



8

Appendices

8.1	Appendices relating to ASIC's governance and operations	198
8.2	Appendices relating to assessments	217
8.3	Appendices relating to statements required by law	221

8.1 Appendices relating to ASIC's governance and operations

Parliamentary oversight

Responsible Ministers

At 30 June 2020, the Minister responsible for ASIC was the Treasurer, the Hon. Josh Frydenberg MP.

Parliamentary Committees

ASIC is accountable to Parliament through the following Parliamentary committees:

- › Parliamentary Joint Committee on Corporations and Financial Services
- › Senate Standing Committee on Economics
- › House of Representatives Economics Committee.

Correspondence with members of Parliament

ASIC receives correspondence from members of Parliament both directly and indirectly through requests from Treasury.

We aim to respond to 100% of correspondence within 28 days of receipt. In 2019–20, we received 311 letters and emails from members of Parliament and finalised 302. We responded to 93% of this correspondence within 14 days and 99% within 28 days.

Financial and operational oversight

ASIC is a non-corporate Commonwealth entity under the PGPA Act, which primarily governs our use and management of public resources.

The PGPA Act also requires ASIC to prepare a corporate plan covering our purpose, environment, performance, capability, and risk oversight and management for the budget forward estimates period.

ASIC's Corporate Plan 2019–23 was published in August 2019.

ASIC's Interim Corporate Plan, to address the impact of the COVID-19 pandemic, was published in June 2020.

The Auditor-General audits our annual financial statements on behalf of the Parliament.

External scrutiny of our agency

Implementation of Royal Commission recommendations

The Royal Commission provided its final report to the Government on 1 February 2019. On 4 February 2019, the Treasurer released the Government's response to the Royal Commission recommendations.

We have remained focused on a range of initiatives we began before or in response to the Royal Commission's recommendations, and we are taking action on all Royal Commission recommendations directed at ASIC.

We have published regular updates on our actions to implement Royal Commission recommendations, including in February 2020: **20-047MR ASIC update on enforcement and regulatory work**.

Details of our actions are set out in Chapters 1 and 2.

Judicial decisions and decisions of administrative tribunals

There were no judicial decisions, administrative tribunal decisions, or decisions by the Office of the Australian Information Commissioner in 2019–20 that have had, or may have, a significant impact on ASIC's operations.

Parliamentary Joint Committees

During 2019–20, ASIC testified before the Parliamentary Joint Committee on Corporations and Financial Services and provided answers to Questions on Notice.

ASIC made submissions to the following Parliamentary Joint Committee inquiries:

- › Parliamentary Joint Committee on Corporations and Financial Services – Inquiry into the regulation of auditing in Australia
- › Parliamentary Joint Committee on Corporations and Financial Services – Inquiry into litigation funding and the regulation of the class action industry.

Senate Committees

During 2019–20, ASIC testified before the Senate Economics Legislation Committee and provided answers to Questions on Notice. ASIC also made a submission to the Senate Select Committee on Financial Technology and Regulatory Technology.

House of Representatives Committees

During 2019–20, ASIC testified before the House of Representatives Standing Committee on Economics and provided answers to Questions on Notice.

Corporate governance

The role of the Commission

The Commission is ASIC's governing body and is responsible for achieving ASIC's statutory objectives as set out in the ASIC Act. ASIC's Chair is ultimately responsible for the duties of the accountable authority contained in the PGPA Act, which form part of the executive responsibilities of governing ASIC.

The Commission is responsible for ASIC's strategic direction and priorities. ASIC's Executive Directors are responsible for the day-to-day management of ASIC's work.

In 2019–20, ASIC continued its program to reform its governance, structure and decision-making processes. As set out in Chapter 1, ASIC has introduced an accountability and governance framework in order to support the Commission in effective, efficient and impartial decision making.

Commission meetings take place twice a month and may be convened more regularly as required. The Commission also meets as a team on a weekly basis to provide early direction or guidance on issues, or to consider urgent matters.

The Commission sets ASIC's strategic priorities and organisational performance measures, allocates resources in line with these priorities and approves and monitors team business plans.

Commissioners are appointed by the Governor-General, on the nomination of the responsible Minister. The Minister may nominate only those people who are qualified by knowledge of, or experience in, business, the 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 the reasons set out in section 111 of the ASIC Act. The Remuneration Tribunal sets Commissioners' remuneration, which is not linked to their performance.

The ASIC Act requires Commissioners 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 expectations, understandings, arrangements or agreements for future business relationships.

Chris Savundra, General Counsel, is the primary source of legal advice to the Commission, providing legal counsel to the Commission 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 Executive Directors, Senior Executive Leaders, Regional Commissioners, and employees 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.

The Commission held 32 meetings in 2019–20. The Commission Enforcement Committee met 17 times, the Commission Regulatory Committee met eight times, and the Commission Risk Committee met five times in 2019–20.

Additional information on ASIC's governance is published on our website.

