



MEDIA RELEASE

28 August 2015

Reform of ASIC is overdue

The Financial Services Council has today welcomed the discussion paper on the proposed model for funding ASIC which was released by Assistant Treasurer, the Hon Josh Frydenberg MP.

“Reform of ASIC’s mandate and funding arrangements is long overdue,” Sally Loane, CEO of the FSC said.

“The FSC supports a model where ASIC can be provided with a stable level of funding which is consistent with its projected workload and so it can operate effectively under its mandate as a regulator,” she said.

“Since it was established following the 1997 Wallis inquiry into Australia’s financial system, ASIC’s mandate has consistently expanded.”

“We have enough laws in place already to ensure consumers are protected. ASIC needs to focus on its role as a corporate regulator to enforce these laws and it needs to be properly resourced to do its job,” Ms Loane said.

“Australia is already overloaded with regulation. We don’t need any new laws, but what we do need is an effective regulator which can do the job for which in which it was intended.”

The FSC’s submission to the Financial System Inquiry supports an industry funded model for ASIC, stronger external accountability mechanisms and a clearer mandate for ASIC.

The Assistant Treasurer has proposed a funding model which will:

- ensure that the costs of the regulatory activities undertaken by ASIC are borne by those creating the need for regulation (rather than all taxpayers);
- establish price signals to drive economic efficiencies in the way resources are allocated in ASIC; and
- increase ASIC’s accountability to its stakeholders.

Ms Loane also said: “The FSC looks forward to commenting on the design of the model in further detail.”

[ENDS]

For further information contact: Robyn Tolhurst, Director of Communication T: 0411 177 773
E: rtolhurst@fsc.org.au

About the Financial Services Council

The Financial Services Council (FSC) has over 115 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks, licensed trustee companies and public trustees. The industry is responsible for investing more than \$2.6 trillion on behalf of 11.5 million Australians. The pool of funds under management is larger than Australia’s GDP and the capitalisation of the Australian Securities Exchange and is the third largest pool of managed funds in the world. The Financial Services Council promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.