

**SELECT COMMITTEE INTO THE
FINANCE BROKING INDUSTRY IN WESTERN AUSTRALIA**

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
MONDAY, 3 JULY 2000**

SESSION 3 OF 5

Members

**Hon Ken Travers (Chairman)
Hon G.T. Giffard
Hon Ray Halligan**

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- (a) constitute a contempt of the Legislative Council; and**
- (b) mean that the publication or disclosure of the relevant material is not subject to parliamentary privilege.**

[11.00 am]

WALKER, MR PATRICK,
Chief Executive and Commissioner for Fair Trading,
Ministry of Fair Trading,
219 St Georges Terrace,
Perth, examined:

NEWCOMBE, MR GARY,
Director of Projects,
Ministry of Fair Trading,
219 St Georges Terrace,
Perth, examined:

CHAIR: On behalf of the committee, I welcome you to today's meeting. The committee clerk has sent you a letter with a brief introduction. It is the intention for the hearing to be an informal discussion about what inquiries the agency is conducting. The committee has resolved that it will not use any evidence which is given today in the final report. If there is something which we want to use in the report, we will deal with that at a later stage. Hopefully, we will have a frank and open discussion about where things are going at the moment. You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

Mr Walker: Yes, I have.

Mr Newcombe: Yes.

CHAIR: These proceedings are being recorded by Hansard. To assist the committee and Hansard, please quote the full title of any document to which you refer during this hearing. A transcript of your evidence will be provided to you. Even though this is a private hearing, I advise you that the committee may make your evidence public at the time of its report to the Legislative Council. If the committee decides to make your evidence public, it will first inform you of this determination. You should not disclose your evidence to any other person. As I have said, the committee has resolved that it will not use any of the evidence given today in its final report. I believe a copy of the committee's terms of reference has been forwarded to you. It is hoped that today's meeting will help inform the committee so it does not breach term of reference (3). The committee has a number of questions to discover what the ministry is doing so it can avoid such a breach. The committee is also interested in any ideas you may be able to offer to keep lines of communication open so the committee does not breach its terms of reference in future because of developments in your inquiries. How long has the ministry been inquiring into the finance broking industry in Western Australia, and what were the circumstances that prompted the inquiry?

Mr Walker: That is a fairly open-ended question. Are you referring to the Gunning committee of inquiry?

CHAIR: It is a standard question, but it is about whether your agency is conducting any inquiries. I realise the inquiry has been ongoing.

Mr Newcombe: I pre-date Mr Walker with the ministry; I go back to 1996. In terms of the breadth of the question, the answer is that the ministry, as long as it has had finance broking, would always have conducted some form of inquiries. It is important to note that the Finance Brokers Supervisory Board is a separate agency from the ministry and is independent. It is the organisation which generally either conducts hearings or has investigations conducted for it. The ministry might be involved in breaches of the Fair Trading Act or other matters, but it is important for the committee to understand that the board is a separate, independent authority. The committee may wish to speak to the chairman of the board about the progress on particular matters before it rather than for us to give evidence about what the board is doing.

In general terms, the ministry and the board have been involved in finance broking for some time. The issues that are currently the cause of publicity have been looked at since 1996-97. Proceedings are currently afoot before the board, which you would be aware of from the publicity about both finance brokers and land valuers, who are to some extent tied up in the same matter. Again, the Land Valuers Licensing Board is a separate statutory authority which is currently conducting an inquiry into at least one of the people who have been mentioned as part of the current matters.

CHAIR: You have said that the inquiries are conducted by and at the request of the board. Does the ministry conduct any of its own inquiries? Can you give us a brief outline of where the board cuts in?

Mr Walker: There are some obvious black and white differences and there are elements which tend to merge. Essentially, as Mr Newcombe has said, there are a range of independent statutory boards; the Land Valuers Licensing Board and the Finance Brokers Supervisory Board are the two main ones. What happens in practice is that officers who are on the ministry's payroll, and who may do other roles - for example, the current registrar of the Finance Brokers Supervisory Board is also the manager of the financial industries branch of the ministry - are actually appointed as officers of the various boards. The registrar and investigators of the Finance Brokers Supervisory Board are appointed by the board and are subject to confidentiality clauses within their operations for the board. Effectively, they are working under the direction and supervision of the board when they are undertaking work associated with issues that come within that Act. As part of their investigations, they may discover there is potentially a breach of the Fair Trading Act, for example, in which case their hat may change and they would be working as ministry officials and would be pursuing a potential breach under the Fair Trading Act. However, it is a concept which has not been clarified particularly well. It is an issue which the media has a great deal of trouble understanding. That is a fair comment; it is not a criticism. Its regulatory framework provides for an independent statutory board, which reports independently to the minister. There is no formal connection or involvement for me in my capacity as the chief executive officer of the ministry or as Commissioner for Fair Trading. I do not have any statutory or formal reporting relationship or role in that process. From time to time it has created some difficulties and challenges in the confidentiality provisions of the particular legislation.

