

Economics References Committee

Improving consumer experiences, choice, and outcomes in Australia's retirement system

Thursday, 14 November 2024

Answer to Question on Notice

QUESTION:

CHAIR: I want to ask you about these letters you gave the Treasurer in relation to stamp duty exemptions. Do you know about these?

Mr Fok: I'm aware of the submission we made around the issue of RG 97 reporting.

CHAIR: Effectively, this was subject to a Senate order for production of documents. There was also a freedom-of-information application. We wanted to know what you were talking to the Treasurer's office or the Treasurer about. The Information Commissioner, I believe, asked you for your views. Were you happy for that information to be released, or did you try to protect that information?

Mr Fok: I'm happy to talk about the issue because it's a very important issue.

CHAIR: I'm trying to understand why you felt the need to undertake this sort of secret lobbying?

Mr Fok: The issue is actually a really valid issue, and let me explain why. RG 97 is designed to create a framework where prospective investors in a product can make true comparisons in costs. The issue that has been identified by us and many others is that, if you invest directly in property, we have to include stamp duty, which is a tax, as a cost—it's very lumpy and it's upfront—whereas in the case of the same investment in a REIT, stamp duty is still incurred. However, it does not get disclosed, so it undermines the original purpose of trying to create an even playing field for investors to—

CHAIR: I understand the substance of the issue, Mr Fok. I'm wondering why you told the Information Commissioner that you didn't want this information to be released?

Mr Fok: That is a matter with the government as well. From my perspective, what we are stating we are happy to talk about.

CHAIR: Do you know that the Treasurer, Dr Chalmers, filed a public interest immunity claim to stop this information coming out?

Mr Fok: I don't follow that detail.

CHAIR: You don't know about that?

Mr Fok: I'm aware of it from your media. That's where I'm aware of it.

CHAIR: I might briefly run you through it then. Basically, there was an order of the Senate to disclose these documents. They contained information you'd given the Treasurer about changes to RG 97 around fee disclosure.

You and the Treasurer sought to protect those from public view. I'm just trying to work out why you didn't want the public to know about your engagement with the Treasurer's office.

Mr Fok: Clearly it's being politicised, but the issue itself—

CHAIR: What do you mean? This is about transparency.

Mr Fok: Let me explain how complicated it was to actually get this issue on the table. We went to the regulator, who reports on it, to articulate the issue. They said, 'It's not our jurisdiction.' They then said that we had to go to the government to change it.

CHAIR: So, you went to the government?

Mr Fok: Then we went to the government and we had to also put in a submission. This is a very important issue that has still not seen the light of day in terms of making a proper, comparable space for members to make informed decisions, and yet we're still not able to get the attention in terms of a genuine issue that, if not addressed, is misleading our members.

CHAIR: I do appreciate that, Mr Fok. Did the Treasurer consult you before you made the public interest immunity claim?

Mr Fok: I wasn't consulted.

CHAIR: Was Cbus consulted?

Mr Fok: I don't know. I would need to check.

CHAIR: The Treasurer said that it was commercial-in-confidence to Cbus.

Mr Fok: I can't answer that question now. I'd have to check.

CHAIR: Will you take it on notice?

Mr Fok: I'm happy to take it on notice.

ANSWER:

The Fund was consulted about the documents in scope of a Freedom of Information request.