

INSURANCE COMMISSION OF WESTERN AUSTRALIA AMENDMENT BILL 2013

Third Reading

MR T.R. BUSWELL (Vasse — Treasurer) [4.05 pm]: I move —

That the bill be now read a third time.

MR B.S. WYATT (Victoria Park) [4.05 pm]: I rise to speak to the third reading of this bill. I was a bit apprehensive, because I thought the Treasurer was going to say, for the ninth time on this bill, “I move that the question be put.”

Mr C.J. Barnett: Take your time!

Mr B.S. WYATT: Now the dynamics have changed a bit! The Premier says, “Take your time.” Things have suddenly changed. I am getting a temperamental shift from Thursday of last week through to now.

Mr T.R. Buswell: It’s called the upper house!

Mr B.S. WYATT: Yes—the upper house is the temperamental shift, apparently.

Mr C.J. Barnett: You have just taken \$30 million out of the budget. You might think that is a good result, but that is what you have done.

Mr B.S. WYATT: The Premier says we have just taken \$30 million out of the budget.

Mr M. McGowan: So it’s \$30 million now?

Mr B.S. WYATT: I find it extraordinary that in the last month of a budget year, the government has to rush in a piece of legislation to get \$30 million to patch up its haemorrhaging budget—which the Premier admits.

We need to reflect a bit on what happened last Thursday, because I do not think the Whip still knows exactly what happened on Thursday. I will go through it. On Thursday, we went through some very useful debate on the second reading of this bill. This is a significant bill. This bill is a grubby little cash grab on the Insurance Commission of Western Australia, as the Premier has just confirmed today, to patch up a \$30 million hole in the budget. We then got to the consideration in detail stage, and on no less than eight separate occasions, up jumped the Leader of the House, the Minister for Planning, and moved that the question be put. Then, as the Thursday clock went tick, tick, tick, the sense of desperation from the government benches was palpable —

Mr T.R. Buswell: Well planned!

Mr B.S. WYATT: Well planned, the Treasurer interjects. The Treasurer knew it was coming, and it was exactly as he intended the passage of the Insurance Commission of Western Australia Amendment Bill to go. He intended the bill not so much to meander its way through the house, but to sprint for the first 100 metres. He has now worked out that he still has another 41 days to go, and suddenly we find ourselves slowing down.

During the course of those motions that the question be put—during those gag motions—I noted that the vote was 33–15, 32–15 and 31–15, and then 29–15. At that point I noted that if we could keep this going, we might win a vote! I do not think that the government Whip and the Leader of the House had twigged to that. I am not sure where the communication breakdown was between the two of them. I am sure the strategy was that the opposition was going to oppose everything, so at some point the government would have to suspend standing orders. I do not know where that miscommunication occurred, but it was somewhere between the pair of them. Then we got to that lovely point at about 4.30 on Thursday afternoon when the Leader of the House sought leave to move immediately to the third reading. In light of the way the opposition had been treated and the tardy way this legislation had been introduced and dealt with, the opposition quite correctly voted to not grant leave to proceed immediately to the third reading. Up jumped the Leader of the House, who had expected that response from the opposition, and who moved that standing orders be suspended to proceed forthwith to the third reading. No, said the opposition—no way!—and then a division was called. Members rustled around the chamber and the Speaker said the vote was 28–15, the ayes had it. Just for a split second we thought, “Okay, we tried our best”, but thankfully the Clerk earned his pay that day and whispered into the ear of the Speaker, “Actually, Mr Speaker, there is a small but significant problem with this vote. The government’s numbers are too short.” I enjoyed the kerfuffle that exploded on the government benches from the Treasurer in particular, who had been very anxious to get this legislation through the Legislative Assembly. I am not quoting from this document, because I cannot quote the *Hansard* blue, but up jumped the Treasurer and said words to the effect, “While I frame my question, I am just thinking through what transpired.” He certainly was! He was thinking, “What’s just happened to my bill and to my \$30 million? I have a sneaking suspicion that if the Leader of the House can’t rustle up a couple of members out there in the car park, I may just have a problem.”

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Mr T.R. Buswell: It was looking very bleak.

Mr B.S. WYATT: It was looking very bleak. Meanwhile, the Whip was still confused. “We have 28, they have 15. I don’t understand. We won the vote!”

Ms R. Saffioti: We absolutely won.

Mr B.S. WYATT: We absolutely won.

Mr T.R. Buswell: Make the most of it because I don’t think it will happen again.

Mr B.S. WYATT: We notice that pairs will probably be few and far between for the rest of this calendar year. There was a nice little article in *The Weekend West* titled “House of Horrors: how the Barnett government bungled its own vote”. What struck me the most was how easy it is to get a pair on the government side. Our Whip certainly would not let us off for these sorts of excuses. The member for Forreestfield was in London, so he was probably excused by the fact that he was on the other side of the world.

Mr T.R. Buswell: Did he offer to come back?

Mr B.S. WYATT: He should have! He had a couple of minutes while the Treasurer was on his feet thinking through what had just transpired a couple of minutes beforehand. The member for Forreestfield was in London enjoying a meeting of the Commonwealth Parliamentary Association. I have not been to one of those in London. The member for Forreestfield was very quick to get one of those; I am quite envious. The member for Bateman was preparing for the St Vincent de Paul Society’s CEO sleep-out. I do not know what that entails, but I assume the member had to get his sleeping-bag and throw on his trackies.

Mr F.M. Logan: He had to get his jimjams.

Mr B.S. WYATT: He had to put on his jimjams! Either way, apparently it took some preparation and he had to leave Parliament early. These absences were all approved. The Whip—there he is up at the back there—approved all of them. The member for Murray–Wellington had a meeting in Pinjarra, but it was the three absentees that struck my attention.

Mr T.R. Buswell: Where was the member for Mandurah?

Mr B.S. WYATT: The member for Mandurah was coordinating from afar. He does not need to be in the house to win a vote. I find that he is more successful the further away from Parliament he gets! The member for Kalgoorlie had gone back to Kalgoorlie, which also was approved by the government Whip. The numbers were slowly decreasing but the government Whip was aware of all this. The Minister for Environment was sick, approved by the government Whip, it says. The members are getting down to 30 or 29. Unfortunately, the member for Eyre is not in the chamber, but his absence is still unexplained. He flew to his electorate in Esperance but it is not known whether he had received permission. Mr Whip, had he received permission?

Mr A. Krsticevic: Yes.

Mr B.S. WYATT: He had? Mr Whip, not one government member was unauthorised in their absence. Somewhere between the Whip and the Leader of the House there was clearly a problem. I dare say that problem came about because no-one had thought through that the government would need 30 members when it got to the vote to suspend standing orders. Every Thursday afternoon since I have been back after the election the courtyard has been full of Liberal staffers having a wine and a beer, guffawing at their large majority. As a Labor member, I slink out there to try to get a light beer before going home. We are not welcome in the courtyard because the members for Alfred Cove and Churchlands are guffawing over their large majority. However, last Thursday there was not a Liberal to be seen.

Mr T.R. Buswell: I walked past.

Mr B.S. WYATT: The Treasurer did walk past but unfortunately we could not convince him to have a beer with us. I saw the Leader of the House coming out of the Premier’s office battered and bruised before he scuttled into the chamber, probably to try to find a couple of members he had misplaced just a couple of hours previously.

Mr F.M. Logan: I did hear that the Premier said to certain members, “Over to the palace, now!”

Mr B.S. WYATT: I am pretty sure it was not for drinks and chardonnay.

Mr M. McGowan: You have left out something—the threats from the Premier across the chamber.

Mr B.S. WYATT: Who could forget the threats from the Premier? When the Premier realised that the Treasurer’s \$30 million was suddenly evaporating from this financial year, the Premier yelled out to a jubilant opposition—that may be the best way to describe us as a result of the vote—“We’re going to come back the next

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week”, to which the member for West Swan helpfully interjected, “That’s after 30 June.” The Premier, of course, realised that that does not solve his \$30 million problem this financial year. Then we waited anxiously for the house to be adjourned and up jumped the Leader of the House to move that the house be adjourned, and not one person on the government side said “aye”, funnily enough.