CHAIR: I do not want to inquire into the history of it. There has been debate in the past about who has the supervisory role of the investigators; that is, whether it is the ministry or the board, and whether the ministry investigator brings a complaint before the board and the board formally hears the case and makes a determination. In the past, the board has taken the view that it does

not have a supervisory role in the investigation. I do not want to get into an argument about whether that is right or wrong, but I am trying to clarify whether that is still the case or whether the board is taking a supervisory role in current inquiries.

Mr Newcombe: The issue is that investigations are commenced always at the direction of the registrar of the board. The procedure which has applied is that in the course of that investigation - it is still being carried on under the auspices of the board and it has been reported to the board - the board has tended to stay away from the detail of the investigation to avoid potential bias when it comes to hearings. Obviously, information can come up in the course of an investigation which may not make its way to the hearing. If the board is intimately involved in that and knows the information, and then it is not used in the hearing, there is a concern that it may be biased. The investigation has always been at the direction of the board, and there has been reporting of the progress and the status of those investigations. However, the board has, as a matter of its own policy, tended to stay away from being informed about the detail until it gets to a formal hearing. Hopefully, that sets out the position.

CHAIR: Has that always been the case?

Mr Newcombe: Yes, and it remains the case, because there is still a concern about potential bias.

CHAIR: It is the one which could say, "Get on with it. We want this finalised."

Mr Newcombe: That is correct.

Hon G.T. GIFFARD: From listening to your explanation about confidentiality and the implications or consequences for the registrar and his other hat, what nature of issues are brought into play which may be complicated by that? If it is prospective illegality, confidentiality does not matter. What sorts of issues are you talking about?

Mr Walker: I will preface my remarks by saying that in April of this year I sought Crown Law advice on this issue. For example, as the chief executive of the ministry I would often get media inquiries. People would ask me what was happening, I would form my own views about what may or may not be happening with the boards, and I would form my own views about appropriate courses of action, etc. Until recently, the advice was that the officers working for the boards were effectively subject to the direction and supervision of the board. Essentially, these confidentiality provisions preclude them from sharing information with other people in the ministry, including me, about the nature and progress of those investigations, although one could argue that, in a general sense, that information may be available. However, previous advice received was that it could be a criminal offence for them to share information even with me or other officers of the ministry. There are other issues associated with the complex arrangement which that creates. Then that is coupled with the fact that someone is acting as the registrar of the board, and, on any given day or any given week, that person is also a substantive employee of the ministry for his other work. There are a total number of four officers of the Finance Brokers Supervisory Board. In the past, those officers were not full-time employees of the board. It did not consume all of their working time. They were working on some aspects of the finance industry as ministry employees. Some of those officers were doing work for the ministry and work for the board. I have no doubt that the Gunning committee of inquiry, and perhaps the

select committee, may make some findings or observations about that protocol and the regulatory framework and whether that is a potential shortcoming which should be considered.

Hon G.T. GIFFARD: There is potential duplication for instance.

Mr Walker: In my view it is not duplication. When that scenario arises, there is a potential for confusion in the lines of accountability and responsibility. We have yet to hear the chairman of the Finance Brokers Supervisory Board give evidence before the Gunning committee about his view of the board's role. The chairman alluded to the fact that there seems to be a view that the offices of the board were effectively working for the ministry and it was more of an administrative arrangement. If we look at the provisions of the Act, the understanding some of us at the ministry have is that it went beyond that. Those people are officers of the board and are subject to the direction of the board. It can create difficulties with information flow and when dealing with the day-to-day arrangements, particularly when there are part-time board members.

