous events that arose and for the previous minister not accepting responsibility for it. The explanatory memorandum to the Bill states that it will amend the Finance Brokers Control Act. One of its first provisions is to abolish the Finance Brokers Supervisory Board and to make the Commissioner for Fair Trading responsible for the licensing of finance brokers and the day-to-day administration of the Act. I have pointed out to the minister previously that each minister in this Government must take responsibility for his or her portfolio. Unfortunately, ministers have not been taking responsibility for their portfolios. The current Minister for the Environment, who was previously the Minister for the Environment and Heritage, did not even know what was happening with heritage when the Raffles Hotel development went through. The Minister for Energy has spent several years looking at privatisation by stealth of Western Power. The Minister for Health is now stating that the Reid report will be released on Monday. We know that that report states that the be-all for people south of the river is a new hospital. I heard the other day that a doctor at Fremantle was given a contract for the new Murdoch general hospital 25 years ago. Just as this Government promised a hospital at Geraldton, people were also promising 25 years ago that there would be another hospital south of the river. Twenty-five years later, where is it?

The Government is not fixing the real problems with health services. It is trying to pretend to people that it will fix the health problems by building a hospital on the never-never. When will it come? Will it be 10 years or 20 years? How many years will we have to wait for another hospital south of the river, while health services continue to deteriorate? They are deteriorating. I am called almost on a daily basis by people who are on waiting lists to get into hospital, or by mental health patients who go to hospital and are sent away because no beds are available. This Government has known that there are no beds. It has beds at Armadale that it has not commissioned. They are just sitting there; yet people with a mental illness who need care in a hospital are sent home.

The Government has not kept its promises. Unfortunately, people see this for what it is today. They see that this is a Government looking to point the finger, so that people see the faults of the previous Government, rather than note what this Government is not doing and the promises it is not keeping. Does this Government accept the fact that old-growth forest is still being logged? High conservation value forest is still being logged.

Several members interjected.

Dr J.M. WOOLLARD: They are old-growth trees, and they are still being logged. The trunks are still coming out, yet the Government said that it would stop the logging of old-growth forest. Instead, it is hiding behind the definition of old growth. The Government knows they are old-growth forests.

Dr G.I. Gallop: Hiding behind it? Imposing a policy upon it.

Dr J.M. WOOLLARD: The Government is hiding behind the Regional Forest Agreement definition.

Dr G.I. Gallop: Come on!

Dr J.M. WOOLLARD: Yes, the Government is.

Dr G.I. Gallop: How can you use the word "hiding" when it was in our policy?

Mr E.S. Ripper: It was a nationally agreed definition and we are hiding behind it.

Dr J.M. WOOLLARD: When Labor was in opposition, it said that it would stop the logging of old-growth forest, and it would look into the areas of high conservation value forest that should have been identified as old growth but were not because of a discredited federal RFA. It said that it would look into those areas, but it has not kept that promise.

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The ACTING SPEAKER (Mr A.D. McRae): Order! Member for Alfred Cove, I would not normally do this, but I have been waiting for some time to hear some relevance to the debate that is now before the Chamber, which is Order of the Day No 11, the Finance Brokers Control Amendment Bill 2003, so I ask the member to address that particular matter.

Dr J.M. WOOLLARD: Thank you, Mr Acting Speaker. I hope that -

Ms A.J. MacTiernan: Liberals for greenhouse gases!

Dr J.M. WOOLLARD: That from the Minister for Planning and Infrastructure - the minister for broken promises!

This Bill is supposed to give some assistance to the people who were badly affected during the term of the previous Government by the finance broking fiasco. When this Government was in opposition, it made many promises to those people at meetings and in the Press, some of which have been read out this evening. To date those promises have not been kept. When we move into consideration in detail on this Bill, I hope the minister will address - I say hope, because I do not know whether he can - each of the promises that this Government made to the community when in opposition and explain how he believes this Bill, and any other measures that the Government may implement, will affect those people.

MR A.D. MARSHALL (Dawesville) [9.27 pm]: I have never been on the stage with my local member, the member for Mandurah. He is an exceptional theatre person, so under the lights, and with the government team observing me, I am a little nervous tonight.

Several members interjected.