Audit Committee and audit services

The Audit Committee operates independently of management and plays a key role in assisting the Chair to discharge his responsibilities for the efficient, effective, economical and ethical use of Commonwealth resources. The Committee does this by providing independent assurance to the Chair on ASIC's financial and performance reporting, risk oversight and management,

and system of internal control. ASIC's Audit Committee Terms of Reference are available on our [website](#).

The Committee reviewed ASIC's 2019–20 financial statements and provided advice to the Chair and Commissioners on the preparation and review of financial statements before the Chair signed them. The Committee met four times during the year, supplemented by one special meeting.

Table 8.1.1 Audit Committee meetings, 2019–20

Member	Eligible to attend	Attended
Geoffrey Applebee		
First appointed as an independent committee member on 1 February 2010 and appointed as an independent committee member and Chair on 1 September 2015	1 main meeting 1 special meeting	1 1
Retired from the Committee on 31 August 2019		
Cathie Armour		
ASIC Commissioner	4 main meetings	3
First appointed as a committee member on 13 June 2018	1 special meeting	1
Peter Achterstraat AM		
First appointed as an independent committee member on 9 November 2017 and reappointed as a committee member and Chair on 1 November 2019	4 main meetings 1 special meeting	4 1
Timothy Montgomery		
Appointed as an independent committee member on 1 November 2019	3 main meetings	3
Lisa Woolmer		
Appointed as an independent committee member on 1 December 2019	2 main meetings	2

Table 8.1.2 Remuneration of independent Audit Committee members, 2019–20

Member	Fees for the 2019–20 year
Geoffrey Applebee	\$5,500
Peter Achterstraat AM	\$32,246
Timothy Montgomery	–
Lisa Woolmer	\$15,304

Geoffrey Applebee is a chartered accountant and company director with significant financial, business and community experience.

Peter Achterstraat AM is the NSW Productivity Commissioner and has held a number of senior NSW State Government appointments, as well as being a former Deputy Commissioner of Taxation with the ATO.

Timothy Montgomery is a senior information technology executive for a separate Commonwealth entity and has significant information technology experience within an Australian Government setting.

Lisa Woolmer is a chartered accountant and member of a number of audit and risk committees across the Commonwealth, Victorian state, and local government sectors.

The internal appointee, Cathie Armour, is a Commissioner of ASIC.

Internal audit services are provided by internal audit employees from ASIC’s Internal Audit team, supported by specialist private sector internal audit providers as needed. The Australian National Audit Office provides external audit services. Senior external and internal audit representatives attend Audit Committee meetings.

Peter Achterstraat AM

Chair
Audit Committee
August 2020

Advisory panels and committees

ASIC takes a consultative approach to addressing harms and emerging developments in Australia’s financial system.

As part of ASIC’s strategic change program, we have enhanced our advisory panel processes to bolster their efficiency and ensure that we are effectively engaging with our stakeholders to gain a deeper understanding of industry and consumer developments, consult on policy matters, and identify threats and harms in the sectors we regulate.

ASIC Business Advisory Panel

ASIC’s Business Advisory Panel facilitates consultation with the business community about ASIC’s registry and licensing services, with an emphasis on small business. It advises on strategic direction, as well as operations and improvement initiatives, with a focus on assessing the impacts on business.

Panel members are drawn from a wide range of business, industry and professional organisations. Each member represents an area of relevant experience and expertise.

The Panel met twice in 2019–20. Themes of engagement across the year included the Government proposal to modernise business registers, the introduction of a Director Identification Number, and the impact of the COVID-19 pandemic on the registry's small business customers. The Panel also provided feedback on the experiences of businesses and agents using our registry services.

ASIC Consultative Panel

The ASIC Consultative Panel was established in 2020, replacing the External Advisory Panel, to provide ASIC with a more flexible and responsive approach to external engagement.

The Panel enables ASIC to consult on proposed regulatory changes; provides intelligence on the external environment, including market conditions; and identifies threats and harms in the markets we regulate. Panel members are senior representatives from the academic, consumer, industry, legal and regulatory sectors and are appointed in their personal capacity.

Panel members may be called upon to consult on emerging issues as they arise and will meet as a group at a plenary meeting at least once annually.

In 2020, a subset of Panel members met once to discuss emerging threats and harms in the sectors ASIC regulates. Due to the disruption caused by the COVID-19 pandemic, the first formal meeting of the full Panel will occur later in 2020.

Australian Government Financial Literacy Board

The Australian Government Financial Literacy Board was established in 2005 as a non-statutory body that provides independent and strategic guidance to the Government and ASIC on financial literacy and capability issues. The Board met twice in 2019–20 and discussed issues such as ASIC's engagement in the formal education sector, as well as the work of the Indigenous Outreach Program.

The terms of all members of the Board expired on 21 January 2020.

Consumer Advisory Panel

The Consumer Advisory Panel (CAP) was established in 1999. It advises ASIC on current issues affecting retail investors and consumers in the financial services and wealth management industries, and informs ASIC's surveillance, enforcement, policy and financial education initiatives. The CAP meets three times a year.

