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5.1 The role of Commissioners

The Commission is responsible for ASIC's strategic direction and priorities. The Commission meets monthly (except January) to:

- ♦ decide on matters within ASIC's regulatory functions and powers that have strategic significance
- ♦ oversee management and operations of ASIC as an Australian Government agency.

The Commission appoints and evaluates the performance of its senior executive leaders, and approves budgets and business plans for each team. Individual Commissioners also have executive responsibility for particular stakeholder and enforcement teams. See pages 23–24 for ASIC's corporate structure.

The Commission held 12 meetings in 2014–15.

Commission meetings, 2014–15

Commissioner	Eligible to attend	Attended
Greg Medcraft	11 scheduled meetings	11
	1 unscheduled meeting	1
Peter Kell	11 scheduled meetings	11
	1 unscheduled meeting	1
Greg Tanzer	11 scheduled meetings	11
	1 unscheduled meeting	1
John Price	11 scheduled meetings	11
	1 unscheduled meeting	1
Cathie Armour	11 scheduled meetings	11
	1 unscheduled meeting	1

Unscheduled Commission meetings are called to obtain Commission approval on specific issues that are generally of an administrative nature (such as granting delegations) and do not require the attendance of the full Commission.

The Governor-General, on the nomination of the Treasurer, appoints Commissioners.

The Treasurer may nominate as Commissioners only people who are qualified by knowledge of, or experience in, business administration of companies, financial markets, financial products and financial services, law, economics or accounting.

Commissioners are appointed on fixed terms that may be terminated only for reasons set out in s111 of the *Australian Securities and Investments Commission Act 2001* (ASIC Act). The Remuneration Tribunal sets Commissioners' remuneration, which is not linked to their performance.

The ASIC Act requires Commission members to disclose to the Minister direct or indirect pecuniary interests in corporations carrying on business in Australia, businesses in Australia, interests regulated by ASIC, or arrangements or agreements for future business relationships.

Michael Kingston, the Chief Legal Officer, is the primary source of legal advice to the Commission, providing legal counsel to the Chairman on major regulatory and enforcement matters. Other independent legal and accounting experts also advise on specific matters.

The Commission delegates various powers and functions to senior executive leaders, regional commissioners, and staff reporting to them, to ensure that ASIC's business is carried out efficiently and effectively. Delegations are reviewed regularly and the Commission requires its delegates to act in accordance with policies and procedures approved by the Commission.

Additional information on ASIC's internal governance is published on our website at www.asic.gov.au/internal-governance.

5.2 Audit Committee and audit, assurance and compliance services

The Audit Committee operates independently of management and plays a key role in assisting the Chairman to discharge his responsibilities for the efficient, effective, economical and ethical use of Commonwealth resources. The Committee does this by providing independent oversight of, and reporting to the Chairman on, ASIC's governance and internal control frameworks, financial reporting, and compliance with relevant legislation.

The Committee reviewed ASIC's 2014–15 financial statements and provided advice to the Chairman and Commissioners on the preparation and review of financial statements before the Chairman signed the statements. The Committee met four times during the year supplemented by one special meeting to review ASIC's draft financial statements and the annual *Public Governance, Performance and Accountability Act 2013* Compliance Report.

Audit Committee meetings, 2014–15

Members	Eligible to attend	Attended
Byram Johnston OAM Appointed as an independent member in January 2005 Reappointed as an independent member commencing 19 January 2010 Appointed as Chairman commencing 30 January 2011	4 main meetings 1 special meeting	4 1
Geoffrey Applebee Appointed as an independent member on 1 February 2010 Appointed as Deputy Chairman commencing 15 December 2010	4 main meetings 1 special meeting	4 1
David Prothero Appointed as an independent member on 1 March 2011	4 main meetings 1 special meeting	4 1
Chris Van Homrigh Senior Executive Leader, Investment Banks Appointed as a committee member in November 2011	4 main meetings 1 special meeting	3 1
John Price ASIC Commissioner Appointed as a committee member in May 2013	4 main meetings 1 special meeting	4 1

All three independent members are chartered accountants and company directors with significant financial, business and community experience. The internal appointees are Commissioner John Price and Chris Van Homrigh. Byram Johnston and Chris Van Homrigh will retire from the Committee on 31 August 2015 and will not be replaced. Geoffrey Applebee will be appointed Chairman at that time.

The internal audit function is provided by ASIC's Audit, Assurance and Compliance business unit supported by KPMG in a co-sourced arrangement. The Australian National Audit Office provides external audit services. Senior external and internal audit representatives attend audit committee meetings.

Byram Johnston OAM Chairman

Audit Committee
July 2015

5.3 External committees and panels

5.3.1 Australian Government Financial Literacy Board

The Australian Government Financial Literacy Board works to improve financial literacy in Australia and meets four times per year.

Its members are:

- ◆ Paul Clitheroe AM, ipac securities (Board Chair)
- ◆ Air Commodore Robert M.C. Brown AM, Australian Defence Force Financial Services Consumer Council
- ◆ Hamish Douglass, Magellan Financial Group Australia
- ◆ Craig Dunn, company director
- ◆ Linda Elkins, Colonial First State
- ◆ Fiona Guthrie, Financial Counselling Australia
- ◆ Elaine Henry OAM, company director
- ◆ Peter Kell, Deputy Chairman, Australian Securities and Investments Commission
- ◆ Anthony Mackay, Centre for Strategic Education
- ◆ Greg Medcraft, Chairman, Australian Securities and Investments Commission
- ◆ Ian Silk, Australian Super
- ◆ Michael Smith OBE, ANZ Banking Group
- ◆ Robert Thomas, Bank of China, Australia.

5.3.2 Consumer Advisory Panel

The Consumer Advisory Panel (CAP) advises ASIC on current issues faced by retail investors and consumers in the financial services and credit industries. The CAP also informs ASIC's surveillance, enforcement, policy and financial education initiatives. The CAP meets three times per year.

In 2014–15, the following members continued on the CAP:

- ◆ Jenni Mack (Panel Chair)
- ◆ Australian Shareholders' Association (Richard Wilkins)
- ◆ CHOICE (Erin Turner)
- ◆ Consumer Action Law Centre (Vic.) (Gerard Brody)
- ◆ Consumers' Federation of Australia (Nicola Howell)
- ◆ COTA Australia (Ian Yates)
- ◆ Financial Counselling Australia (Rosalyn Williams)
- ◆ Financial Rights Legal Centre (Karen Cox)
- ◆ Indigenous Consumer Assistance Network (Bettina Addo)
- ◆ Legal Aid NSW (David Coorey).

The CAP also welcomed three new members in 2014–15. They were:

- ◆ Melbourne SMSF Group (Viv Elliston)
- ◆ SMSF Owners' Alliance (Duncan Fairweather)
- ◆ ADF Financial Services Consumer Centre (Air Commodore Robert M.C. Brown AM).

In 2014–15, the CAP operated two sub-committees, one focusing on credit and insurance, and the other on investment issues.

At the end of 2014–15, Jenni Mack resigned as independent Chair of the CAP, a position she has held since 2006. We thank Jenni for her leadership and stewardship of the CAP throughout a period of significant change in the financial services sector.

We also thank outgoing member National Information Centre on Retirement Investments (NICRI) (Wendy Schilg) for making a valuable contribution to the CAP.

In 2014–15, the CAP commissioned Professor Dimity Kingsford Smith and Dr Marina Nehme to conduct research on product intervention powers. This research was submitted by CAP members to the Australian Government's consultation on the recommendations made by the Financial System Inquiry.

5.3.3 Director Advisory Panel

The Director Advisory Panel was established in 2013 to channel senior level advice from company directors of listed entities so that we can gain a deeper understanding of developments and systemic risks in the corporate sector.

