

FINANCE BROKERS COLLAPSE, PROMISE OF GOVERNMENT SUPPORT

Urgency Motion

THE PRESIDENT (Hon J.A. Cowdell): Members, I have received the following letter from Hon Barry House

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Dear Mr President

At today's sitting, it is my intention to move pursuant to SO 72 that the House, at its rising, adjourn until Friday 21 December 2001 for the purpose of discussing the cruel and cynical backflip of the Government, and particularly the Attorney General, in denying promised support for investors affected by the collapse of a number of finance brokers.

Yours faithfully

Hon Barry House MLC

Member for the South West Region

If sufficient members agree to this motion, I will allow it.

[At least four members rose in their places.]

HON BARRY HOUSE (South West) [3.43 pm]: I move -

That the House, at its rising, adjourn until Friday, 21 December 2001.

I begin with a quote from the former United States President, Richard Nixon, which states -

I KNOW that you believe you understand what you think I said, but I'm not sure you realise that what you heard is not what I meant.

Yesterday, that quote was aptly referred to in a letter to *The Australian* newspaper by Denise Brailey in an attempt to link the words with the actions of the Labor Party and, in particular, the actions over the past couple of days of the Attorney General, on the finance brokers situation.

The background of this issue is well known to members. It has its genesis in the collapse of many finance brokers and the extensive losses incurred by thousands of Western Australians over the past couple of years. The Labor Party extracted maximum political mileage from the situation. It is clear that the community punished the Court Government at the ballot box because of its perception of that Government's handling of the finance broking industry collapse. We accept that, and I will not argue against it. Most members would agree that the finance broking industry collapse was the most important issue at the last State election. It resulted in our primary vote falling by about nine per cent; we accept that.

It is also clear that many of the votes of the people affected by the finance brokers situation went directly to the Labor Party because of the position it adopted. Hon Jim McGinty, who is now the Attorney General, led the debate on the Labor Party's position. He extracted maximum political mileage out of the situation by making statements in the lead-up to the election, debating the issue in Parliament, enunciating the Labor Party's election policy to the community and the media, and by attending public meetings with affected investors. The finance broking industry issue was also pursued by the Select Committee into the Finance Broking Industry in Western Australia chaired by Hon Ken Travers. The third recommendation made by that committee states -

The Government provides financial assistance to all investors involved in test cases which are seeking to determine the legal issues surrounding investors' entitlements.

The issue was also used effectively in a political sense by Geoff Gallop, the Premier, during the television debate in which he invoked the finance brokers situation in his opening statement in the lead-up to the election.

The result was that Labor secured the votes of many affected investors, their families, friends and the community. What did the then Opposition say and do to get that support? I will read a set of notes made by one affected investor with Graeme Grubb. This investor is an ex-policeman. He made notes at a meeting in Eaton last year on his observations of that meeting. Members should keep in mind that this is an ex-policeman who is used to taking evidence and noting the accuracy of statements. His notes state -

Notes taken at the Seminar held for the Grubb Mortgagees at the Eaton Bowling Club at 10.30am on September 25, 2000.

Approximately 80 Grubb mortgagees were in attendance.

PROMISE OF GOVERNMENT SUPPORT FINANCE BROKERS COLLAPSE; Urgency Motion; President;
Hon Barry House; Hon Peter Foss; Hon Nick Griffiths; Hon Jim Scott; Hon Ray Halligan

Mr Jim McGINTY addressed the seminar and made the following promises to mortgagees should the Labor party be elected at the next election.

1. Ascertain the true facts of what went wrong with GRUBB.
2. Give legal assistance to individual mortgagees to pursue:
 - (a) Banks where Trust Accounts are overdrawn.
 - (b) Lawyers who drew up agreements in which they had a vested interest.
 - (c) Auditors who failed to reveal true facts of accounts.
 - (d) Assets of failed Mortgagee Brokers for recovery of losses.
 - (e) Valuers who over valued properties
3. To open the Ministry of Fair Trading books for scrutiny.
4. To expedite court hearings to shorten the time legal action is taking to recover investors money.
5. If the Government is found liable it will pay up.

That is a comprehensive set of notes made by a constituent. I do not mind telling the Attorney General that, during my discussions with this constituent and his wife at a social function, I felt very uncomfortable about the finance brokers situation. They assured me in no uncertain terms that they would vote for the Labor Party based on the commitments given to them by Jim McGinty.

