

27 October 2020

Mr Tim Wilson MP
Chair
Standing Committee on Economics
Parliament House
Canberra ACT 2600

Dear Mr Wilson

Statements made regarding ISA during hearing of the Standing Committee on Economics on 23 October 2020

I write to you as Chair of the House of Representatives Standing Committee on Economics.

During a public hearing of the Standing Committee on 23 October 2020, you made the following statement during the course of taking evidence from Mrs Helen Rowell (the Deputy Chair of APRA):

"I raise it in the context that we have raised this issue publicly with Industry Super Australia, which has misled this committee as far as I'm concerned. First they said they made no donations. Then we found out, 'Oh, no, they weren't donations; they were tickets to events.' We then subsequently found out that they have made donations of up to \$150,000 once you factor in the state divisions of political parties. How is this consistent with the sole purpose test that you are responsible for enforcing?"

Mrs Rowell answered that, without being able to examine the specific circumstances, it is difficult to comment on individual cases. Mrs Rowell also stated that:

"If it's not an APRA regulated entity or an entity to which the SIS Act applies, that's a different [inaudible] considerations don't arise. Given the principles based nature of the sole purpose test, you need to look at the individual circumstances to determine whether it would be likely to comply with the sole purpose test. I'm happy to look into the specific cases that you have mentioned, but with the information that you've provided it's very hard for me to do so."

The assertion that ISA makes political donations is false and inconsistent with information which we have previously provided to the Committee.

On that basis, any suggestion that ISA has misled the Committee is equally false and is denied.

ISA attended a hearing before the Committee on 14 May 2020 and answered a number of questions from you regarding political donations. As part of those answers, which were not challenged, I stated categorically that ISA does not make political donations.

Following that hearing, on 9 June 2020, ISA responded to additional questions on notice from the Committee (ISA26QON and ISA20QW). As part of ISA's response, which again, was not challenged, we stated that:

- (a) ISA does not make political donations.
- (b) Like hundreds of other organisations, businesses and institutions, ISA attends the Government's budget function and the Opposition's budget reply function. Tickets cost \$800 per person and two ISA employees attended both events in 2018/19.

- (c) The Labor Party has a lower reporting threshold for receipts to the AEC than the Liberal Party, which explains why the AEC reported this expenditure on its website for the Opposition (Labor) event but not the Government (Liberal) event.
- (d) Tickets to Budget and Budget reply functions are purchased and reported in the manner required by the event organisers and the Australian Electoral Commission (AEC). Both events enable ISA to develop an informed view about budget policy and strategy and discuss initiatives with ministers, shadow ministers and senior staff.

A copy of the above answer to the Committee's questions on notice is enclosed for your reference.

As with everything we do, ISA's participation in and attendance at forums, political or otherwise, is always driven by the interests of the members of the funds we represent, by growing their savings for retirement.

Yours sincerely

Bernie Dean
Chief Executive Officer

Cc Mrs Helen Rowell
Deputy Chair
APRA