We have now found out that the upper house is sticking to its slow-moving guns and is saying, “We will not simply rubberstamp this appalling piece of legislation that the other house has managed to pass. That’s their view. This legislation is so bad that we’re not rushing it in. We want to sit on this for a couple of years and have a look at it. We’re not rushing this through.” No doubt over the weekend the Treasurer was desperately trying to convince his friend Hon Peter Collier, his former flatmate, to please suspend standing orders to get it through so that the government does not have to find another \$30 million, as the Premier has just pointed out. That was a lovely conclusion to what has been extraordinarily appalling management of the house since the government was returned. Bill after bill has been declared urgent. We are in the seventh week that Parliament has been sitting and the first bill we will debate that will not be declared urgent might actually be the budget. I bet the budget bill will be the first bill we debate that is not declared urgent. Today we have seen a couple of ministers give notices of motion to introduce bills. Notices of motion were given to introduce a bill to amend the Dog Act and another bill that will be second read tomorrow. I dare say the government will not declare that bill urgent, but we might not get to that bill before we get to the budget.

In reflecting on what was clearly a wonderful time for the government’s management of the house, we now turn our attention to the fact that this has been all of the government’s own making. I take members back to the media release issued by the Premier on 14 December last year when he prorogued Parliament. That caused some controversy at the time.

Point of Order

Mr T.R. BUSWELL: This is not so much for the speaker on his feet, but I remind the house of footnote 100 to standing order 198, “Question for third reading”, which reads —

Third reading debate is restricted to the content of the Bill and is not as wide as the debate on the second reading:

Of course, Mr Acting Speaker, I am not requesting that you apply that to the member for Victoria Park, as I have enjoyed listening to him as much as any other member; however, I am sure that for other speakers, you could enlighten the house on the application of footnote 100 as it relates to standing order 198.

The ACTING SPEAKER (Mr I.C. Blayney): Thank you for that, Treasurer. I ask the member for Victoria Park to perhaps —

Debate Resumed

Mr B.S. WYATT: I understand the sensitivity of the government on this, which perhaps reflects on some of its parliamentary performance last week.

Mr T.R. Buswell interjected.

Mr B.S. WYATT: It certainly does not. I will continue my reflection on the eight separate gag motions moved during the consideration in detail stage and that we still find we are running out of legislation to debate, although I dare say that once we finish with this bill we will move to the City of Fremantle and Town of East Fremantle Trust Funds (Amendment and Expiry) Bill 2013—another bill that has been declared urgent. However, I am curious about a number of other pieces of legislation. When the Premier prorogued Parliament on 14 December 2012, he released a media statement that reads —

Mr Barnett said several pieces of legislation the Government had not been able to conclude in this term (such as prostitution law reform; Corruption and Crime Commission changes; the Mental Health Bill and the lobbyist register) would be priorities when Parliament resumed next year.

Yet, when I look at the government’s “Order of Business” for the day, not one of those bills is to be seen. When the Premier rushed to prorogue Parliament last year, he gave us all an insight into what his priorities would be when the Parliament returned—assuming his re-election; but not one of those bills has been reintroduced. We find ourselves stumbling and lurching from one urgency motion to another. I have not yet heard the Leader of the House debate why something is urgent. He moves that a bill is declared urgent and then promptly sits down. The opposition has a glorious 20 minutes to oppose that motion, and then we simply vote on the question. I have yet to hear members opposite explain to the Parliament why all these bills have been declared urgent. I had a sneaking suspicion late last week, on Thursday afternoon, why the Treasurer declared the Insurance Commission of Western Australia Amendment Bill 2013 urgent; he has \$30 million hanging on it, and he certainly wants to get his hands on that. But I have not yet heard from one member opposite why these bills have been declared

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urgent. I told the Leader of the House that he should not listen to the Premier. The Leader of the House's problems begin at two o'clock! The guy who sits in front of the Leader of the House is controlling too much; he is not letting his cabinet make the most basic of decisions. The management of government starts to fall down when the Premier is utterly in control of ministers; he does not allow ministers to make diary appointments without his approval or to have input into announcements of government. That is the problem this government has and it is why we keep getting these poor policy outcomes.

Before I finally return to specific clauses of the Insurance Commission of Western Australia Amendment Bill, I will conclude with an email that was written to the Premier's office by an exasperated media adviser of Hon Norman Moore. This email reflects the problems this government has in controlling a Premier who does not consult with any of you mob! He does not demean himself with consultation. In the Premier's mind, he does not want to demean himself by consulting with his cabinet, particularly about payments for, say, Muja AB. He will not demean himself with such consultation! This email was sent late last year after the Premier announced there would be a glorious magnetite royalty exemption. Members may recall that Hon Norman Moore was the Minister for Mines and Petroleum at the time. An email dated 24 November 2012 from a senior media adviser to Hon Norman Moore states —

Hi Ladies

Apparently during his speech to launch mid-west mining conference this morning, the Premier announced that the State Govt will look at royalty relief after next election.

Can we please get the audio or a copy of the details of the announcement for Minister Moore—he understands it may be for magnetite. Any details would be great.

The Premier had announced this lovely royalty relief for magnetite, not thinking for a minute that maybe he should have told Hon Norman Moore or the Treasurer. I dare say that the Treasurer had no idea either! The Premier was not going to tell Hon Norma Moore, who had been the man controlling the upper house for the better part of 900 years! We had this poor senior media adviser scurrying around saying, "Any details would be great." That reflects the problem the Leader of the House has in controlling a Premier who does not want to be controlled. Ultimately, that is the problem that the Leader of the House faced when he jumped up to suspend standing orders. The Leader of the House had the Premier saying, "Suspend! Suspend! Get rid of this!" The Premier needed to get rid of the bill to the upper house so that it could rubberstamp this appalling piece of legislation. But, thankfully, when a government treats the Parliament with contempt, it ultimately comes back to bite it on the backside, which is what occurred last Thursday.

I will come back to the bill. I have explained in great detail why the opposition opposes this bill: it is bad law. The bill was rushed in and laid on the table for one week instead of the three weeks required. This bill will require the Insurance Commission of WA to pay a dividend. We know it is bad law because it has been rushed in, in the last month of the financial year, to make sure the Insurance Commission pays that money this financial year. That is bad law.

Mr D.C. Nalder interjected.

Mr B.S. WYATT: The member for Alfred Cove should know why that is a shocking way to run the finances of not only this state but the Insurance Commission of WA. I went through the commission's statement of corporate intent and its prudential guidelines. I went through all the reasons a government does not do this to an organisation whose former chairman Michael Wright made the point that if the government made the commission pay a dividend, it would have a materially adverse impact on the future financial sustainability of ICWA.

Mr T.R. Buswell: What did the current chairman say?

Mr B.S. WYATT: He does not say a thing. In the twelfth month of this financial year, the government says it will impose a dividend on the commission and take some \$20 million or \$30 million out of it, despite the statement of corporate intent being prepared without any thought to a dividend and the prudential guidelines, which Treasury think are not aggressive enough, being developed without any thought of a dividend. I made the point that we will end up with the board making a decision based on the Treasury saying the commission is not getting enough out of its assets and needing to generate more out of its assets, which are currently invested on a 68:32 split between growth and defensive assets. The commission's assets are already fairly aggressively invested, but the board now realises it needs to generate higher returns and take greater risks with those assets

Mr T.R. Buswell: They did not say that!

Mr B.S. WYATT: I am going on what the Treasury said in its briefing to the opposition, which I went through in great detail during my attempt to refer this bill to the Public Accounts Committee. On the one hand, the board

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will look at what Treasury has said; and, on the other hand, it will seek to rectify its underwriting losses, which I referred to and which have been growing over the last three years. From memory, in the 2011–12 financial year there was \$320 million in underwriting losses. Of course, that will put pressure on driving up compulsory third party insurance premiums. Despite what may have been said to members opposite in their party room, they will get complaints. Members opposite will find that in about 12 months' time motorists will come to them and say, "Gee whizz! Why have our premiums gone up so much?" I dare say the Treasurer might try to hide this amongst the other reasons that those insurance premiums have gone up—of course he will. I do not care what the current chairman of ICWA said—I do not think he has said anything! I certainly heard what the former chairman said in 2011 about the idea of a dividend, which was unequivocal: it would have a materially adverse impact on the Insurance Commission. I also went through the comments made by the former principal accounting officer Con Abbott, who said —

"ICWA is very much a social insurer and its purpose is not to be a point of taxation or revenue raising for any government,"

Mr T.R. Buswell: Who said that?

Mr B.S. WYATT: I just said; it was the former principal accounting officer of the Insurance Commission. He pointed out what he thought was the role of the Insurance Commission of WA and what impact a dividend would have on insurance premiums.