Hon Ljiljanna Ravlich: You created the problem. You have a nerve coming into this place. What a pathetic excuse for a human being!

The PRESIDENT: Hon Ljiljanna Ravlich does not have the call and, until she does, she will be quiet. Hon Barry House has the call.

Hon BARRY HOUSE: The notes taken by my constituent were obviously accurate. They were notes of what Jim McGinty said at the meeting and what he outlined in the Labor Party's policy. I quote from a set of notes that were circulated to affected investors by Doug Solomon of Solomon Brothers. The fax sent to Mr Solomon from Mr McGinty's office on 24 October, the day before the meeting in Eaton, is headed "ALP approach to finance brokers". It states -

The Labor Party has promised a fresh, cooperative approach to keeping the victims of finance broker fraud recover their funds where that is possible.

Labor's five-point plan will comprehensively deal with the various issues which have only received piecemeal attention from the State Government so far.

1. Ascertain the facts

To the extent they are not known, a judicial inquiry will be established to ascertain what went wrong in the finance broking industry.

2. Legal assistance

For appropriate cases, the state will fund legal action to recover losses from finance brokers, company directors, valuers, banks, auditors, accountants, lawyers and anyone else responsible for the losses.

3. Full disclosure

All government knowledge about the finance broking industry, including legal opinions and results of audits and investigations will be open to the public.

4. Facilitate court action to resolve liability

Currently legal action is expensive and bogged down, serving nobody's interests. A Labor Minister for Fair Trading will do everything possible to bring the legal issues to an early resolution.

5. Pay up where liability is established

The combination of openness and legal assistance should help in the early resolution of questions of liability. If the state is held responsible, appropriate action will be taken to both pay investors and achieve recovery from the wrong doers.

Now that the Labor Party is in government - primarily, or very importantly, as a result of the finance brokers issue - we find that it is backing away from its commitments at 100 miles an hour.

PROMISE OF GOVERNMENT SUPPORT FINANCE BROKERS COLLAPSE; Urgency Motion; President;
Hon Barry House; Hon Peter Foss; Hon Nick Griffiths; Hon Jim Scott; Hon Ray Halligan

Hon Kim Chance: Which ones?

Hon BARRY HOUSE: It has enunciated its actions through the announcement of a royal commission and the guidelines to its terms of reference. It has enunciated its actions through the Attorney General, who made statements at meetings last Friday and to the media. It has enunciated its actions through correspondence, of which I have a copy, to Doug Solomon of Solomon Brothers. A copy of his correspondence was handed to me yesterday by an investor who had lost a lot of money with Graeme Grubb. There are glaring discrepancies between what was promised prior to the election and what is intended to be delivered after the election.

Hon Kim Chance: No doubt you will tell us what those discrepancies are, because you haven't so far.

Hon BARRY HOUSE: I am about to.

Hon Peter Foss: He is doing a very good job.

Hon N.F. Moore: It has not taken you lot a long time to fall in a great heap.

The PRESIDENT: Order, members! Hon Barry House has the floor. We will have the opportunity to hear from Hon Peter Foss and ministers and/or parliamentary secretaries, but not all at the same time.

Hon BARRY HOUSE: The major discrepancies centre around two issues, and the major one is the Government's commitment to fund an investigation into the State's liability through either a royal commission or the courts on a case-by-case basis. The second discrepancy involves the role of the Ministry of Fair Trading and the openness of its books. The Labor Government and, in particular, Mr McGinty are invoking ex-United States President Nixon's line "to worm out of its promises". They are invoking it to renege on their commitments. It has led people up the garden path and it is laughing squarely in their faces. However, members should not take my word for it; let us hear what Denise Brailey and Doug Solomon have to say about this massive deception and backflip. A letter by Denise Brailey was published in yesterday's edition of *The Australian* and is headed "Tricky language can't obscure Labor's promises to victims", underneath which is the heading, "The meaning of McGinty's backflip is clear". In a couple of paragraphs she says -

The undeniable fact is that in a written policy document, the ALP promised victims that if it won office, legal assistance would be provided to determine whether the state was liable to provide compensation.

Those promises were repeated by Mr McGinty at five meetings with victims.

She continues -

Whether Labor thought it was going to win or not when promises were made, they must now be honoured. Otherwise, the party can expect to be rightly considered far worse than mean and tricky.