The members of the panel are drawn from entities of different size, sector and location to enable the panel to provide ASIC with views from a broad spectrum of Australian listed entities. Panel members in 2014–15 included:

- ♦ John Price, ASIC Commissioner (Panel Chair)
- ♦ Graham Bradley AM (HSBC Bank Australia, Stockland Corporation and Energy Australia Holdings, Virgin Australia International Holdings, Po Valley Energy, GI Dynamics Inc. and Anglo American Australia)
- ♦ Bruce Brook (CSL, Programmed Maintenance Services and Newmont Mining Corporation)
- ♦ Elizabeth Bryan (Caltex Australia, Westpac Banking Corporation, Virgin Australia Holdings and Insurance Australia Group)
- ♦ Harvey Collins (Hagar International, Navitas)
- ♦ Dr Eileen Doyle (Hunter Valley Research Foundation, CSIRO, Bradken, Boral and GPT Group)
- ♦ Paula Dwyer (Tabcorp Holdings, Healthscope, ANZ Banking Group and Lion Pty Ltd)
- ♦ David Flanagan (Atlas Iron, Murdoch University, Australian Prospectors and Miners Hall of Fame)
- ♦ Fiona Harris (Barrington Consulting Group Pty Ltd, BWP Trust, Infigen Energy and Perron Group)
- ♦ Jane Harvey (IOOF Holdings, DUET Finance, Orygen Youth Health Research Centre, UGL, Telecommunications Industry Ombudsman and Colonial Foundation Trust)
- ♦ Jacqueline Hey (Bendigo and Adelaide Bank, Qantas Airways, Australian Foundation Investment Company, Special Broadcasting Service and Cricket Australia)
- ♦ Brian Long (Ten Network Holdings, Commonwealth Bank of Australia, Cantarella Bros. Pty Ltd, Brambles and United Way Australia)
- ♦ Dr Helen Nugent AO (Veda Group, Origin Energy, Funds SA, Bond University, Cranbrook School, Rail Track Corporation and National Portrait Gallery)
- ♦ Susan Oliver (CNPR, Coffey International, Melbourne Chamber Orchestra, Simonds Homes, Scale Investors, Centro Properties Group)
- ♦ John Pegler (WDS, CS Energy and ERA)
- ♦ Dr Sally Pitkin (Super Retail Group, Committee for Economic Development of Australia, ASC Pty Ltd and Opera Queensland)
- ♦ Michael Smith (Black House Pty Ltd, Starbucks Coffee Australia Pty Ltd, iiNet, R.C. Sadleir Pty Ltd, Automotive Holdings Group, 7-Eleven and Giving West)
- ♦ Kate Spargo (UGL, Sonic Healthcare, Fletcher Building, Suncorp Portfolio Services, Colinvest and SMEC Holdings)
- ♦ Gene Tilbrook (Woodside Petroleum, Aurizon Holdings, Orica, Fletcher Building, GPT Group and Bell Shakespeare Company).

In 2014–15, the panel met three times, and discussed future challenges and opportunities for auditors and audit services, solvency and the adoption of elements of US Chapter 11 in Australia, proxy advisers and shareholder activism, and developments in debt and equity markets. Panel members also provided valuable insight and input into ASIC-wide issues.

5.3 External committees and panels continued

5.3.4 External Advisory Panel

The External Advisory Panel assists ASIC to gain a better understanding of developments and systemic risks in the financial system and markets. The panel meets four times per year and provides advice and feedback to ASIC on matters and current issues of concern. Members are from different sectors and hold, or have held, senior positions. Members sit in a personal capacity – they do not represent individual organisations. This ensures they can provide a broad range of views, free from vested interests.

Panel members in 2014–15 included:

- ♦ Mark Johnson AO (Panel Chair) (Chairman, Alinta Energy, Director, Westfield Group, and Senior Adviser, Gresham Partners)
- ♦ Maile Carnegie (Panel Deputy Chair) (Managing Director (Australia and New Zealand), Google)
- ♦ Melinda Cilento (Director, Woodside Petroleum and Australian Unity, Commissioner, Productivity Commission, and Co-Chair, Reconciliation Australia)
- ♦ Craig Dunn (Chair, Stone and Chalk, Director, Westpac Banking Corporation, Financial Literacy Australia and The Australian Ballet and former Chief Executive Officer, AMP and Member, Financial System Inquiry)
- ♦ Paula Dwyer (Chairman, Tabcorp Holdings and Healthscope, Deputy Chairman, Leighton Holdings, and Director, ANZ Banking Group and Lion Pty Ltd)
- ♦ Tony Gill (Chairman, Australian Finance Group, Director, Virgin Money Australia, First American Title Insurance Company of Australia and Genworth Financial)
- ♦ David Gonski AC (Chairman, ANZ Banking Group and Coca-Cola Amatil, Chancellor, University of New South Wales, Chairman, UNSW Foundation and Sydney Theatre Company)
- ♦ Fiona Guthrie (Executive Director, Financial Counselling Australia)
- ♦ Professor Jennifer Hill (Professor, Sydney Law School, and Director, Ross Parsons Centre)
- ♦ Professor Dimity Kingsford Smith (Professor, University of New South Wales Law School)
- ♦ Dr John Laker AO (Lecturer, University of Sydney, Adviser, International Monetary Fund and the Basel Committee, and former Chairman, APRA)
- ♦ Dr Simon Longstaff AO (Executive Director, St James Ethics Centre)
- ♦ Andrew Love (former Senior Partner, Ferrier Hodgson)
- ♦ Jenni Mack (Chair, CoAct (formerly Job Futures), Director, Financial Ombudsman Service, Trustee Director, SunSuper, Director, Food Standards Australia New Zealand, Trustee, Travel Compensation Fund, and former Chair, Consumer Advisory Panel and CHOICE)
- ♦ Claire Mackay (Principal and Head of Advice, Quantum Financial)
- ♦ Andrew Mohl (Director, Commonwealth Bank, and Chairman, Export Finance and Insurance Corporation)
- ♦ Dr Sally Pitkin (Director, Super Retail Group, the Committee for Economic Development of Australia (CEDA), ASC Pty Ltd and Opera Queensland)
- ♦ Ian Silk (Chief Executive Officer, AustralianSuper, and Director, Yooralla, Industry Super Australia and Financial Literacy Australia)
- ♦ John Trowbridge (Former Executive Member, APRA)
- ♦ President of the Business Council of Australia (currently Catherine Livingstone AO, also Chair, Telstra Corporation and Director, WorleyParsons, The George Institute for Global Health and Saluda Medical Pty Ltd)
- ♦ Chair of the Future Fund Board of Guardians (currently Peter Costello AC, and also Chairman, ECG Financial Pty Ltd, Director, Nine Entertainment Corporation Holdings, and former Australian Federal Treasurer).

Allan Moss AO resigned as Deputy Chair of the panel in August 2014 and Stephen Fitzgerald resigned from the panel in October 2014 due to relocating overseas. We thank Allan and Stephen

for their contributions.

During 2014–15, the panel provided feedback on a number of matters, including ASIC's response to the Financial System Inquiry and its recommendations, digital disruption and ASIC's Innovation Hub.

5.3.5 Market Supervision Advisory Panel

The Market Supervision Advisory Panel advises ASIC on our approach to our responsibilities for day-to-day supervision of the Australian market and on broader market developments. Panel members are from the financial services industry, with experience in retail and institutional markets.

Panel members in 2014–15 included:

- ◆ Cathie Armour, Commissioner, Australian Securities and Investments Commission (Panel Chair)
- ◆ Stewart Adams, Morgan Stanley Smith Barney
- ◆ Keith Birch, Goldman Sachs
- ◆ David Dixon, Colonial First State Global Asset Management
- ◆ Anastasia Economou, Credit Suisse
- ◆ John Lee, Susquehanna Pacific
- ◆ Daniel McAuliffe, Treasury
- ◆ Will Psomadellis, Schroders Investment Management
- ◆ Dean Surkitt, Bell Financial Group
- ◆ Scott Webster, UBS
- ◆ Daniel Weinberg, Optiver.

