

20 December 2017

Mr Gerry McInally
Committee Secretary
Senate Select Committee into the Political Influence of Donations

Dear Mr McInally

Thank you for your invitation to answer a number of questions related to your current inquiry into the political influence of donations.

The answers to your questions are as follows:

Does your organisation make political donations? Can you outline the reasons why you make them?

Yes. The Board of the Financial Services Council has a policy to make equal financial contributions to each side of politics annually. While political parties are reliant on private funding for elections, our Board has historically taken the view that it is important to make a modest financial contribution in support of the democratic process.

Could you explain the costs of membership of your organisation, and what benefits you offer your members in return? Could you explain the types of lobbying activities you undertake in representing your members?

The FSC has a varying fee for membership for wealth management companies that is either a flat fee (independent financial advice firms, reinsurers and licensed trustees) or based on whether they have retail, wholesale or life insurance offerings and their funds under management and administration.

For FSC supporting members (the professional services firms) the fee is based on staff numbers with only two levels - fewer than or more than 50 staff in their Australian operations.

The value proposition is much the same for both wealth managers and supporting members - public policy development and advocacy, education, information dissemination and participation on working groups to tackle industry issues. It also includes the opportunity to better understand the workings of government by participating in submissions to and meetings with government departments, MPs and Senators and regulators when appropriate; two annual conferences (one specifically for life insurance and one that covers all policy areas), information workshops; industry roundtables and a range of free-to-member events. We also develop self-regulatory tools, such as the Life Insurance Code of Practice, which lift minimum standards for consumers over and above the existing law.

We also invest heavily in research to support the development of public policy. This research is of interest to all sides of politics and the bureaucracy to aid their understanding of the financial services sector and to assist them in forming their views as to public policy priorities.

Our third category, associate member, offers access to information only without all of the other participatory activity and is a flat fee.

Regards

Allan Hansell
Director of Policy & Global Markets