

Queensland



Council of Unions

Honorary President: **Rohan Webb** Acting General Secretary: **Michael Clifford**

15 July 2019

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

By email: economics.sen@aph.gov.au

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

Dear Mr Fitt,

The Queensland Council of Unions (QCU) is the peak union council in Queensland representing 26 affiliated unions who in turn represent one quarter of a million Queensland workers.

The QCU supports the submission of the Australian Council of Trade Unions (ACTU) in relation to the *Treasury Laws Amendment (Putting Members' Interests First) Bill 2019* (the Bill).

On 4 July 2019, the Senate referred the Treasury Laws Amendment (Putting Members' Interests First) Bill 2019 [Provisions] (the Bill) to the Senate Economics Legislation Committee for inquiry and report by 18 October 2019.

The Bill implements elements of the Protecting Your Super Package announced in the 2018-19 Budget. Specifically, the Bill aims to prevent trustees from providing opt out insurance to new members aged under 25 years and members with balances below \$6,000, unless a member has directed otherwise.

The QCU has several points to make in addition to its support of the ACTU submission. In the Council's view, this Committee inquiry:

1. sets unrealistic timelines for responses to the Bill. A response window of just six business days is specifically designed to curtail detailed responses from affected parties.
2. has presented for discussion a flawed piece of legislation which would take a sledgehammer to the insurance of workers under the age of 25 and workers with superannuation account balances below \$6,000.
3. is actively contemplating legislation which will cause damage to workers under 25 with low account balances who need insurance, as well as undermining group insurance in Australia.



The QCU is particularly concerned about the impact of not providing automatic insurance for young workers in high risk industries, and particularly in community safety (police, paramedics, firefighters and nurses).

The wider workforce also faces a negative consequence from the Bill.

The ACTU submission highlights that almost ten per cent of workplace fatalities from 2003 to 2016 were workers aged under 25 years. Figures show that more than 27% of workers under the age of 25 are in a high-risk job.

In our view, this draft legislation seems specifically designed to hamper the ability of industry superannuation funds to provide convenient low-cost income protection and insurance, particularly for workers aged under 25 years, and perversely present for-profit banks and retail superannuation funds with customers ripe for exploitation.

Alarm bells should be ringing in light of recent media reports that Australia's biggest banks are "selling worthless insurance to customers" for their products including credit cards, home loans and personal loans (Sydney Morning Herald, 12 July 2019, 'Banks selling 'useless' cover', p1).

The ACTU submission warning against these amendments in the Bill takes on more significance in light of the findings of misconduct and criminality among banks and retail super funds arising from the recent Royal Commission into the Financial Services industry.

Should the content of this supporting letter to the ACTU submission require any further explanation, please contact Research and Policy Officer John Martin on telephone number [REDACTED]
[REDACTED]

Yours faithfully,

[REDACTED]

Dr John Martin
QCU Research & Policy Officer