

INSURANCE COMMISSION — BELL RESOURCES SETTLEMENT

1105. Hon Nick Goiran to the minister representing the Treasurer:

I refer to page 146 of the *2021–2022 Annual Report of the Insurance Commission of Western Australia*, regarding the Bell Litigation, and I ask:

- (a) of the \$1.774M in costs attributed to 2021, how much were:
 - (i) legal costs; and
 - (ii) other costs;
- (b) which legal firm(s) or person(s) were paid those costs;
- (c) further to (b), how much did each receive;
- (d) how was the \$9.861M reduction of the Right of Indemnity and the reimbursement of historic Bell expenses to GIF calculated; and
- (e) further to (d):
 - (i) who was the most senior person to authorise this calculation; and
 - (ii) will you table the documents setting out the calculation and the authorisation?

Hon Stephen Dawson replied:

- (a)
 - (i) \$0.605 million.
 - (ii) \$1.169 million.
- (b)–(c)

Payee	Amount
Australian Securities & Investments Commission	\$546.00
Angela Hamersley	\$178,918.98
J.N. Taylor Holdings	\$1,250,000.00
Jonathon Carson	\$124,200.00
Jones Day	\$4,455.77
King & Wood Mallesons	\$600.00
Plaza BV	\$177,964.01
Quinn Emanuel Urquhart & Sullivan UK LLP	\$100,512.81
State Solicitor's Office	\$27,021.00
The Hon. Wayne Martin	\$29,100.00
The Law Debenture Trust Corporation	\$10,777.26
The Law Debenture Trust Corporation*	(\$447,037.68)
Tottle Partners	\$169,260.86
Other internal administrations costs	\$148,000.00
Total	\$1,774,319.01

* Following the Bell liquidation settlement, a refund from the Law Debenture Trust Corporation (LDTC) of \$447,037.68 was received in December 2020. This was a refund of an amount transferred to LDTC in 2009 for it to hold on trust pursuant to an indemnity agreement.

- (d) Between 1 July 2005 and 30 June 2017, the Government Insurance Fund (GIF) was allocated 13.1% of Bell debt recovery costs incurred by the Insurance Commission. These costs were apportioned based on the initial investment in Bell bonds by the Insurance Commission's respective Funds. During that period, \$15.5 million in Bell costs were allocated to the GIF. From 1 July 2018 onwards, all Bell costs were allocated to the Third Party Insurance Fund as that was the only Fund that could sustain Bell expenditure in the longer-term.

The GIF is the WA Government's superseded self-insurance arrangement that preceded the RiskCover Fund. The GIF has been in run-off since 30 June 1997 with no premium revenue received since. The WA

Government holds the liability for any deficit in the GIF through a Right of Indemnity (RoI) arrangement. Claims costs incurred by the GIF are reimbursed by the WA Government under that RoI arrangement.

The Bell costs incurred by the GIF resulted in the GIF having a negative investment asset balance.

Following receipt of the Bell liquidation settlement funds in September 2020, the Insurance Commission transferred \$9,860,079.47 to the GIF to cover the negative balance. The amount was equal to the negative balance held in the GIF General Ledger investment asset account at the time of the transfer (30 September 2020).

- (e)
 - (i) The Insurance Commission's Chief Finance Officer signs off on the financial accounts and statements each year by way of an Annual Report compliance statement and a Representation Letter to the Auditor General that attests that the financial statements are free from material misstatement.

Insurance Commission financial statements including general ledger account balances are audited by the Office of the Auditor General (or its representatives) each year.
 - (ii) The Insurance Commission's Chief Finance Officer financial statement sign-off is included on page 78 of the 2021–22 Annual Report, which is tabled in the Legislative Council.