Mr A.D. MARSHALL: I support the Finance Brokers Control Amendment Bill 2003. It is too late, but it is a move in the right direction. We lost government because of our inaction. I almost feel as though I am being repetitive in saying things that the member for Murray-Wellington has said, but he was honest. I have to say too, being honest, that one of the major reasons that we lost government is that our minister at the time did not understand the enormity of what was taking place in the community with people my age - my friends - who had gotten into difficulty with their financial arrangements for investing in their future. We lost government. That was fair. We deserved it. However, when this Government came into office, I had expected that it would take immediate action to help those people in the community who were battling. I had expected that would happen straightaway. Some of the Government's pre-election promises said that. Therefore, members can understand why I have felt embarrassed and frustrated over the past three years as we have dealt with the legalisation of homosexual relationships at the age of 15, the legalisation of cannabis and other social agendas, until now - and I say well done - when suddenly there has been a resolution of some kind and some action on a matter that I believe is very important to the seniors of our community. I have been surprised tonight at how some of the younger members of this House have used the debate as a political issue and have showed no compassion for the people who have lost money. This legislation is very important and timely. Some members may not realise that retirement comes as a shock to elderly people; they suddenly become quite scared - I do not know whether that is the right word - or insecure, because they have worked from nine to five or thereabouts all their working lives, they have been secure, and they have budgeted their wages for the family, rentals, insurance, a little bet on the side and a beer down the pub or whatever. It is now time to retire and they are on their own. How do they invest? Things have gone wrong in the community - one minute it is real estate, one minute it is shares! Who can advise them? There are sharks in the community waiting to prey on elderly people. As people get older they become a little less aggressive. When they were young they had to feed, educate and clothe their families. They lived for their families. As people get older their families grow up. For some retired people there are more challenges, such as grandchildren. Some people I talk to, of a similar age to me, have no confidence in government education and are now putting money aside to send their children to private school. They look at their superannuation and suddenly realise that, if they are to give those in their bloodlines a better education, they will have to send them to a private school, but they will not have enough money to do that. They might just decide that the five or six per cent that they have saved all their lives is not enough, and for the first time in their lives they will gamble, because some broker has told them that he can get them eight or 10 per cent. People should never back 10 to ones or 12 to ones unless it is each way in order to cover themselves, but the emotion of feeding and bringing their grandchildren up properly can interrupt their judgment. Ten years ago, when interest rates went below five per cent, a lot of people were battling to make their way. It is easy to understand how people lose the value of security and go a little over the top - not betting each way but going the whole hog. They do not bet a concession so they can get their money back if it runs second or third, but take the extra odds and go the whole hog - and they lose! I play golf at Mandurah on Mondays and Fridays with people who are mostly over 60 years of age, and I found that they were having trouble. I play tennis at south Mandurah on

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Friday mornings in the over-50s club, with 80-odd members, and some of them were having trouble. When I mentioned this to the Minister for Fair Trading at the time, I was annoyed that he showed no compassion.

Mr M.P. Whitely interjected.

Mr A.D. MARSHALL: Because he was young, member for Roleystone. He did not know that people do age and that they have different budgetary requirements as they get older. I do not think he realised that people were gambling to maintain their standard of living. He was warned. Mandurah at that time was one of the largest retirement areas in Western Australia, and, naturally, our phone rang. I had meeting after meeting and I was frustrated because I could not get through to our minister. Unfortunately, I lost some very good friends who blamed me for the inaction of the Court Government at the time. If members recall, however, it cost us Government, and tonight members opposite are chattering and laughing about it; those things should not be laughed at. Members opposite should be humble and say to themselves, "Well, we did win Government. That matter was an error; what did we do to correct it?" Three years later, those same people who won members opposite government are still suffering and battling to survive.

Mr R.C. Kucera: Will you take an interjection?

Mr A.D. MARSHALL: Not just yet. I am very pleased -

Mr R.C. Kucera: I just wanted to ask you a question.

Mr A.D. MARSHALL: Just give me a break for a minute.

Mr R.C. Kucera: When you are ready.

Mr A.D. MARSHALL: The minister can have his say in a minute. Those same people who have been suffering have also been waiting for this kind of legislation. I am not sure whether it is the answer but it is a start. When a person is drowning, he will grasp anything to stay afloat. With this legislation, the Government will give people hope - that is, if they can live it out and survive. I will quote from the second reading speech for the people from Albany who are here tonight, which sums up the situation by stating -

Commissioner Temby found that lack of action by the board and the Ministry of Fair Trading contributed to a situation in which those in the industry who broke the rules got away with it and were not put out of business, suspended or otherwise effectively dealt with under the Act. As a consequence, many investors lost significant sums of money, which in some cases left them with inadequate provision for their retirement.