We would like to thank outgoing member Richard Burns, CommSec, for his valuable contribution.

During 2014–15, the panel met four times and provided advice on:

- ◆ market structure initiatives, including ASIC's proposals on market-related deregulatory initiatives and efficiencies
- ◆ the work of ASIC's taskforces on dark liquidity and high-frequency trading
- ◆ cyber resilience and security.

5.3.6 Markets Disciplinary Panel

The Markets Disciplinary Panel (MDP) is the forum for disciplinary action against market operators and participants for alleged breaches of the market integrity rules. It is a peer review body, consisting of part-time members with relevant market or professional experience. The current members of the MDP have, or have had, senior roles in broking firms and investment banks.

ASIC established the MDP to make decisions about whether to issue infringement notices or accept enforceable undertakings for alleged breaches of the market integrity rules. ASIC decides which matters to refer to the MDP for determination.

The MDP members in 2014–15 included:

- ◆ Lisa Gay (Panel Chair)
- ◆ Cilla Boreham, JBWere
- ◆ Richard Brasher, Northcape Capital
- ◆ Anne Brown, consultant
- ◆ Ian Chambers, Morgan Stanley Australia
- ◆ Leigh Conder, Commonwealth Securities
- ◆ Peter Curry, MAP Capital Advisors
- ◆ Simon Gray, Shaw Stockbroking
- ◆ Adrian Holst, Baillieu Holst
- ◆ Jane Lamming, Ausbil Investment Management
- ◆ Geoffrey Louw, Bell Potter Securities
- ◆ Michael Manford, Patersons Securities
- ◆ Russell McKimm, Patersons Securities
- ◆ Ian Nissen, Citigroup
- ◆ Sadie Powers, Patersons Securities
- ◆ Mark Pugsley, Resource Development Group
- ◆ Peter Robson, ITG Australia
- ◆ Glenn Rosewall, Former Executive Chairman of BBY
- ◆ John Steintal, consultant financial adviser
- ◆ Andrew Tanner, Goldman Sachs
- ◆ Victoria Weekes, Risk Compliance Solutions.

5.3 External committees and panels continued

Members of the MDP made determinations on alleged breaches of the market integrity rules during 2014–15.

The infringement notices for finalised matters are published in the MDP Infringement Notices Register on the ASIC website. The MDP issued nine infringement notices during 2014–15.

The MDP imposed a total of \$541,000 in penalties in these matters, which ranged from \$15,000 to \$130,000.

5.3.7 Registry and Licensing Business Advisory Committee

The Registry and Licensing Business Advisory Committee provides an ongoing means of direct consultation with the business community, providing input and opinion on the impact of current and proposed registry and licensing services, with particular emphasis on small business.

The committee's scope includes advice on strategic directions, performance feedback, and reporting on the trends and needs of business. It meets twice per year and advises on proposed legislative change and on the appropriateness of corporate registry objectives and initiatives, with a focus on the impact on business and ASIC operations.

The committee members are drawn from a wide range of business, industry and professional organisations. Each member of the committee represents an area of experience and expertise relevant to the planning and delivery of ASIC's registry and licensing objectives and initiatives. They contribute their knowledge, experience and expertise of business, industry and ASIC to the advisory process.

The committee members in 2014–15 were:

- ◆ Greg Tanzer, Commissioner, Australian Securities and Investments Commission (Committee Chair)
- ◆ Chris Boys, Dun & Bradstreet
- ◆ Robin Buckham, Family Business Australia
- ◆ Hugh Elvy, Chartered Accountants Australia and New Zealand
- ◆ Judith Fox, Chartered Secretaries Australia
- ◆ Deborah Hambleton, Law Council of Australia
- ◆ Daryl Koch, Institute of Public Accountants
- ◆ Colin Porter, CreditorWatch
- ◆ Warren Renden, BGL Corporate Solutions
- ◆ Nicola Steele, Australian Institute of Company Directors
- ◆ Peter Strong, Council of Small Business Organisations of Australia
- ◆ Anna Tantau, CPA Australia
- ◆ Claire Wivell Plater, The Fold Legal Pty Ltd
- ◆ Myron Zlotnick, Reckon Group.

We would like to thank Andrew Madry, Geoff Nicoll, Wayne Debernardi and Paula Allen, outgoing representatives of the Australian Institute of Company Directors, Law Council of Australia, Institute of Public Accountants and Chartered Accountants Australia and New Zealand respectively, for their valuable contributions.

During 2014–15, the committee was actively engaged by the Department of Finance Scoping Study working group in providing feedback on and input into the future ownership options being considered for the registry business. In addition, the committee contributed to ASIC's strategies for increasing online registry interaction, the re-platforming of the ASIC website and enhancements within the ASIC Customer Contact Centre. The committee received updates about ASIC's continued improvements to registry services, including the introduction of the new Financial Advisers Register made available to the public in March 2015 and the publishing of information from ASIC registers on the www.data.gov.au website.

5.4 Portfolio budget statement outcomes

ASIC's outcomes for 2014–15 are reported below against the Government's Portfolio Budget Statements.

Outcome 1: Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems

Program 1.1: Australian Securities and Investments Commission

Program 1.1 objective: Program 1.1 contributes to Outcome 1 by improving industry behaviour where market integrity and consumer confidence are most at risk, helping consumers and retail investors make well-informed decisions in the financial economy, and supervising Australia's financial markets.

This program also seeks to improve ASIC's registry and stakeholder services by developing initiatives for business and consumer stakeholders to simplify and reduce the cost of interactions with ASIC.

Program 1.1 deliverables	Key performance indicators	2014–15 key outcomes
Confident and informed investors and financial consumers		
<ul style="list-style-type: none"> ♦ Educate investors and promote information about risk, reward and diversification so that they can make informed investment decisions ♦ Recognise how investors and financial consumers make decisions ♦ Supervise those in the financial services sector for instances of misconduct ♦ Hold people with a trusted role in the financial system (gatekeepers, such as auditors, directors, advisers, custodians, product manufacturers and distributors, market operators and participants) to account if they are not meeting their obligations 	<ul style="list-style-type: none"> ♦ Investors and financial consumers can make informed decisions ♦ Product issuers, credit providers and advisers meet required standards ♦ Fair and efficient processes are in place for resolution of disputes 	<p>Engagement</p> <ul style="list-style-type: none"> ♦ 627 meetings with industry groups and other stakeholders ♦ 6 consultation papers published ♦ 581 relief applications received – 409 approved, 41 refused, 59 withdrawn, 72 in progress ♦ Oversight of two ASIC-approved external dispute resolution schemes <p>Education</p> <ul style="list-style-type: none"> ♦ 5.4 million unique visits to ASIC's MoneySmart website, which provides free, impartial and comprehensive investor and financial consumer information on money matters – 89% of users took action after visiting MoneySmart ♦ ASIC's TrackMySPEND app downloaded over 106,000 times ♦ 3,185 schools engaged with MoneySmart Teaching with over 76,000 teaching resources distributed ♦ More than 965 stakeholders reached by our Indigenous outreach team, including consumer advocates, government agencies, financial counsellors and industry <p>Surveillance</p> <ul style="list-style-type: none"> ♦ 557 high-intensity surveillances completed, including proactive, risk-based surveillances focused on financial advice (life insurance and SMSFs), property schemes disclosure, payday lenders and home building and motor vehicle insurance ♦ 54 instances of potentially misleading or deceptive promotional material withdrawn or amended

