



Dissenting report – Ms Kelly O'Dwyer, MP, Mr Scott Buchholz, MP, Mr Tony Smith, MP, Liberal Party of Australia

The Government introduced the Corporations (Fees) Amendment Bill 2011 (the Bill) into the House of Representatives on 18 August 2011. The Bill is intended to allow ASIC to charge market participants fees to support its supervision of these markets.

The Opposition members in principle support the cost recovery model that the Bill seeks to introduce.

The Opposition members, however, remain concerned that much of the detail required to affect the objects of the Bill will be contained in regulations that have not yet been drafted.

It should be noted that after the Bill was introduced, Treasury issued a consultation paper to design an appropriate fee structure. The deadline for the Treasury consultation is 23 September 2011.

It is the view of the Opposition members that the consultation should have occurred, and the regulations presented, prior to the Bill's introduction in the House. This view was echoed by a number of participants including Mrs Mitchell from RBS Morgans, who said "the timing of the bill was unusual, given there was so much still to be settled...We suggest that a consultation process should see its natural course before this bill is passed." (p.25)

The Government has demonstrated, by its record to date, that it struggles to get detail right.

In addition to the concerns outlined in the Majority Report, the Opposition members are concerned that:

- checks and balances are in place to ensure that fees imposed would be cost recovery only
- effective governance and accountability arrangements are in place to ensure that cost recovery measures are contained over the long term
- the Government consider the cumulative effect that the multiplicity of new regulation is having on the efficiency of Australia's financial markets.

We think there is merit in the Government pursuing a coordinated economic policy framework that takes into account the economy-wide impact of multiple service charges.

It is curious that the Government would seek to bring forward the Bill before working through the detail in the regulations.

Recommendation

The Opposition members recommend that the House of Representatives not pass the Corporations (Fees) Amendment Bill 2011 until the House of Representative has had an opportunity to also consider the regulations that give effect to the Bill.

Kelly O'Dwyer MP
Deputy Chair

Scott Buchholz MP

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