But this shows again the weasel words the Premier is fond of using. In a letter during the election, the RAC said that it did not want the Insurance Commission to be used as nothing more than some form of cash cow for the government of the day. The RAC wrote to the Labor and Liberal Parties. Not long after the Treasurer announced that it was his intention to put a dividend requirement into the legislation to make the Insurance Commission pay its dividend to government, the RAC put out a media statement saying that the clear understanding was that this would not happen. By way of interjection last week, the Treasurer made the point to me that all the letter from the Premier to the RAC said was that currently the ICWA legislation does not require the payment of a dividend, full stop. We would have thought in light of the fact this legislation had commenced its drafting life in October last year, the Premier might then have had the honesty and transparency to say to the RAC, "But if we are re-elected, one of the very first things we will do is rush into the Parliament a bill to amend the ICWA act to require a dividend to be paid, laying it on the table for one week and declaring it urgent." But he did not do that, and that again highlights the problem the government has with telling the truth.

We went through that with the Duties Legislation Amendment Bill, which I think is why the Insurance Commission Bill may have been pulled. The member for Cannington may make some comments on that in his third reading contribution. If the government is to rush through this sort of legislation, it should have the gumption to tell people about it during the election campaign. It was clearly the government's intention during the election campaign. Christian Porter when Treasurer talked about it in 2011. Michael Wright, the then chairman, at least stood up for ICWA and said, "No; this is why we think it's a bad idea," but the government then misrepresented itself to the RAC. That does the government no honour whatsoever. The RAC, quite rightly, was annoyed that the Treasurer did not disclose in his letter to them that the government's policy position had changed.

Mr T.R. Buswell: It wasn't my letter.

Mr B.S. WYATT: I never said it was the Treasurer's letter.

Mr T.R. Buswell: You said I didn't disclose in my letter to them.

Mr B.S. WYATT: I said the Premier, I think

Mr T.R. Buswell: No you didn't.

Mr B.S. WYATT: If I said the Treasurer, I meant the Premier, because that is the letter we were talking about last week. Was it not run past the Treasurer?

Mr T.R. Buswell: I was very busy in the campaign.

Ms R. Saffioti: I'm surprised you never saw it.

Mr B.S. WYATT: I am surprised too. The RAC is one of the, if not the most, significant transport stakeholders. When the RAC writes to both parties on a very important point—not a new point—that it does not want to see the Insurance Commission used as a cash cow, the Premier responds without consulting the Treasurer; Minister for Transport, on a point that affects both portfolios—Treasury and transport—and the Treasurer did not see that

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letter. I again reflect on the email from Hon Norman Moore's senior media adviser. I am not surprised, Treasurer, because the Premier has form.

Mr T.R. Buswell: A lot of things happen in a campaign.

Mr B.S. WYATT: This is not an insignificant issue, particularly when Treasury had started drafting the legislation in October last year under the Treasurer's watch. The Premier writes on a specific point that affects both the member for Vasse's portfolios, but does not deem it fit to consult him on the contents of that letter. So be it. That is how the Premier tends to operate. It was from the Premier, the main representative of the government; therefore, it binds that government. Mr Acting Speaker, am I entitled to an extension?

The ACTING SPEAKER: No; I am sorry, apparently you are not.

Mr D.C. Nalder: Do you think extracting a dividend from this is a bad decision?

Mr B.S. WYATT: I do, for two reasons: one, because the former chairman of the Insurance Commission said it was, and I put a fair bit of faith in the former chairman. He said it would have a "materially adverse impact". The second reason I know it is a bad decision is that the government did not talk about it during the election campaign. Just like the tax increases in the duties bill, this was not raised during the election campaign when it was being planned. It was not something new.

Mr D.C. Nalder: When you're in government will you repeal it?

Mr B.S. WYATT: I will consider that, provided this government has not spent the money. I have made that point. I have no doubt that the government will have spent the money. We have had this conversation with the Treasurer. We will consider everything—absolutely. I will be looking to repeal a fair few pieces of legislation passed by the government during the past five years.

Mr T.R. Buswell: Which ones?

Mr B.S. WYATT: The main reason is the silence during the election campaign. The RAC wrote to the Premier specifically on this issue, and the Premier did not fess up but said that the current law will be changed, not "at some point during the term" or "We'll consider it during the term." He did not say, "One of the very first acts we will do is rush in this bill and declare it urgent and stuff up the suspension vote!" He never told the RAC that that was his plan. That is why this grubby little cash grab is bad law. I bumped into someone from the Insurance Commission who described this bill as the Bell litigation bill because the Insurance Commission knows that the government has its eye on that payment. It knows that the \$30 million the Treasurer is desperately trying to get right now is just the canapé before the government sits down to the T-bone and heavy red that will come when the High Court, hopefully, decides in favour of the liquidators, because that is the real deal this government has its eyes on. It knows it has a chance to get its hands on a billion dollars.

Mr T.R. Buswell: What do you think should happen to that money?

Mr B.S. WYATT: The government has rushed in this bill and imposed it on the Insurance Commission in the last month of the financial year. That is how we know it is bad and desperate law and that is why the opposition is opposing this bill.

MR W.J. JOHNSTON (Cannington) [4.36 pm]: It is always very difficult to follow the member for Victoria Park in a debate because he is one of the outstanding debaters in this chamber.

Mr B.S. Wyatt: Thank you.

Mr W.J. JOHNSTON: But, sadly, that is my duty this afternoon.

Mr T.R. Buswell: I hope he can count.

Mr W.J. JOHNSTON: I do not know what that is about.

Mr T.R. Buswell: Apparently you don't either.

Mr W.J. JOHNSTON: On a number of occasions in the media and in this chamber, the Premier has talked about the fact that it is outrageous that the Labor opposition would oppose taking \$30 million out of ICWA to put into the state budget. I make the point that if it is such a good idea to take \$30 million out of ICWA and put it into the state budget, surely the Premier would have mentioned that before the election.

Mr B.S. Wyatt: Exactly.

Mr W.J. JOHNSTON: If it was the sort of thing the government had to do, why were the people of Western Australia not taken into this necessary decision process? What was going through the Premier's mind when he said before the election that the government could not do this, which is what he said. He wrote to the RAC and

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said, “You can’t take a dividend out of ICWA.” Surely, if he thinks it is a tragedy that the Labor opposition is opposed to taking a \$30 million dividend out of ICWA, and he comes into this chamber and goes to the media and rants about this issue, what was going through his mind to cause him to not explain to the people of Western Australia, particularly the RAC, prior to the election, that this was his intention? Why was he not proud of taking a dividend? We know why. He knew it was a bad and unpopular idea.

There has been some commentary about why this government trading enterprise is different from the others. It is different because it operates on a mutual basis; that is, not for the benefit of the owner of ICWA, which is the state government, but for the benefit of the people who insure themselves with ICWA. Due to her extensive knowledge, the member for Mirrabooka explained issues relating to workers’ compensation, but the issue that most people will think about is third party insurance. The government says it is part of the process of competitive neutrality. That was explored only briefly during the consideration in detail stage because the house was not able to extensively examine the legislation.

Mr B.S. Wyatt: And now we have unlimited time, apparently.

Mr W.J. Johnston: Apparently. I only have until five o’clock.

Mr T.R. Buswell: How many of you are there? So you’ve got 10 and a half hours.

Mr B.S. Wyatt: So you want us all to have a go?

Mr T.R. Buswell: It’s not unlimited.

Mr W.J. JOHNSTON: It is not unlimited.

Mr P. Papalia: We are up for it.

Mr W.J. JOHNSTON: Members are making the Leader of the House very upset at the moment.

There is only one consequence. A dividend cannot be taken out of an organisation without it affecting the costs of that organisation, because it comes out of the retained earnings, and at the moment the retained earnings are available to cover the underwriting losses. There is only one result of taking out a dividend—that is, to add costs onto the people who buy insurance from ICWA.

I was going to explore a different issue, but first I make an observation about the government’s attack on the minerals resource rent tax. Many people in Western Australia were totally opposed to the mining tax, and I acknowledge that it is an unpopular tax in Western Australia and is opposed by this government. But it is a tax on profits. The government says that the mining tax will reduce the profitability of mining companies in Western Australia and adversely impact on the investment decisions of people in the mining sector of Western Australia. That is a strong argument, but that is exactly what the minister is doing here. He is taking profits out of the ICWA business and allocating it to other activities of the government. There is only one inevitable result of that—that is, fees and third party insurance premiums will have to be increased, otherwise money will not be available to cover underwriting losses.