That is an absolutely perfect summary. The criticism of the Government of the time is deserved. However, it took this Government three years to correct the situation. Look at the legislation that we have put through and the nights we have stayed through -

Mr J.C. Kobelke: I do not think you understand. It has already been corrected. This is follow-up for the future.

Mr A.D. MARSHALL: Yes, but not all have got their money back.

Mr J.C. Kobelke: No, in terms of legislative problems, they were fixed because the Commonwealth took it over quite some time back.

Mr A.D. MARSHALL: Yes, but they have not got their money back. One thing that beat them was pooled mortgages. I knew two couples then who were very close friends of mine. The males are still friends but the women wrote me the worst letters I have received in 12 years in politics. We still have them over for dinner because they cannot afford to go out. However, it is hard to look them in the eye when I remember the viciousness of the letters they wrote under pressure. I do not blame them. I can take it on the chin. I did all I could for them; I let them use my electoral office for phone calls and all of that, and we worked hard. Unfortunately, we lost. The people who had the money went bankrupt, and those people with pooled mortgages could not get the money or sell their properties to get the money back, which was due to an error in the Act at that time. I compliment the minister on the part of his second reading that states -

The abolition of the board and transfer of responsibility for the licensing and supervision of brokers to the commissioner addresses a fundamental flaw in the Act and its administration.

Well done. It continues -

This flaw was identified by both the Temby royal commission and the Gunning Committee of Inquiry into the Finance Brokers Supervisory Board, whereby the board had statutory responsibility for the licensing, supervision and discipline of brokers, but had no resources of its own to perform these functions and was dependent upon the then Ministry of Fair Trading for the provision of staff and

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resources required to do its job. As a result, board officers were concurrently ministry employees, giving rise to confusion about to whom they were answerable. This situation also created confusion in the minds of persons making complaints about finance brokers because they did not know whether they were dealing with the board or the ministry.

It is a very sound summary. Continuing -

Both the Gunning committee and the Temby royal commission found that this arrangement contributed significantly to the inadequate response of both the board and the ministry to the problems that arose in the finance broking industry during the late 1990s. The abolition of the board and the handing of responsibility for the licensing and supervision of finance brokers to the commissioner will remove the inefficiencies and shortcomings in the current regulatory arrangements. It will also establish proper lines of accountability, as the commissioner and the chief executive officer of the department will be responsible to the minister for the administration of the Finance Brokers Control Act 1975.

In closing, we have accounted for the mistakes that were made - we lost government. The minister is to be complimented for getting things moving. Although the minister did not say it is too late, he is too late with this measure: Parliament has worked until one o'clock and two o'clock in the morning handling legislation that does not really count for the people of our community. I refer to people who have lost money, and the elderly people who start to measure their lifespan. If they are aged 70 years, they say they have 10 years to live. If they have \$300 000, or \$30 000 a year, they believe they will be all right. They start to evaluate things in that way because currently the biggest problem facing elderly people is deciding what to invest in. At the moment, 70 per cent of government members do not think that far ahead. They think about the education they will provide for their children and the sort of lifestyle they will live. Their thoughts are at that level, and so they should be.

I remind the Attorney General of the Magistrates Court Bill considered by the Assembly in recent weeks by which the Attorney wants to get rid of 65-year-old magistrates; he wants to sack them and not give them an opportunity to prove they are still good magistrates. The same attitude is seen at the superannuation level under this Government - get rid of people at 65. Elderly people are to be respected. They have worked all their lives, and they are to be looked after. Unfortunately, the younger generations - I say this generally - forget the standards set for them. I see kids in school assemblies wearing caps. I asked a principal at a school in a lower socioeconomic area in my electorate whether she allowed students to wear caps in school. She replied, "Oh, yes; that is the way of life." If a kid in a cap came to me for a job, he would not get the job. Young people must realise that the world is governed by 50 and 60-year-old people and the standards by which they live. These are the successful people. Only a few 30 or 40-year-olds make it; they must wait their turn. Young people should study those who went before them, study their standards in life and look after those elderly people.

The Minister for Tourism had an interjection.

Mr R.C. Kucera: I have a question. You were expressing much shame about what the previous minister did, yet you are part of the push to bring back three key ministers of that Government.

