



LEGISLATIVE COUNCIL

**STANDING COMMITTEE ON
CONSTITUTIONAL AFFAIRS AND
STATUTES REVISION**

SECOND INTERIM REPORT

ON

**ALLEGED LINKS BETWEEN GOVERNMENT AGENCIES
AND THE FAILED WESTERN WOMEN GROUP**

**PRESENTED BY -
THE HON R G PIKE, MLC**

3 November 1992

MEMBERS

Hon R G Pike MLC (Chairman)
Hon John Caldwell MLC
Hon John Halden MLC

STAFF

Mr Peter Atkins, Legal Adviser
Mr John Paolino, Advisor to the Committee
Ms Rebecca Maslen, Advisory/Research Officer
Mr Mark Hilditch, Clerk to the Committee

STANDING COMMITTEE ON CONSTITUTIONAL AFFAIRS AND STATUTES REVISION

INTERIM REPORT ON LINKS BETWEEN GOVERNMENT AGENCIES AND THE FAILED WESTERN WOMEN GROUP.

TERMS OF REFERENCE

The Terms of Reference of the Committee are as follows:

1. *The Legislative Council do appoint a committee to inquire into the links between Government agencies and the failed Western Women's Group, in particular to determine whether the state bears any legal responsibility for persons relying on the investment advice of that Group to their loss.*
2. *The Parliament of Western Australia consider legislation that may be necessary to prevent a recurrence of the events which led to the loss by investors who relied on the Western Women Group or at least to ensure that the problems associated with such an operation are detected at an earlier stage.*

Communication from Ms Marcelle Anderson to the Premier

Ms Marcelle Anderson, Chief Executive Officer with the Ministry of the Premier and Cabinet who gave evidence on 21 October 1992, was unable to recall precisely what of the information received from Ms Margaret James (nee Wort), then Acting Director of the Office of Women's Interests she communicated to the Hon Dr Carmen Lawrence, MLA, Premier and Minister for Women's Interests. Although Ms Anderson stated clearly that she did not discuss Western Women with the Premier prior to its collapse, she does not recall what information regarding the Office of Women's Interests (of which WIRE is a part) she did convey to the Premier.

In the light of Ms Anderson's lack of recollection, the Committee thinks it appropriate to give the Premier the opportunity to clarify the communications between herself and Ms Anderson.

Appearance of Ministers

Under our system of responsible government, where a Minister may be criticised both for actions and failure to act, it is appropriate that all Ministers concerned should be given the opportunity to appear before the Committee.

The Committee has heard from one former Minister assisting the Minister for Women's Interests - the Hon Kay Hallahan MLC. It has not heard the Premier or the then Minister Assisting the Minister for Women's Interests, the Hon Dr Judyth Watson MLA.

In the case of the Premier, a former senior employee of Western Women - Ms Val Marsh - is the aunt of her son and was at various times Manager of Western Women at Fremantle and East Perth:

"The CHAIRMAN: Will you tell the Committee when you communicated work at Western Women Financial Services?"

Ms MARSH: I began a two week training course there on 10 April 1989 and actually started on 24 April 1989."

"The CHAIRMAN: When did you cease employment at Western Women Financial Services?"

Ms MARSH: We were sacked by the receiver on 11 March."
(Committee note: 1991)

In relation to her association with the Premier, Ms Marsh gave the following evidence:

"Hon PETER FOSS: You know the Premier, don't you?"

Ms MARSH: Yes.

Hon PETER FOSS: Do you know her personally?"

Ms MARSH: Yes.

Hon PETER FOSS: Have you ever discussed it with her?"

Ms MARSH: No.

Hon PETER FOSS: You have never discussed any aspect of Western Women with her?"

Ms MARSH: I indicated to her that I worked there, that was all.

Hon PETER FOSS: So she knew you worked there?"

Ms MARSH: Yes.

Hon PETER FOSS: Once the fuss started to appear in the newspaper did she contact you to find out whether you could give any information about it?"

Ms MARSH: No.

Hon PETER FOSS: She was the Minister for Women's Interests at the time, was she not?"

Ms MARSH: I believe so.

Hon PETER FOSS: Would you have been willing to talk to her about it if she had contacted you?

Ms MARSH: No.

Hon PETER FOSS: Why not?

Ms MARSH: Because I do not believe in nepotism."

Despite this, in the Legislative Assembly on 9 April 1992, the Premier denied that prior to the collapse she was even aware of the name of the company, or that she knew any of the senior people associated with the Greenburg companies. Therefore, it seems appropriate and fair to give the Premier the opportunity to contradict the evidence of Ms Marsh and, if necessary, clarify her state of knowledge at that time.