Any insurance company in the world must cover costs from two sources—investment income and premium income. The same applies to ICWA. If there is a lower capacity to cover losses with investment income, higher premiums will be needed. That is stating the obvious, and I do not understand why the minister would argue differently. Of course, the minister does not argue differently; he says, “It may not be necessary.” He uses narrow words to move away from admitting the truth that there will be higher costs.

Then there is the Bell litigation, which will potentially deliver as much as a billion dollars to ICWA. One of the interesting aspects of the legislation is that it will permit the government to require a dividend that is larger than the profit of the business in any one year. The legislation will allow the government to reach in and take reserves out of ICWA. The legislation provides that ICWA can make recommendations to the relevant minister, the minister responsible for ICWA, and that minister will consult with the Treasurer, but at the end of the day the government can issue a direction to the board of ICWA to take whatever dividend the government desires.

The government says this money is needed to pay for nurses, police and all the other activities of government. That is taxation revenue. The government charges the people of the state, and the money raised is used for government services. It has the same effect whether that money is pulled out of ICWA through higher third party insurance premiums, out of electricity corporations through higher charges on families and businesses across the state, or out of any other government corporation trading with individuals in the state.

I was often amused when Hon Christian Porter would talk about needing income, because he was arguing in favour of taxation. I am not opposed to taxation. The member for Southern River put it well when the house debated the Duties Legislation Amendment Bill: governments need to raise taxation revenue to operate the affairs of government as desired by the people of the state. That is 100 per cent true but completely contradicts

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everything the Liberal Party said prior to the election and everything it says it stands for. At some point the rhetoric of the Liberal Party will have to match its actions. The Treasurer is particularly poor at doing that. I will not go through the matter as eruditely as the member for Victoria Park, because I am not capable of that, but \$9 billion is not available to the state of Western Australia because the Treasurer is not able to do what he said the former Labor government should do—that is, to have a real per capita expenditure cap on the state government. It was a ridiculous comment by the Treasurer when he was in opposition, because it is unrealistic to put such a straitjacket on the expenditure of Western Australians when so many important things need to be done. But the Treasurer has not even tried to do that. If he did what he believed when in opposition, he would have \$9 billion less debt. I make that clear.

I note some of the things the new member for North Metropolitan Region, Hon Peter Katsambanis, has said in his time in this and the Victorian Parliament. He must be aghast at being in the same party room as the Treasurer and the Premier, because they completely repudiate everything that he has spoken about in two parliamentary careers. We live in an interesting world in Western Australia.

This is a simple bill. It has few clauses, but it will have a dramatic impact on the state. The Labor Party prepared a range of amendments, but it was not able to present them to the chamber because of the guillotine on the debate by the Leader of the House. That was unfortunate, because if this legislation is passed—we all know the numbers and we know what is about to happen—it could have been greatly improved. When the government does not listen to the Labor Party when it suggests amendments to bills, it causes me to reflect on the Commonwealth Heads of Government Meeting legislation. That legislation passed through this chamber in a way that would have been unenforceable by a court because it was so badly drafted. Again, a range of issues in this bill could have been extensively improved had the government provided a proper opportunity for real debate on this bill.

I feel sorry for the member for Kalamunda, the leader of government business, because he does get the raw end of the pineapple when it comes to managing the business of the Parliament.

Ms R. Saffioti: He never takes compliments well, does he? He is always suspicious.

Mr W.J. JOHNSTON: No, he does not. This bill is definitely the raw end of the pineapple. The member for Victoria Park described this bill as the fiscal equivalent of looking behind the cushions on the lounge for spare change. The Premier says that the state cannot survive without the \$30 million special dividend out of ICWA. The public sector accounts for a total of \$24 billion in the 2012–13 budget. This bill deals with one-hundredth of one per cent of the budget of the state, yet the government cannot handle not getting one per cent of one per cent of the budget. Is that how badly managed the fiscal affairs of the state of Western Australia are?

Mr J.H.D. Day: You know where most of the expenditure goes, of course, and where most of the increases in recent years have gone—into hospitals, schools and policing.

Mr W.J. JOHNSTON: Yes—exactly as happened under the former government. The thing about that, minister, is that the government inherited a strong public health system from a Labor government; it inherited a strong public education system from a Labor government —

Mr J.H.D. Day: And they both remain strong.

Mr W.J. JOHNSTON: — and it inherited a strong police service from a Labor government. When we came into power in 2001, the health system was a shambles.

Mr J.H.D. Day: That's debatable.

Mr W.J. JOHNSTON: No, the health system was a shambles.

Mr J.H.D. Day: That's debatable.

Mr W.J. JOHNSTON: Everybody knows the health system was a shambles!

Mr B.S. Wyatt: An utter shambles!

Mr W.J. JOHNSTON: The Minister for Health wanted to resign as Minister for Health.

Ms R. Saffioti: Who was the Minister for Health?

Mr W.J. JOHNSTON: Kevin Prince.

Ms R. Saffioti: But he was Minister for Health.

Mr W.J. JOHNSTON: No, no; he was not the Minister for Health—the minister was?

Mr J.H.D. Day: I was for two and a half years—up until 2001.

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Mr W.J. JOHNSTON: There we go! It was all the minister's fault, clearly! There I was forgiving him! It was clearly his fault! People could not get a spot in an emergency ward. A child died at Wanneroo Hospital; I remember. Wanneroo Hospital was the hospital I used to use. It was privatised—I forget the name of the company that took it over—the care of a child was messed up, and the child died. That is what happened.

Mr J.H.D. Day: And a child died at Princess Margaret Hospital for Children, which was not privatised.

Mr W.J. JOHNSTON: I do not know the details of that case, minister; if the minister is saying it was his responsibility, I am fine with that, but in respect of the death that was well reported in the media at the time, it related to management issues. That is the point I am making. There was the farce of the Peel Health Campus privatisation in that period of time, and I could go on. There was the famous story about the police radio system.

Ms R. Saffioti: CADCOM.

Mr W.J. JOHNSTON: CADCOM had not been included in the budget, but the Commissioner of Police had a letter of comfort from the Treasurer and the Premier—they were the same person—saying it would be all right on the night and that he could go ahead and order the system. Many things were not properly done.

But this government does not have those problems. It came in with the biggest surplus ever in the state's history. In fact, the surplus was so big that Liberal members of Parliament would come into this place and put forward matters of public interest stating that the surplus was too big! That is how big it was!

Mr P. Papalia: Sovereign wealth fund.

Mr W.J. JOHNSTON: Sovereign wealth fund—do not get me started!

Mr J.H.D. Day: It was a very good idea.

Mr W.J. JOHNSTON: If the government is that badly off that \$30 million is the difference between running the state of Western Australia and not running the state of Western Australia, it has a serious problem that has nothing to do with the Insurance Commission of WA.

Mr J.H.D. Day: The whole financial environment—fiscal environment—has changed internationally and nationally.

Mr W.J. JOHNSTON: Yes, that is right; it is so much better.

In the last year of the Labor government there was—what was it?—\$1.3 billion of royalty income; this year it is \$4.5 billion of royalty income. There has been a maybe 35 per cent or 40 per cent increase in revenue over the life of the government. It is unprecedented.

Mr J.H.D. Day: A lot of it gets distributed to other states through the GST arrangement.

Mr W.J. JOHNSTON: Yes, but that is not what I am talking about. I am talking about the government's income in the budget papers. It has gone from less than \$19 billion to more than \$24 billion in five years. That is the largest ever increase in income in the state's history.

Mr J.H.D. Day: And the health and education budgets have gone up enormously.

Mr W.J. JOHNSTON: Okay. As I keep saying, minister, if \$30 million is the difference between running the state and not running the state, the government has a bigger problem than ICWA.

I make a final point because I will not speak much longer. It is not as though ICWA is a private organisation and therefore the public sector has missed out on that money. ICWA is a state government instrumentality. It is not that the \$30 million will disappear into the ether; it is used for the benefit of the people of Western Australia, and the benefit is lower third party motor vehicle insurance. This is not a question of income of the government on one side and private income on the other like corporate income on the other side; this is about taking money out of the pockets of families across the state, which is what the Insurance Commission of Western Australia Amendment Bill 2013 does. It does not matter what form of debate or words are used, that is what is happening. It is a bad decision, and that is why we oppose it. We had a series of amendments that we were never able to present to the chamber because of the management of the process last week. The government has really now turned over a new leaf because of its inability to get the legislation through to the other chamber. Perhaps it should have recommitted the consideration in detail stage of the bill.

Mr B.S. Wyatt: Exactly; we could have had a useful debate.

