

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2014 - 2015

Department/Agency: Treasury

Question: AET 37

Topic: Funding for ASIC

Reference: Hansard page no. 97-98 - 25 February 2015

Senator: O'Neill, Deborah

Question:

Senator O'NEILL: I would like to follow up on a couple of matters that have been under discussion this afternoon. I have not seen you since the PJC put out the report on professional, ethical and education standards in the financial services industry. Clearly there have been a lot of calls here this evening for action in this space. Action, we know, requires money and you made some comments in your last statement about a user-pays method. So in light of the resource limitations which have been referred to since I have been here this afternoon, what is the situation in terms of ASIC getting the money to be able to do the policing and become the enforcement agency? I notice the shift in language has been very common. What is the situation with the money, to get the rubber on the road to get out and do the job that clearly needs to be done? I think that the community has an appetite for it to be done in a more proactive rather than reactive way? Where are we with the government's commitment to funding?

Mr Medcraft: It is a matter for government. As I said before, you can have an ASIC at \$312 million or \$400 million or \$200 million; the amount of money the government allocates us is a choice of the level of resilience you want. In terms of these tight times we have said that probably the thing is to think about the user-pays funding model. Those that generate the need for regulation should pay for it so that we actually drive better co-regulation, or self-regulation, and compliance. At this stage, there are recommendations in front of the government as is part of the budgetary process.

Senator O'NEILL: Minister, is there any commitment to funding for ASIC? Clearly, there is a great need for more capacity. Is there a commitment to a pre-budget announcement by the government? Is there any money coming down the line?

Senator Fifield: As the Minister for Social Services who is at the table for the Minister representing the Treasurer, I will take that on notice.

Answer:

Upon releasing the Government's response to the Senate Inquiry into the performance of ASIC on 24 October 2014 Minister Cormann, the then Acting Assistant Treasurer, announced the Government is considering a proposal to introduce a cost recovery model for ASIC.

The Government's consideration of this issue is ongoing.