

Submission reference: 2016/09

Submission to Treasury: Proposed financial institutions supervisory levies for 2016-17

ASFA’s positions on key aspects of the consultation

1.	Lack of transparency regarding the costs to be recouped via the levy	<ul style="list-style-type: none"> • APRA’s Cost Recovery Implementation Statement (CRIS) for 2016-17 should contain sufficient detail to allow stakeholders to assess the appropriateness of the levies imposed on regulated industries. • APRA should ensure an updated CRIS is made available to stakeholders as part of the annual levy determination process for 2017-18. • The consultation paper and CRIS for the 2017-18 APRA levy collection should provide transparency around any ASIC-related amounts that may continue to be collected by APRA and the treatment of any under or over collections of prior years’ levies relating to ASIC.
2.	Utilisation of the SuperStream levy component, its application only to APRA-regulated superannuation entities, and the need for clarity over the future funding of ‘business as usual’ SuperStream activities	<ul style="list-style-type: none"> • Treasury and the ATO should provide detailed information supporting the amount of SuperStream component to be recovered via the supervisory levy and the expenditure of previously raised levies. • Treasury should reinvestigate options to subject SMSFs to the SuperStream component, and consider whether a portion of the SuperStream component reflecting the benefits delivered to non-levied entities should be met out of consolidated revenue. • Treasury and the ATO should advise industry of the proposed funding model for ongoing SuperStream costs after the SuperStream levy component ceases to be collected in 2017-18.
3.	Cost recovery in accordance with Government guidelines	<ul style="list-style-type: none"> • Treasury should assess and reconsider the appropriateness of applying the APRA levy methodology to the recoupment of costs incurred by other agencies.
4.	Funding of the Superannuation Complaints Tribunal (SCT)	<p>While ASFA welcomes the one-off funding boost for the SCT in 2016-17, we consider that:</p> <ul style="list-style-type: none"> • The funding allocated from the levy to the SCT for its ongoing operations should be separately identified in the annual levy consultation papers. • The SCT’s funding needs should be urgently reviewed to ensure it has adequate resources to address its workload and meet its statutory objectives on an ongoing basis, without reliance on ad hoc funding increases.