Mr Newcombe: The confidentiality issue is not unique to the board. We have seen the same issue arise with the police's and the Australian Securities and Investments Commission's capacity to provide information to the board or vice versa.

Hon G.T. GIFFARD: Is the registrar engaged in full-time work for the board?

Mr Walker: That is correct.

Hon G.T. GIFFARD: Is he also engaged in some ministry work?

Mr Walker: That is correct.

Hon G.T. GIFFARD: While that person is doing ministry work, can you direct him to undertake an inquiry along a certain line?

Mr Walker: I have the authority to supervise and direct that person to undertake work as a ministry official, but I cannot intervene in board matters.

Hon G.T. GIFFARD: You could ask that person to inquire into a certain matter.

Mr Newcombe: As long as it was within the jurisdiction.

Hon G.T. GIFFARD: You were saying that there is an overlap between what the ministry does and what the board does.

Mr Walker: I am not sure I would describe it as an overlap; it is more a segregation. Someone is acting as an officer of the board and has a reporting relationship with the board and is subject to confidentiality provisions. In that case, there would not be the same transparency as if it were a ministry official. At the moment we administer about 47 Acts of Parliament. Apart from the issues associated with the boards, there are no problems with a ministry official crossing those lines, looking for breaches and sharing that information so everyone is aware of what is happening. The manner in which those confidentiality provisions work, and the practice and the

tradition of the boards can create a barrier and a silo effect at its worst. It is arguable that, for example, the Land Valuers Licensing Board could be making inquiries. It is better than arguable at law that if someone working for the Land Valuers Licensing Board were pursuing inquiries about an errant valuer, and that valuer had a direct association with the finance broking industry, there would be difficulties between those boards potentially sharing that information.

Mr Newcombe: There would have to be a formal report and a referral, which is what tends to take place. However, it is not a situation in which people can sit down and discuss the matters.

CHAIR: That leads to our next point, which is what inquiries you have under way. Do have an investigations branch of the ministry?

Mr Newcombe: No. The ministry is structured on a directorate basis which looks at functions and industry groupings. Investigators work in individual branches and look at individual areas of industry, but there is no single investigative branch.

CHAIR: Has that always been the case, that structure?

Mr Newcombe: To the best of my knowledge, yes, certainly since 1966, and I think it goes back to 1993.

CHAIR: Within, say, the finance broking area, an investigator will have a senior investigator above him from whom he may seek advice?

Mr Newcombe: There has been a significant change in the staffing of the finance broking area this year, but in the period 1998-99, there would have been one investigator in the branch who was looking after finance broking. Before 1993, there was a compliance unit that looked after four boards - real estate, settlement, finance broking and land valuers - so at that time there was a group of about four investigators, one of whom was a senior investigator. However, after the 1993 restructure, the investigators were separated off. Therefore, in relation to finance broking, what you have put would not be the case.

CHAIR: Into what aspects of the finance broking industry in Western Australia are you currently inquiring; and I take your point that this may be a question that we also need to ask a number of the boards?

Mr Walker: As a general observation, in recent times we have established a finance industry and valuation task force. Its role is compliance investigations; to get greater coordination with bodies such as the Australian Securities and Investments Commission and the police; and to examine future policy development, how the current regulatory framework can be improved and proposals for change. About seven or eight people are undertaking that range of activities.

CHAIR: Are they all internal departmental people?

Mr Walker: Yes. We have seconded people to do it, and we have also had some funding assistance to bring others in. That is because of the huge increase in the work and our knowledge as it has emerged as to what has been happening within the finance broking industry.

Mr Newcombe: In relation to finance broking and land valuations, neither board examines the entire industry. The focus of both those boards is the licensing of individuals who participate in the industry, not every function or activity which a licensed person may take on, because a person may do things which are not covered by the legislation. The primary focus of the finance brokers board is the supervision and enforcement of the licensing regime.

CHAIR: Pooled investments and things like that would come under ASIC rather than the board, but I guess the board would have some requirement to keep itself informed, because if someone was appearing before ASIC for breaches of its Act, that would have an impact on whether that person was a proper person to hold a licence?

Mr Newcombe: That is correct.

Mr Walker: The other way it has worked as well is that the board has provided information to ASIC, and as a result of that information and ASIC's inquiries it has made a number of decisions.

CHAIR: The department is undertaking a number of general inquiries into its structure and how it operates, but it is not conducting any specific inquiries into people involved in the finance broking industry?