Request from Cheryl Edwardes, MLA

On the 29th October 1992, the Committee received a letter from Cheryl Edwardes MLA, requesting that she be asked to formally attend before the Committee to deal with a series of questions which have been asked of her direct by Committee Member the Hon John Halden MLC, in his capacity as a member of the Legislative Council. The questions were asked without the Committee's knowledge.

Recommendation

Accordingly, the Committee recommends to the House that a message be sent forthwith to the Legislative Assembly requesting they grant leave to the Premier, the Hon Judyth Watson MLA and Cheryl Edwardes MLA to appear before the Committee and give evidence. It may also assist that House to be acquainted with the evidence of Ms Marsh in making its decision whether to permit the Premier to appear.

In order to carry out that recommendation, the Committee recommends that the House adopt the following motion:-

THAT a message be sent to the Legislative Assembly in the following terms:

"The Legislative Council requests the Legislative Assembly to grant leave to the Premier, the Hon Dr Carmen Lawrence MLA, the Hon Judyth Watson MLA and Cheryl Edwardes MLA to attend before the Standing Committee on Constitutional Affairs and Statutes Revision of the Legislative Council to give evidence into its inquiry into regarding the loss to investors from the failure of the Western Women Group and the government's responsibility arising therefrom and attaches for the information of the Legislative Assembly a transcript of the evidence of Ms Val Marsh given to that Committee"

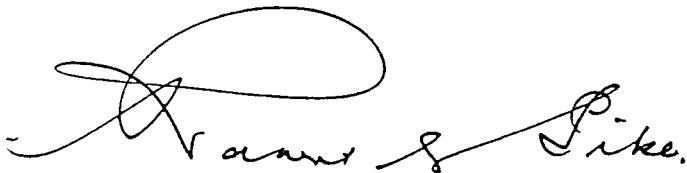
and orders that the transcript of such evidence be attached to such message.

Extension of Time Sought

As well as the foregoing matters there is still some evidence to be taken from the R & I Bank Ltd and its officers, and the Committee has subpoenaed information from National Australia Bank and the Bank of New Zealand, their association with the Greenburg companies having recently been revealed. Additionally, at the request of the Hon John Halden, the Committee has resolved to examine as witnesses those investors who have given statutory declarations to the Committee.

In those circumstances the Committee is of the view that it will not be able to complete hearing that evidence and to report by the date set by the House (26.11.92). Accordingly the Committee requests an extension to time in which to report. The Committee therefore recommends:-

THAT the period of time for reporting by the Standing Committee on Constitutional Affairs and Statutes Revision on its enquiry into links between Government Agencies and the failed Western Women Group be extended to 19th February 1993.

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HON R G PIKE MLC
CHAIRMAN OF THE COMMITTEE

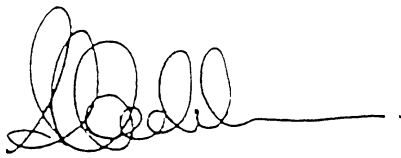
STANDING COMMITTEE ON CONSTITUTIONAL AFFAIRS
AND
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Dissent from Second Interim Report

I dissent from the majority report for the following reasons:

1. There is no need for the committee to seek to call the Premier because:
 - (a) leaving aside the highly selective evidence given in the majority report, no inconsistency appears between the evidence of Ms Anderson and Ms Marsh on the one hand, and the Premier's statements about Western Women on the other;
 - (b) the Premier has already indicated that she is willing to provide written answers to questions addressed to her by this committee.
2. In relation to Minister Watson's requested appearance before this committee, the minister has already indicated that she, also, is willing to provide written answers to questions addressed to her by this committee.
3. There is no need for Ms Edwardes MLA to appear before the committee. Her written responses to the questions put to her in my recent letter are sufficient.
4. The majority report concentrates on a matter which is, at best, incidental to the main purposes of the inquiry. Who, in Western Women, the Premier and Minister Watson knew has little or no bearing on WIRE's alleged or supposed links with Western Women or the activities of the R&I or any other bank involved with Robin Greenburg or Western Women.
5. The majority report does not deal with the real issues in its inquiry, particularly whether it is open to Western Women investors to regain the dollar value of their failed investments.
6. The extension of time within which to present the committee's final report is unnecessary -
 - (a) the proposed reporting date is well beyond the date of prorogation and suggests that the majority have no intention of finishing the inquiry this session;

- (b) it is entirely possible to meet the scheduled November 26 reporting date. Few witnesses remain to be interviewed by the committee and they will take little time to hear;
- (c) committee officers are updating a draft outline of the final report as the committee proceeds. Accordingly, it should be possible to finalize the report within time;
- (d) the committee has paid little attention to other matters before it over the last 10 months. This matter should be brought to finality so that the committee can devote its staff and resources to issues demanding parliamentary attention.

A handwritten signature in black ink, appearing to read 'John Halden', with a long horizontal line extending to the right.

John Halden MLC