

7 March 2017

Manager  
Corporations and Schemes Unit  
Financial System Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir / Madam

**ASIC SUPERVISORY COST RECOVERY LEVY BILL 2017 AND RELATED BILLS**

The Finance Brokers Association of Australia Limited (FBAA) is the leading professional body to finance and mortgage brokers nationally.

The FBAA requests a detailed explanation and understanding in the draft Bill s10(1) of the definition of ASIC's regulatory costs as being the lesser of the sum of all amounts appropriated by the Parliament or the amount determined by ASIC.

We understand the "full amount appropriated by Parliament" means the entire ASIC budget. This is significantly larger than the amount ASIC would estimate it spends on regulating various sectors. There would be all sorts of costs incurred by ASIC that aren't part of its regulatory function - rent, admin staff, IT, HR etc.

The Explanatory Memorandum at 1.64 appears to step over this part by merely describing what's written there rather than explaining what "the full amount appropriated by Parliament" means or providing any information about what Treasury's reasonable estimates/expectations are for how much entities will pay under this model.

We look forward to your more detail understanding on the above.

Yours faithfully



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Executive Director

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