
ASIC Sale Lunacy

In July last year, Intelligent Investor founder John Addis suggested [we should privatise ASIC](#). John was taking the Mickey out of the corporate regulator for overcharging for corporate registry services such as the \$1000 charge for registering the name of a company or the ongoing \$236 fee for an 'annual review'.

The corporate registry functions of ASIC have long been used by the federal government as a cash cow, over-charging for services so it can use the money elsewhere. John even joked that with investor friendly features such as growing annuity revenues, high margins, and protection from competition, the government might consider a float of this wonderful 'asset'.

In a hilariously perverse turn of events, that's just what the government now [intends to do](#), and the likely sale price is estimated at \$6bn (much higher than John's suggested \$4bn, by the way). This is all apparently part of the government's push to boost productivity and efficiency by privatising lethargic public assets.

Give me a break. This is a case of collective political and investment banking madness. The government is effectively privatising a future tax stream, and as far as taxes go this isn't a good one. It impacts disproportionately on small companies and discourages new enterprise. If the government is determined to improve the economy, ASIC's fees should be slashed and the revenue raised from a more efficient source.

Addis might want to think twice before putting his tongue anywhere near his cheek again. What's next, the ATO itself?