

31 January 2019

Mr A Bogiatzis
Consumer and Corporations Policy Division
The Treasury
Email: ASICfunding@treasury.gov.au

Dear Sir

RESPONSE TO CONSULTATION – EXPOSURE DRAFT: TREASURY LAWS AMENDMENT (ASIC COST RECOVERY AND FEES) REGULATIONS 2019

We write to comment on this consultation.

Schedule 2 – “Registry Fees” to the abovementioned Exposure Draft includes at Part 1, Clause 4 a proposal to change the fee, “on application, under paragraph 329(5)(a), for the consent of ASIC to the resignation of the auditor of a company” to \$40.

On 1 July 2018 the abovementioned fee increased from \$39 to \$3,487. This was a significant and unexpected change. In our view, this fee is excessive and has created significant consequences, particularly for sole practitioners and small to medium sized audit firms, and also for their clients, who are primarily small to medium sized entities.

The size of the current fee of \$3,487 is such that it may impact on a company’s decision as to whether or not to seek a change in auditor.

Also, the size of the fee may deter an auditor from resigning from a client in circumstances where there is a loss of independence.

We therefore support the proposal in the Exposure Draft to change the fee to \$40.

Refunds of fees paid

We also recommend that any of the \$3,487 amounts paid by auditors since 1 July 2018 be refunded, to the extent of \$3,447, leaving the “net” fee paid by those auditors as \$40.

This will rectify one of the adverse consequences of the significant and unexpected fee increase.

Should you have any questions in relation to this matter please do not hesitate to contact me on (02) 9020 4065.

Yours faithfully



D K Swindells
Director

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