

WORKERS COMPENSATION, HIH INSURANCE

323. Hon C L Edwardes to the Minister for Labour Relations

Given the Minister's commitment to enquire further into the \$130 million contract by SGIO with HIH Insurance Ltd to purchase the HIH Portfolio of Workers Compensation from the 15 March 2001, I ask -

- (a) what are the details of the contract;
- (b) will the Minister table a copy of the contract;
- (c) when did negotiations commence and between whom;
- (d) what date was the contract signed;
- (e) was the \$100 million paid on the signing of the contract, if not what was the amount of the first payment, and what date was it paid;
- (f) to whom was this first payment made;
- (g) when are the next payments due, and upon what basis;
- (h) has the Minister sought legal advice as to whether this contract, and/or payment was proper;
- (i) has the Minister sought legal advice as to whether the future payments are proper and will still be required to be paid;
- (j) if not, will the Minister now seek legal advice;
- (k) when did the Minister first become aware of the contract;
- (l) why didn't the Minister seek legal advice then;
- (m) is there a chance that some, if not all of the money could be made available for the pre-liquidation workers compensation claims
- (n) will you get an assurance from SGIO that this \$130 million contract will not be met by increased workers compensation premiums for those policy holders; and
- (o) why didn't SGIO wait until liquidation, and seek to go into the market-place and pick up any of those policy-holders and pay nothing?

Mr KOBELKE replied:

- (a)-(o) The Government is not a party to the commercial contract between NRMA Insurance (trading as SGIO) and HIH Insurance. However in view of the Hon Member's interest as some detail has been made public by the parties and the Provisional Liquidator, I would be happy to arrange a briefing on the available facts through the Executive Director of WorkCover if the Hon Member so requests.