This year, the CAP focused on implementation of the Royal Commission law reform agenda, ASIC's enforcement priorities and litigation outcomes, and significant research reports, including Report 632 *Disclosure: Why it shouldn't be the default*.

The CAP contributed to ASIC's strategic priority identification process and maintained its strong focus on financial products and services that lead to poor consumer outcomes, including in relation to superannuation and life insurance, buy now pay later arrangements, payday lending, debt management firms, mortgage broking,

timeshare memberships, and insurance claims handling, particularly after this year's bushfires.

It also maintained a policy focus on IDR policy settings, remediation, financial advice, and the implementation of ASIC's product intervention powers and the upcoming issuer and distributor obligations.

The CAP also advised ASIC about the consumer impacts of the COVID-19 pandemic and on CAP members' priorities in responding to the pandemic.

Corporate Governance Consultative Panel

The Corporate Governance Consultative Panel was established in 2020 to enable ASIC to gain a deeper understanding of developments in corporate governance practices and emerging issues in this area. It replaced the previous Director Advisory Panel.

Members of this Panel comprise listed company directors, industry association representatives, institutional investors and academics.

The Panel met once in 2019–20 to discuss the key regulatory measures adopted in response to the COVID-19 pandemic, as well as key corporate governance challenges in the pandemic environment, including ASIC's action to maintain equity market resilience, temporary insolvency relief for financially distressed businesses, and ASIC and ASX measures to assist companies with equity raising during the pandemic.

Digital Finance Advisory Panel

The Digital Finance Advisory Panel (DFAP) was established in 2015 to help inform ASIC's fintech and regtech approach and to advise on engagement with the sector.

The members of DFAP are drawn from a cross-section of the fintech and regtech communities, academia and consumer organisations. DFAP also has active observer members from public sector and regulatory agencies, which facilitates dialogue between industry and the public sector.

The establishment of DFAP has helped foster a network of domestic departments and agencies dealing with innovative businesses, which has promoted a coordinated approach to financial innovation and regtech.

DFAP met three times in 2019–20 and advised on topics such as the ramifications of, and opportunities in the wake of, the COVID-19 pandemic; developments and issues related to crypto assets and initial coin offerings in Australia; and the implementation of reforms such as the consumer data right and the new payments platform, with a focus on what this means for the fintech and regtech sectors.

External Advisory Panel

The External Advisory Panel was established in 2009 to help ASIC gain a deeper understanding of developments and issues in the financial services industry. The Panel met once in 2019 and discussed emerging threats, challenges and opportunities involving the Australian economy, consumers and industry. As part of ASIC's strategic review of its advisory panels, this year the External Advisory Panel was replaced by the ASIC Consultative Panel.

Financial Advisers Consultative Panel

The Financial Advisers Consultative Panel was established in 2017. Its members are practising financial advisers who are skilled in insurance, superannuation (including SMSFs) and digital financial advice. The members sit in a personal capacity.

The Panel met three times in 2019–20. Issues discussed included the use of ASIC’s product intervention powers, law reform arising from the Royal Commission, and ASIC’s ongoing work in relation to unmet advice needs, life insurance, fee disclosure statements and renewal notices.

Markets Advisory Panel

The Markets Advisory Panel was established in 2010. Its members are drawn from the financial services industry and have extensive experience in retail markets, institutional banking and asset management. The Panel advises on ASIC’s approach to its responsibilities for ongoing supervision of the Australian market, as well as on broader market developments.

The Panel met five times in 2019–20. Issues discussed included the impact of the COVID-19 pandemic on markets and financial services firms; CHES replacement; technological, operational and cyber resilience; activist short selling; internal market making for actively managed funds; and retail investor harms, including the application of the product intervention power.

Disciplinary or registration panels

The panels listed below have disciplinary or registration functions and assist in our regulatory decision making.

Financial Services and Credit Panel

The Financial Services and Credit Panel (FSCP) makes decisions about whether to ban individuals from providing financial services or engaging in credit activities. Matters are referred to sitting panels drawn from the FSCP. Each sitting panel consists of two experienced industry participants from the financial services or credit sector and an ASIC staff member.

The FSCP regime, which operates alongside ASIC’s existing administrative decision-making processes, is reserved for matters we consider are appropriate for peer review because of their significance, complexity or novelty. No matters were referred to the FSCP during 2019–20.

Liquidator Registration and Disciplinary Committees

Applications for registration as a liquidator, or to vary or remove conditions imposed on a liquidator’s registration, and potential disciplinary action against registered liquidators are referred to committees convened by ASIC.

Each committee consists of an ASIC delegate who chairs the committee, a registered liquidator chosen by the Australian Restructuring, Insolvency and Turnaround Association (ARITA), and a person appointed by the Minister, as set out in sections 20–10, 20–45 and 40–45 of Schedule 2 to the Corporations Act.

