

National Australia Bank

800 Bourke St
Docklands VIC 3008

11 December 2017

Mr Gerry McInally
Secretary

Senate Select Committee into the Political Influence of Donations
Department of the Senate
PO Box 6100
CANBERRA ACT 2600



Dear Mr McInally

RE: INQUIRY INTO THE POLITICAL INFLUENCE OF DONATIONS

Thank you for your letter dated 6 November 2017. National Australia Bank Ltd (NAB) welcomes the opportunity to respond to the two questions you asked.

From May 2016, NAB ceased making political donations at the Commonwealth, State and Local Government level. NAB recognises that it has an important role to play in the Australian political process and in the development and promotion of policy.

NAB CEO Mr Andrew Thorburn explained NAB's decision before the House of Representatives Standing Committee on Economics on 6 October 2016 in response to questions about the policy change.¹

Mr BANDT: Since 2007 the bank donated about \$1½ million to the Labor and Liberal parties, and you have recently stopped that. Why did you make those donations, and why did you stop?

Mr Thorburn: We had been making donations as part of our involvement in the wider democratic process. Our board made a decision to change that, and it was a full discussion. The board made that decision, and I was part of that as a member of the board. The reason why we felt that a change was needed comes back to the point around wanting to be respected as a bank and as a company, and for us to make sure that our community and our customers do not see conflict.

I think the things we are doing around remuneration are other examples of that but, in essence, we felt that the donations we were making to political parties was being misconstrued, misinterpreted, incorrectly. To be clean, direct and decisive, our board decided to stop making such political payments or payments to political parties, at Commonwealth, state and local level.

Mr BANDT: You say it was being misconstrued or interpreted incorrectly. Can you give me an example of how that was happening?

Mr Thorburn: I think that, in the community, there are concerns around whether the banks are giving money to political parties for receiving particular hearings or benefits. Our bank is a large bank. We have a lot of very capable people. We have good relationships with all political parties anyway, so we are going to use our credibility and strength and currency as a bank—not have it potentially misconstrued that payments are being made for any untoward reasons.

Mr BANDT: Have you had any feedback from Labor or the coalition since you made that decision?

Mr Thorburn: I think one of the things we have done over the last couple of months has been to communicate to those parties. I did not do that personally, but I understand that they have noted that and accepted that as a decision that our board has made. We conveyed that clearly and in a timely way, with a clear reason why.

If you have any questions about this response, please contact Chris Venus, Manager, Government Affairs & Public Policy, [REDACTED] or [REDACTED].

Yours sincerely,

Aron Whillans
Head of Government Affairs and Public Policy
National Australia Bank

¹ NAB appearance at House of Representatives Standing Committee on Economics, 'Annual review of Australia's four major banks', public hearing, Thursday 6 October 2016, p27.