

Question No	009
Topic	Industry super – Google advertising
Committee Member	Mr Falinski
Reference	Hansard page 15

Question

Mr FALINSKI: Okay. The real question I have on this is **why it is that industry super is allowed to use key terms such as 'retail super' in their Google advertising and that has not prompted an investigation by ASIC or any fines being issued; however, when other superannuation funds that are non-industry super funds are able to do so, they are not getting the same sort of inquiries from ASIC.** You may wish to take it on notice, because my next question is: at a previous hearing of the economics committee, you were asked how it was that ASIC calculated that it cost \$13,000 to run a self-managed super fund, and we were told that those figures were provided by the Australian tax office. The Australian tax office has now provided us information that the cost of running an SMSF in some instances is as low as \$1,300. Have you changed your advice on that issue? Do you intend to do so? Are you re-issuing your advice?

Mr Shipton: **The first part of that question we will take on notice.** The second part of the question I'll ask Commissioner Press to supplement, because we have received updated information from the Australian tax office, which updates their previous available information. I will hand to Ms Press to supplement.

Ms Press: Yes, we have received the updated data. The document that you referred to was a pilot document. It was run for about six weeks. It was sent to about 4,000 new SMSF trustees. That was run in November 2019. As I said, it ran for about six weeks, and it has not been distributed since. We have conducted a sample of how new trustees received that fact sheet and whether they found it useful. We heard that the majority did, but nobody actually changed their view. I think there was one person who changed their mind. We do not intend to continue that program, so that red flag SMSF sheet is no longer being distributed. If we change our mind on that, clearly we will update the data to reflect the new data coming from the ATO.

Answer

The question has been framed in general terms, making it difficult to make an assessment of any particular conduct the Member may be referring to. If there is evidence of misleading or other conduct contrary to law in relation to advertisements on Google (Google Ads), ASIC will consider appropriate regulatory action.

ASIC applies the same legal standard to all superannuation trustees. In relation to advertising, our focus is generally whether or not there is misleading conduct.

In the case of BT Funds Management Ltd (BT), the trustee for BT Financial, the main issue that led to the ASIC infringement notice was the use of terms in the headline of a BT Google Ad, creating a misleading perception that BT Financial is an industry superannuation fund. The headline of BT's Google Ad, published on search result pages generated via www.google.com.au from 29 October 2014 to 17 November 2014, included the words "Industry Super Australia" (see ASIC Media Release 15-149MR). ASIC was concerned that BT misled consumers into believing that BT had an affiliation with Industry Super Australia (ISA), an organisation which manages collective projects on behalf of fifteen industry super funds. BT has never had an affiliation with ISA. If the Member has concerns about specific examples of potentially misleading use of Google Ads by superannuation funds, these can be referred to ASIC for further investigation.