5.4 Portfolio budget statement outcomes continued

Program 1.1 deliverables	Key performance indicators	2014–15 key outcomes
Confident and informed investors and financial consumers (continued)		
		<p>Guidance</p> <ul style="list-style-type: none"> ◆ 9 new or revised regulatory guides published, including on superannuation forecasts ◆ 13 new or revised information sheets ◆ 19 legislative instruments, including amendments and repeals <p>Enforcement</p> <ul style="list-style-type: none"> ◆ 88 investigations and 114 criminal and civil litigation and administrative actions completed, including 7 criminal proceedings with 3 imprisonments, resulting in punitive, protective, compensatory and negotiated outcomes ◆ \$35.2 million in compensation or remediation secured for investors and financial consumers ◆ 92 individuals or companies banned from providing financial services or credit services ◆ Action taken on, for example, breaches by financial services directors and officers, loan fraud and misleading representations <p>Policy advice</p> <ul style="list-style-type: none"> ◆ Several submissions to Senate and Parliamentary Joint Committee Inquiries ◆ Policy advice in areas such as cross-border marketing of managed funds and technical assistance to Indonesia <p>See 'Outcomes in detail – Priority 1' for more information.</p>
Fair and efficient financial markets		
<ul style="list-style-type: none"> ◆ Supervise equities and derivatives markets for instances of market misconduct ◆ Supervise market operators for compliance with statutory obligations ◆ Promote good corporate governance ◆ Hold people with a trusted role in the financial system to account if they are not meeting their obligations 	<ul style="list-style-type: none"> ◆ Participants in financial markets meet required standards ◆ Financial markets are orderly and efficient ◆ Issuers and their officers meet required standards 	<p>Engagement</p> <ul style="list-style-type: none"> ◆ 876 meetings with industry groups and other stakeholders ◆ 7 consultation papers published ◆ 1,576 relief applications received – 1,064 approved, 106 refused, 268 withdrawn, 138 in progress <p>Surveillance</p> <ul style="list-style-type: none"> ◆ 459 high-intensity surveillances completed, including proactive, risk-based surveillances focused on financial benchmarks, retail OTC derivative trading, fundraising disclosure, financial reporting, auditors and registered liquidators ◆ 37,763 trading alerts produced as part of our real-time supervision of financial markets, with further inquiries into 214 matters

Program 1.1 deliverables

Key performance indicators

2014–15 key outcomes

Fair and efficient financial markets (continued)

Guidance

- ◆ 13 new or revised regulatory guides published, including guidance on the resignation, removal and replacement of auditors
- ◆ 10 new or revised information sheets
- ◆ 20 legislative instruments, including amendments and repeals

Enforcement

- ◆ 143 investigations and 53 criminal and civil litigation and administrative actions completed, including 18 criminal proceedings with 9 imprisonments, resulting in punitive, protective, compensatory and negotiated outcomes
- ◆ 355 additional summary prosecutions for strict liability offences
- ◆ \$943,418 in compensation or remediation secured for investors and financial consumers
- ◆ 40 individuals disqualified or removed from directing companies
- ◆ Actions taken on, for example, market manipulation and insider trading, directors' duties and other breaches of the Corporations Act

Policy advice

- ◆ Several submissions to Senate and Parliamentary Joint Committee Inquiries
- ◆ Policy advice on, for example, corporate bonds, OTC derivative reforms, cyber resilience and financial benchmarks

See 'Outcomes in detail – Priority 2' for more information.

Efficient licensing and registration

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> ◆ Provide stakeholders with a modern, efficient, accurate and cost-effective corporate register and licensing system ◆ Improve public access to information about registered and licensed entities ◆ Reduce costs and red tape for business by making it easier to transact with ASIC ◆ Administer the law to enhance commercial certainty and reduce business costs | <ul style="list-style-type: none"> ◆ Registration and licensing is efficient, accurate and cost effective for business ◆ Business complies with ongoing registration and licensing obligations ◆ The public has easy access to information on ASIC registers | <ul style="list-style-type: none"> ◆ 235,182 new companies registered ◆ \$120.7 million in estimated savings in fees to register or renew business names (from the introduction of the national Business Names Register in May 2012) ◆ Over 888,000 calls and online inquiries responded to by our Customer Contact Centre ◆ 87% of 2.7 million forms lodged online <p>See 'Outcomes in detail – Priority 3' for more information.</p> |
|---|---|--|

5.4 Portfolio budget statement outcomes continued

Program 1.1 deliverables	Key performance indicators	2014–15 key outcomes
Misconduct is dealt with and deterred		
<ul style="list-style-type: none"> Misconduct is dealt with and deterred across all three priorities 	<ul style="list-style-type: none"> Clear alignment between ASIC enforcement actions and key risk areas Improved stakeholder perceptions of how ASIC deals with people who do not comply with the law 	<ul style="list-style-type: none"> 631 enforcement outcomes achieved, including criminal and civil litigation, administrative action and enforceable undertakings \$36.1 million in total compensation or remediation secured for investors and financial consumers <p>These outcomes are designed to punish wrongdoers, protect investors, or compensate people, as well as resolve matters through negotiation or issuing infringement notices. The considerations leading to enforcement outcomes can be varied, as can their effects, and we typically pursue a combination of remedies. See Information Sheet 151 <i>ASIC's approach to enforcement</i> for more detail. See 'Outcomes in detail' for more information.</p>

Program 1.2 *Banking Act 1959, Life Insurance Act 1995, unclaimed money and special accounts*

Program 1.2 objective: ASIC is responsible for the administration of unclaimed money from banking and deposit-taking institutions and life insurance institutions.

Program 1.2 deliverables	Key performance indicators	2014–15 key outcomes
<ul style="list-style-type: none"> Provide an accurate register of unclaimed money and special accounts administered by ASIC 	<ul style="list-style-type: none"> Refunds of unclaimed money are paid to successful claimants promptly Payments of money from special accounts are paid out promptly in accordance with the specified purposes or appropriate legislation 	<ul style="list-style-type: none"> ASIC received \$209.6 million in unclaimed money – approximately \$158.4 million was paid out in claims, including \$3.9 million in interest ASIC paid money for banking and life insurance unclaimed money in an average of 12 days and company unclaimed money in an average of 18 days

5.4.1 Agency resource statement 2014–15

		Actual available appropriation for 2014–15 \$'000s	Cash payments made ¹ 2014–15 \$'000s	Balance remaining 2014–15 \$'000s
Ordinary annual services²				
Departmental				
Departmental appropriation ³		441,607	345,007	96,600
Administered expenses				
Outcome 1 – Assetless				
Administration Fund		7,891	2,638	N/A
Total ordinary annual services	A	449,498	347,645	N/A
Other services				
Departmental non-operating				
Equity injections ⁴		16,929	10,799	6,130
Total other services	B	16,929	10,799	6,130
Total available annual appropriations (A+B)		466,427	358,444	N/A
Special appropriations limited by criteria/amount				
<i>Banking Act 1959</i>		N/A	117,093	N/A
<i>Life Insurance Act 1995</i>		N/A	10,342	N/A
Total special appropriations	C	N/A	127,435	N/A
Total appropriations excluding Special Accounts (A+B+C)		466,427	485,879	N/A
Special Account⁵				
Opening balance		51,900	N/A	N/A
Appropriation receipts		27,000	N/A	N/A
Costs recovered		428	N/A	N/A
Payments made		N/A	17,201	N/A
Total Special Account	D	79,328	17,201	N/A
Total resourcing (A+B+C+D)		545,755	503,080	N/A
Less appropriations drawn from annual appropriations above and credited to Special Accounts		(27,000)	–	N/A
Total net resourcing for ASIC		518,755	503,080	N/A

1. Does not include GST.

2. Appropriation Bill (No. 1) 2014–15, prior year departmental appropriation and s74 of the PGPA Act relevant agency receipts.

