

30 September 2019

**Protect Services Pty Ltd**

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Dr Jane Thompson  
Secretary  
Senate Education and Employment Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

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*As trustee for Protect Services Trust*

Sent via email: [eec.sen@aph.gov.au](mailto:eec.sen@aph.gov.au)

Dear Dr Thompson

**Senate Education and Employment Legislation Committee:**

**Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2019**

**Answers to Questions on Notice**

At the Senate Education and Employment Legislation Committee Hearing on September 20, there were two questions taken on notice, which relate to the same issue, "Management Fees" paid by Protect to the Electrical Trades Union (ETU).

The relevant extracts from the "Proof Committee Hansard" are reproduced below.

Extracts from Proof Committee Hansard – page 25

**Mr Connolly:** *...The previous speaker spoke of management fees. I'm not exactly sure what that term would be. I think, in the context of what he was talking about, there are insurance commissions that the ETU has negotiated with the insurer. We act as an agent to collect those commissions and pass them on to the ETU, but I think I would need to take any further detail on notice and, indeed, check that answer. That's my best understanding of what that issue was.*

Extracts from Proof Committee Hansard – page 30

**CHAIR:** *... The ETU says it was paid a management fee by Protect. You might have touched upon this in your opening statement. In 2017, I understand it was \$2.5 million. What management services does the ETU provide to Protect?*

**Mr Connolly:** *The ETU does not provide management services. Again, I think that is probably a question of terminology. I suspect that may be the insurance commissions.*

**CHAIR:** *So do you mean \$2.5 million worth of insurance commissions?*

**Mr Connolly:** *I expect that is what that number would be.*

**CHAIR:** *Could you maybe take that on notice?*

**Mr Connolly:** *I will take that on notice.*

**Protect's Response**

We confirm that the amounts referred to as "Management Fees" in the accounts of the ETU Victoria are insurance commissions forwarded by Protect.

Page 13 of Protect's written submission explains how Protect acts as the collection agent for an insurance policy held by the ETU with ATC Insurance Solutions. The amount of the commission is negotiated between the ETU and ATC; Protect is not a party to the negotiation.

Yours Sincerely

Michael Connolly  
Chief Executive Officer  
Protect