Mr W.J. JOHNSTON: We could have then actually gone through the clauses of the bill in a proper and detailed manner and members could have listened to our amendments. It would have been a much better procedure than the one we have been forced into.

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Mr J.H.D. Day: If you hadn't had a silly motion to refer the bill off to a committee, we would have had a lot more time on it.

Mr W.J. JOHNSTON: I am sorry, minister; that was not a silly motion at all. I am not quite sure what it is that the Liberal government has against public scrutiny. I do not understand why the RAC being given an opportunity to discuss the bill is considered a silly idea. Why is having proper experts come in a silly idea, given that the opposition was not in a position to take, for example, actuarial advice on the impact on ICWA? I thought it was a good idea to expose legislation to proper and detailed consideration. It is a bit cheeky for the Leader of the House to complain that a proper process of scrutiny is somehow a silly idea. But that is fundamentally the problem with the Liberal government. We will watch the passage of this legislation with interest, and we will be very interested in paying much greater attention, especially at the estimates committee hearings, to the problems of ICWA. In the past, while it has had a neutral basis, ICWA has sort of been passed over, but from now on it will have much closer scrutiny to see what the government is doing with the special dividends it will now take out of the business.

MS R. SAFFIOTI (West Swan) [4.55 pm]: I rise to make some brief comments on the Insurance Commission of Western Australia Amendment Bill 2013. We had never intended to prolong the debate or drag it out unnecessarily, and so the government's gagging of consideration in detail last Thursday, I think, was an ill-considered act. As the member for Cannington outlined, we were in the middle of consideration in detail and we were asking some significant questions about the processes by which the dividends would be set. For example, the 65 per cent dividend intended for the 2012–13 financial year was drawn up by the government without, as we understand, consultation with the Insurance Commission of WA. One of the reasons we thought consideration of this legislation by the Public Accounts Committee was warranted was the change in the relationship between the government and the Insurance Commission of WA this legislation will bring about. The Treasurer confirmed that this bill fundamentally changes the relationship between ICWA and the state government.

Mr T.R. Buswell: I think I said ICWA and the consolidated account—same thing.

Ms R. SAFFIOTI: It was the consolidated account, which is pretty much the same thing.

This bill will fundamentally change that relationship between ICWA and the consolidated account, represented by cabinet. One of reasons we wanted to refer this bill to a committee was that it very much departs from the way ICWA has been treated over many, many years. The motion to refer this bill to a committee was voted down, and consideration in detail was unnecessarily gagged. As I recall, it was at about 4.05 pm that the government started to use the gagging guillotine during consideration in detail. At the time I thought it was extraordinary, given that we had until 5.00 pm, in accordance with a normal sitting day.

Mr T.R. Buswell: It was just after the member for Mindarie's contribution, if I remember.

Mr B.S. Wyatt: You didn't start gagging until the actual sensible questions. We started asking questions that were legitimate, and I think you were actually doing your best to answer when the gag started.

Mr J.H.D. Day: They were legitimate questions, but they came a bit later than they could have. I think you understand the reason why time was critical. I had no confidence, having spoken to your —

Mr P. Papalia: Give it a rest! Consider what you were doing. Consider the circumstances!

Mr J.H.D. Day: I will just explain. I had no confidence, given the conversation I had with the member for Midland, that it would be through here any time like 5.00 pm. I don't think you were going to cooperate, and that is why we —

Mr B.S. Wyatt: No, we were cooperating, because you only had it on the table for a week.

Mr T.R. Buswell: Can we move on? Let's get back on track.

Ms R. SAFFIOTI: As I said, we did not get to ask all the questions we wanted to during consideration in detail, particularly in respect of the way the dividend would be set. I think that is quite a significant aspect of this bill.

I want to quickly go through some other aspects that seemed to be covered in the Treasurer's second reading response and the limited consideration in detail we had. One of the key points I want to talk about is competitive neutrality—not the most exciting of topics in the public sector. As I said, the whole concept of competitive neutrality is that government trading enterprises operating in a competitive environment are subject to the same taxation and other requirements as are private sector companies. I gave the example of the Water Corporation and Western Power, which operate in a competitive environment; they compete with the private sector in many cases. In that respect, those corporatised GTEs are required to comply with the full aspect of competitive neutrality.

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Competitive neutrality is the reason put forward for applying dividends to the Insurance Commission of WA, even though it has never been subject to dividends since the competitive neutrality guidelines were introduced in 1996. I am quite familiar with those guidelines. I think I helped write them in Treasury. That is one of the reasons I left Treasury; it is one of the most boring jobs I have had in my entire life.

Mr T.R. Buswell: Just think if you'd stayed there; now you could be the Under Treasurer.

Mr B.S. Wyatt: No; she'd be running Oakajee now!

Ms R. SAFFIOTI: Honestly, I could not think of anything worse than rocking up to an Economic and Expenditure Reform Committee with the Premier sitting there.

Mr B.S. Wyatt: No; he doesn't go to them.

Mr T.R. Buswell: No, you don't have to worry about that.

Ms R. SAFFIOTI: No, I do not; and, honestly, on this side, we are all very happy that we do not need to deal with the Treasurer's boss on a daily basis in any real respect.

Mr J.H.D. Day: He's been very effective as Premier for five years.

Ms R. SAFFIOTI: What has he done?

Mr J.H.D. Day: What has he done? Just have a look around the city and have a look around the state. It's a debate for another day. I don't think I need to remind you that I could —

Mr P. Papalia: For the purposes of *Hansard*, let it be said that the tumbleweeds rolled across the Parliament.

Mr J.H.D. Day: Just have a look around the CBD, for example.

Ms R. SAFFIOTI: As I said, the whole concept of competitive neutrality was basically applying it to public corporations that were in a competitive environment. We all understand that ICWA is not in that competitive environment, and that is why dividends were not applied to ICWA for nearly two decades, or for many, many years. This legislation is basically turning that around 180 degrees.

I also want to move on to the cash grab, and in particular the fact that just before this debate started, the Premier said that the Labor Party had denied the people of Western Australia \$30 million. The \$30 million is still with the people of WA through ICWA. It is basically not able to help the budget bottom line for 2012–13. As I said, I have watched budgets and been part of budgets for a long time now, and I do not think I have ever seen such a crisis in having to bring in legislation in the last two weeks of a financial year to grab \$30 million from a GTE. Honestly, I have never seen it in my entire working —

Mr T.R. Buswell: What about 2001?

Ms R. SAFFIOTI: That did not happen like that. That was in relation to another issue, which was the premium property tax.

Mr T.R. Buswell: A special dividend.

Ms R. SAFFIOTI: I know what the Treasurer is talking about, but that was not in relation to the general budget; it was in relation to a budget measure and it did not eventuate.

Mr T.R. Buswell: It was still a special dividend.

Ms R. SAFFIOTI: Yes, but that was because a budget initiative was dropped, so it was quite clear what was happening. Here we are at the end of the 2012–13 financial year. We have had a delayed budget process. We have a government scrambling to try to find \$30 million to help prop up the 2012–13 budget bottom line. Maybe I am a bit optimistic. I do not expect this will be the difference between surplus and deficit. I just think that \$20 million or \$30 million can easily be found through re-cashflowing some expenditure or adjusting some expense carryovers. I do not think this is going to be —

Mr T.R. Buswell: We'll talk about some ideas you may have afterwards.

Ms R. SAFFIOTI: I am sure they have been put to the Treasurer. As I said, there are a number of mechanisms.

Mr T.R. Buswell: You would have been very good if you'd stayed in Treasury.

Ms R. SAFFIOTI: I do not think I could have lasted.

As I said, I do not expect that \$20 million or \$30 million to be the difference between deficit and surplus. There are mechanisms such as changing some of the carryover provisions. Also, other things can be done with expenditure from particular bank accounts. I do not expect that this will plunge the government into deficit, but I

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think that if the government could have had it, it would have liked to have it to try to prop up its 2012–13 financial year. I think the government was banking on it. It is not eventuating. I do not think it will plunge the government into deficit; but, if it does, they are worse financial managers than I give them credit for.

Another aspect that I want to talk about briefly is what was said before the election and what is now the case. The RAC did write to both parties, asking about their policy on applying a dividend to ICWA. We have heard that the government wrote back and stated that current legislation does not allow for a dividend to be paid from ICWA to the consolidated account. The government was silent—indeed, it probably misled both the RAC and the public by not being more forthright—about what its plans were. As I said, in October, the government started drafting this legislation, so government knew that it was about to apply this new dividend to the Insurance Commission of WA; it knew it, yet it did not tell the public.