Several members interjected.

Mr R.C. Kucera: In fact, I understand you want one of the key ministers of that Government to stand for your seat.

Several members interjected.

Withdrawal of Remark

The ACTING SPEAKER (Mr A.D. McRae): Order! The member for Warren-Blackwood will withdraw that comment.

Mr P.D. OMODEI: I withdraw, Mr Acting Speaker.

The ACTING SPEAKER: And I call the member to order.

Debate Resumed

Mr A.D. MARSHALL: I will take the minister's interjection. I did not express shame; I expressed extreme disappointment.

The ACTING SPEAKER: Order! The member for Warren-Blackwood has now been called to order for the fourth time today. It is at my discretion whether he will leave the Chamber now. Given the time, I ask that he hold his tongue for 15 minutes so I need not have him removed.

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Mr A.D. MARSHALL: In response to the interjection, I did not say it was shameful, but that I was extremely disappointed. People make mistakes in life.

Mr R.C. Kucera interjected.

Mr A.D. MARSHALL: Excuse me! The minister has had his minute. Maybe this was not the case with the minister in his previous life in the Police Force, but Con Regan would have let more people off than he booked to give them a chance in life and to give them a future.

Mr R.C. Kucera: Do you want to bring those three ministers back to make the same mistakes all over again?

Mr A.D. MARSHALL: No, I am not able to say whether they will make it or not. People learn from their mistakes.

Mr R.C. Kucera: There is a bit of hypocrisy there. Shave, Kierath and Hames were all part of that push, and you want to bring them back.

Mr A.D. MARSHALL: The minister always takes the wrong slant when it comes to politics. He can have a reasonable conversation out in the open, but when he puts on his political hat, he becomes one-sided and bigoted.

Mr R.C. Kucera: Maybe when I had my old hat on I used to watch what was going on.

Mr A.D. MARSHALL: The minister is not listening to me. When he puts on his political hat, he becomes bigoted and loses any sense of reasonableness that he learnt in the Police Force to get on with people in the community. I am afraid that sometimes he becomes too one-eyed. I enjoy meeting him outside Parliament, but when he is in here I would not have two bob each way on him!

MR B.K. MASTERS (Vasse) [9.46 pm]: With such a large audience watching the proceedings today, it is important to point out that members play to very small numbers when both Houses of Parliament are in normal session. I congratulate the Government for bringing on the Bill for debate today. Because this is our first ever regional Parliament, it was guaranteed to attract a significant audience. The Government has done a very good job of getting this issue into the public eye in a way that will both get the best out of members' acting skills and entertain the people in the audience who are watching us today. I therefore congratulate the Government; it was a master stroke. While the House is in session, I encourage members - not now but tomorrow - to go into the public gallery and look down on the proceedings as they are taking place. They will see some similarities with television programs such as *Who Wants to be a Millionaire* and *The Weakest Link*. Members are providing genuine entertainment, but whether they are dealing with matters of genuine importance is for the people to decide.

Mr C.J. Barnett: Reality television.

Mr B.K. MASTERS: Reality television, yes.

This legislation before us is important. Quite a number of my constituents have come to me in the past few years with problems associated with mortgage broker investments. One particular couple from Dunsborough had about \$300 000 invested in two schemes provided by two different mortgage brokers. The husband, who was a retired police officer, had a number of fights with cancer and, hopefully, is still successfully fighting it. However, because the \$300 000, which was the total of their superannuation investment, was locked up in these two broker deals, they basically had to go back to work. It is a very sad period in our history when people in their late fifties or early sixties, battling ill health with grandchildren on the way for the third or fourth time, have to go through that sort of trauma that other members this evening have talked about.

The Bill is a reasonable piece of legislation and it is my intention to support it. It will create a new position of commissioner, who will be able to appoint investigators. Between them, they will be able to make sure that the sorts of controls that were absent during the previous term of government will come to bear should there be any suggestion of a repeat of the problems that caused so much pain to the coalition Government in previous years. I am also pleased to see that the powers and the penalties in this new legislation are stronger. However, history must teach us two very important lessons as a result of the mortgage brokers scandal. The first is that this Government will make similar mistakes to those the previous Government made if it has an incompetent minister running a particular portfolio. Doug Shave was not my favourite minister. His handling of the mortgage brokers problems of the late 1980s was totally unacceptable. To give members an example of just how irrelevant some of his actions were in terms of what should have been his ministerial activities, I have been told about some of the things he used to get up to in cabinet. I do not think I am breaching any cabinet confidentiality here, because I was never a member of Cabinet. These are stories that have been passed on to me by other people. I am told that on most days when Cabinet sat during the term of the previous Government, the Minister for Fair Trading would walk in, sit down and pull out of his bag several dozen to several hundred letters

