

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Treasury Portfolio**  
Budget Estimates  
2017 - 2018

**Division/Agency:** Australian Prudential Regulation Authority  
**Question No:** 306  
**Topic:** Funding advertising campaigns  
**Reference:** Hansard page 102 (30 May 2017)  
**Senator:** Hume, Jane

**Question:**

CHAIR: [...] Does APRA believe that that particular advertising campaign adheres to the sole purpose test?

Mrs Rowell: I do not think we have a view on particular advertising campaigns. Our approach, in terms of the sole purpose test, is really to—we think that there is a case for reasonable expenditure on advertising by the industry. The decision as to what is appropriate really rests primarily on the trustee board. It is up to them to form a view about the appropriateness of—

CHAIR: Let me put it another way then: does APRA believe that that particular advertising campaign, or one of this nature, it is a good use of members' money?

Mrs Rowell: I am not sure that is something I would want to make a specific comment on.

CHAIR: If you would take this on notice: I would be very interested in the feedback you get from those funds as to what the purpose of their advertising campaign specifically is.

**Answer:**

As part of its regular supervision activities, APRA has discussed this advertising campaign with Industry Super Australia (ISA) and a number of the RSE licensees that are represented on the board of ISA. In particular, APRA has asked responsible persons at these RSE licensees how they and their boards had satisfied themselves that the advertising expenses that have been incurred are in the best interests of their beneficiaries and consistent with the sole purpose test. The relevant RSE licensees have advised that they based their decisions to incur the advertising expense on independent research (including focus groups of members and non-members) that showed the potential value of the advertising with regard to member retention and ongoing viability. Decisions to participate in the campaign were also supported by legal advice regarding the sole purpose test.