



RE: Regulator Performance Framework [SEC=UNCLASSIFIED] - 15-176
Peter Kennedy
to:
Ashly Hope

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Hi Ashley

Thanks to you, ASIC and the Regulators in general for the opportunity to respond to ASIC's proposed evidence metrics for reporting against the Regulator Performance Framework and for allowing a late response.

The metrics prescribed in the presentation, and which were well explained on the day, appear to us to be reasonable and sufficiently comprehensive.

The Mortgage & Finance Association of Australia's (MFAA) membership is largely composed of mortgage and finance brokers, together with other industry participants such as ADI's and other lenders as well as other sector businesses such as mortgage aggregators. Most of these members are regulated by ASIC and in some cases, also fall under the direct regulatory control of other regulator organisations including APRA and AUSTRAC. They must, of course, abide by relevant state/territory obligations.

The MFAA's concerns are particularly focused toward the measures undertaken by ASIC that might mean a change of process in order to meet the framework's KPIs. The MFAA would appreciate having some information about how the regulator's methods and activities might therefore vary in order to meet those KPIs.

To reiterate, the MFAA's members, principally SME broker businesses, need assurance that their activities which are already highly regulated under the NCCP Act and Regulation as well as other legislation including the Privacy Act, the AML/CTF Act and other federal and state-based legislation, won't need to again change in any way to allow any variation in regulator activities. These businesses are in large part SMEs who are, in general terms, unrepresented by any other body and are not usually in a position to provide their own legal and professional support in-house and therefore rely on industry bodies like the MFAA to provide guidance.

The overall goal of the framework is understood to be to reduce and to minimise regulatory burden. MFAA members, in the main small businesses, are already required to meet significant regulatory obligations as well as a good deal of industry-based requirements and if any change occurs to regulatory focus or activities, we would hope that these would reflect a reduction in that burden rather than any increase.

It is unfortunate that this framework will only deal with administration of regulation and will not deal with policy making. There are policy issues which unfortunately result in duplication of effort or unnecessarily complicate MFAA member activities.

We would appreciate the ongoing opportunity to remain engaged with this process and look forward to the additional reporting that may arise out of the framework and again, reiterate our appreciation for the opportunity to be involved.

Kind regards
Pete

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