

1st May, 2023

The Hon Dr Jim Chalmers MP
Treasurer, Australia

By email: jim.chalmers@treasury.gov.au

Cc: Claudia.crawford@treasury.gov.au

Dear Treasurer

Re: New South Wales Police Officers' insurance and concessional contribution issues

Police Officers work in one of the most dangerous occupations in the nation, but they endure this danger in service to their community. A fundamental part of winning universal superannuation was to provide every worker access to affordable life insurance and total and permanent disability insurance. Police Officers and their families rely on insurance to provide security for their families should they be injured, or the worst happen.

The New South Wales Government has, for some time now, supported their Police Officers' insurance by subsidising the insurance offered through their superannuation fund. Out of the control of superannuation fund trustees, insurance companies increased the premiums to a prohibitively expensive amount.

Unfortunately, these insurance contributions are considered concessional contributions to superannuation for tax purposes. As a consequence, Police Officers are limited in their ability to contribute into superannuation, or they exceed the cap and face tax debts at the end of each financial year. Police Officers also face other income-contingent penalties like being ineligible for the childcare subsidy, government paid parental leave, or are penalised across other income-tested benefits for the contributions made by the Government.

While Police Officers are protecting our community, of paramount importance is the retention of a fair insurance policy. But there must be relief for Police Officers facing tax debts, losing retirement savings, or other benefits through no fault of their own.

For more than a decade, the Police Association of New South Wales has raised concerns about the impact this has on thousands of its members. The union has sought and received promises from State and Federal Governments that this would be rectified. Every Treasurer and Assistant Treasurer from David Bradbury to Scott Morrison and Josh Frydenberg have committed to, but failed, to rectify the issue.

The purpose of writing to each of you (*see recipients below*) is that there is a shared responsibility to find a pathway through which ends the penalisation of Police Officers in New South Wales while retaining insuring these essential workers.

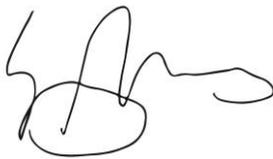
This issue is becoming a crisis. 17,100 of the 17,500 Police Officers in New South Wales are affected by this.

The union movement believes the way forward is for the Federal Government to provide relief to workers from these concessional contributions and we have proposed solutions which would give effect to this. The Police Association has further ensured support for such a reform from every major party. This relief should be provided while the New South Wales Government gives effect to its commitment to the Police Association to finding a long-term sustainable solution.

I encourage each of you to urgently work together to establish this path, including a timeline which ensures no loss of benefit or coverage for Police Officers.

As always, the ACTU is happy to assist where suitable.

Yours sincerely



Sally McManus
ACTU Secretary

Recipients:

Hon Stephen Jones, Assistant Treasurer of Australia;
Hon Daniel Mookey, Treasurer of NSW
Hon Yasmin Catley, Minister for Police and Counter Terrorism, NSW

cc: Pat Gooley
Secretary, Police Association of New South Wales