Mr Newcombe: If you wanted a list, it would be preferable if you could go back to the board specifically and it would give you an indication of those persons who are currently scheduled for hearing or have been through a hearing and the lines of investigation which it currently has. The individuals on the finance task force are also appointed as officers of the board, and they are carrying out their investigations on behalf of the board.

CHAIR: Do you intend to provide your recommendations by way of a submission to the Gunning inquiry, because obviously part of its terms of reference will be to look at those issues?

Mr Walker: We have identified some opportunities for improvement, and we have been working on those; and when the Gunning inquiry was called we made a comprehensive submission to Gunning indicating the way we think the regulatory framework and administrative processes can be improved. That covers the seven boards that are being reviewed by the Gunning inquiry.

CHAIR: Would it be possible for us to get a copy of that at some stage? I do not know whether that document needs to be taken in whole or whether you can take out those elements that impact on the finance broking industry.

Mr Walker: It does not focus just on one industry. It does focus on the terms of the Gunning inquiry, which are somewhat different from your own. It is not a public document as yet. However, it will be the subject of evidence before the inquiry in the near future, I suspect, and at that stage we will expect it to become public. It is focused more on the structure of the boards and the nature of disciplinary proceedings, licensing and so on.

CHAIR: I would certainly appreciate your providing that document. You have said that in a week or so it will become public anyway, and that may be a more appropriate time for you to

give it to us. What relationship, if any, do you have with the other bodies listed in term of reference (3), and what mode of communication do you use to keep those other bodies abreast of your own inquiries?

Mr Walker: If we start with the police, staff of the ministry liaise with the police, there is an ongoing exchange of correspondence from time to time, and there is also a meeting where the key people leading the police inquiries meet with staff of the ministry and the boards. With regard to paragraph (b), the supervisors and liquidators, the supervisors are appointed by the board, and the staff of the ministry have some involvement with their funding and modus operandi in their day to day activities. That is an ongoing and fairly intense activity. In more recent times, some liquidation aspects have been undertaken in terms of looking at recovery of investors' funds from brokers, borrowers and others, and we are now meeting monthly, and they are giving me weekly reports. The Gunning inquiry is obviously taking a great deal of resourcing from the ministry's perspective. About 400 of the ministry's pre-1999 files are with the Gunning inquiry. Mr Newcombe is our principal liaison officer, and, from our perspective, Mr Newcombe is probably the logical person for the select committee to liaise with on administrative and procedural matters or policy issues. Our staff meet from time to time with ASIC and we correspond with ASIC, and that is an ongoing situation. As Mr Newcombe referred to earlier, there are some legitimate barriers to the quality of those communications with regard to ASIC's secrecy provisions and ours, and that also applies to the police. With regard to paragraph (e), most of the prosecutions would be police-related matters. I am not sure how the committee would define the words "any prosecution" and whether that would capture board inquiries or other issues. You may not have formed a view on that at this stage.

CHAIR: The terms of reference state, "avoid interfering with or obstructing any inquiry being conducted into related matters", so we would need to ensure that our actions did not hamper or interfere with a prosecution or hearing by the board. That would certainly be my interpretation. Obviously it is not limited to those areas, but that would be the key focus.

Mr Newcombe: You may find duplication occurs, in any case. The number of people who are the subject of board matters are also the subject of police inquiries or prosecution. Obviously it is a matter for this select committee, but it is difficult to extricate one from the other in that sense. I probably cannot add much to Mr Walker's comments. Term of reference 3(b) refers to any liquidator or supervising company. Obviously we have the closest relationship with the liquidator and supervisor appointed to the two failed finance brokers; one is Mr Grubb, or Rowena Nominees, and the other is Global Finance Group.

A number of other companies may come within your terms of reference for which a liquidator might be appointed. However, we would not necessarily have any interaction with those people. Only two supervisors have been appointed and they were appointed strictly by the board through the District Court. We have a close relationship with them in providing legal assistance and briefing, and obviously documentation is passed between them. As Mr Walker said, a large number of our original files, which we have copied, are with the Gunning committee. However, if you are looking for original source documents or any closed file, the vast majority of our files pre-1999 are with Gunning. You may need to establish some form of cooperation with the Gunning committee. We can provide copied documents; we want to keep copies of any documents we provide because they are still referred to.

