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Via email: [policy.submissions@asic.gov.au](mailto:policy.submissions@asic.gov.au)

Dear Sir/ Madam

**ASIC Cost Recovery Implementation Statement – Levies for ASIC Industry funding (2017-18)**

CPA Australia represents the diverse interests of more than 160,000 members in 118 countries. We make this submission on behalf of our members and in the broader public interest.

As stated in previous submissions on the ASIC industry funding model, dated 14 October 2015 and 16 December 2016, CPA Australia is supportive of an appropriate, equitable user-pays element to the funding of ASIC. However, without knowledge of the full proposed fee regime, including the proposed levies for the initial registration of a number of areas including company auditors, Australian financial services licenses and Australian credit licenses, it is not possible to form a considered view of the appropriateness of the model, nor whether it sends a suitable price signal to those participating in the market.

Further, we remain concerned that the model takes a narrow view regarding those that create the need for regulation - and therefore regulated entities carry a disproportionate cost burden. A well-functioning, efficient capital market that operates with integrity is a public good that benefits the entire community, therefore funding of ASIC should reflect this.

The ASIC Cost Recovery Implementation Statement includes a proposed flat levy for unlisted public companies. Unlisted public companies include public companies limited by guarantee, and a significant proportion of such companies are also charities registered with the Australian Charities and Not-for-profits Commission (ACNC).

Many of the budgeted costs to regulate unlisted public companies listed in the Statement will not be applicable to public companies limited by guarantee that are also registered charities as these regulatory functions are now the responsibility of the ACNC, rather than ASIC. Under the ACNC model of regulation, there is no levy or other costs imposed on any registered charities (including public companies limited by guarantee) that are regulated by the ACNC. We therefore recommend amending the ASIC cost recovery model to remove any levy on public companies limited by guarantee that are also charities registered with the ACNC.

If you require further information on our views please contact either Gavan Ord, Manager – Business & Investment Policy, on (03) 9606 9695 or at [gavan.ord@cpaaustralia.com.au](mailto:gavan.ord@cpaaustralia.com.au), or Ram Subramanian Policy Adviser – Reporting on (03) 9606 9755 or at [ram.subramanian@cpaaustralia.com.au](mailto:ram.subramanian@cpaaustralia.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to be 'Stuart Dignam', written over a horizontal line.

Stuart Dignam  
General Manager, Policy & Corporate Affairs