

23 November 2017

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

By email: [politicaldonations.sen@aph.gov.au](mailto:politicaldonations.sen@aph.gov.au)

Dear Mr McInally

### **Insurance Council of Australia Submission**

The Insurance Council of Australia (ICA) welcomes the opportunity to make this submission to the Senate Select Committee into the Political Influence of Donations.

The ICA is the representative body of the general insurance industry in Australia. ICA members provide a range of insurance products across Australia including motor vehicle property insurance and compulsory third party (CTP) personal injury coverage.

As the body representing the insurance industry in Australia, the ICA has significant interaction with government stakeholders (both politicians and officials). As such, the ICA has a policy of open communication with these stakeholders and we encourage employees to engage in ways that support the interests of our members and the community.

### **Government Relations**

Given the presence of insurance in almost all forms of asset protection, there are very few policy issues which don't contain insurance implications. Therefore, we regularly engage with politicians and officials and have accordingly developed solid relationships over time. These relationships are based on the need to brief government stakeholders on issues that are of importance to the ICA, its members, the economy and the public.

The current challenging nature of the public policy, regulatory and economic environment in Australia means that ongoing and meaningful engagement between business, community, consumer groups, government and regulators is as important as ever. Australia's democratic system presents several platforms and a number of opportunities for this engagement to take place. Such opportunities are available to all Australians including individuals, community organisations, consumer groups, businesses and not-for-profit organisations.

The ICA is an active participant in the political and public policy making process. This involves regular and constant engagement with policy makers, contributors to policy and legislators, facilitating the exchange of information and knowledge.

As the representative body of the general insurance industry, the ICA is actively involved in numerous parliamentary inquiries and roundtables. We compile numerous submissions and undertake extensive research on policy issues consistent with our objectives and purpose.

The ICA adopts an evidence based approach in public advocacy and aims to propose and present workable and practical solutions to Government. In the current context, the broader financial services sector faces unprecedented levels of scrutiny and regulation. This makes consistent and meaningful engagement with Government as critical as ever.

### **Political donations by the ICA**

The ICA donates to parties on both sides of the political spectrum at both federal and state level. This is done because we consider public funding is inadequate for parties to mount modern election campaigns and we wish to contribute to a stable political environment.

The ICA may also attend events with political parties at state and federal level as part of our participation in the democratic process. These events provide an opportunity to build new relationships, and further develop existing relationships, with key political stakeholders across the Federal and State Governments. It provides a platform for engagement and allows the ICA, and other organisations who attend, to learn about the priorities and challenges of the Government and Opposition across several jurisdictions. Attendance at these events does not influence or shape political or policy outcomes, it simply creates an environment in which there is an effective and valuable exchange of ideas and information.

The ICA supports full transparency of political donations. ICA donations adhere to state and federal legislative requirements and details are publicly available on relevant funding disclosure websites.

### **Membership of the ICA**

The ICA membership consists of 49 general insurers, representing approximately 90% of underwritten general insurance premiums in Australia. Membership costs consist of a base subscription fee plus a variable fee calculated from the members' gross written premium. By becoming a member of the ICA, an insurer must also become a signatory to the General Insurance Code of Practice.

The ICA provides a variety of member services, including:

- working with government on hazard planning, risk mitigation and community resilience; as well as hazard data collation for risk analysis;
- providing industry liaison with government during disaster events and recovery;
- making submissions to government inquiries on behalf of the industry;
- coordinating industry working groups on a wide range of issues, such as insurance affordability, fraud, cyber security; and
- representing the industry at meetings with elected representatives, government departments and agencies.

The existence of a single representative body to represent the general insurance industry is also of great benefit to government and the community as it allows rapid industry coordination in response to community concerns or policy issues.

If you would like to discuss this submission in further detail, please contact Richard Shields, the ICA's General Manager Government & Stakeholder Relations, on [REDACTED] or via email at [REDACTED]

Yours sincerely

Robert Whelan  
Executive Director & CEO