She goes on -

If Mr McGinty thinks political accountability has become so flimsy, he is sadly mistaken.

She finishes by saying -

Mr McGinty has probably never had Nixon high on his list of political mentors.

However, if his approach to the ALP pre-election commitments on finance broking is a guide, he has developed a remarkably similar style.

I have never met Denise Brailey or Doug Solomon, but I have met plenty of people who have been affected by the finance brokers situation. In Denise Brailey's document, "WELCOME, to the Denise's comment of the week!!" for the week ending 28 May 2001, she says -

Mr McGinty, prior to the election, promised to provide funding for the process of determining liability of the State in the Finance Brokers Scandal . . . Mr McGinty, prior to the election, told voters that the State Government had a responsibility to protect investors to enable them to protect their investments. He wrote these words down. As Attorney-General, if he cannot understand his own words he should resign immediately. . . . Mr McGinty has acted in a totally dishonest fashion. It now appears his intentions were to deceive the retirees in exchange for their vote. He has betrayed not only the retirees but as Attorney-General he has betrayed all those who live in this State. As Minister for Justice he has demonstrated his incapability of dispensing justice.

Mr Solomon has engaged in correspondence with the Attorney General, and it seems that the Attorney General was more intent on arguing the point about when letters were lodged, the date of letters and the source of the

PROMISE OF GOVERNMENT SUPPORT FINANCE BROKERS COLLAPSE; Urgency Motion; President;
Hon Barry House; Hon Peter Foss; Hon Nick Griffiths; Hon Jim Scott; Hon Ray Halligan

documents from which Mr Solomon was quoting than he was in addressing the issue. However, some of Mr Solomon's assessments state -

Put another way, proceedings to determine whether or not the Board is liable for any losses are the most appropriate proceedings to be funded by the Government. Otherwise, the announced policy, in its totality, is likely to be considered misleading because the (then) Opposition offered to meet a potential liability which it well knew would never be established because of lack of funding to pursue the case through the Court.

He also uses the word "disingenuous".

Hon N.D. Griffiths: He is mounting an argument - nothing more.

Hon BARRY HOUSE: He also says -

I therefore consider that your Government is obliged, if it wishes to be considered credible in the matter, to provide funding for determination of the issue of whether the State should provide compensation . . .

In summary, the end result is that the Labor Government and Mr McGinty particularly have deliberately set out to deceive the people to gain their votes. In looking for an analogy, the best I could come up with was that the Labor Party and, in particular, Mr McGinty have engaged in the behaviour of a paedophile.

Hon N.D. Griffiths: That is unparliamentary!

Hon Tom Stephens: You are over the top! You are always over the top!

Withdrawal of Remark

Hon N.D. GRIFFITHS: The member should withdraw what he has just said, with respect to a member in the other place.

The PRESIDENT: Perhaps the member will repeat what he said.

Hon BARRY HOUSE: I am saying that the Labor Party has engaged in actions akin to those of a paedophile. A paedophile lures his victims with lollies, wins their confidence and then extracts his satisfaction and dumps them in a ditch. That is exactly what the Labor Party and Jim McGinty have done this time.

Hon Tom Stephens: That is not what you said. You are misleading the President!

The PRESIDENT: There is no point of order.

Debate Resumed

HON PETER FOSS (East Metropolitan) [3.58 pm]: It is quite alarming the way that the Labor Party does not seem to understand what it said in the last election campaign. I remind members that its policy document states -

Labor is committed to action. In government it will assist the victims of the finance broker scandal to recover their funds wherever possible. It is also committed to getting answers.

Under the heading of "Legal assistance", it says -

The State will fund investors' legal actions in appropriate cases to recover losses from finance brokers, company directors, banks, valuers, auditors, accountants, lawyers or anyone who is responsible for the losses.

Further down the page, it says -

Labor will work to ensure that any legal action is pursued in a timely and efficient manner, to avoid excessive cost blow-outs and getting caught in a legal quagmire.