During 2019–20, ASIC referred 21 applications for registration as a liquidator to committees convened by ASIC. ASIC registered 17 liquidators following committee decisions that they should be registered, including four people who had applied for registration in 2018–19. Of the 21 applications referred during 2019–20, eight applicants were registered by ASIC, one applicant was in the process of being registered by ASIC (but not registered during the period), five were registered by ASIC with conditions, one was not registered, and the outcomes of the remaining six applications are yet to be determined.

During 2019–20, ASIC received three applications from liquidators to vary or remove conditions attached to their registration. The applications were referred to committees convened by ASIC for consideration. One committee decided to remove a condition imposed on the liquidator's registration and ASIC implemented that decision. One committee decided not to vary the conditions imposed. The outcome of the remaining application is yet to be determined.

During 2019–20, four disciplinary committees considered matters referred by ASIC. Two committees decided to cancel liquidator registrations and ASIC implemented those decisions. One committee decided to impose conditions on the registration of a liquidator and ASIC implemented the decision. One committee was not able to make a decision because the Federal Court cancelled the liquidator's registration before the committee's decision was made.

The register of liquidators and a summary of disciplinary actions can be found on the ASIC website.

Markets Disciplinary Panel

The Markets Disciplinary Panel (MDP) is a peer review panel engaged by ASIC to make decisions about whether infringement notices should be given to market participants for alleged contraventions of the market integrity rules. It consists of part-time members with extensive market or professional experience. Matters are referred to the MDP by ASIC as an alternative to bringing civil proceedings.

During 2019–20, the MDP issued infringement notices in respect of two matters:

- › Finclear Execution Limited (Finclear) paid a \$70,000 infringement notice in connection with a pre-arranged transaction that the MDP considered to have resulted in the market for the shares not being fair and orderly. The MDP was also of the view that Finclear had not acted in accordance with its client's instructions by entering into a transaction that was not made in the ordinary course of trading.
- › Credit Suisse Equities (Australia) Limited (Credit Suisse) paid a \$75,000 infringement notice in connection with transactions that the MDP considered were not made in the ordinary course of trading and were not in accordance with instructions of Credit Suisse's clients.

The infringement notices issued by the MDP are published on the MDP Outcomes Register on the ASIC website. Compliance with an infringement notice is not an admission of guilt or liability, and the market participant is not taken to have contravened subsection 798H(1) of the Corporations Act.

ASIC's people

ASIC continues to attract and retain highly skilled employees who are instrumental in ensuring that we carry out our regulatory functions and achieve our regulatory goals.

As noted in Chapter 6, from 1 July 2019, ASIC is no longer part of the Australian Public Service (APS). The Treasury Laws Amendment (Enhancing ASIC's Capabilities) Bill 2018, passed on 17 September 2018, amended the ASIC Act to remove the requirement for ASIC to engage staff under the Public Service Act.

As at 30 June 2020, ASIC had a total of 1,940 employees.

Table 8.1.3 ASIC employees (FTE), by location, 2019–20^{1,2,3}

Roles	Vic.	NSW	Qld	WA	SA	Tas.	ACT	NT	Total
Chair	1	–	–	–	–	–	–	–	1
Deputy Chair	1	1	–	–	–	–	–	–	2
Member	3	1	–	–	–	–	–	–	4
SES	16	35	–	1	1	–	1	–	54
Exec 2	190	284	48	28	8	11	5	–	574
Exec 1	135	220	41	32	11	3	4	1	447
ASIC 4	151	161	38	27	13	2	–	–	392
ASIC 3	125	91	32	12	8	4	5	–	277
ASIC 2	142	13	11	1	2	1	–	–	170
ASIC 1	19	–	–	–	–	–	–	–	19
Total	783	806	170	101	43	21	15	1	1,940

1 Net average number over 12 months on net full-time equivalent (FTE) basis (i.e. excluding FTEs working on capital projects).

2 Includes staff at the Superannuation Complaints Tribunal and the Companies Auditors Disciplinary Board.

3 Excludes contractors and secondments from other agencies.

Note: Data rounded – some totals and subtotals may vary.

Table 8.1.4 Combined totals by gender and employment type, 2019–20

Roles	Ongoing				Non-ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Female	Male	Female	Male	Female	Male	Female	Male	
Chair	–	–	–	–	–	1	–	–	1
Deputy Chair	–	–	–	–	1	1	–	–	2
Member	–	–	–	–	2	2	–	–	4
SES	17	14	4	1	9	9	–	–	54
Exec 2	182	268	73	12	18	19	1	1	574
Exec 1	157	192	48	6	16	23	5	–	447
ASIC 4	184	127	26	1	24	26	3	1	392
ASIC 3	101	86	14	–	44	28	1	3	277
ASIC 2	73	23	33	6	18	4	11	2	170
ASIC 1	7	1	3	1	4	2	–	1	19
Total	721	711	201	27	136	115	21	8	1,940