CHAIR: Are they files of the Ministry of Fair Trading or of the Finance Brokers Supervisory Board?

Mr Newcombe: They are both. To be fair, sometimes it is difficult to tell. Ministry practice had been to put most of the documentation on ministry files. For a long period there was no segregation and a file may not show on its cover "Finance Brokers Board", although some do. However, the vast majority are shown as ministry files. The Gunning committee has simply subpoenaed them from either the board or the ministry. It has taken all of them and it is not terribly concerned. It serves notices on both the registrar and the chief executive. For the select committee's purpose, that is the simplest procedure if you wish to request documents.

CHAIR: Jointly serve the ministry and the finance brokers board?

Mr Newcombe: Yes. As liaison officer, I respond on behalf of both the board and the ministry to those notices. Some documents, such as minutes, are peculiar to the board, but generally the files relate to both. The Gunning committee is sitting four days a week. You have probably met with counsel assisting, and we are obviously closely involved with them. We receive notices regularly as well as the 400-odd files we have provided as additional witnesses come before the Gunning inquiry. We have a very close relationship with the people involved.

CHAIR: Would a list of the files be held by the ministry? We may prefer to obtain a list rather than the files themselves.

Mr Newcombe: Yes. It would depend on what sort of list you wanted. I have a list of the files that have gone to Gunning. Files are categorised according to whether they are licensing or complaint files. We can provide a list of every file that has covered finance brokers, or provide it in some form of categorised basis. We can certainly immediately provide a list of files that have gone to Gunning. Anything else must be extracted from a database.

CHAIR: I do not know about the other committee members but I would be pleased if it was possible for this committee to be provided with a list of all the files, a description of them and whether they are considered to be ministry or board files. I would appreciate a brief summary of whatever is on your database. I am not asking for anyone to summarise them all. Would every inquiry or complaint have had a file created for it?

Mr Newcombe: If it has a complaint status, yes, there will be a file. You have probably heard the term "fast tracking" being bandied around, albeit inaccurately. From memory, I do not think any finance broking files have been fast tracked. A file will have a number of complaints on it. However, each complaint will have an independent file number allocated to it. Other matters that come in as complaints, go through the filing process and files are made up for them.

Mr Walker: We are very keen to cooperate and have no problems regarding that. However, there is an issue of confidentiality.

CHAIR: Would you like us to formally request them?

Mr Walker: The same goes for Gunning. To remove any question of exposure by anyone, if the committee does not mind, we ask that files be formally requested so that no-one is exposed.

CHAIR: From your perception, which boards under your administration relate to the finance broking industry?

Mr Walker: Apart from the Finance Brokers Supervisory Board, the Land Valuers Supervisory Board and the Real Estate and Business Agents Supervisory Board are the other two. We are probably more closely involved with land valuers and, to some extent, real estate. That will depend in part on the breadth of this select committee inquiry. In terms of the Gunning inquiry, much of the administration of the boards was centralised in 1993; that is, they were run from the same area. In that sense, the real estate board's involvement was inescapable. Some of the individuals have multiple licences. Mr Grubb, for example, was licensed in real estate, settlement and finance broking.

CHAIR: I was also going to ask for a list of the members of the boards and staff. We may write formally requesting that information.

Mr Walker: That should not be a problem.

CHAIR: I appreciate your position, so I am more than happy to write formally requesting that information.

Can you suggest any mode of communication for keeping the committee abreast of your inquiries to ensure we do not breach term of reference No (3). I appreciate your comment about Gary being the point of contact. At this stage we have not appointed a permanent advisory research officer to the committee. As soon as that happens, I will contact Gary to let him know who the ARO is. If you feel at any time the committee is obstructing the inquiry you are conducting, by all means contact either the ARO or me.

Hon RAY HALLIGAN: You said some officers wear two hats and are working for the board as well as the ministry. Do you see any conflict of interest in working for both?

Mr Walker: I do not see a conflict of interest as much as a potentially confusing scenario. People's perceptions, that there is a logical flow of information to logical flow of controls and supervision, direction and statutory responsibility, are not the reality. That has been touched on in our submission. Some improvements could be made in that area because of the confusing situation it creates.

Hon RAY HALLIGAN: Can you tell me something of the role of your supervisors and who they are answerable to?