I am also very surprised that the Treasurer; Minister for Transport had no role in responding to one of the biggest stakeholders in his portfolio through that campaign. I know that campaigns are very busy, but I just cannot believe that Liberal headquarters would have sent that without getting some confirmation from either the Treasurer or some of his key staff. Regardless of that, the letter was sent, and the letter sent to the RAC was silent on the fact that for many months—indeed, five or six months—the government had been drafting new legislation to ensure that ICWA would pay a dividend.

As I said, we asked about how the dividends will be set. I think the member for Cannington talked about the ability to set dividends higher in any given year of any profit. The dividend being set for 2012–13 is 65 per cent. As we understand, this was a decision made by the government, and that is being applied to the Insurance Commission. We are still unclear of exactly what the interaction between ICWA and the government will be each year in the setting of that dividend, and that is something that I would like the Treasurer to elaborate on, if possible, in his comments later today. As we have said, compared with other states, we believe the figure is pretty high, and it is comparable with the dividend paid by some of the large GTEs.

The last bit I want to focus on, which is a very important part of this legislation, is the impact it will have on third party insurance. The Treasurer has admitted that it will have an impact on third party insurance. We are not sure by how much, and that will be shown only in the years to come. As we have stated in this place, third party insurance premiums in WA are relatively low when we compare them with those in other states. They are the cheapest of all the states and territories in Australia. I think one of the reasons for that is that ICWA has not had to pay such a dividend. I also point to the history of third party insurance increases. Although I do not have those figures in front of me, I recall that there have been increases to third party insurance only three or four times since 2002 and that the annual report stated that, in real terms, third party insurance premiums are the lowest in 36 years. So, currently, WA does well with third party insurance costs. There will be major pressure on third party insurance premiums. Over the next two to three years we will see annual increases in third party insurance. When we consider the history of this issue, there have not been annual increases in third party insurance. For many years there have been no increases in TPI premiums. I recall one year, 2006, in which TPI premiums fell by 10 per cent. This will take more money out of the Insurance Commission of WA. ICWA will have less money to fund its claims and so forth. There will be less money in the organisation, and that will put pressure on annual premiums. There is no doubt this will put enormous pressure on premiums.

We do not want to prolong this debate unnecessarily; we never intended to. This is an extraordinary bill to be brought in at this time. With a couple of weeks left until the end of the financial year, we will legislate for a new dividend payment from the Insurance Commission of WA. Obviously the government is scratching around for as much money as it can get. As I have said many times in this place, this is further evidence of a government in chaos and a government that has lost control of its finances. It has done so progressively over the past five years. This Liberal government inherited the best set of books in the state's history, with massive surpluses and record low debt. It has turned that around. This government is now trying to find \$30 million to help its budget bottom line. Debt has climbed to \$18 billion and will go up to over \$20 billion in the forward estimates. There is not much more to say. The key reason the Labor Party opposes this bill is that it is not sound policy. The ICWA bill should have been referred to the appropriate committee—the Public Accounts Committee. This is nothing more and nothing less than a desperate cash grab to help bail the government out of the severe financial management problems it created.

MR D.A. TEMPLEMAN (Mandurah) [5.11 pm]: I rise very briefly to reflect on the passage of the Insurance Commission of Western Australia Amendment Bill 2013.

Mr P. Abetz: I have heard you say that before and you have gone on for half an hour!

Mr D.A. TEMPLEMAN: I need to reflect. After the shenanigans that occurred last Thursday, I now find I need to stand to defend my counterpart, the government Whip. It is important for the Whips to stick together.

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Mr T.R. Buswell: What is the collective noun for Whips? A flogging of Whips!

Mr D.A. TEMPLEMAN: Us Whips must stick together, because we come under great stress and great pressure, usually from within our own side rather than the other side. I know, for example, that I was absent during the interesting votes that took place last Thursday. I could claim of course that it was all part of my cunning plan, as opposition Whip, to grant a significant number of pairs. I remember reflecting, as Whips do in our chamber, earlier in the week that I had been rather generous with pairs.

Mr T.R. Buswell: I do not think it will happen again!

Mr D.A. TEMPLEMAN: It probably will not. I then noticed after Thursday evening that there had been this reported failure of government to maintain the numbers in the house for an absolute majority. Of course I immediately thought of my counterpart, the member for Carine, and what he would be going through.

Mr T.R. Buswell: Did you ring him?

Mr D.A. TEMPLEMAN: I did. I rang him the next morning. Apparently I was the only call that the member for Carine took! He would not take any calls from the media, but he took advice from his good friend, the member for Mandurah and opposition Whip. I rang him and said, “You do realise that according to the Whip’s bible if you fail to uphold your duties, particularly after only about three or four weeks, you would normally have to resign.” I expected to come into this place today and see a replacement. I was wondering whether the member for Swan Hills may have been elevated to government Whip!

Mr T.R. Buswell: He is in the mix!

Mr D.A. TEMPLEMAN: I knew he was. He is about number seven or eight. I thought the member for Carine was going to be replaced. I was expecting to come in and find somebody else.

Mr A. Krsticevic: I still have the numbers!

Mr D.A. TEMPLEMAN: Yes; but only a tenuous hold.

I was being supported by my side when I received texts late on Thursday afternoon about the shenanigans that had gone on in the house. The first text was from my leader. It simply said, “We nailed ’em!”

Dr G.G. Jacobs: Without you!

Mr D.A. TEMPLEMAN: Yes. “And you weren’t there—you’re useless!” Then I got an even better text from the opposition leader of business. Her text was even more supportive and encouraging; it was simply, “You’re sacked! Fremantle has reigned supreme; don’t come back!” After those two supportive texts, I felt an urgency to show some support for the poor member for Carine. I could only imagine what happened last Thursday afternoon, even though it has been relayed to me countless times. I looked through *Hansard* and noticed that just after question time there was a vote taken of 32–15. There was another vote about five or 10 minutes later of 31–15, and then the numbers reached 30–15. Normally alarm bells would have been going, “Okay, we’ve reached our limit.” As the member for Victoria Park very interestingly highlighted, a few people from the other side then decided to take leave.

Mr B.S. Wyatt: Take matters into their own hands!

Mr D.A. TEMPLEMAN: They did. The member for Kalgoorlie disappeared. The member for Eyre disappeared; we still have not heard his explanation.

Dr G.G. Jacobs: I got on a plane to go to Esperance.

Mr D.A. TEMPLEMAN: You had permission; you’re okay.

Several members interjected.

Mr D.A. TEMPLEMAN: That was until the member for Carine realised he should not have granted permission, but you were already at the airport!

Dr G.G. Jacobs: I do what he says.

Mr D.A. TEMPLEMAN: The member is a good man. He is an ex-Whip! He is part of the covenant that us Whips have. Interestingly enough, I have seen off more Whips than anyone else. I have seen off the member for Eyre and the member for South Perth. When the member for South Perth was Whip —

Mr P.B. Watson: He was very grumpy.

Mr D.A. TEMPLEMAN: He was a grumpy Whip. When the member for South Perth was Whip, he ran it more like a bit of a bookmaking exercise!

The ACTING SPEAKER (Ms J.M. Freeman): Member for Mandurah, you might want to stay on the bill.

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Mr D.A. TEMPLEMAN: We are debating a very important bill; I have just forgotten the name of it. I know it is very urgent. It is important to the whole first session of Parliament, which finishes this Thursday. The legislation that has been presented to this Parliament will be remembered long, long into the future as a very poor example of parliamentary management by the government. We have seen nine bills declared urgent in the first weeks of this sitting. That is unprecedented, from my understanding. I am not sure that there is any precedent in the history of the state in which a government, having been re-elected and recalling Parliament earlier than it probably should have, subsequently realises that it has not got anything to debate and then scrambles to find as many bills as it possibly can. The government even tried to dust off the Dog Amendment Bill. That bill will be coming into the Parliament later on, but I do not think it will be declared urgent. The government also brought in the bill that we will be debating next, which is also urgent. That is the City of Fremantle and Town of East Fremantle Trust Funds (Amendment and Expiry) Bill 2013. That bill dates back to changes that were proposed in 1903, so it is a very significant and urgent bill. It is great to see urgency of that nature. I think this will go down in parliamentary history as a dark period for this government. It is unprecedented for nine bills to be declared urgent, simply to provide the government with something to debate. The irony is that after it was so important to have this bill declared urgent, the government bungled the final processing of this bill through the Parliament and it now finds itself shamefaced and embarrassed.

