

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

19 – 20 October 2011

Question No: SBT 833

Topic: Industry Super Funds advertisements #2

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Senator Bushby asked:

Senator BUSHBY: I know you have a note there, Mr Day; is that something you can help me with now?

Mr Day: Those advertisements, did reappear shortly after we had issued that guidance—

Senator BUSHBY: They did but they were modified in accordance with your guidance.

Mr Day: Correct. My understanding is that we would always monitor ads in that area.

Senator BUSHBY: But if they do not seem—

Mr Day: Senator, I would like to ask of you, which I know is unusual: are you aware of an ad that does not comply with that guidance?

Senator BUSHBY: They do not appear to contain the figures regarding the assumptions that were previously in the advertisements. That is my understanding.

Mr Medcraft: I think it is probably better we take it on notice. I am not aware of any problems. It is certainly not what I have been briefed on, and I do look closely at this area. We will come back to you.

Answer:

We understand this to be a reference to the Industry Fund Services Pty Ltd (IFS) "Compare the Pair" advertising campaign. The assumptions behind this advertising campaign are provided to IFS by SuperRatings. The advertising is comparing retail funds with industry funds on the basis that industry funds do not pay commissions to advisers. There may be other differences between the funds.

ASIC is unable to comment on specific operational matters. However, ASIC is generally involved in ongoing discussions with the industry about advertising on a range of different topics. In August 2011, ASIC also released its Consultation Paper 167 *Advertising financial products and advice services: Good practice guidance*.