Table 8.1.5 ASIC employees (FTE) by stakeholder team, 2019–20

Stakeholder teams	Total net FTE
Markets	
Corporations	48
Financial Reporting and Auditing	31
Insolvency Practitioners	24
Market Infrastructure	32
Market Supervision	83

Stakeholder teams	Total net FTE
Wealth Management	
Financial Advisers	50
Investment Managers	40
Superannuation	36
Financial Services	
Credit, Retail Banking and Payments	61
Insurers	39
Financial Capability	46
Supervision¹	
Close and Continuous Monitoring, and Governance	25
Office of Enforcement²	
Financial Services Enforcement	
Financial Services Enforcement	81
Wealth Management Enforcement – Major Financial Institutions	119
Markets Enforcement	
Corporations and Corporate Governance	36
Enforcement WA and Criminal Intelligence Unit	36
Markets Enforcement	45
Assessment and Intelligence	157
Registry	183

1 Governance staff moved from Corporations to Supervision in March 2020, and are shown proportionately in Corporations and Supervision reflecting the time spent in each team across the year. Of the total 16 Governance FTE, 11 are included in Corporations and 5 in Supervision.

2 Plus 65 FTE staff working on Enforcement Special Account matters, and an additional 83 FTE providing Enforcement support services and legal counsel.

Most of our staff are employed under the ASIC Enterprise Agreement 2019–22, which is ongoing.

Table 8.1.6 Industrial arrangements for ASIC employees as at 30 June 2020¹

Classification	ASIC Act s120	AWA ²	EA ³	Total
ASIC 1	–	–	20	20
ASIC 2	–	–	203	203
ASIC 3	–	–	290	290
ASIC 4	–	–	423	423
Exec 1	–	–	528	528
Exec 2	–	–	674	674
SES	29	10	20	59
Total	29	10	2,158	2,197

1 The number of industrial arrangements for ASIC employees is calculated based on total headcount as at 30 June 2020, rather than FTE. This is because each industrial instrument belongs to an individual, regardless of their work pattern, and our obligations against those instruments relate to a number of people, not FTE.

2 Australian workplace agreement.

3 Enterprise agreement.

Table 8.1.7 Salary ranges per annum

Classification	Minimum per annum	Maximum per annum
ASIC 1	\$45,904	\$51,750
ASIC 2	\$53,386	\$65,148
ASIC 3	\$68,048	\$79,562
ASIC 4	\$81,427	\$94,023
Exec 1	\$106,709	\$125,901
Exec 2	\$120,883	\$172,775
SES	\$195,000	\$377,064

We continue to provide our people with the opportunity to receive an annual performance bonus.

Table 8.1.8 Performance payments, 2019–20, by classification

Classification	No. of recipients	Aggregate	Minimum	Maximum	Average
ASIC 4	248	\$826,113	\$437	\$12,676	\$3,291
Exec 1	439	\$2,574,414	\$562	\$16,920	\$5,750
Exec 2	614	\$5,547,933	\$1,336	\$23,998	\$8,934
SES	54	\$848,611	\$2,712	\$31,378	\$15,429

Note: This table includes payments for the 2018–19 performance year that were paid in 2019–20, plus any pro-rata payments for the 2019–20 performance year for employees who left ASIC in 2019–20.

Table 8.1.9 Remuneration paid to key management personnel (KMP) in 2019–20¹

Name	Position title	Short-term benefits			Post-employment benefits			Termination benefits (\$)	Total remuneration (\$)
		Base salary (\$)	Bonuses ⁹ (\$)	Other benefits and allowances (\$)	Superannuation contributions (\$)	Long service leave	Other long-term benefits		
James Shipton	Chair ^{2,10}	811,654	–	–	25,000	18,710	–	–	855,364
Daniel Grennan	Deputy Chair ^{2,11}	634,785	–	–	25,000	14,843	–	–	674,628
Karen Chester	Deputy Chair ²	536,047	–	–	73,613	13,799	–	–	623,459
Catherine Armour	Commissioner ²	572,030	–	–	25,000	13,186	–	–	610,216
Danielle Press	Commissioner ²	537,538	–	–	25,000	13,186	–	–	575,724
Sean Hughes	Commissioner ²	519,345	–	–	72,441	12,320	–	–	604,106
John Price	Commissioner ^{2,3}	498,351	–	–	71,671	12,287	–	–	582,309
Christopher Savundra	General Counsel	345,303	–	29,738	25,000	8,602	–	–	408,643
Greg Kirk	Executive Director Strategy	319,905	–	29,738	55,605	7,819	–	–	413,067
Rosanne Bell	Executive Director Registry	328,814	–	25,791	54,585	7,918	–	–	417,108
Timothy Mullaly	Executive Director Financial Services Enforcement	321,506	–	25,791	56,400	7,918	–	–	411,615