Mr Walker: Bird Cameron Financial Services Ltd is the accounting firm which employs Mark Conlan, the supervisor and liquidator for Rowena Nominees, appointed by the Finance Brokers Supervisory Board.

Jeffrey Herbert of PPB Ashton Read is the appointed supervisor of Global Finance, and another partner in that same company, Simon Read, is the liquidator of Global Finance. They were appointed by the finance brokers board on application to the District Court. Earlier on there was some question as to their capacity and their role. There is a provision within the Finance Brokers

Control Act that sets out the role of the supervisor. There has been some legal comment by other people about precisely what it is a supervisor can do, what is the breadth of his role, whether in fact it has a narrow or more broad focus.

The position has been taken in recent times by the State Government to fund liquidators to do some work - designed to recoup money from people such as brokers, borrowers, land valuers and others. There is a question mark about the capacity of supervisors who undertake that work. Indeed it became very apparent that some of the people who would be involved in any legal action essentially would challenge the capacity of supervisors to do that work. So it was necessary to perform those functions through a liquidator.

Hon RAY HALLIGAN: Are the supervisors or liquidators expected to look for anything untoward in any legal actions and, if so, who would they go to as far as making that information available?

Mr Newcombe: The liquidators are expected to report to the Australian Securities and Investments Commission if they find anything. The situation with the liquidators is that they do as much work as they have money to pay them to do. The situation with both Global and Grubb is that there were no funds available for a broad liquidation in a general sense. As Mr Walker has indicated, funding has been provided by the State Government to assist in action to recover funds. In the course of that, if they identify any criminal activity or breaches of the Corporations Law, they would be required to report back to the Australian Securities and Investments Commission. In addition, the Government is asking the Commonwealth Government to make a contribution to the liquidators' funding so they can actually do other work.

In relation to the supervisors, it is not strictly part of their role. In layman's terms, a supervisor is much like an administrator. He is expected to go in and finalise a business. I think it would be fair to say that a classic example of when a supervisor would be appointed, putting to one side what we are currently doing, is when a finance broker dies and there is no-one left to carry on the business and a supervisor is appointed to tidy up. The circumstances with Global and Grubb are different. Nonetheless, supervisors are officers of the board and also appointed by the court. They would therefore have a common law duty to report any issues of illegality, in much the same way as basically any citizen has an obligation to do. They would be expected to report that at least to the board because they are actually appointed by the board. Given the commonality of functions in one case, that one person is both the supervisor and liquidator, in the other case at least in the same firm, it is unlikely that would cause any problems because at least they would be reporting to ASIC on those matters.

Mr Walker: I know in practice that the supervisors and/or liquidators have given a great deal of information to ASIC and also to the police, often to initiate but certainly to assist their inquiries.

CHAIR: Do you expect any imminent appointments of any more supervisors or liquidators?

Mr Walker: Liquidators can be appointed only when a company goes into liquidation. There has been discussion about Blackburne and Dixon, for example, but there is a significant difference. At this stage there are no proposals that I am aware of for extending the roles of supervisors.

Mr Newcombe: There is no current proposal that I am aware of for a supervisor but clearly that is a case by case thing. As for a liquidator, the only previous advice we had in relation to Blackburne and Dixon was ASIC's view that they were solvent and there were no grounds for the appointment of external administrators or liquidators. We have not seen anything to change that but that is a matter for ASIC, bearing in mind that there is still an ongoing undertaking between Blackburne and Dixon and ASIC in relation to finance broking matters. ASIC is well informed of their financial position.

CHAIR: They are monitoring their position at the moment.

Mr Newcombe: Yes. Effectively, I think Blackburne and Dixon has basically stopped most of its business. ASIC's view at the moment is that they have not committed one of the triggers that would result in the appointment of a liquidator, provisional or otherwise.

CHAIR: As to the mode of communication, I take it you are suggesting we liaise directly with Gary if there are any concerns.

Mr Walker: Yes, please liaise with Gary. Once again to simplify things, if the requests are multiple - to the board and the ministry - instead of people having to take additional time, it might be useful, if that is okay.

CHAIR: There are three boards and the ministry. Then we do not have a question about who we have actually addressed it to, and whether it is yours or theirs.

Mr Walker: That is correct - whether the registrar or the board should be responding or whether I should be officially responding, or Gary. I suggest that might make everything quicker and we can get greater turnaround and we do not have to worry about the provisions of various statutes.

