

20 April 2016

Statement from Alex Malley, chief executive of CPA Australia

We welcome today's announcement from the Treasurer and Assistant Treasurer committing to restoring the Australian Securities and Investments Commission's (ASIC) capability to be the effective, well-resourced regulator the community needs.

We all expect and are entitled to well-functioning, efficient capital markets that operates with integrity.

We have been strident critics of ASIC in the past and have been leading the call for change. To ASIC's credit they have become a more agile and consultative organisation over recent years and today's announcements will empower them to continue that process.

We're looking for a corporate regulator that is resourced to do its job and build broad public confidence that the market is being appropriately regulated.

It's not lost on anyone that it has never been easier to participate in financial markets. The announcement of improved resources for data analytics is welcome and recognises the rapid pace of technological change. These additional 'tech' capabilities will contribute to enhanced investor confidence.

As a result of budget cuts in the past ASIC has had to curtail its ability to engage in proactive surveillance. It's clearly in the public's interest that ASIC is focussed on risk areas and additional resources to allow for increased surveillance and early intervention is welcome.

Last year's consultation paper, which flagged a move to a user pays funding model, proposed prodigious increases for a range of fees and levies for ASIC services.

All sectors subject to regulation by ASIC - not just the banks - will be required to meet ASIC's costs from 2017-18. We're keenly interested to see what the implications are for the small businesses, registered liquidators, auditors and others who will be affected by this.

It's about striking the right balance. We note that the Government has committed to further consultation to refine and settle the funding model and we look forward to participating in that process to ensure all these fees and levies are set at a reasonable level.

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