		Short-term benefits			Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration
Warren Day	Executive Director Assessment & Intelligence	302,751	–	25,791	56,400	7,918	–	392,860
Joanna Bird	Executive Director Wealth Management	315,094	–	29,738	55,093	7,819	–	407,744
Sharon Concisom	Executive Director Markets Enforcement	327,109	–	25,791	56,400	7,918	–	417,218
Greg Yanco	Executive Director Markets	330,926	–	29,738	46,200	8,073	–	414,937
Paul Newson	Executive Director Financial Services ⁴	9,532	–	–	–	–	–	9,532
Emma Curtis	Acting Executive Director Financial Services ⁵	242,124	–	27,450	30,921	6,193	–	306,688

		Short-term benefits			Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration
Tim Gough	Acting Executive Director	252,910	–	23,807	38,711	6,094	–	321,522
Emily Hodgson	Acting Executive Director	157,267	–	14,640	20,676	3,733	–	196,316
Carlos Iglesias	Executive Director	155,713	6,105	14,869	27,556	3,986	–	208,229
Michael Saadat	Executive Director	13,874	–	2,288	3,992	601	–	20,755

1 This table is prepared on an accrual basis. This includes accrued long service leave which can only be realised when the vesting requirements have been met.

2 The remuneration for these positions is set by the Remuneration Tribunal. This is outlined in Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2019.

3 Part year remuneration disclosure – ceased as a KMP on 20 June 2020.

4 Part year remuneration disclosure – commenced as a KMP on 22 June 2020.

5 Part year remuneration disclosure – commenced as a KMP on 2 August 2019; ceased as a KMP on 19 June 2020.

6 Part year remuneration disclosure – commenced as a KMP on 23 December 2019.

7 Part year remuneration disclosure – ceased as a KMP on 20 December 2019.

8 Part year remuneration disclosure – ceased as a KMP on 1 August 2019.

9 Due to the COVID-19 pandemic, most Senior Executives did not receive bonus payments for the 2019–20 bonus year. Any bonus payments made were to those temporarily on higher duties to SES or those who left ASIC before the COVID-19 pandemic.

10 In addition to the remuneration disclosed, the Chair has agreed to voluntarily reimburse ASIC for certain expenses ASIC paid following his 2018 relocation from the United States of America. The amount of the reimbursement is \$118,557 (includes GST).

11 In addition to the remuneration disclosed above, housing expenses of \$69,621 were paid by ASIC, following the relocation of the Deputy Chair from Melbourne to Sydney in January 2019 at the request of ASIC's Accountable Authority. The Deputy Chair offered and has agreed to repay the housing benefits as a debt to the Commonwealth.

Table 8.1.10 Remuneration paid to senior executives in 2019–20¹

Total remuneration bands (\$)	Number of senior executives	Short-term benefits			Post-employment benefits			Other long-term benefits			Termination benefits	Total remuneration
		Average base salary (\$)	Average bonuses ² (\$)	Average other benefits and allowances (\$)	Average superannuation contributions (\$)	Average long service leave ³	Average other long-term benefits	Average termination benefits (\$)	Average total remuneration (\$)			
0–220,000	17	96,653	1,515	8,469	13,519	2,316	–	10,936	133,408	–	–	–
245,001–270,000	1	212,376	–	2,206	29,535	5,138	–	–	249,255	–	–	–
270,001–295,000	4	222,930	–	28,434	33,879	5,580	–	–	290,823	–	–	–
295,001–320,000	9	240,835	–	27,737	32,591	5,912	–	–	307,075	–	–	–
320,001–345,000	8	256,972	–	28,688	40,313	6,290	–	–	332,263	–	–	–
345,001–370,000	5	274,663	–	27,748	43,794	6,774	–	–	352,979	–	–	–
370,001–395,000	2	326,316	–	26,171	25,270	7,967	–	–	385,724	–	–	–

1 This table is prepared on an accrual basis.

2 Due to the COVID-19 pandemic, most Senior Executives did not receive bonus payments for the 2019–20 bonus year. Any bonus payments made were to those temporarily on higher duties to SES or those who left ASIC before the COVID-19 pandemic.

3 This table includes accrued long service leave which can only be realised when the vesting requirements have been met.

Table 8.1.11 Remuneration paid to other highly paid staff in 2019–20¹

Total remuneration bands (\$)	Number of senior executives	Short-term benefits			Average other benefits and allowances (\$)	Post-employment contributions (\$)	Average long service leave ³	Average other long-term benefits	Termination benefits	Total remuneration
		Average base salary (\$)	Average bonuses ² (\$)	Average salary bonuses ² (\$)						
225,001–245,000	24	187,718	12,149	–	30,844	–	4,372	–	–	235,083
245,001–270,000	11	205,750	12,434	5,137	30,201	–	5,043	–	–	258,565
270,001–295,000	3	216,434	–	19,716	34,489	–	5,405	–	–	276,044

1 This table is prepared on an accrual basis.

2 Due to the COVID-19 pandemic, most Senior Executives did not receive bonus payments for the 2019–20 bonus year. Any bonus payments made were to those temporarily on higher duties to SES or those who left ASIC before the COVID-19 pandemic.