3. Includes \$15.2m for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

4. Appropriation Bill (No. 2) 2014–15, Appropriation Bill (No. 4) 2014–15 and s75 of the PGPA Act transfer.

5. Does not include Special Public Money.

5.4 Portfolio budget statement outcomes continued

5.4.2 Expenses by outcome

	Budget¹ 2014–15 (1) \$'000s	Actual expenses 2014–15 (2) \$'000s	Variance column (1) minus column (2) \$'000s
Outcome 1: Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.			
A Administered expenses funded by administered appropriations	7,891	6,643	1,248
B Departmental expenses funded by departmental appropriations and own-source revenue	365,851	312,920	52,931
Total for Outcome 1 (A + B)	373,742	319,563	54,179
Average FTE ²	1,573	1,609	(36)

1. Based on the 2014–15 forecast as set out in ASIC's 2015–16 Portfolio Budget Statements.

2. 2015–16 Portfolio Budget Statements quoted the average staffing level which is different from FTE. The average staffing level includes employees working on capital projects while the FTE excludes employees working on capital projects.

5.5 Six-year summary of key stakeholder data

5.5.1 Summary of key stakeholder data, 2009–15

Business data	2014–15	2013–14	2012–13	2011–12	2010–11	2009–10
Companies (total)	2,245,364	2,118,666	2,012,241	1,921,545	1,839,772	1,768,526
New companies registered	235,182 ¹	212,573	192,211	176,062	163,276	157,667
AFS licensees	5,198	5,101	5,043	4,955	4,883	4,874
Authorised financial markets	43 ²	40	18	18	17	16
Licensed clearing and settlement facilities	7	6	6	5	5	5
Registered company auditors	4,596	4,729	4,852	4,985	5,114	5,207
Registered liquidators	711	696	685	680	669	664
Registered managed investment schemes	3,642	3,673	4,152	4,289	4,270	4,339
Credit licences	5,779	5,837	5,856	6,004	6,081	N/A ⁵
Fundraising documents lodged	1,078	1,095	821	799	957	880
Products the subject of product disclosure 'in-use' notices	5,023	5,461	4,988	4,758	4,593	4,698
Takeovers	43	59	45	55	72	73
Fundraising where ASIC required additional disclosure	\$10.6bn	\$6.7bn	\$3.5bn	\$7bn	\$3.4bn	\$6.0bn
Recoveries, costs, compensation, fines or assets frozen	\$61.1m	\$214.6m	\$222.4m	\$19.8m	\$113m	\$302m
% successful criminal and civil litigation ³	85%	90%	95%	92%	90%	91%
Criminal and civil litigation and administrative actions concluded ⁴	167	149	144	179	202	156
Criminals imprisoned	12	14	9	20	16	12
Reports of crime or misconduct finalised	9,669	10,530	11,682	12,516	15,634	13,372
Total searches of ASIC databases	86.2m	76.2m	68.0m	71.2m	68.5m	61.0m
Business names (total)	2,153,959	1,994,001	1,740,780	1,488,898	N/A ⁵	N/A ⁵

5.5 Six-year summary of key stakeholder data continued

Business data	2014–15	2013–14	2012–13	2011–12	2010–11	2009–10
New business names registered	327,687	299,988	274,349	19,131	N/A ⁵	N/A ⁵
Registered SMSF auditors	6,669	7,073	5,935	N/A ⁵	N/A ⁵	N/A ⁵
% company data lodged on time	96%	96%	95%	95%	95%	95%
Fees and charges collected for the Commonwealth	\$824m	\$763m	\$717m	\$664m	\$622m	\$582m
Staff (average FTEs) ⁶	1,609	1,773	1,832	1,716	1,862	1,863

1. Successful and completed registrations.

2. This includes domestic and overseas financial markets that are licensed to operate in Australia as well as financial markets that are exempt from the requirement to be licensed.

3. Excludes administrative actions and summary prosecutions for strict liability offences.

4. Excludes summary prosecutions for strict liability offences.

5. N/A means not applicable because legislative requirements had not commenced.

6. Data rounded. Excludes contractors and secondees from other agencies.

5.6 Reports required under statute and other reporting requirements

5.6.1 Australian Securities and Investments Commission Act 2001

As required by s136(2)(e), ASIC reports that in 2014–15 we did not exercise our powers under Part 15 of the *Retirement Savings Account Act 1997*. No applications were received to do so.

ASIC issued two legislative instruments under Part 29 of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) in 2014–15 relating to various SIS Act requirements. ASIC also issued two individual instruments under that Part.

As required under s136(2)(g), ASIC reports that during 2014–15 we conducted an inspection of one Australian audit firm jointly with the US Public Company Accounting Oversight Board (PCAOB) under the terms of an agreement between the two organisations.

In connection with this joint inspection, ASIC shared certain information with the PCAOB under s11(14) of the ASIC Act. The inspection focused on audit quality and included review of the firm's quality control systems relating to audit, auditor independence systems, and working papers for selected audit engagements.

ASIC did not conduct any joint inspections with the Canadian Public Accountability Board or share any information with them under the relevant provisions of the ASIC Act during 2014–15.

5.6.2 Commonwealth fraud control guidelines

During 2014–15, ASIC has reviewed our fraud exposures and has an approved fraud control policy and plan in place. ASIC has appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes in place to minimise the effects of fraud and to comply with the Commonwealth fraud control guidelines.

5.6.3 Compensation for detriment caused by defective administration

There was one payment made in 2014–15, for \$6,655, under the Scheme for Compensation for Detriment caused by Defective Administration (CDDA Scheme).

5.6.4 External scrutiny of agency

Judicial decisions and decisions of administrative tribunals

There were no judicial decisions, administrative tribunal decisions or decisions by the Australian Information Commissioner in 2014–15 that have had, or may have, a significant impact on ASIC's operations.

Reports by Parliamentary Joint Committee on Corporations and Financial Services

There has been one ASIC oversight report between 1 July 2014 and 30 June 2015.

The report on the 2013–14 annual report of bodies established under the ASIC Act was tabled on 30 April 2015.

Senate Standing Committees on Economics

During 2014–15, ASIC testified before the Senate Economics Committees numerous times and provided answers to Questions on Notice.

ASIC welcomed the Government's response to the Senate Economics References Committee's report into the performance of ASIC on 24 October 2014. The Government response noted ASIC has already implemented, or is working to implement, many of the Committee's recommendations to ensure we can contribute to better market outcomes for Australian consumers and business.

5.6 Reports required under statute and other reporting requirements *continued*

Reports by Auditor-General

The Auditor-General issued Audit Report No. 38 2014–15, *Administration of enforceable undertakings*, on 2 June 2015.

The Australian National Audit Office (ANAO) audited the effectiveness of ASIC's administration of enforceable undertakings.

The ANAO Audit Report found that:

- ♦ ASIC's decisions and actions regarding enforceable undertakings are underpinned by a structured compliance and enforcement approach
- ♦ in general, we have effectively administered the enforceable undertakings we have negotiated and accepted
- ♦ we have accepted offers of enforceable undertakings consistently, transparently and in accordance with our policies and procedures.

The ANAO made two recommendations aimed at improving ASIC's measurement and reporting of the effectiveness of enforceable undertakings and our documentation of key decisions relating to enforceable undertakings:

1. To assess the effectiveness of enforceable undertakings as an appropriate regulatory tool and their contribution to ASIC achieving our compliance objectives, the ANAO recommended that ASIC:
 - (a) develop appropriate performance measures to monitor the effectiveness of enforceable undertakings in addressing non-compliance, and regularly report against these measures; and
 - (b) periodically assess and report on the effectiveness of enforceable undertakings in contributing to improved levels of voluntary compliance.
2. To strengthen decision making and support the transparency of, and quality assurance over, enforceable undertakings, the ANAO recommended that ASIC:
 - (a) reinforce to staff the need for all key documents and decisions relating to enforceable undertakings to be

appropriately recorded in accordance with ASIC policies and procedures; and

- (b) formalise the processes for obtaining enforceable undertaking approvals, including the use of standard forms for all enforceable undertakings.

