

Chapter 1

Introduction

Duties of the committee

1.1 The Parliamentary Joint Committee on Corporations and Financial Services (the committee) is established by Part 14 of the *Australian Securities and Investments Commission Act 2001* (the ASIC Act). Section 243 of the ASIC Act sets out the committee's duties as follows:

- (a) to inquire into, and report to both Houses on:
 - (i) activities of ASIC or the Takeovers Panel, or matters connected with such activities, to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; or
 - (ii) the operation of the corporations legislation (other than the excluded provisions); or
 - (iii) the operation of any other law of the Commonwealth, or any law of a State or Territory, that appears to the Parliamentary Committee to affect significantly the operation of the corporations legislation (other than the excluded provisions); or
 - (iv) the operation of any foreign business law, or of any other law of a foreign country, that appears to the Parliamentary Committee to affect significantly the operation of the corporations legislation (other than the excluded provisions); and
- (b) to examine each annual report that is prepared by a body established by this Act and of which a copy has been laid before a House, and to report to both Houses on matters that appear in, or arise out of, that annual report and to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed; and
- (c) to inquire into any question in connection with its duties that is referred to it by a House, and to report to that House on that question.¹

1 *ASIC Act 2001*, s. 243.

Terms of reference

1.2 On 27 March 2018, the House of Representatives referred an inquiry into options for greater involvement by private sector life insurers in worker rehabilitation for report by 20 September 2018. The terms of reference are as follows:

Options for greater involvement by private sector life insurers in worker rehabilitation, including support after return to work, with particular reference to the following:

- (1) the interaction of Income Protection (IP) insurance and Total and Permanent Disability (TPD) insurance with State, Territory, and Commonwealth legislative and regulatory frameworks including Medicare, government employment schemes, workers compensation arrangements, national injury insurance schemes, the National Disability Insurance Scheme, and private health insurance;
- (2) the interaction of IP and TPD insurance products with social security benefits in the context of the *Life Insurance Act 1995*, *Health Insurance Act 1973* and *Private Health Insurance (Prudential Supervision) Act 2015*;
- (3) how benefits available under continuous disability policies, such as TPD, could be utilised to provide assistance and incentives to people returning to work, such as covering the cost of professional nursing care and other rehabilitation related expenses, including:
 - (a) whether there are any legal impediments to this; and
 - (b) whether there are any identifiable limits to this, for example with respect to cover arrangements for small business employees and the self-employed;
- (4) the current definitions, standards, and requirements claimants must meet to access services and payments, including waiting periods or prerequisites;
- (5) the consistency and transparency of IP and TPD insurance definitions, policies, and disclosure documents in the context of other rehabilitation schemes; and
- (6) information available to consumers about IP and TPD insurance in the context of other rehabilitation schemes.²

Conduct of the inquiry

1.3 The committee advertised the inquiry on its webpage and invited submissions from a range of relevant stakeholders. The committee set a closing date for submissions of 4 May 2018.

1.4 The committee also resolved to inform submitters via the inquiry webpage that:

- the committee welcomes individual stories that may identify widespread issues and recommendations for reform; and

2 *Journals of the Senate*, No. 91, 22 March 2018, pp. 2886–2887.

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- the committee is not able to investigate or resolve individual disputes

Submissions

1.5 The committee received 20 submissions and one supplementary submission as detailed in Appendix 1. The committee also received answers to questions taken on notice as listed in Appendix 1.

Hearings

1.6 The committee held the following public hearings:

- 19 June 2018 in Canberra; and
- 21 August 2018 in Canberra.

1.7 A list of witnesses who gave evidence at the public hearing is in Appendix 2.

Structure of this report

1.8 The structure of this report is as follows:

- This chapter provides the administrative details of the inquiry.
- Chapter 2 provides context for the inquiry and outlines the proposal for life insurers to have greater involvement in worker rehabilitation.
- Chapter 3 examines the key issues raised in evidence to the inquiry and provides the committee's views.

Acknowledgements

1.9 The committee thanks all individuals and organisations who assisted with the inquiry.

Notes on references

1.10 References and page numbers for the committee Hansard are to the proof Hansard. Please note that page numbers may vary between the proof and official transcripts.