I hope the government will recognise that it cannot treat the parliamentary processes in this way. I can only imagine what would have happened if we had been in government and done this. I can only imagine what would have happened, particularly if the current Premier had been either Leader of the Opposition or Leader of the House. He would have cartwheeled and backflipped across the chamber. He would have jumped on the seat in the middle —

Point of Order

Mr J.M. FRANCIS: Madam Acting Speaker —

Mr D.A. Templeman: Oh! Have I said something inappropriate?

Mr J.M. FRANCIS: Madam Acting Speaker, I refer you to standing order 97, “Repetitious or irrelevant debate”. A precedent has been well established in this house that during the third reading debate, members cannot bring in material that has already been canvassed in the second reading debate or consideration in detail. I ask you to ask the member to get back to the topic at hand.

The ACTING SPEAKER (Ms J.M. Freeman): Member for Mandurah, I have actually told you that you need to stay relevant to the bill that is before you, which is the Insurance Commission of Western Australia Amendment Bill. You have gone off the relevance to the bill. You need to get back to the bill, or you will be sat down.

Debate Resumed

Mr D.A. TEMPLEMAN: I agree with you entirely, Madam Acting Speaker. I absolutely agree with you. I think it is important to refer to the bill. This is indeed the Insurance Commission of Western Australia Amendment Bill 2013, and I was briefly finishing my remarks with my assessment of the passage of this bill in this place. The passage of this bill in this place has been handled shamefully by the minister responsible and the Leader of the House. That is a fact. History will show that that is true. During the third reading debate on this bill, it is important to put on the record our disdain for the government on its handling of this bill. It is very unfortunate. It is certainly very poor management by the government. The irony is that the government ultimately did not achieve the outcome that it wanted to achieve, because it did not get this bill passed when it had sought to get it passed. The blame for that lies purely on the government side. The opposition had nothing to do with that. We kept fronting up with our 15 members. Our 15 members strong and true fronted up each time a vote was taken. I think eight votes were taken, and our 15 opposition members fronted up each time. But the numbers on the other side dwindled to the point at which the government could not hold the confidence of the house and get an absolute majority. The government should be condemned for that, and it should be reminded that it cannot treat this house in the way in which it has, not only over the last week, but also certainly since this Parliament resumed in April of this year.

MS L.L. BAKER (Maylands) [5.23 pm]: I am sorry, members, but I have a very brief comment to make on the third reading of the Insurance Commission of Western Australia Amendment Bill. I have sat through this debate and endured it with all members, and the debate has been fairly disreputable. The management of the process around this bill has been appalling. I have been waiting for an opportunity to make this comment, and I will make it now briefly and I will then sit down. I point to the fact that both the members involved in this process were male. As the shadow parliamentary secretary for women, supporting the member for West Swan in her shadow role, I want to draw members’ attention to something I think this Parliament might be able to learn from. I applaud the work of the Parliament of Samoa, which yesterday morning announced that it has changed its

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constitution, under a constitution amendment bill, to allow five positions for women in the Parliament. I have been looking for the opportunity to congratulate the Samoans, and I have just found it. So thank you very much, members.

MR T.R. BUSWELL (Vasse — Treasurer) [5.25 pm] — in reply: Before I commence my response to the third reading debate on the Insurance Commission of Western Australia Amendment Bill 2013, on behalf of the government I join with the member for Maylands in congratulating the Samoan government. I am not sure what the circumstance was prior to the passage of that constitution amendment bill, but I am sure it is a step forward and no doubt it will lead to greater balance and better government in Samoa, which I think was the point the member was making.

I must say that as the minister handling the third reading debate on this bill, I was happy to allow some latitude. I raised only one point of order in relation to the member for Victoria Park as he reflected upon the opposition's apparent triumph last week. As the member for Victoria Park rightly pointed out, following those well-documented proceedings, I retired with the advisers to the members' bar—thankfully, it was not July—only for one drink, of course, and I found that the familiar faces that normally fill the courtyard on a Thursday were absent. I therefore had to adopt the very circumspect approach of moving from the strangers' bar to the entry, and I scouted around for fear of catching the attention of the celebrating Labor members of Parliament. I was far from happy. I then went to have dinner with my boys. It was Japanese takeaway. That is a good way to overcome these sorts of brief moments when we feel a bit down in the dumps. I had my usual Unagi, or smoked eel, and some rice, and I was feeling a bit better. I was then driven back to Busselton, which always makes me feel a bit better again, because with all respect to the people who live in Perth, Perth is a great spot, in my view, to see in the rear vision mirror.

I got up the next day and I thought, "How am I going to feel? Am I still going to be glum?" I was certainly still down in the dumps. But I took some comfort, because I had with me my photograph of where every member sits in Parliament, and I added up our numbers, and admittedly the day before we had come a couple shy, which will not happen again, Mr Whip, I am sure —

Mr A. Krsticevic: Yes; absolutely!

Mr T.R. BUSWELL: I added up our numbers, and I added on the Nationals, and the good news is we still came to 38, and there are still only 21 members opposite. So I took some comfort—acknowledging that what happened last Thursday will not happen again—from the fact that there are still a lot more of us than there are members opposite, and that will be the case for the next few years. However, of course, as I think was pointed out in the commentary, we need to make sure that we use those numbers appropriately. I acknowledged last week to the shadow Treasurer that we needed to do better in terms of the briefing that we had provided to the opposition. My understanding is that the member's upper house colleagues were provided with a briefing on Friday. So hopefully that box has now been ticked.

I want to touch on a couple of points that were raised; I will not dwell on this for too long. The member for West Swan talked about the percentage of the dividend. The 65 per cent is a guide. My intention—as I was starting to describe last week—is that it will ultimately be a matter for the board of ICWA to provide advice to government on that matter.

Ms R. Saffioti: Is that for this year?

Mr T.R. BUSWELL: That will be for all years. That is my intention. Of course it will be on the recommendation of the ICWA board. That is the way the legislation is written.

In terms of the technicalities, what will now happen is that I am sure there will be robust debate in the upper house, as there was in part in this house, and this legislation will inevitably pass, I assume.

My understanding is that, given the bill will pass in the next financial year, the Insurance Commission of WA board will be able to make a determination about the payment of a 2012–13 dividend but that it will not be able to make a determination for, and pay an interim dividend in, the 2012–13 financial year. Due to technicalities, it will not be able to be brought to book in the 2012–13 financial year. That has been pretty well canvassed and I am confident that the board will make sound decisions. We have been talking to the board about the use of an averaging mechanism so that the board can deliver —

Mr B.S. Wyatt: As per Tasmania.

Mr T.R. BUSWELL: Tasmania uses the past four years and the anticipated current financial year to work out its average, which I think is fairly reasonable. We were discussing this last week. I think I described to the house the way in which, effectively, at the end of every financial year as part of the accounts and at the beginning of the next financial year, the actuary makes an evaluation of the future claims and that is re-cashflowed using a discount rate. That discount rate is the bond rate—the zero risk rate. When the bond rates fall, as they did in the

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last couple of years, that amount goes up and ICWA has to book the difference. That flows through the profit and loss, effectively, as an increased expense in those cases, but the flip side can happen also and we need a mechanism to iron that out. I will read a couple of comments made by Mr Cooper, the new chair of ICWA —

“There is provision in the legislation for the board to give —

Mr B.S. Wyatt: Where were these comments made?

Mr T.R. BUSWELL: They were made in an article by Peter Kerr and Gareth Parker in *The West Australian* on 14 June. Here is hoping that those two journalists are still at *The West Australian* following the announcement of the finalisation of the redundancy packages this week. However, that is a matter for them and their employers to work through. The article states —

“There is provision in the legislation for the board to give consideration to the impact on premiums and also the financial position of ICWA overall,” Mr Cooper said. “In our view, the key thing is the performance of the business.”

Mr Cooper said the Australian Prudential Regulation Authority had issued new guidance around capital adequacy ratios for private sector insurers. While ICWA was not bound, that guidance would guide the board’s thinking. “If there is a surplus of income, then we would say ICWA would be in a position to pay a dividend without impacting on its business,” he said.

They are Mr Cooper’s comments. I understand that the member for Victoria Park read the comments from Mr Wright into *Hansard* a number of times.

Ms R. Saffioti: It’s lucky you have Mr Cooper now.

Mr T.R. BUSWELL: I do not know Mr Cooper personally but I have known him professionally for some time and I do not think anyone would argue against his professional capacities or bona fides—except around matters of football. It says in the article that Mr Cooper is the chairman of the West Australian Football Commission and I understand that he is a Swan Districts supporter, which I find somewhat a poor reflection, but I will move on.