We have accepted these recommendations and are implementing them.

5.6.5 Freedom of Information Act 1982

Members of the public have the right to apply to ASIC for access to documents in ASIC's possession under the *Freedom of Information Act 1982* (FOI Act).

Applications must be in writing, state that they are made under the FOI Act, provide information to identify the documents requested and provide details of where notices under the FOI Act can be sent to the applicant.

Requests by email should be sent to:

foirequest@asic.gov.au

or you may lodge a mail request to:

The Senior Manager
Administrative Law Team
GPO Box 9827
Melbourne VIC 3001

For further information on how to apply, visit www.asic.gov.au.

Categories of documents in ASIC's possession include:

in relation to operational matters:

- ♦ licence and professional registration applications
- ♦ applications from businesses, correspondence, internal working papers, policy proposals and submissions
- ♦ administrative, civil and criminal enforcement matters, including documents obtained under ASIC's compulsory powers

in relation to other matters:

- ♦ law reform, including submissions and proposal papers

- ♦ correspondence with members of the public, government entities, parliamentary committees, business entities and other bodies
- ♦ administration, including accommodation, accounts, expenditure, invoices, audit, human resources, recruitment and staff management, delegation and authorisation
- ♦ reference materials, including those contained in the library, handbooks, guidelines, manuals, regulatory documents, media releases, information releases, pamphlets and annual reports
- ♦ other documents held as public database information (in ASCOT).

Members of the public can inspect ASIC regulatory documents, information brochures, media releases, reports, legislative instruments and other regulatory publications on the ASIC website, www.asic.gov.au.

ASIC Digest, which includes ASIC regulatory documents and additional information, is published by Thomson Reuters under the terms of an agreement with ASIC.

ASIC Digest is available by subscription from Thomson Reuters, phone 1300 304 197.

Information from ASIC's registers and databases that is available to the public for the payment of a fee cannot be obtained under the FOI Act.

Agencies subject to the FOI Act are required to publish information for the public as part of the Information Publication Scheme (IPS). This requirement is in Part 2 of the FOI Act and has replaced the former requirement to publish a s8 statement in an annual report.

ASIC's Information Publication Scheme Plan, showing what information is published in accordance with the IPS requirements, is available on the ASIC website, www.asic.gov.au.

5.6.6 Grants programs

The Assetless Administration Fund (AA Fund) is a grant scheme established by the Australian Government and administered by ASIC.

The scheme may fund liquidators for:

- ♦ preliminary investigations and reports into the failure of companies that have few or no assets, where it appears that enforcement action may result from the investigations and reports
- ♦ the winding up of companies under Part 5.4C of the Corporations Act
- ♦ actions to recover assets where fraudulent or unlawful phoenix activity is suspected.

The funding allocation for 2014–15 was \$3.571 million. ASIC paid and committed \$3.544 million to liquidators in 2014–15.

In 2014–15, under the grant scheme, ASIC received:

- ♦ 569 banning (EX02) applications, a 23% increase on applications received in 2013–14
- ♦ 136 'Matters other than section 206F – Director banning' (EX03) applications, a 12% increase on applications received in 2013–14
- ♦ 20 winding-up activities.

In total, ASIC received 705 applications for funding in 2014–15 – the highest number ever received.

Reports funded by the AA Fund assisted in approximately 84% of director bannings (27 out of 32), an increase of 8% on 2013–14.

Information on grants by ASIC under the AA Fund is available on the ASIC website at www.asic.gov.au/aafund.

5.7 Consultancies and expenditure on advertising

5.7.1 Commonwealth Electoral Act 1918

Section 311A of the *Commonwealth Electoral Act 1918* requires agencies to report on expenditure on services provided by advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. Sums less than \$12,400 are not required to be reported. All sums are GST inclusive, and are actual expenditure for 2014–15.

Information on advertising campaign expenditure greater than \$250,000 is available in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available at www.finance.gov.au/advertising/index.html.

Expenditure on advertising agency services in 2014–15

Agency	Expenditure	Purpose
Spinach Advertising	\$284,411	MoneySmart advertising campaign development
Mitchell and Partners	\$1,475,958	Advertising placement for MoneySmart campaign
Mediabrand	\$191,400	Search optimisation services

Expenditure on services by market research,¹ polling, direct mail and media advertising organisations in 2014–15

Agency	Expenditure	Purpose
EY Sweeney Research	\$102,740	MoneySmart brand tracking program and Australian Financial Attitudes and Behaviour tracker
EY Sweeney Research	\$64,350	Consumer qualitative research – MoneySmart
Latitude Insights	\$78,760	Consumer research for advertising development
Latitude Insights	\$26,290	Investment risk user testing
ORIMA Research	\$78,779	Staff survey
Royal Melbourne Institute of Technology (RMIT)	\$65,404	Quantitative research – consumer leases

1. We have listed market research organisations that are recognised by the Australian Market & Social Research Society (AMSRS) and the Association of Market and Social Research Organisations (AMSRO).

5.7.2 Managing procurement

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) primarily govern ASIC's use of Commonwealth resources and expenditure of public money. Responsibility for compliance with the Commonwealth Procurement Rules (CPRs) lies with the appropriate financial delegates.

The delegates are supported by a central procurement team of qualified procurement officers who:

- ♦ develop and maintain ASIC's procurement processes and systems designed to promote compliance with the PGPA Act, PGPA Rule and the CPRs for all levels of procurement
- ♦ manage complex and/or high-risk procurement activities, including procurements that are subject to the Mandatory Procurement Procedures of the CPRs.

ASIC's procurement framework aims to facilitate compliance with the core principles and policies of the CPRs, including 'value for money', 'encouraging competition', 'efficient, effective, ethical and economical use of resources' and 'accountability and transparency'. ASIC undertakes regular audits of procurement and any instances of non-compliance are reported through the Compliance Report and addressed as required through process improvement initiatives.

All major contracts entered into in 2014–15 contained provisions, as required, allowing the Auditor-General access to information held by contractors relating to contract performance.

5.7.3 Using AusTender

ASIC advertises all open tender opportunities through the AusTender website, www.tenders.gov.au.

During 2014–15, ASIC implemented seven standing offer arrangements (procurement panels), including six cooperative arrangements,

and awarded 775 procurement activities (each valued at \$10,000 or more reported on AusTender) for a total value of \$86.1 million. Of these procurements, 226 were valued in excess of \$80,000 for a total value of \$67.3 million.

Contracts of \$100,000 or more were reported on ASIC's website, in accordance with the Senate order on departmental and agency contracts. Information on contracts and consultancies awarded by ASIC is also available on the AusTender website. ASIC's annual procurement plan was published on AusTender by 1 July 2014 and was updated as required during the year.

There were no contracts that were exempt from the contract reporting requirements.

5.7.4 Consultancy contracts

During 2014–15, 63 new consultancy contracts were entered into, involving total expenditure of \$2.354 million. In addition, 23 ongoing consultancy contracts were active during the year, involving total expenditure of \$1.313 million.

Consultancy trend data

	2014–15	2013–14	2012–13	2011–12
Number of new consultancies	63	65	62	26
Expenditure on new consultancies (millions)	\$2.354	\$2.209	\$4.242	\$2.828
Number of ongoing consultancies	23	30	16	6
Expenditure on ongoing consultancies (millions)	\$1.313	\$2.364	\$3.961	\$1.704

Note: The above figures are GST inclusive and include all consultancies valued over \$10,000 as indicated on AusTender. The figures differ from the consultancy expenditure shown on page 120 of the financial statements which is the value of all consulting costs exclusive of GST. Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website, www.tenders.gov.au.