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from his electorate office that he would proceed to read, edit and, as appropriate, sign to send out to his electors. Once he had finished that task, he would put all that away and pull out a significant number of bills, invoices and other correspondence relating to his hotel interests and proceed to write cheques and do a number of other things, which I must say was severely distracting in terms of his ability to contribute to the activities of Cabinet. One wonders why the then Premier, Richard Court, failed to act.

Dr G.I. Gallop: Who was your source for all of this?

Mr B.K. MASTERS: I decline to advise who that source was. One wonders why the former Premier failed to act both in regard to the minister's behaviour while Minister for Fair Trading and also more generally in relation to his ministerial behaviour while in cabinet. The message for the Minister for Consumer and Employment Protection is that should there be similar opportunities for mortgage brokers or some other group associated with public and private finances to take money off people, and if the minister is not on the ball and aware of what is going on, there will be a repetition of history. The second lesson that I believe needs to be learnt from the previous term of government is that even when the legislation we are dealing with today comes into force, there will still be the potential for the commissioner and/or his investigators to choose not to act. I cannot say why they might choose not to act, just as I cannot say why the previous minister chose not to act. The commissioner and/or his investigators could choose not to investigate for reasons that again I could not even begin to suggest. The bottom line is that even with this legislation in place, the role of the Premier and the minister will be to make sure that not only the minister but also the public servants who are given tasks as a result of this legislation live up to all reasonable expectations of them. In other words, the commissioner and the investigators will need to be on the ball. Eternal vigilance is certainly a key phrase that should apply at all times.

I have briefly read the legislation. I have a few little questions that I will briefly touch upon. For example, I am curious why the definition of a finance broker on page 3 of the Bill does not include a person who manages loans arranged or negotiated by other persons. For example, another party could arrange the loan and the management of the loan could be transferred to a person whom I would consider to be a finance broker.

Mr J.C. Kobelke: The Bill was deliberately drafted as wide as possible, and some amendments may be extended further.

Mr B.K. MASTERS: Okay. On page 6 of the Bill, under proposed new section 7 headed "General functions of the Commissioner", there is no reference to the commissioner managing or policing licensed persons. It refers to dealing with applications, deciding who can be licensed, making recommendations and so on, but it does not actually say that the commissioner will manage or police licensed persons. I would appreciate a comment from the minister on that point at a later stage. I also believe that the penalties are generally too small. We are talking about tens of millions of dollars or maybe a couple of hundred million dollars that were involved in the mortgage broker scandal under the previous Government. The maximum fines under this legislation will be only \$50 000, and will not continue on a day-by-day basis should the offence be repetitive. Although a significant increase, I think \$50 000 is still far too small a penalty.

I am also disappointed that I have to agree with much of what my colleagues have said; namely, that the current Government has not lived up to its promises. The couple from Dunsborough, whom I mentioned, were present at the meeting held at the Eaton Bowling Club when the current Attorney General - when he was in the previous Labor Opposition - gave a very clear indication that a Labor Government would fund all relevant legal challenges associated with the mortgage broking scandal. My understanding is that the funding of legal action has not occurred. I am disappointed that there appears to be one party to all of this that has, to date, escaped largely scot-free; namely, St George Bank Ltd. I believe that the bank, on hundreds of occasions, allocated money from trust funds when they were overdrawn. My understanding is that that is illegal.

Mr J.C. Kobelke: Litigation is continuing and the Government is funding the litigation.

Mr B.K. MASTERS: I am pleased to hear that. However, I am disappointed that the litigation is taking such a long time, because a lot of people have lost a lot of money. With those few words, I am pleased to support this legislation.

