

From: Dallas Booth
Sent: Friday, 26 April 2019 10:32 AM
To: policy.submissions <policy.submissions@asic.gov.au>
Subject: ASIC Industry Funding CRIS 2018 2019

National Insurance Brokers Association of Australia comments on the Cost Recovery Implementation Statement: ASIC industry funding model (23018-19), March 2019.

Thank you for the opportunity to comment on the ASIC industry funding model CRIS relating to the 2018-2019 financial year.

NIBA welcomes the publication of the CRIS, and the detailed breakdown of the proposed collection of levies in relation to costs incurred in 2018-19.

NIBA is particularly interested in the proposed cost recovery relating to the Financial Advice Sector – specifically “Licensees that provide personal advice to retail clients on products that are not relevant financial products”, pages 113 and 114; and in relation to the Insurance Sector – specifically “Insurance Product Distributors”, pages 120 and 121.

From the information that is provided in the CRIS, it would appear that the allocation of costs in these sectors is reasonable. We note that there will be a slight increase in the amounts to be recovered from these sectors when invoices are issued in February 2020.

We would like to provide the following comment in relation to the CRIS.

The document provides very detailed financial information relating to the cost incurred by ASIC, and the allocation of those costs across the various sectors. However, there is little information on the nature and level of activity that is undertaken in order to incur those costs in the respective sectors. For example,

- In Table 57, what would be the nature and extent of activity referable to “Supervision and surveillance \$0.257m” or “Guidance \$020m” for this specific sector?
- Similarly, in Table 62, are there indicators of the nature and level of activity in relation to “Enforcement \$0.335m” or “Financial capability work \$0.047m”?

I acknowledge it is probably unreasonable to request background information in relation to every line item in the Budgeted Costs tables, but a small amount of additional information would certainly assist our understanding of the reasoning behind the allocation of costs across and within each of the sectors.

I hope these comments are useful, and I would be pleased to discuss the response with ASIC if needed.

Kind regards,

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