3 This table includes accrued long service leave which can only be realised when the vesting requirements have been met.

8.2 Appendices relating to assessments

Assessing misconduct and other reports

Misconduct reports from the public

We record and assess every report of alleged misconduct we receive and we use this information to identify and respond

to misconduct. In 2019–20, we dealt with 12,355 reports of alleged misconduct. Of these reports, 2,631 related to one specific matter and were merged into one case for consideration and finalised in July 2019.

Table 8.2.1 shows the outcome of the misconduct reports received by ASIC during the financial year.

Table 8.2.1 Misconduct issues, by category, 2019–20

	2019–20
Corporations and corporate governance	
Governance issues	12%
Failure to provide books and records or a report as to affairs to an insolvency practitioner	10%
Fraud allegations	4%
Insolvency practitioner misconduct	4%
Insolvency matters	3%
Other (e.g. shareholder issues, reporting issues)	12%
Subtotal	45%
Financial services and retail investors	
Credit issues	13%
Operating an unregistered managed investment scheme or providing financial services without an AFS licence	10%
General licence obligations	6%
Other (e.g. insurance, advice, misleading or deceptive conduct, unconscionable conduct)	10%
Subtotal	39%

	2019–20
Market integrity – including insider trading, continuous disclosure, misleading statements, and market manipulation	6%
Registry integrity – including incorrect address recorded on ASIC’s register, lodging false documents with ASIC, and issues with business names	4%
Subtotal	10%
Issues out of ASIC’s jurisdiction	6%
Total	100%

Table 8.2.2 Misconduct issues, by outcome, 2019–20

	Number
Total misconduct reports finalised¹	12,355
Outcome	Percentage
Referred for action by ASIC²	19%
Resolved³	10%
Compliance achieved	1%
Warning letter issued	3%
Referred for internal or external dispute resolution	6%
Assistance provided	<0.5%
More appropriate agency	<0.5%
Analysed and assessed for no further action⁴	61%
Insufficient evidence	41%
No action	20%
No jurisdiction⁵	8%
No breach or offences	2%
Total	100%

- 1 Where ASIC receives reports about the same entity and issue, we merge these matters.
- 2 The matters ASIC takes into account when deciding whether or not to commence a formal investigation are set out in more detail in Information Sheet 151 *ASIC's approach to enforcement*.
- 3 This can involve referral to an EDR scheme, ASIC issuing a warning letter to the party that may be in breach of the Corporations Act, ASIC providing assistance to the reporter in the form of guidance and information about how best to resolve the matter themselves, or ASIC taking action to achieve compliance.
- 4 Preliminary inquiries made and information provided analysed and assessed for no further action by ASIC, due to insufficient evidence or other reason, such as where another agency or law enforcement body or third party (e.g. a liquidator) is better placed to appropriately deal with the underlying issues or is already taking action.
- 5 Where relevant, ASIC directs reporters to the appropriate agency or solution.

Breach reports from licensees and auditors

The Corporations Act requires AFS licensees to tell us in writing within 10 business days about any significant breach (or likely breach) of their obligations. We also receive breach reports from auditors who have reasonable grounds to suspect a breach of the Corporations Act by the company, managed investment scheme, or AFS licensee that they are appointed to audit.

Table 8.2.3 provides a breakdown of the breach reports we assessed in 2019–20 by type and outcome.

Table 8.2.3 Breach reports by type and outcome, 2019–20

Type	Number
Auditor breach reports	1,172
Breach reports about AFS licensees and managed investment schemes	2,721
Total breach reports finalised	3,893
Outcome	Percentage
Referred for action by ASIC	18%
Referred for compliance, investigation or surveillance	17%
Assist existing investigation or surveillance	1%
Analysed and assessed for no further action	82%
No further action	81%
No offence identified	1%
Total	100%

For more information about the matters that require an auditor to report a breach of the law to ASIC, see sections 311, 601HG and 990K of the Corporations Act.

Statutory reports from liquidators, administrators and receivers

The Corporations Act requires liquidators, administrators and receivers to report to ASIC if they suspect that company officers are guilty of an offence. Liquidators must also report if the return to unsecured creditors may be less than 50 cents in the dollar. Table 8.2.4 provides details of the statutory reports we assessed in 2019–20 by type and outcome.

Table 8.2.4 Statutory reports from liquidators, administrators and receivers, 2019–20

Type	Number
Initial reports from liquidators, administrators and receivers¹	8,040
Reports alleging misconduct	7,163
Reports not alleging misconduct	877
Supplementary reports	520
Total statutory reports finalised (initial + supplementary)	8,560
Outcome	Percentage
Supplementary report analysed and assessed, no further information required²	77%
Supplementary reports referred	23%
Referred for compliance, investigation or surveillance	21%
Assisted existing investigation or surveillance	2%
Total	100%

1 We requested a further report (supplementary report) from the external administrator in 15% of cases.

2 There was insufficient evidence to warrant commencing a formal investigation in 77% of the cases where a supplementary report was requested and subsequently it was determined that no further information was required. We retain these reports for intelligence purposes for possible future use.

