

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARINGS: 24 MAY 2011

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(BE11/0542) Program 4.2: Onshore Detention Network

Program 4.3: Offshore Asylum Seeker Management

Senator Cash (L&CA 71) asked:

Under the contract, would failure to properly manage the detention centre be an event that may trigger the insurance company saying, 'We are not going to pay'?

Answer:

There are no conditions in the property insurance policy that require specific immigration contract performance levels by DIAC or Serco or which would permit the insurer to deny a claim. As with all insurance policies the insurer may provide 90 days written notice to limit or discontinue future insurance cover. This would be dependent on the insurance company's own assessment of risk.