

STATE GOVERNMENT INSURANCE OFFICE.

No. 76 of 1983.

AN ACT to amend the State Government Insurance Office Act 1938-1965.

[Assented to 22 December 1983.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

1. (1) This Act may be cited as the *State Government Insurance Office Amendment Act 1983*. Short title and citation.

(2) In this Act, the State Government Insurance Office Act 1938-1965 is referred to as the principal Act.

Reprinted as approved in Vol. 14 of Rep. Acts 14 September, 1959 and amended by Act No. 13 of 1965.

(3) The principal Act as amended by this Act may be cited as the State Government Insurance Office Act 1938-1983.

Commence-
ment.

2. This Act shall come into operation on a day to be fixed by proclamation.

Long title
amended.

3. The long title to the principal Act is amended by deleting "certain".

Section 2
amended.

4. Section 2 of the principal Act is amended—

(a) by deleting the definition of "friendly society" and substituting the following definition—

“ “Fund” means a Fund established by section 7A of this Act; ”;

(b) by deleting the definition of "insurance business" and substituting the following definitions—

“ “insurance” includes assurance, co-insurance, re-insurance, guarantee and surety and any other class or form of insurance which may be undertaken by an insurer;

“insurance business” means the issue of or the undertaking of liability under policies of insurance; ”;

and

(c) by deleting the definition of "local authority".

Section 5
repealed.

5. Section 5 of the principal Act is repealed.

6. Section 7 of the principal Act is amended in subsection (7) by repealing the proviso and substituting a new proviso as follows—

Section 7
amended.

“ Provided that the State Government Insurance Office shall not be entitled to the services of any Government officer or department unless a full and appropriate charge is made in all respects on a commensurate basis with the charge which would be made to other insurers trading in Western Australia for the like services by persons engaged in providing such services. ”.

7. After section 7 of the principal Act, the following sections are inserted—

Sections 7A,
7B and 7C
inserted.

“ 7A. (1) The business of the State Government Insurance Office shall be conducted within and with respect to 3 Funds, that is to say—

Funds.

- (a) the Trading Fund;
- (b) the Life Insurance Fund; and
- (c) the Government Insurance Fund.

(2) The Trading Fund shall include—

- (a) the commercial business of the State Government Insurance Office, other than the business of life insurance; and
- (b) the business of that Office with respect to certain industrial diseases undertaken in accordance with section 163 of the Workers' Compensation and Assistance Act 1981.

(3) The Life Insurance Fund shall include the life insurance business undertaken and carried on by the State Government Insurance Office.

(4) The State Government Insurance Office may manage and administer self insurance arrangements on behalf of departments, authorities or instrumentalities of the Government, including the arrangement, when prudent, of re-insurance of risks arising therefrom (which re-insurance shall be open to competitive bids within the insurance industry and shall not be directed preferentially to the State Government Insurance Office), and such self insurance arrangements shall be conducted within the Government Insurance Fund, but where departments, authorities, or instrumentalities of the Government propose to take out or renew insurance, other than through the Government Insurance Fund, such insurance business shall be open and available for competitive bids without being preferentially directed to the State Government Insurance Office. Where departments, authorities, or instrumentalities take or renew insurance other than through the Government Insurance Fund and such insurance is placed with the State Government Insurance Office, brokerage shall be payable by the State Government Insurance Office on a normal commercial basis.

(5) The transactions of each Fund shall be kept separate and distinct.

(6) No liability or obligation of a Fund shall attach to or affect any other Fund in any manner or to any extent and no asset of a Fund shall be used or applied for a purpose of any other Fund, except that money standing to the credit of a Fund may be applied temporarily for a purpose of another Fund subject to appropriate adjustments being made at intervals not exceeding one year.

(7) All payments in respect of salaries, allowances, remuneration and other outgoings expended or incurred in the general

management of the State Government Insurance Office and the conduct of its business shall be apportioned between and payable from the Funds established by this section in such proportions as the General Manager determines.

(8) In relation to the Trading Fund and the Life Insurance Fund as constituted by this section, the State Government Insurance Office shall supply to the Minister such annual accounts and statements as are required to be supplied by a body corporate (incorporated in Australia) pursuant to the provisions of section 44 of the Insurance Act 1973 of the Commonwealth and Division 4, 5 and 6 of Part III of the Life Insurance Act 1945 of the Commonwealth as if it were a body corporate subject to those Acts.

(9) The Minister, within 14 sitting days of receiving the accounts and statements that are to be supplied in accordance with subsection (8) shall present such accounts and statements to both Houses of Parliament to the extent and in the form that comparable information is customarily published in the annual reports of the Insurance Commissioner.

7B. (1) In lieu of the liability of insurers other than the State Government Insurance Office to pay tax on income or profits under any Act of the Commonwealth, within 6 months after the end of each successive period of 12 months ending on 30 June, beginning with the period ending on 30 June 1984, one-half of the net profits for the period derived by the State Government Insurance Office from all of its business, as certified to by the Auditor General, shall be paid to the Treasurer for payment into the Consolidated Revenue Fund.

Payments to
Consolidated
Revenue and
of rates etc.

(2) In determining for the purposes of subsection (1) of this section the net profit derived by the State Government Insurance Office from any of its business, losses, if any, that may have accrued in a previous year or years may be carried forward, and—

- (a) any amounts written off the premises of the State Government Insurance Office; and
- (b) any amounts provided for contingencies, bad or doubtful debts, or reserves established pursuant to section 7 (8) (a) of this Act,

are subject to the approval of the Treasurer.

(3) In lieu of the liability of insurers other than the State Government Insurance Office to pay to the Commonwealth sales tax, excise or other taxes or charges, the State Government Insurance Office, on the assessment of the Treasurer and to the extent that it is exempt from making such payments to the Commonwealth, shall pay an equivalent amount to the Treasurer for payment into the Consolidated Revenue Fund.

(4) Notwithstanding any exemption that may otherwise exist, the State Government Insurance Office shall be liable for and shall pay all local authority rates and charges and all land tax, metropolitan region improvement tax, water rates, payroll tax, stamp duties, and all other taxes, fees and charges of a kind imposed by the Government, its instrumentalities or agencies on other insurers trading in Western Australia.

7C. In relation to the Trading Fund and the Life Insurance Fund constituted under this Act, the State Government Insurance Office shall comply with all solvency and minimum valuation basis requirements imposed by an Act of the Commonwealth Parliament on any person or body carrying on the business of insurance in Australia.

SGIO to
comply with
solvency
and
minimum
basis
requirements.

8. Section 9 of the principal Act is amended by deleting "ten of the Workers' Compensation Act 1912-1934" and substituting the following—

Section 9
amended.

" 161 of the Workers' Compensation and Assistance Act 1981. ".