I would have thought that was fairly clear. It is interesting to note that the document does not say that the Labor Party will not fund costs of actions against the Government; it says "anyone". The Attorney General, Mr McGinty, is now saying that if it can be proved that the Government is liable, the Government will fund the action. How will these people prove that the Government is liable, other than by an action? The Government promised that the first thing it would do would be to support the actions, and that if the Government were found liable, it would pay. How does Mr McGinty think that they will prove that the Government is liable other than by legal action? What sort of legal action did he think he was going to support? As it happens, the action against all these other people - the finance brokers, company directors, banks, valuers, auditors and accountants - is already being funded by the former Government. Mr McGinty's promise was worth absolutely nothing because he was adding absolutely nothing if he was not referring to funding action against the Government. A revealing interjection was made across the Chamber by the Minister Assisting the Treasurer.

PROMISE OF GOVERNMENT SUPPORT FINANCE BROKERS COLLAPSE; Urgency Motion; President;
Hon Barry House; Hon Peter Foss; Hon Nick Griffiths; Hon Jim Scott; Hon Ray Halligan

Hon Tom Stephens: Political negligence.

Hon PETER FOSS: He said that he believed the losses were caused by the incompetence of the Court Government. I do not happen to agree with him; however, it is interesting that the minister is prepared to say that it was the previous Government's fault, but the Attorney General is saying that until it has been proved that it was the previous Government's fault, the Government will not help those investors prove it.

Hon Kim Chance: He said that all along.

Hon PETER FOSS: He did not say that all along. Unfortunately, the Leader of the House was absent from the Chamber when I read this -

Hon Kim Chance: I have read that.

The PRESIDENT: The Leader of the House will come to order.

Hon PETER FOSS: One of the points in the five-point plan is that the State will fund investors' legal actions in appropriate cases to recover losses against a list of people or anyone else who is responsible for the losses. The tricky catch-22 in here is that until it has proved -

Hon Kim Chance: That is building societies. It is obvious who that is.

Hon PETER FOSS: The Leader of the House says that it is obviously that!

Hon Kim Chance: If he meant the Government, surely he would have said so.

Hon PETER FOSS: The Leader of the House and the Attorney General will make excellent collapsible finance brokers, because that is the sort of casuistry that they indulged in.

Hon Kim Chance interjected.

The PRESIDENT: Order! The ministers are provoking the member.

Hon N.D. Griffiths: We wouldn't want to do that.

Hon PETER FOSS: It is evident that Government members are guilty about this because they have said here -

Hon N.D. Griffiths: You'd know a lot about guilt.

Hon PETER FOSS: Members should just see how this works. The Government is saying that until it has been proved by a court action that the Government is liable, it will not help investors sue it. How useful is that? As soon as a person has been proved liable by a court action, he must pay the costs anyway. It is not much use offering to pay the costs after the court action because the Government must pay them then anyway. What people really need, and what they thought they were getting and seemed to be getting from Mr McGinty, was the Government's offer to pay before the action. What should have been in the five-point plan was that the State would fund investors' legal actions in appropriate cases, but after they brought the actions. That is what the Government meant to say. That is what the Government is saying about the actions against other people. Maybe it is saying that when the action is against other people, it is after the event, but when it is against the named parties, it is before the event. Perhaps it should read that the State will fund, before the event, actions against A, B, C and D, but it will do so after the event for others. It is not until the Government has been proved liable that it will fund investors. At that stage the costs must be paid anyway, and that is not what people want.

Hon Kim Chance: Didn't you practise law once?

Hon PETER FOSS: Then the Labor Party made the wonderful promise that it would pay if it were found liable. That is a really good election promise - that the Government will pay if the court finds it liable. Of course it will pay if the court finds it liable because that is what must be done when the court finds a party liable. The Government led people to believe that it would fund them in advance. It is now having a double take on that.

Hon Kim Chance: But we didn't say we would.

Hon PETER FOSS: I understand the word fund. Fund means that the Government will pay beforehand; that it will give people the funds to enable them to bring an action against anyone who is responsible for their losses. The Attorney General is saying that the Government will not fund anyone until such time as it has been proved that the Government is responsible. How is that proved? An action is brought and it is established. If that is the fine little argument that is being raised by the Government - that it will not provide funds until it has been proved liable - what is the worth of that particular promise? What does the Government think the people out there thought it meant? That is what Hon Barry House so aptly quoted from Denise Brailey's letter. The Government is saying that people believe they understand what they think was said. That was said to Hon Barry House. However, the Government is saying that that is not what it said. It is saying that people believe they know what the Government said, but it is not sure that people realise that what they heard is not what the Government

