

HIH INSURANCE, ROYAL COMMISSION

35. Mr MURRAY to the Minister for Consumer Affairs:

What is the State's response to the Federal Government's proposal to hold a royal commission into HIH Insurance?

Mr KOBELKE replied:

I thank the member for some notice of this question, which follows on from many questions he has asked relating to consumer matters and as part of looking after his constituents. Clearly the collapse of HIH Insurance is a major issue. The Gallop Government welcomes the announcement by the Prime Minister to establish a royal commission to investigate HIH. For weeks the Premier has been calling on the Federal Government not only to hold a proper judicial inquiry but also to help people with financial assistance. Now we note that the Federal Government is saying it will do that. The difficulty in this area is that the Federal Government has been making decisions by press release. Announcements have been made that do not always make sense. When a clear offer of assistance has been made we have not known the details. We are keen to see the terms of reference of the proposed royal commission. We hope they will address the full range of issues that need to be investigated. The decision making by press release has revealed a range of very strange matters. For instance, one press release suggested that the Federal Government would implement a national workers compensation scheme. Although that may have merit, while doing nothing to immediately address the HIH matters, it would take years to implement and create political battles about whether the States would want to join a scheme. That is just one example of a press release referring to important and detailed matters. This Government will look with interest at the proposed royal commission's terms of reference in the hope that they will be adequate. It must also be properly resourced so that the causes of the HIH collapse can be determined and the people who have been adversely affected can pursue their rights through the courts.

The HIH situation reflects what has happened here in Western Australia. This Government will offer assistance to Kim Beazley, when, as the new Prime Minister, he cleans up a mess left by a Liberal Government that failed to ensure the regulations were enforced by the authorities.