Mr Newcombe: Particularly in relation to finance brokers and the ministry. With real estate I think that will be only if there is a particular issue in relation to that board - and land valuers to a certain extent, but obviously it is a much lower work rate than finance brokers.

CHAIR: With current inquiries we need to go to them. It has been suggested to us that obviously the Gunning inquiry is putting some fairly heavy demands on the agent. I guess that inquiry would be concerned that we may place extra demands, which means that you are not able to respond to both. If you do find that the demands coming from both areas are making it impossible to meet either of them, please let us know and we will see what we can do to juggle it around and try to make it as easy as possible for everybody.

Mr Walker: It would be remiss of me not to agree with those sentiments. The ministry has undergone enormous changes in the past 18 months to two years. I think it is fair to say that other things are significant distractions at the moment. In fairness, it is as much about what accompanies an inquiry as to media, parliamentary issues etc. It would be remiss of me not to indicate that a lot of champions in the organisation have been displaced and distracted to other things and that it is a very heavy and onerous load. As I say, that is taking the full range of ramifications and implications. Coupled with that, there is obviously a heightened state of anxiety in certain areas. I thank you for those comments. I need to make it very clear that we see that we have a public duty and responsibility to respond and we will do that. We certainly will not be using resources as an excuse. It is true to say that we are very stretched at present but

we recognise our responsibilities and will certainly undertake those to the best of our ability.

CHAIR: I appreciate that. Is there anything else you would like to say to the committee?

Mr Walker: I have a couple of questions to which you may or may not be able to respond, particularly in the context of what I have just said. Regarding the select committee's time frame and perhaps the nature and number of witnesses, I know it is early days but it would be useful, if we know there will be 30 officers of the ministry and/or board appearing, or a lesser number, and to know whether details of proceedings are available. It is important for us to know what people are saying. I understand much of the inquiry will be in public. If, for example, proceedings are available, that means we do not have to have one or two people sitting in the room but if not, we probably do. Obviously we need to know, in the context of media inquiries. As you would appreciate, five minutes after something is said in this room or the Gunning inquiry, that generates a volume of work at our end. It would be useful to know the general context.

CHAIR: When it is held in private it is in camera and no-one, either committee members or witnesses, is allowed to talk about that outside of the committee. When the evidence is taken in public, the individual witnesses will be provided with a transcript from Hansard which I think normally occurs within a couple of days. It is a pretty quick turnaround. The formal transcript of the hearing is then not made available until they have come back with the corrected version. I think we normally give them about two weeks to correct it. I guess what you are really referring to is when someone makes an allegation against the ministry. If someone makes an allegation against the ministry, are we able to provide a copy of the Hansard transcript to the ministry -

Ms Paniperis: It will be put on the Internet as soon as it has been corrected.

CHAIR: That is two weeks later. There is no provision to provide an uncorrected copy to anyone other than the committee members or the witness. As to having someone in the hearing, I should say that only accredited media are allowed to take notes of the hearings and - obviously there is the formal record.

Mr Newcombe: Will it be possible to give some consideration to the ministry's position in relation to that, given that transcripts will not be available for possibly two weeks. Quite clearly issues raised during the course of the day will be the subject both of questioning to the ministry and to the minister, whom we have to brief as well. It would be impossible for us to do that if we were not able to take notes during the day. If we do not have access to a transcript, there is no alternative. We can discuss that with Ms Paniperis but I think that puts us in a very difficult position unless there is any possibility of that. The only other issue is whether we could get an accredited journalist.

CHAIR: I am sure there would be one available at the right price.

Mr Newcombe: It would make life very difficult if we were unable to take notes.

CHAIR: We will discuss that and see whether there is anything that can be done. We can only look under -

Mr Walker: We appreciate that but I guess you understand our position.

CHAIR: Yes. Was there anything else?

Mr Walker: No, thank you Mr Chairman.

CHAIR: Thank you very much for coming along. Obviously today there has been a more general discussion about term of reference (3). I suspect, as has already been alluded to, there may be a requirement to call staff members from the ministry at a future stage. We will liaise on that. I take on board your comments about not wanting to have them all down here on the one day - not impacting upon them and trying to keep an eye on the ongoing functions of the ministry. Thank you.