5.7 Consultancies and expenditure on advertising

continued

5.7.5 Policy on selection and engagement of consultants

ASIC's consultancy budget is managed centrally and business units seeking to engage consultants are required to prepare a business case seeking funding. Requests to engage consultants must be linked to outcomes in business plans and contribute to ASIC's strategic priorities. Once the engagement of a consultant is approved, the procurement method used will be in accordance with the Commonwealth Procurement Rules and ASIC's procurement policies.

Of the 63 consultants engaged by ASIC during 2014–15, 39 were for specialised or professional skills, 14 were for skills not currently available within ASIC and 10 were for independent research or assessment. The method of procurement used was open tender for 23 engagements (including engagements from panels), limited tender for 39 engagements and pre-qualified tender for one engagement.

The main categories for which the consultants were engaged were:

- ♦ business intelligence consulting services
- ♦ information technology consulting services
- ♦ market research
- ♦ software maintenance and support
- ♦ education and training services
- ♦ strategic planning consultation services.

5.7.6 Procurement initiatives to support small business

ASIC supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website, www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/.

ASIC recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on Treasury's website, www.treasury.gov.au.

ASIC's procurement practices support small businesses by:

- ♦ encouraging the use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000 where applicable
- ♦ presenting information in an accessible format
- ♦ encouraging the use of payment cards.

5.8 ASIC's use of its significant compulsory information-gathering powers

Since 2010–11, ASIC has reported the use of our significant compulsory information-gathering powers under statute. This appendix discloses data by number of instances in 2014–15, with comparative data for 2013–14.

Use of significant compulsory information-gathering powers		No. of notices 2014–15	No. of notices 2013–14
Appear for examination			
s19 ASIC Act ¹	Requirement to appear for examination	575	512
s58 ASIC Act	Power to summons a witness and take evidence	0	0
s253 National Credit Act ¹	Requirement to provide reasonable assistance	50	81
Give reasonable assistance			
s1317R Corporations Act	Power to require assistance in prosecutions	3	5
s49(3) ASIC Act	Power to require reasonable assistance in prosecutions	24	58
s51 National Credit Act	Requirement to provide reasonable assistance	0	0
s601FF Corporations Act	Power to conduct surveillance/monitor managed investment scheme	0	0
s274(4) National Credit Act	Requirement to provide reasonable assistance	0	6
s912E Corporations Act	Power to require assistance and disclosure of books and information from an AFS licensee	569	650
Produce documents			
s266 National Credit Act	Requirement to produce books (credit activities)	180	143
s267 National Credit Act	Requirement to produce books	119	221
s30 ASIC Act	Notice to produce books about affairs of body corporate or registered scheme	1,146	1,059
s31 ASIC Act	Notice to produce books about financial products	61	116
s32A ASIC Act	Notice to produce books about financial services	1	1
s33 ASIC Act	Notice to produce books in person's possession	1,292	1,199
Provide access			
s29 ASIC Act	Power to inspect books	1	0
s821D Corporations Act	Power to require access to a CS facility	1	0

1. These notices may also include directions to provide reasonable assistance or produce documents.

5.8 ASIC's use of its significant compulsory information-gathering powers *continued*

Use of significant compulsory information-gathering powers		No. of notices 2014–15	No. of notices 2013–14
Provide information			
s12GY(2) ASIC Act	ASIC to require claims to be substantiated	0	0
s37(9)(a) ASIC Act	Power requiring explanation of books	2	0
s601HD Corporations Act	Power to request information about compliance plan of a registered scheme	0	0
s49(1) National Credit Act	Requirement to provide information (statement)	74	66
s912C Corporations Act	Power to require information from an AFS licensee	516	408
Item 17 Sch 2 National Credit Act	Power to require information (obtain statement or audit report)	0	0
s672A Corporations Act	Power to require disclosure of relevant interests	32	55
s672B Corporations Act	Power to require disclosure of relevant interests	0	1
s37(4) National Credit Act	Power to request information or audit report from licence applicant	0	0
s792D Corporations Act	Power to require reasonable assistance from a market licensee	16	3
Provide information and produce books			
s30A ASIC Act	Notice to auditors requiring information or books	61	43
Search warrants			
s3E <i>Crimes Act 1914</i>	Warrants to search premises/conveyance or person	25 ²	27
s36 ASIC Act	Warrant to search premises	0	0
Use of other powers			
Obligations of carriers and carriage service providers			
s313 <i>Telecommunications Act 1997</i>	Request for help as is reasonably necessary for enforcing the criminal law and laws imposing pecuniary penalties	0	0
Provide documents, information or evidence			
s10(2) <i>Mutual Assistance in Business Regulation Act 1992</i>	Requirement to produce documents, to give information or to appear to give evidence and produce documents	17	24

2. Of the 25 warrants issued (for four individual investigations), 20 were executed.

Glossary

AA Fund	Assetless Administration Fund
AFS licence	Australian financial services licence
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASIC Connect	ASIC's online portal for business name registration and searching companies, business names and other registers
ASX	ASX Limited or the exchange market operated by ASX Limited
blockchain	A distributed electronic ledger of all publicly verifiable transactions between users on a network
Business Names Register	ASIC's national business names registration service
CALDB	Companies Auditors and Liquidators Disciplinary Board
Corporations Act	<i>Corporations Act 2001</i>
crowd-sourced equity funding	An innovative form of fundraising that allows a large number of individuals to make small equity investments in a company
cyber resilience	An organisation's ability to prepare for, respond to and recover from a cyber attack
dark liquidity or dark pools	A type of matching system characterised by the absence of pre-trade transparency, meaning that bids and offers are not made publicly available as is the case with, for example, ASX's central order limit book
derivative	A financial instrument where the value is derived from an underlying asset, such as a share, commodity or index
DPP	Director of Public Prosecutions
fintech	Financial technology
FOFA reforms	The Government's Future of Financial Advice reforms, which aim to improve the conduct of financial advisers and the way that retail clients engage with advisers and advice
G20	Group of 20 of the world's largest economies (19 countries and the European Union)
G20 commitments	Commitments made by the G20 nations in September 2009 for the operation of OTC derivative markets
hedge fund	A fund that aims to make money in both rising and falling markets by using strategies such as options and futures contracts to minimise any losses

high-frequency trading	While there is no commonly agreed definition of high-frequency trading, it is characterised by: the use of high-speed computer programs to generate, transmit and execute orders on markets; the generation of large numbers of orders, many of which are cancelled rapidly; and typically holding positions for very short time horizons and ending the day with a zero position
hybrid securities	Securities that combine 'equity-like' and 'debt-like' characteristics
Innovation Hub	ASIC's online hub providing tailored content for fintech businesses that are developing innovative financial products or services
IOSCO	International Organization of Securities Commissions
MoneySmart	ASIC's consumer website, which provides money tips and tools, and aims to help consumers and investors make financial decisions that improve their lives
NABERS	National Australian Built Environment Rating System
National Credit Act	<i>National Consumer Credit Protection Act 2009</i>
National Financial Literacy Strategy	The National Financial Literacy Strategy, developed by ASIC, provides national direction for this priority area. The Strategy was comprehensively reviewed and updated by ASIC during 2013–14, identifying key issues and priorities for 2014–17, and launched on 1 August 2014
OTC	Over-the-counter
payday lending	Small-amount or short-term loans to individuals that generally attract significantly higher interest rates and costs than other types of loans
phoenix activity	Transferring assets of an indebted company to a new company to avoid paying creditors, tax or other employee entitlements
robo-advice	Financial advice that is either completely automated advice (i.e. with no human involvement), or automated advice with some human input
SMSF	Self-managed superannuation fund
substituted compliance	Australian market participants are allowed to rely on their compliance with Australian requirements when seeking to operate in another jurisdiction, as a substitute for that jurisdiction's requirements
Women's Money Toolkit	Free online resource, available on the MoneySmart website, to help Australian women manage their finances, make money decisions at key life stages and enhance their financial wellbeing

