

1.13 QON: Hansard, p22-23

Mr KEOGH: So what is the basis of supporting a user-pays model? It strikes me as a little odd that an industry has decided voluntarily that it would like to start funding a government function.

Mr Thorburn: I think that was part of the recent discussions and this has been part of the ASIC review of the way they have been operating, so I do not think there has been a significant change.

Mr KEOGH: So what is the basis? You have said that you think ASIC is doing a good job and you want to support ASIC, and you have said, 'We want to provide more money to ASIC,' by basically paying them as a part of industry, funding them as part of industry. Why do you want to be involved in funding them?

Mr Thorburn: One, I think that is the process that has been in place, and, two, I—

Mr KEOGH: What do you mean by 'that is the process'? This is a new funding model for ASIC, so I am asking why you support that new funding model, which would effectively cost you more.

Mr Thorburn: I will have to take on notice the industry funding model and the mechanics and the timing.

.....

Mr KEOGH: No, I am asking about your view. The ABA has said, 'We want to see an industry funded model for ASIC.' You have said that part of that, from your point of view, as your bank, is that you want to see a strong regulator. That leaves me with the view that you are saying that there are aspects that you think need to be improved in what ASIC does

Mr Thorburn: ASIC, I think, over time have got extensive responsibilities. They are fulfilling them in the way they believe is right. We respect that, even though we have some current disputes with them about some aspects.

Mr KEOGH: I might get you to take on notice the basis of why your bank has supported this ABA position, that there be funding, because that is not articulated in the plan. That would be useful for us to fully understand the basis of that and what you see that might change, in the way ASIC does its job in the future...

ANSWER: *NAB supports the Government's move to an industry funding model for ASIC because:*

- 1. An industry funding model will give ASIC a more predictable funding source. Without industry funding, ASIC's funding needs must necessarily be balanced against other federal*

budget priorities (i.e. unrelated to any changes in the cost of ASIC delivering on its mandate). A more predictable funding model will assist ASIC to be a strong regulator and to promote investor and consumer trust and confidence in the financial system.

- 2.** *An industry funding model will bring ASIC into line with other key Australian regulators which oversee NAB; including APRA and AUSTRAC who are funded (at least in part) by the entities they regulate; along with many overseas financial regulators.*