



Community and Public Sector Union

Michael Tull ♦ Assistant National Secretary

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Committee Secretary
Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Treasury Laws Amendment (Putting Members' Interests First) Bill 2019

As the primary union representing Australian Public Service employees, the Community and Public Sector Union (CPSU) is committed to providing a strong voice for our members in key public policy and political debates.

The CPSU has concerns the extremely short time frame for submissions to this inquiry, into the provisions of the Treasury Laws Amendment (Putting Members' Interests First) Bill, makes it difficult for a genuine consultation process with affected stakeholders to occur.

The CPSU supports the submission made by the Australian Council of Trade Unions (ACTU). We share the ACTU's concerns that, if passed, the Bill will be detrimental to workers under 25 and with low account balances in high-risk occupations who need insurance and that it will undermine group insurance in Australia. The Bill's own Regulatory Impact Statement (at 2.48 on p.27) states:

Relative to the status quo, this [Bill] will result in circumstances where fewer people receive insurance payouts for an adverse event. Some individuals will have no insurance cover as a result of these changes depending on their circumstances.

The consequences for workers in high-risk occupations - particularly young workers - who are injured at work, or the families of those who are killed at work, and who will not have insurance cover if this legislation passes will be severe. A worker who is permanently incapacitated and not covered by insurance is likely to experience a significantly diminished quality of life and rely more heavily on Commonwealth support, compared to a comparable worker who is provided with affordable insurance through superannuation on an opt-out basis. There is also concern that workers in high-risk occupations may not be eligible for insurance in the absence of automatic group cover.

The proposed Bill will affect the Commonwealth's own employees. For example, a worker under 25 commencing work as a Border Protection Officer, Marine Unit Officer or joining the Australian Federal Police is in a high-risk occupation. If the Bill passes, for the first period of their employment, they will not be insured if they are injured on the job unless they have the knowledge and foresight to opt-in.



This scenario would apply to any worker re-entering the workforce or starting a new occupation who chooses the default super fund of their employer. An example may be an ex-member of the Australian Defence Force re-entering the workforce as a Border Protection Officer. Their new fund for the first period of their employment would have under \$6,000 and this worker and their family would not be insured in the event of an accident.

This Bill, if passed, will not result in greater choice as it has been argued it intends to do. Instead it will most likely have an adverse impact on high risk workers who are most likely to need insurance as well as their families.

Furthermore, the rushed commencement date in the Bill would make it difficult for workers to understand the new rules and what their options are. This will disadvantage, in particular, young people who are less likely to understand their options.

The CPSU does not support the Bill unless the issues raised in the ACTU's submission are addressed.

For further information, please contact Osmond Chiu, Senior Policy and Research Officer

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Yours sincerely

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Michael Tull
ASSISTANT NATIONAL SECRETARY