MR C.J. BARNETT (Cottesloe - Leader of the Opposition) [9.56 pm]: I will make a few brief comments. I will make them by way of a comment on the responsibility of Governments when Governments change hands, as they do from time to time. I will not make a speech about WA Inc, but I will draw a parallel with that period. During the 1980s and early 1990s, when Labor was in power, there was a period of governance in this State that saw the loss of \$1.5 billion through incompetence, and improper and, I assert, corrupt behaviour by the Labor Government of the day. After all, a Premier and a Deputy Premier went to jail. That says it all. When the Liberal-National Party Government came into power in 1993, it inherited unresolved and unfinished business. There was no doubt that, despite the immorality and lack of acumen of the Labor Government that preceded us,

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we accepted those responsibilities and dealt with them as best we could. We had to raise some taxes and fight some court cases, and we had to pay out a lot of money. It was a huge amount of money. The Liberal-National Party Government accepted the debts and the ongoing problems from WA Inc because it was government in the 1980s that entered into those deals. It was the same entity, although the players - the political parties - changed. The entity of government did not. There is a parallel with that situation. As other members have said, the finance brokers scandal was a scandal. It was a disaster for hundreds of people who lost their savings. Many of them were retired; many were retired farmers in this town. It is a tragedy. Who is responsible? Some people may have made unwise investments; they may have made poor business decisions when they invested. Maybe they trusted in previous acceptable returns from finance brokers and continued when things went bad. The people who are guilty and responsible are those who behaved criminally: finance brokers, some valuers and some real estate agents. They have been pursued and need to be pursued. I am pleased that some of them have gone to jail. It does not recover the money, but it does bring a sense of justice.

There is no doubt that, when in opposition, the Labor Party, the now Labor Government, created an expectation among people who had lost their money that Labor would help them. The expectation was created that Labor would provide unlimited legal assistance; that is, their legal fees would be met.

Mr J.C. Kobelke: That was never said.

Dr G.I. Gallop: He makes things up as he goes along.

Mr C.J. BARNETT: The Deputy Leader of the Opposition quoted the Premier from *Hansard* when he was the Leader of the Opposition.

Dr G.I. Gallop: You make things up.

Mr C.J. BARNETT: We will refer to *Hansard* and let *Hansard* judge.

Dr G.I. Gallop: The minister will indicate -

Mr C.J. BARNETT: I am making my speech now and the Premier can make his later. Perhaps the Deputy Leader of the Opposition will be able to find that quote from *Hansard*. If he can, I will read it back to the Premier. They were his words in *Hansard*.

Members opposite created an expectation. They played on the emotions and losses of people. Like other members, I regret what happened. It was a dreadful thing. If anyone is to be responsible, I will accept my share of the responsibility. I do not think that I had much to do with it, but as a member of Parliament I feel a responsibility.

Dr G.I. Gallop interjected.

Mr C.J. BARNETT: The Premier might have the courtesy to listen.

People who behaved criminally were responsible for it. The question is: was government responsible? Let us look at it. I believe we would all agree that the Finance Brokers Supervisory Board failed to administer the finance brokers industry. Perhaps the legislation under which it operated, which had been in place for many years under successive Governments, was inadequate and found to be inadequate when the crisis occurred. I do not think that the members of the Finance Brokers Supervisory Board did the job required of them. The minister of the day and therefore the Government of the day failed to act quickly enough, that is true, and I accept responsibility for that. The question is: did the failure of the supervisory board or the failure of the minister of the day and the Government to act quickly enough result in further or increased losses? If it resulted in further or increased losses, one could argue that there is an element of responsibility of government. That is the issue no matter which party is in power.

Mr J.C. Kobelke: Let me ask you -

Mr C.J. BARNETT: I want to finish. If there was a failure of a government authority and the Government of the day, people might have a case. I want to read this Government's five pledges in its policy document. The first is to ascertain the facts, the second is to provide legal assistance, the third is to provide full disclosure, the fourth is to facilitate court action to resolve liability, and the fifth is to pay up where liability is established. I will read the fifth pledge to the Parliament -

The combination of openness and legal assistance should help in the early resolution of questions of liability.

If, however, the State is held responsible, appropriate action will be taken to both compensate investors and pursue recovery of any costs from wrong doers.

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The Labor Party put the case to the electorate before the election that the State was responsible. It claimed that the minister was responsible. It cannot have it both ways.

Dr G.I. Gallop: Will you take an interjection?

Mr C.J. BARNETT: No, I will not; I will finish. If the Premier believes, as he argued as Leader of the Opposition, that the State was responsible for lethargy of action or that the supervisory board failed to fulfil its duties, and if he believes as a result of that that people's losses increased or they lost money that otherwise they might not have lost, there is a case for the State being held responsible. If the Premier is to be true to his fifth pledge, he will have to meet that liability.

