

BELL GROUP - TAXPAYERS' LEGAL COSTS

204. Mrs PARKER to the Premier:

An article on page 5 of today's *The Australian Financial Review* said that the taxpayers' legal bill on the Bell Group claim could be up to \$60m by the end of this financial year. What is the current status of this action?

Mr COURT replied:

I thank the member for this question. I saw the article in *The Australian Financial Review* this morning. The facts are that the legal actions being taken by the liquidator are very expensive. I have made initial contact with people from the Insurance Commission of Western Australia, and they are trying to analyse how that \$60m figure was arrived at. They think the cost of the insurance premium might have been included, as well as one of the components that the article says has been capitalised. As soon as I have that specific answer, I will provide it.

The story highlights the whole question of this claim surrounding Bell. We have heard a lot this week from the Leader of the Opposition about responsibility and accountability. This legal action is probably one of the worst examples of a lack of accountability and responsibility by a Government in this State, and the Leader of the Opposition was the minister responsible for this Insurance Commission when he was advised of the extent of these problems.

Dr Gallop: My friend, which Government set up a royal commission and which Government didn't have the guts to do it? That is the difference between this side and the other side of the House: We face up to our responsibilities. You have stood by a minister who sat on his hands while people were robbed.

The DEPUTY SPEAKER: Order! I say again that I do not want members, other than the member who asked the question, to interject, and I do not want incessant interjections.

Mr COURT: I again make it clear that we will not be pushed around by the banks in relation to this case. The book *Going For Broke*, written by Paul Barry, which has just been released, outlines the tactics used by Bond and others to delay these legal matters year after year at great expense in an attempt to wear out the other side. The Government has been able to put in place a unique insurance policy regarding these legal fees. It is a policy that we can extend beyond a \$40m recovery, if need be in the future, as was referred to in *The Australian Financial Review* article. We want to send a clear message to those banks that although they might try to wear out the Government with these legal actions, it will persevere.

I briefly remind this House that ICWA was a statutory authority, with a board to run it. However, that board was directed by the Labor Government to provide a huge amount of money to Mr Holmes á Court. It was directed to purchase from him BHP Limited shares worth \$285m, a property worth \$206m, and Bell Resources Ltd shares worth \$300m. That was a total of \$790m, and the total funds invested by the Insurance Commission in the beginning of that year was the same amount of money - \$790m. The Insurance Commission had to borrow \$400m from the banks to fund that arrangement. The end result is that Bell went bad, and hundreds of millions of dollars were lost. We are taking this legal action to try to recover some of those moneys. That claim, with interest, is now in the vicinity of \$1b, and we have every intention of pursuing it, because those hundreds of millions of dollars -

Dr Gallop: We will be pursuing the links between the Liberal Party and the finance brokers.

Mr COURT: The Leader of the Opposition does not like hearing this.

Dr Gallop: We had a royal commission. You do not have the guts to do the same. You are a weak Premier. You cover up Liberal Party corruption. That is what you do.

The DEPUTY SPEAKER: Order! I try to give the Leader of the Opposition a fair go - I really do - but he is making it almost impossible for me.

Mr COURT: In October, two further actions will take place in the court. First, on 4 October, there will be an application for the public examination of PricewaterhouseCoopers and the brief it had from the banks to assist them in that bank action. That will continue to proceed. Second, the liquidator has filed an application to amend the statement of claim that has been made, which will also be an important part of how this case advances. The Leader of the Opposition made a personal decision to hide from the people of Western Australia the extent of those problems inside that insurance body -

Several members interjected.

The DEPUTY SPEAKER: Order! I have been on my feet for about two minutes, and no-one is taking any notice. I will not put up with this. If I have another outburst and barrage like that, question time will come to an end.

Mr COURT: I will correct what I just said. I said it was a personal decision. The member for Fremantle says it was a cabinet decision. It was a cabinet decision.

Point of Order

Mr KOBELKE: Mr Deputy Speaker, it is required under standing orders that members address the Chair. From time to time we do not, and we are able to handle interjections. The Premier is continually addressing points to this side of the Chamber, and your ruling is, quite rightly, that we cannot respond. If the Premier needs your protection, he should address the matter to you and not try to attack the Opposition, and then we will not have any grounds to interject on him.

The DEPUTY SPEAKER: That is a point of view, not a point of order.

Questions Without Notice Resumed

Mr COURT: I will direct my comments to you, Mr Deputy Speaker. A cabinet decision was made to hide from the Western Australian public the extent of the problems and to not accept the advice to increase premiums to recover those moneys. The Leader of the Opposition has said in this Parliament this week that a minister should resign because he has not accepted responsibility. There is no worse example than the Leader of the Opposition, who, when he was the minister responsible for the Insurance Commission of Western Australia, hid this matter from the Western Australian public and, because it was weeks before an election, put the interests of the Labor Party ahead of the interests of the Western Australian people. This Leader of the Opposition, who is sitting here cocky and arrogant, is the last person who should be calling on people to resign, because he did not accept his responsibilities.