PROMISE OF GOVERNMENT SUPPORT FINANCE BROKERS COLLAPSE; Urgency Motion; President;
Hon Barry House; Hon Peter Foss; Hon Nick Griffiths; Hon Jim Scott; Hon Ray Halligan

meant. Is not that amazingly appropriate? That has been the Government's argument. No doubt at some stage in this debate someone will say that people did hear the Government say that it would provide funds, but the Government meant it would provide them after the event. The Government will say that although "fund" might sound as though it will pay beforehand to enable people to establish whether the Government is liable, it really means it will not provide funds until it has been proved that the Government is liable. Of course, the Government does not need to fund people after they have proved that the Government is liable.

Hon Kim Chance: Tell us the story again about *The Catcher in the Rye*. Doesn't it say that if a person says something three times it becomes true?

Hon PETER FOSS: No, it is not *The Catcher in the Rye*.

Hon Kim Chance: You just said it four times.

Hon PETER FOSS: It is not *The Catcher in the Rye*; it is the Bellman in *The Hunting of the Snark*. The Leader of the House should get his quotes straight. He should read a little bit of Lewis Carroll. That reading is appropriate for the Government because the logic in Lewis Carroll's books is absolutely perfect for what the Leader of the House is saying.

Hon Kim Chance: Say it three times and it becomes true. You have said it four times. You have mucked up.

Hon PETER FOSS: Leader of the House, it is unfortunate that no matter how many times I say it, it does not change the meaning. The meaning remains -

Hon Kim Chance: Sadly for you, that is true.

Hon PETER FOSS: No. The meaning remains with the words spoken. The Government is saying that what people heard is not what it meant. We shall hear from the Government that what it now says is what was meant. The Government is stuck by the words that were used at the time. I do not know how the Government can interpret the word "fund" to mean "in contemplation of proof". It should put up the money before the case is over to enable investors to prove that some other person is liable. A promise to pay after liability has been established is worthless.

Hon Kim Chance: Why?

Hon PETER FOSS: Because the Government will have to pay. It will have a court order at that stage. According to the ordinary sense of the word "fund" - what people heard and reasonably understood, not what the Government necessarily meant - the Government was going to fund the actions; that is, it would pay before the case was over to enable people to bring the case. "Fund" means the Government will put up the money now so that investors can establish whether other people are liable. If the Government thinks it means that it can pay after it has been ordered to pay by the court, it has lost absolutely all sense of proportion or honesty. The Government has put itself in exactly the same position as those people who managed to get the money out of the public in the first place, and who then got rid of it. Those people might have cheated the investors out of their money, but the Government has cheated them of their vote. It sought their votes on false premises. It sought their votes with a promise that it would give them money. When people asked the Government to deliver on its promises and pay up, it said that that was not what it meant.

HON N.D. GRIFFITHS (East Metropolitan - Minister for Racing and Gaming) [4.08 pm]: This is a cynical motion by the Opposition.

Hon N.F. Moore: How can you defend the Attorney General?

Hon N.D. GRIFFITHS: It purports to be concerned about the welfare of the victims of the finance broking scandal, yet it stood by its good friend, the former member for Alfred Cove. The former member for Alfred Cove was allowed to preside over this.

Hon Peter Foss: This is not about that, it is about honesty.

Hon Kim Chance interjected.

Hon N.D. GRIFFITHS: Hon Peter Foss has a thing about funds.

Several members interjected.

The PRESIDENT: Order! The cross-Chamber conversation should cease. The Minister for Racing and Gaming has the floor.

Hon N.D. GRIFFITHS: The previous Government would be well aware of a number of funds. I do not want to go into that at the moment. The core issue here are the words referred to in part by Hon Barry House when he mentioned the notes taken by the police officer. The notes taken by the police officer accord with the promises

PROMISE OF GOVERNMENT SUPPORT FINANCE BROKERS COLLAPSE; Urgency Motion; President;
Hon Barry House; Hon Peter Foss; Hon Nick Griffiths; Hon Jim Scott; Hon Ray Halligan

made by Mr McGinty. Mr McGinty is now, of course, the Attorney General and he is honouring his word. The key wording with respect to the issue of legal assistance is contained in the five-point plan the Labor Party put forward to the voters at the election, which is now being honoured. I will address that issue first and then, if time permits, I will deal with the other promises of the Labor Party. Hon Peter Foss quoted the promise relating to legal assistance, which states -

For appropriate cases, the State will fund legal action to recover losses from finance brokers, company directors, valuers, banks, auditors, accountants, lawyers and anyone else responsible for the losses”.