Dr G.I. Gallop: This is a hypocritical speech. He knows there is a difference between political and legal liability, and he is ignoring it.

Mr C.J. BARNETT: Why is the Premier so sensitive?

Several members interjected.

Dr G.I. Gallop: I am not ducking anything; I am pointing out the hypocrisy.

Mr C.J. BARNETT: The Premier may call me whatever he wants, but if he goes to the public, as he did as Leader of the Opposition, and argues that the State is responsible, and if he believes it to be the case -

Dr G.I. Gallop: When did we argue that?

Mr C.J. BARNETT: The Premier argued it repeatedly as Leader of the Opposition. He blamed the then minister, the then Government and the then supervisory board.

Dr G.I. Gallop: Absolutely. We certainly blamed them all right.

Mr C.J. BARNETT: Calm down, Premier. If the Premier blames the previous minister, the previous Government and the previous supervisory board, he obviously believes that there is a responsibility.

Dr G.I. Gallop: That is why we won the election.

Mr C.J. BARNETT: The Premier's manners are letting him down.

Dr G.I. Gallop: That is why you got booted out. It is called the politics of democracy and the responsibility that goes with it. That is quite different from legal liability. You know that distinction.

Mr C.J. BARNETT: I do not know why the Premier is getting so grumpy, to use his word.

Dr G.I. Gallop: I am not getting grumpy. I am responding to your questions. He doesn't like it.

Several members interjected.

The ACTING SPEAKER (Mr A.D. McRae): Order! There was a degree of interaction between the Leader of the Opposition and the Premier. That was quite okay. I am quite prepared to allow it for as long as the member on his feet does not seek the protection of the Chair, but when it engages other people who are not part of that interaction, it is disorderly and I will not allow it. If the interaction is between the member on his feet and another member with whom he is engaged, other members should let the interchange go and not buy into it.

Mr C.J. BARNETT: My point is not to argue and rehash the debate, or this Bill.

Mr J.C. Kobelke: That is what you are doing.

Mr C.J. BARNETT: I do not need to because debate has been going on for three hours. The point I want to make is about the responsibility of the Government of the day, whichever political party happens to be in power. The fifth pledge of the Government refers to responsibility. It does not refer to the court ordering restitution.

Dr G.I. Gallop: Come on! It does.

Mr C.J. BARNETT: I will read the fifth point again -

The combination of openness and legal assistance should help in the early resolution of questions of liability.

If, however, the State is held responsible, appropriate action will be taken to both compensate investors and pursue recovery of any costs from wrong doers.

Mr J.C. Kobelke: That has not occurred.

Mr C.J. BARNETT: The minister is talking about the court, but it does not say that in this statement.

Mr David Templeman; Deputy Speaker; Mr Peter Watson; Mr John Bradshaw; Mr John Kobelke; Mr Rob Johnson; Mr Mike Board; Mr Tony Dean; Mr Bob Kucera; Acting Speaker; Dr Janet Woollard; The Acting Speaker (mr A.D. Mcrae); Mr Arthur Marshall; Mr Paul Omodei; Mr Bernie Masters; Mr Colin Barnett

Mr J.C. Kobelke: It is about legal assistance.

Mr C.J. BARNETT: I am reading the fifth point.

Dr G.I. Gallop: The Opposition fails again.

Mr C.J. BARNETT: The point is -

Dr G.I. Gallop: The Leader of the Opposition is making it up.

Mr C.J. BARNETT: This is the Government's policy statement. I am not making it up. The Premier made commitments to the people who had lost money. He preyed upon their disastrous situation and their vulnerability and we all feel sympathy for them. He made a commitment and raised an expectation. If, as Premier, he is now true to what he said as Leader of the Opposition before 2001, and if he believes now, as he did then, that the State, the Finance Brokers Supervisory Board, the minister and the Government were responsible for all or any part of the losses of investors during the finance brokers scandal, then by his commitment he now has a responsibility to address the issue and decide whether he will honour that commitment and pay compensation. That is what he offered. I know he wants to twist the words and make fine distinctions, but everyone in Western Australia, including every victim of the finance brokers scandal, believes that Labor was talking about compensation. Anyone listening tonight knows he was not.

Debate adjourned, on motion by Mr J.C. Kobelke (Minister for Consumer and Employment Protection).