



Hon Greg Smith SC MP

Attorney General
Minister for Justice

MEDIA RELEASE

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NSW CONTINUES TO SUPPORT ASBESTOS VICTIMS

The Asbestos Injuries Compensation Fund (AICF) has today received \$29.7 million in short term loan funding from the New South Wales and Commonwealth Governments.

The funding is being provided under a \$320 million loan facility entered into in 2010.

“This funding provides financial stability to the AICF and peace of mind to asbestos victims,” NSW Attorney General, Greg Smith said.

The AICF was established following a 2005 agreement between the NSW Government and James Hardie. The Agreement provides for James Hardie to fund asbestos-related personal injury claims against its former subsidiaries in Australia.

James Hardie’s contributions to AICF under the Funding Agreement to date have been \$426 million.

It is expected James Hardie will continue to make asbestos compensation payments under the Funding Agreement for at least the next 34 years. The total amount of funding is expected to be around \$1.4 billion.

Although the total amount of funding over the life of the Funding Agreement is not capped, James Hardie’s contributions in any financial year are capped at 35 per cent of its global operating cash flows.

In recent years those cash flows have been impacted by cyclical factors and, in particular, by the unprecedented downturn in the US housing construction market.

The loan ensures that the AICF can continue to pay claims in full, avoiding the need for claims to be rationed and paid in instalments.

The loan does not reduce James Hardie’s obligations under the Funding Agreement. “The NSW Government will continue to oversee the provision of funding by James Hardie under the Funding Agreement”, Mr Smith said.

“We also reaffirm our commitment to continue to make funding available to the AICF in accordance with the 2010 Loan Facility Agreement.”

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