The Minister for Consumer Affairs is drafting guidelines and arranging funding to honour this commitment. The claim put forward by the Opposition and others is that those words constitute a promise that a Labor Government would fund legal action against itself to determine whether the State is legally liable for the losses suffered. Such a promise was never made. I assure the House that if such a promise were made, the Labor Party would have published full-page advertisements stating, “A Labor Government will fund action against the State”. It did no such thing. Members opposite will be well aware that the cost of the action is estimated to be between \$150 million and \$200 million. If the Labor Party in opposition was determined to get maximum mileage out of the issue, it would have announced a promise to provide between \$150 million and \$200 million in compensation to the victims of the finance brokers scandal by funding action on the part of the State against itself. It did no such thing and it is a contrivance to suggest it did.

I move to the other core promises of the Australian Labor Party with respect to the finance brokers scandal.

Hon Peter Foss: Who are the others who are liable?

Hon N.D. GRIFFITHS: Hon Peter Foss should be aware of the potential categories of people who are liable. They are finance brokers, company directors, valuers, banks, auditors, accountants, lawyers, building societies and perhaps other people involved in arranging finance in a number of ways. Unlike Hon Peter Foss, I am not interested in engaging in speculation or in trying to find something that can be inferred only by drawing a very long bow. The intention of the words is clear. As Hon Peter Foss would say, the words clearly mean what they say.

In the short time permitted to me, I will deal with the other four promises of the Labor Party. I have already pointed out the way in which it undertook to deal with the aspect of legal assistance. The first promise, as the police officer so accurately pointed out, was to ascertain the facts. We intend to do that. I quote -

To the extent they are not known, a judicial inquiry will be established to ascertain what went wrong in the finance broking industry”.

This undertaking is being honoured by the appointment of Ian Temby, QC to head a Royal Commission. Mr Temby will be asked to report, among other things, on what went wrong in the finance broking industry.

The terms of reference are being finalised, but we are in the process of honouring that promise. It will be honoured. I have dealt with the issue of legal assistance. The third promise referred to full disclosure. I quote -

All government knowledge about the finance broking industry, including legal opinions and result of audits and investigations will be open to the public”.

We will honour that promise also.

Hon Barry House: What document are you quoting from? Will you read the headline?

Hon N.D. GRIFFITHS: I am referring to notes containing specific quotes from our policy. I remind the member that the previous Government, in contrast to what we are doing, refused to release this information to the Parliament or the Gunning inquiry or in litigation. Mr Kobelke is in the process of honouring this commitment fully. He has caused a consent to be made to an order in the Supreme Court to provide the relevant information to the lawyer concerned. The fourth promise was to facilitate court action to resolve liability. According to my notes, the wording in the Labor Party policy document is -

Current legal action is expensive and bogged down, serving nobody’s interests. A Labor Minister for Fair Trading will do everything possible to bring the legal issues to an early resolution”.

That has been done. The fifth promise was under the heading - again, as the police officer so accurately noted - “Pay up where liability is established”.

Hon Barry House: Will you table that document?

Hon N.D. GRIFFITHS: No; this is a document of a confidential nature and contains my briefing notes. It deals specifically with the wording of the promises. According to my notes, the fifth promise states -

PROMISE OF GOVERNMENT SUPPORT FINANCE BROKERS COLLAPSE; Urgency Motion; President;
Hon Barry House; Hon Peter Foss; Hon Nick Griffiths; Hon Jim Scott; Hon Ray Halligan

The combination of openness and legal assistance should help in the early resolution of questions of liability. If the State is held responsible, appropriate actions will be taken to both pay investors and achieve recovery from the wrongdoers”.

The Labor Party is honouring its promises.

Hon Peter Foss: You foresee that the Government will be held liable but you are not prepared to include it in the class of people who might be held liable.

Hon N.D. GRIFFITHS: The Opposition feels guilty about its conduct and performance in government. It now wants to try to make up for that by suggesting that we promised something that we did not promise. The Government intends to honour its promises in full and is in the process of doing so. I suggest that those opposite should talk to the people who have made suggestions to the contrary to establish the facts.

