

## ASIC increased funding welcome but greater accountability and transparency is needed

The Australian Institute of Superannuation Trustees (AIST) has today welcomed the Government's announcement of increased funding for the Australian Securities and Investments Commission (ASIC) but called for greater accountability and transparency from the regulator.

**AIST CEO Tom Garcia** said that AIST recognised the need for greater consumer protection in regards to financial services and has long called for ASIC to be better resourced.

"It's been abundantly clear for some time that additional funding is needed for ASIC to be a strong and effective regulator and, importantly, meet community expectations in regards to protecting consumers and dealing with the problems of misconduct in the financial sector"" Mr Garcia said.

However Mr Garcia said that additional funding risked being ineffective without commensurate increases in the level of transparency and accountability around ASIC's activities.

"We agree with the findings of the Financial System Inquiry, that ASIC's costs are not transparent to participants in the financial services sector," Mr Garcia said. "However we must ensure the funding of ASIC is not built up as a solution to all problems facing the financial sector – there are still systemic problems that have to be dealt with that are outside the regulator's brief."

Noting that Government will be introducing a user-pays funding model for ASIC Mr Garcia reiterated calls for a 'Cost Recovery Impact Statement' (CRIS) - in line with the Government's own Cost Recovery Guidelines.

"A better understanding of the basis for ASIC's costs and how these are spread across the range of activities that ASIC needs to perform would go a long way to improving the public's trust in the financial services sector," said Mr Garcia. "The publication of a CRIS – coupled with implementation of the Regulator Performance Framework issued last year, would greatly assist with how ASIC's resources are focused."

AIST also welcomed the \$5.2 million in additional funding to the Superannuation Complaints Tribunal (SCT).

"The Tribunal plays an important role in ensuring consumers have an appropriate dispute resolution service and we need to ensure its operations remain efficient and well-resourced," said Mr Garcia.

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***AIST is the peak industry body for the \$650 billion not-for-profit super sector which includes industry, corporate and public sector funds.***