They were his comments. I know Mr Wright had a very strong position on dividends. I had limited involvement with Mr Wright in my first go as Treasurer when Mr Wright was the chairman of the board. He had a particular view and the new chairman has a slightly different view. In some of the comments I made during consideration in detail, I alluded to the fact that the new CEO certainly has a more aggressive and, I think, more appropriate view to closing the gap between premiums and the cost of claims that impact on the underwriting loss that we talked about. I indicated that the Insurance Commission’s adviser—I think it was the deputy CEO—provided advice that the new policy will use the wholesale price index as a first-blush indicator of where that will move.

Mr B.S. Wyatt: Say that sentence back.

Mr T.R. BUSWELL: The WPI will be perhaps the base that the commission will look to indexing some of the premiums around. There are big pressures on premiums. Ultimately, that is a decision of government. As was pointed out, the government rarely said no when the premiums were put up a bit. That is just the way of the world.

Mr B.S. Wyatt: But there was never a difference between the recommendation —

Mr T.R. BUSWELL: I agree. I understand that.

I point out to members who were not here that a second adviser from ICWA also joined us in the chamber. Unfortunately, I did not get Hansard to record his name—perhaps it is best that I did not. He was at the back with my Treasury adviser and the ICWA adviser and was told to go to the back and to shoot down a piece of paper if they got asked a question they could not answer. Members might recall that when he came down, he was about to take up residence in the Premier’s or the Deputy Premier’s seat because that is what he thought was meant by sitting at the back, which I thought was quite humorous! He was good and we all joined in and got through it.

My view is that from a policy point of view, the application of a dividend need not have a direct impact on premiums. I understand the member for Victoria Park has an alternative view. We must be clear that there are, and will continue to be, pressures on premiums. The member will argue that is because we have imposed this nasty dividend and we will argue that there are other pressures. That will be a discussion for another day. A 4.1 per cent increase in premiums was approved as part of the fees and charges for this financial year, and that already has been touched on. I suspect that the board will look to a dividend policy approach that is reflective of the five-year average.

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I have a couple of other quick points. There was some discussion about Bell Group, in particular from the member for Mindarie, who seemed fixated on the issue.

Mr P. Papalia: I think he is onto something.

Mr T.R. BUSWELL: Hopefully, one day a decision will be made about Bell. It is a complicated case. Members must understand that the reason that the Bell case is of interest to ICWA is that under a former Labor government, the Insurance Commission was directed to buy, effectively—I do not know whether they could be called bonds—paper or securities provided by the Bell Group, which subsequently proved to be worth zip.

Mr P. Papalia: What do you think of his point about the \$50 levy?

Mr T.R. BUSWELL: That is his argument, but subsequent to the \$50 levy, the Insurance Commission has spent a heck of a lot of money pursuing Bell. I think the point was made that some legal professionals in Perth have spent their entire career on Bell and have bought holiday homes in Margaret River because of it. There is an argument that when the Bell settlement is finally arrived at, perhaps all that will be returned to the state is the real value today of that \$200 million that has been invested over time.

Mr B.S. Wyatt: Which is significant now.

Mr T.R. BUSWELL: True, but if we kept the \$200 million and invested it, there is an argument that the amount would be about what it is today.

At some stage a settlement will be reached about the size of the pie and there will be another argument about how the pie is divided. I cannot put a time line on that because the High Court and a mediator are in play. A whole lot of things are in play. No-one knows when that ultimately will be resolved and what the size of the pie will be. In my view, on behalf of the taxpayers of this state, I believe that the sooner it is settled, the better. Whoever is the government of the day, I think justifiably, will have to decide how that settlement is dealt with when it is delivered. The government has given that matter no consideration. Of course the government of the day will have to give it some consideration when it is settled, and I cannot rule it in or out. This legislation may be a mechanism to assist that and there may be other mechanisms by which that issue can be dealt with. I do not accept that it is a significant factor.

In summary, I thank members. This has been an interesting debate and a number of issues were canvassed.

Mr C.J. Barnett: It was a perfect storm in terms of parliamentary procedure.

Mr T.R. BUSWELL: Some say that I have become greyer since coming into this place. I think the events of last week may have contributed to the grey becoming white, but that is life. The member for Nollamara? I got it wrong then, too.

The ACTING SPEAKER (Ms J.M. Freeman): Mirrabooka.

Mr B.S. Wyatt: I've been calling her the member for Nollamara, too.

Mr T.R. BUSWELL: Mirrabooka. The member for Mirrabooka gave me a nod, “as did the barber”—that is from a poem—about the narrow nature of the insurance product offered in WA perhaps compared to the insurance product offered in jurisdictions that have a no-fault basis for their insurance product. She highlighted a very important point, for two reasons: one it is very difficult to compare apples with apples. We are looking at the price of compulsory third party insurance in Western Australia compared to that in other jurisdictions and, without being disrespectful, it is a tad simplistic to say the reason for the differential is that in some jurisdictions a dividend is taken and in ours it is not. The product is different; we are not comparing apples with apples.

The second issue I think the member for Mirrabooka raised, which is a net equity issue, is that it is a public policy issue that we will have to address. As I think I wrapped up the second reading speech, I made the point that we will look to deal with reforms along the National Injury Insurance Scheme, and that will clearly have an impact on premiums. Interestingly it was reported on the front page of *The West Australian* some time ago as if it was brand-new news. It was not brand-new news; it had been around for a while. I am not sure about any of my colleagues, but I did not receive one bit of negative feedback on the nexus between the quantum increase in premium versus the change in cover. All I received from people was feedback saying that it was a good idea and it was about time because a lot of people have been impacted on either directly or indirectly through friends and family by some of those inequities and, from a government point of view, it is certainly something we are looking at. We have a few issues we have to work through and we can look at agreements in principle and how we can progress. We have not made formal decisions around that yet other than doing the work on it, but certainly in a public policy space, I think it is the sort of thing both sides of Parliament have an interest in progressing. I raise that only as an aside.

This bill will now leave this house. I am very confident, speaking on behalf of the Whip and the government and all members on this side, that no other legislation will be treated in this way as it passes through this house.

Extract from *Hansard*
[ASSEMBLY — Tuesday, 25 June 2013]
p2056b-2072a

Mr Troy Buswell; Mr Ben Wyatt; Mr Bill Johnston; Ms Rita Saffioti; Mr David Templeman; Mr Joe Francis;
Acting Speaker; Ms Lisa Baker

Division

Question put and a division taken, the Acting Speaker (Ms J.M. Freeman) casting her vote with the noes, with the following result —

Ayes (33)

Mr P. Abetz	Ms M.J. Davies	Dr G.G. Jacobs	Mr J. Norberger
Mr F.A. Alban	Mr J.H.D. Day	Mr R.S. Love	Mr D.T. Redman
Mr C.J. Barnett	Ms W.M. Duncan	Mr W.R. Marmion	Mr A.J. Simpson
Mr I.C. Blayney	Mr J.M. Francis	Mr J.E. McGrath	Mr M.H. Taylor
Mr I.M. Britza	Mrs G.J. Godfrey	Mr P.T. Miles	Mr T.K. Waldron
Mr T.R. Buswell	Dr K.D. Hames	Ms A.R. Mitchell	Mr A. Krsticevic (<i>Teller</i>)
Mr G.M. Castrilli	Mrs L.M. Harvey	Mr N.W. Morton	
Mr V.A. Catania	Mr C.D. Hatton	Dr M.D. Nahan	
Mr M.J. Cowper	Mr A.P. Jacob	Mr D.C. Nalder	

Noes (17)

Ms L.L. Baker	Mr F.M. Logan	Mrs M.H. Roberts	Mr B.S. Wyatt
Dr A.D. Buti	Mr M. McGowan	Ms R. Saffioti	Mr D.A. Templeman (<i>Teller</i>)
Mr R.H. Cook	Ms S.F. McGurk	Mr C.J. Tallentire	
Ms J. Farrer	Mr M.P. Murray	Mr P.C. Tinley	
Ms J.M. Freeman	Mr P. Papalia	Mr P.B. Watson	

Pairs

Ms E. Evangel	Mr D.J. Kelly
Mr R.F. Johnson	Ms M.M. Quirk
Mr B.J. Grylls	Mr J.R. Quigley
Mr S.K. L'Estrange	Mr W.J. Johnston

Question thus passed.

Bill read a third time and transmitted to the Council.