HON J.A. SCOTT (South Metropolitan) [4.13 pm] The Greens (WA) will support this motion. Along with the rest of Western Australia, we seemed to have got the wrong impression about the Labor Party’s intentions on this issue. It has already been pointed out that it is a matter not of semantics but of the general impression given to the community about what it would get from the Government. I cannot remember the now Government prior to the election stating that the reference to “anyone else responsible for the losses” did not include government departments, agencies or boards. I did not hear that statement. We accept that, once in power, the Government may have found that the amount for which it is liable is beyond that which it is able pay without great detriment to the State. However, it needs to be up-front and say that. It needs tell the people that the liability it would suffer would be of such detriment that it cannot afford to keep its promise. It needs to explain to those people exactly why it changed its mind. It is not good enough -

Hon Kim Chance: We didn’t change our mind.

Hon J.A. SCOTT: I say to the Leader of the House that the impression most people had was that “anybody else” included government agencies, departments and boards.

Hon N.D. Griffiths: Why not look at the paragraph as a whole?

Hon Kim Chance: You should ask yourself how often a group of people about to become the Government refers to itself as “anybody else”.

The PRESIDENT: Order! Hon Jim Scott has the call, not the other members who are talking at the moment.

Hon J.A. SCOTT: The Leader of the House said that an Opposition that was expecting to get into government would not call itself “anybody else”. First, the then Opposition was not in government at that stage, so did it always speak in the future tense in that way? Secondly, I wonder whether it considered that the Government is actually an agent for the people rather than for itself.

Hon Kim Chance: We would have used the words “Labor in government will”, and we would have crowed from the rooftops about it.

Hon N.D. Griffiths: We would have had full-page ads.

Hon Kim Chance: We did not say it. That is our point. It is a construction that you have made up.

Hon J.A. SCOTT: The amount involved is between \$150 million and \$200 million, and that is not likely to be solely the State’s liability, because it will be shared with finance brokers and others who may be responsible. It is not likely that the State will be exposed to the whole of that amount.

As I have said, we believe that was the impression given, and we need a detailed explanation of why the Government is not following through on that. The community is becoming increasingly disillusioned with the election promises of political parties of most persuasions, whether it be the core promises of the Howard Government, or the poor promises on this matter. Although we understand that it may be difficult to find that funding under the current economic conditions, the Labor Party should have been honest in its election promises before it came into government; and if it does need to change its mind, it should give detailed explanations. We can accept that at times a Government cannot do the things it has said it will do. However, if that is the case, it should say why. I believe most members of the community would rather the Government say why it cannot do it than use semantics to deny that it actually said it would do it.

HON RAY HALLIGAN (North Metropolitan) [4.23 pm]: I support the motion. In the little time available to me, I must go to the words of Richard Nixon, which I will paraphrase by saying, “You have heard the words from my lips, but that is not what I meant.” I refer first to Labor’s election promises. The document headed “Tackling the Finance Brokers Scandal” states at the top of page 3 that -

In government, Labor will implement a five-point plan to:

PROMISE OF GOVERNMENT SUPPORT FINANCE BROKERS COLLAPSE; Urgency Motion; President;
Hon Barry House; Hon Peter Foss; Hon Nick Griffiths; Hon Jim Scott; Hon Ray Halligan

It comes down to what is meant by the words -

Hon N.D. Griffiths: That is right. It is fairly simple.

Hon RAY HALLIGAN: Okay; the minister can tell me, and someone may need a dictionary to understand what the minister, or anyone who is responsible, has to say. The Leader of the House has said the Labor Party did not mean to say the Government because it did not expect to be in government. That is the whole point.

Hon Kim Chance: I did not say that at all. That is a misrepresentation of what I said.

Hon RAY HALLIGAN: The document states also that the Labor Party would -

Facilitate court action to resolve liability . . .

What does the word “facilitate” mean?

Hon Kim Chance: You should take that back. I have told you that is incorrect.

The PRESIDENT: Order! The Leader of the House will come to order.

Hon RAY HALLIGAN: It means to cause to happen.

Hon Kim Chance: Are you going to take it back?

The PRESIDENT: Order! I have asked the Leader of the House to come to order, and the Leader of the House will come to order. At the moment the Leader of the House is giving a speech without the call and is speaking over Hon Ray Halligan.