Reporting requirements under the Public Service Act

Part of report	Description	Requirement	Location (page/s)
	Letter of transmittal	Mandatory	1
	Table of contents	Mandatory	Inside front cover
	Index	Mandatory	186
	Glossary	Mandatory	177
	Contact officer(s)	Mandatory	Inside back cover
	Internet home page address and internet address for report	Mandatory	Inside back cover
Review by Secretary	Review by departmental Secretary	Mandatory	2–5
	Summary of significant issues and developments	Suggested	2–5
	Overview of department's performance and financial results	Suggested	2–14, 32
	Outlook for following year	Suggested	5
	Significant issues and developments – portfolio	Portfolio departments – suggested	Not applicable
Departmental overview	Role and functions	Mandatory	18–22
	Organisational structure	Mandatory	23–24
	Outcome and program structure	Mandatory	2, 6–11, 25–27
	Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	161–166
	Portfolio structure	Portfolio departments – mandatory	Not applicable

Compliance index continued

Part of report	Description	Requirement	Location (page/s)
Report on performance	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	6–11, 33–82, 167–168
	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	161–166
	Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	161–166
	Narrative discussion and analysis of performance	Mandatory	33–82
	Trend information	Mandatory	6–11, 22, 66, 72, 167–168, 173
	Significant changes in nature of principal functions/services	Suggested	Not applicable
	Performance of purchaser/provider arrangements	If applicable, suggested	Not applicable
	Factors, events or trends influencing departmental performance	Suggested	2–5, 11
	Contribution of risk management in achieving objectives	Suggested	2–5, 22, 28–29, 36–40, 52–57
	Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	78–79
	Discussion and analysis of the department's financial performance	Mandatory	32
	Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory	2–5, 28–29, 32
	Agency resource statement and summary resource tables by outcomes	Mandatory	165–166

Part of report	Description	Requirement	Location (page/s)
Corporate governance	Agency heads are required to certify their agency's actions in dealing with fraud	Mandatory	169
	Statement of the main corporate governance structure and process in place	Mandatory	154–155
	Names of the senior executives and their responsibilities	Suggested	15–16, 23–24
	Senior management committees and their roles	Suggested	23–24, 154–155
	Corporate and operational plans and associated performance reporting and review	Suggested	22
	Internal audit arrangements, including the approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	155
	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	5, 84–85
	How the nature and amount of remuneration for SES officers is determined	Suggested	
External scrutiny	Significant developments in external scrutiny	Mandatory	5, 12, 14, 21–22, 169–170
	Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	169
	Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Mandatory	5, 12, 14, 169–170

Compliance index continued

Part of report	Description	Requirement	Location (page/s)
Management of human resources	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	84–85
	Workforce planning, staff retention and turnover	Suggested	84–89
	Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	85
	Training and development undertaken and its impact	Suggested	84–85
	Work health and safety performance	Suggested	84
	Productivity gains	Suggested	
	Statistics on staffing	Mandatory	84–89
	Statistics on employees who identify as Indigenous	Mandatory	91
	Number of APS employees covered by enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	85
	The salary ranges for APS employees by classification level under Enterprise or collective agreements, IFAs, Determination, common law contracts and AWAs	Mandatory	87
	Non-salary benefits provided	Mandatory	84–85, 130–131
Performance pay	Mandatory	86	
Assets management	Assessment of effectiveness of assets management	If applicable, mandatory	Not applicable
Purchasing	Assessment of purchasing against core policies and principles	Mandatory	172–174
Consultants	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year, the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST), the number of ongoing consultancy contracts that were active in the reporting year, and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	173–174
Australian National Audit Office access clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	173

Part of report	Description	Requirement	Location (page/s)
Exempt contracts	Contracts exempt from publication in AusTender	Mandatory	173
Small business	Procurement initiatives to support small business	Mandatory	174
Financial statements	Financial statements	Mandatory	99–152
Other mandatory information	Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory	84
	Advertising and market research (s311A of the <i>Commonwealth Electoral Act 1918</i>), and statement on advertising campaigns	Mandatory	172
	Ecologically sustainable development and environmental performance (s516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	97–98
	Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	Not applicable
	Grant programs	Mandatory	171
	Disability reporting – explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	91
	Information Publication Scheme statement	Mandatory	171
	Correction of material errors in previous annual report	If applicable, mandatory	Inside back cover
	Agency Resource Statements and Resources for Outcomes	Mandatory	165–166
List of requirements	Mandatory	179–185	

Note: N/A means not applicable

Source: <https://www.dpmc.gov.au/pmc/publication/requirements-annual-reports-departments-executive-agencies-and-other-non-corporate-commonwealth-entities>.

Additional compliance reporting requirements

Part of report	Description	Requirement	Source of requirement	Location (page/s)
Additional requirements	Exercise of ASIC's powers under Part 15 of the <i>Retirement Savings Accounts Act 1997</i> and under Part 29 of the <i>Superannuation Industry (Supervision) Act 1993</i>	Mandatory	ASIC Act, s136(1)(a)	169

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Part of report	Description	Requirement	Source of requirement	Location (page/s)
Additional requirements	ASIC's monitoring and promotion of market integrity and consumer protection in relation to the Australian financial system and the provision of financial services	Mandatory	ASIC Act, s136(1)(b)	28–31, 34–63
	ASIC's activities in accordance with each agreement or arrangement entered into by ASIC under s11(14) of the ASIC Act	Mandatory	ASIC Act, s136(1)(c)	169
	The operation of the <i>Business Names Registration Act 2011</i> , including details of the level of access to the Business Names Register using the internet and other facilities, the timeliness with which ASIC carries out its duties, functions and powers under the Act, and the cost of registration of a business name under the Act	Mandatory	ASIC Act, s136(1)(d)	64–68
	The number of times ASIC used an information-gathering power, the provision of the Corporations Act, ASIC Act, or another law which conferred the power, and the number of times in the previous financial year ASIC used the power	Mandatory	ASIC Act, s136(1)(e), reg 8AAA(1)	175–176
	ASIC's regional administration in referring states and the Northern Territory, including a statement on our performance against service level performance indicators during the relevant period	Mandatory	Corporations Agreement, s603(3)	78–81
	Financial services and consumer credit external dispute resolution schemes	Suggested	Senate Economics References Committee inquiry into the performance of ASIC, Recommendation 4	14, 48
	Enforceable undertakings and their effectiveness	Suggested	Senate Economics References Committee inquiry into the performance of ASIC, Recommendation 27	7, 9, 14, 46, 61, 170

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Contact details

ASIC websites

For general information about ASIC, specific information for ASIC's regulated populations and to do business with ASIC, including searching ASIC's registers, registering and searching business names, and lodging and updating company or licence details, go to www.asic.gov.au.

For consumer and investor information, go to www.moneysmart.gov.au.

General inquiries

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To report misconduct to, or complain about, ASIC

Go to www.asic.gov.au/complain or phone 1300 300 630.

Media inquiries

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Annual Report 2014–15 publication details

ISSN 1448-3416 (Print)

ISSN 1448-370X (Online)

Annual Report 2013–14 errata

- ♦ On page 163 of the ASIC Annual Report 2013–14, we reported that we received 16 applications to grant relief under Pt 15 of the *Retirement Savings Account Act 1997* and the outcomes of these applications. We did not receive any such applications in 2013–14, and did not exercise our related powers in this period.
- ♦ On page 53 of the ASIC Annual Report 2013–14, we incorrectly reported that ASIC issued 626,746 renewal notices in 2013–14. ASIC issued 630,265 renewal notices in this period.

* ASIC uses Twitter to provide updates. Any Twitter replies and direct messages that contain helpful suggestions, feedback and improvement ideas are passed on to the right people. ASIC is not able to discuss personal circumstances via Twitter. ASIC cannot accept complaints – under the Corporations Act or any other statute or regulation – via Twitter. ASIC does not ask for confidential details via Twitter. Do not respond to such requests.