Hon RAY HALLIGAN: Thank you, Mr President. Under the heading “Facilitate court action” - and that means to cause to happen, as far as I am concerned - it states -

Labor will work to ensure -

What is the definition of “ensure”? It means “will happen”. It means Labor will be active in causing this to happen. It will ensure that any legal action is pursued. Does it do that by giving the investors the name and address of a lawyer, or does it do that by providing them with the funds to undertake this action? The document continues -

- at any legal action is pursued in a timely and efficient manner, to avoid excessive cost blow-outs . . .

Cost to whom - the investor, the taxpayer or the Government? A little explanation is required. However, I suggest from the words in this document that it means that in government, Labor will cause these things to happen. The only way it can cause these things to happen is by bringing out the chequebook.

The document states under the heading “Pay up where liability is established” - and I have heard what has been said, and Hon Peter Foss has mentioned this previously -

The combination of openness -

That is an unusual word for the Labor Government -

- and legal assistance should help in the early resolution of questions of liability.

Yes, something did need to be done, and done very quickly. It continues -

If, however, the State is held responsible -

There is only one way of determining that, is there not? It continues -

- appropriate action will be taken to both compensate -

That is the word the Labor Government has tried to step back from. It continues -

- investors and pursue recovery of any costs from wrong doers.

As far as I am concerned, the Labor Government’s action - or inaction - means that despite the wording of the policy document it presented to these investors prior to the last election, all it has done is use rhetoric to deceive those people.

Hon N.D. Griffiths: I think you are using rhetoric to deceive.

Hon RAY HALLIGAN: I cannot change the past, but I can change the future; and I suggest the Government is in exactly the same situation. It is no good. The Government’s rhetoric goes nowhere, because it can do nothing about it. It can point the finger at the previous Government as much as it likes, but today and tomorrow are all

PROMISE OF GOVERNMENT SUPPORT FINANCE BROKERS COLLAPSE; Urgency Motion; President;
Hon Barry House; Hon Peter Foss; Hon Nick Griffiths; Hon Jim Scott; Hon Ray Halligan

important to these investors. What will the Government do to assist them? The Labor Party told these investors before the election exactly what it would do. It is in black and white.

Hon N.D. Griffiths: We are honouring our promises.

Hon RAY HALLIGAN: No. The Government is going down the Richard Nixon path. Denise Brailey has picked the Government up on that as well, and she is not the only one. Doug Solomon also has identified the fact that the Labor Party has not been true to its word. The select committee, on which the now Government had the majority of members -

Hon G.T. Giffard interjected.

Hon RAY HALLIGAN: I said the now Government.

Hon G.T. Giffard: Who had the majority?

Hon RAY HALLIGAN: First up, it did. It then had an Australian Democrats member with it, and if that does not give it a majority, I do not know what does.

The report of the select committee states in recommendation No 3 that -

The Government provides financial assistance to all investors involved in test cases which are seeking to determine the legal issues surrounding investors' entitlements.

That was a recommendation of a select committee instituted by the now Labor Government. Recommendation No 4 states that -

The Government genuinely seeks to reach agreement with investors over compensation and assistance without expensive court action.

These recommendations were made to this House and were accepted by this House. The majority of the members on that committee encouraged the committee to go down that path, I have no doubt because the Labor Party thought it would not be in government at this time and it could cause the coalition some embarrassment. However, now the boot is on the other foot; now it must stand up and be counted. There is the Labor Party's rhetoric. It should now go to these investors and talk to them differently - not in the way Hon Jim McGinty talked to them when he said, "No, I have said the words, but it is not what I meant". Each and every government member should see those people and see whether they can get away with the same discourse. Some members have visited the same groups that Mr McGinty has spoken to and used the same words. They have shaken hands and said, "Thanks very much".

Hon Kim Chance: Some of those people have one and a half million good reasons to give the member that line!

Hon RAY HALLIGAN: The Government did not mind when Denise Brailey came to it and said that she would provide information and do this and that to the then coalition Government. The shoe is now on the other foot and in this article she says that the Government is not telling the truth.

The PRESIDENT: The member should address the Chair.

Hon RAY HALLIGAN: The article is by Denise Brailey and she clearly spells out that the tricky language of Mr McGinty and the Labor Party cannot obscure their promises to victims.

Motion lapsed, pursuant to standing orders.