8.3 Appendices relating to statements required by law

Portfolio budget statement outcomes

Table 8.3.1 Agency resource statement, 2019–20

		Actual available appropriation for 2019–20 \$'000	Cash payments made ¹ 2019–20 \$'000	Balance remaining 2019–20 \$'000
Ordinary annual services²				
Departmental				
Departmental appropriation ³		627,496	462,702	164,794
Administered expenses				
Outcome 1 – Bill 1				
Administration fund		10,261	5,194	5,067
Total ordinary annual services	A	637,757	467,896	169,861
Other services				
Departmental non-operating				
Equity injections ⁴		15,890	9,398	6,492
Total other services	B	15,890	9,398	6,492
Total available appropriations (A+B)		653,647	477,294	176,353
Special appropriations limited by criteria/amount				
Banking Act 1959		N/A	25,450	N/A
Life Insurance Act 1995		N/A	5,979	N/A
Total special appropriations	C	N/A	31,429	N/A
Total appropriations excluding special accounts (A+B+C)		653,647	508,723	N/A

		Actual available appropriation for 2019–20 \$'000	Cash payments made ¹ 2019–20 \$'000	Balance remaining 2019–20 \$'000
Special Account⁵				
Opening balance		62,954	N/A	N/A
Appropriation receipts		41,195	N/A	N/A
Costs recovered		7,549	N/A	N/A
Payments made		N/A	72,099	N/A
Total special account	D	111,698	72,099	N/A
Total resourcing (A+B+C+D)		765,345	580,822	N/A
Less appropriations drawn from annual appropriations above and credited to special accounts		(41,195)	N/A	N/A
Total net resourcing for ASIC		724,150	580,822	N/A

1 Does not include GST.

2 Appropriation Bill (No. 1) 2019–20, Appropriation Bill (No. 3) 2019–20, prior year departmental appropriation and section 74 relevant agency receipts.

3 Includes \$25.149 million for the Departmental Capital Budget. For accounting purposes, this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No. 2) 2019–20 and Appropriation Bill (No. 4) 2019–20.

5 Does not include Special Public Money.

Table 8.3.2 Expenses by outcome

	Budget 2019–20 ¹ \$'000	Actual expenses 2019–20 ² \$'000	Variance column 1 minus column 2 \$'000
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	10,261	8,008	2,253
B Departmental expenses funded by departmental appropriations and own-source revenue	447,692	489,564	(41,872)
Total for Outcome 1 (A+B)	457,953	497,572	(39,619)
Average FTE	2,002	1,940	62

1 Based on the 2019–20 forecast as set out in ASIC’s 2019–20 Portfolio Budget Statements.

2 2019–20 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.

Reports required under statute and other reporting requirements

ASIC Act

As required by section 136(1)(a), ASIC reports that in 2019–20 we did not exercise our powers under Part 29 of the SIS Act and Part 15 of the *Retirement Savings Account Act 1997*.

As required by section 136(1)(c), ASIC reports that during 2019–20 we did not conduct joint inspections with the US Public Company Accounting Oversight Board under the terms of an agreement between the two organisations.

We did not conduct any joint inspections with the Canadian Public Accountability Board or the Luxembourg Commission de Surveillance du Secteur Financier or share any information with them under relevant provisions of the ASIC Act during 2019–20.

As required by section 136(1)(cb), ASIC reports that there were no instances during the period where ASIC failed to consult before making a product intervention order, as required by section 1023F of the Corporations Act or section 301F of the National Credit Act.

Commonwealth fraud control guidelines

ASIC has a fraud control policy and plan in place, which is reviewed every two years and approved by the Executive Risk Committee.

We have appropriate fraud prevention, detection, investigation, recording and reporting mechanisms in place, considering the nature of ASIC's activities.

We have taken all reasonable measures to deal appropriately with fraud.

Other reports

This financial year, ASIC reported one instance of fraud, resulting in a loss of \$29,120.50, to the Finance Minister under section 19 of the PGPA Act. The CDPP has laid charges and is prosecuting the matter.

This financial year, there were no:

- › reports issued by the Auditor-General relating to the financial statements of Australian Government entities
- › reports by the Commonwealth Ombudsman on ASIC operations
- › reports by Parliamentary Committees on ASIC operations
- › capability reviews of ASIC.

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:

Senior Manager
Freedom of Information Team
GPO Box 9827
Brisbane QLD 4001

For further information on how to apply, visit our website at **www.asic.gov.au**.

Categories of documents in ASIC's possession include, for 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.

And, for other matters, categories of documents include:

- › 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 employee 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 information (in a register maintained by ASIC).

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

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, telephone 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 must publish information for the public as part of the Information Publication Scheme. This requirement is in Part 2 of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report.

ASIC's Information Publication Scheme Plan, showing what information is published in accordance with the scheme requirements, can be found on our website at www.asic.gov.au/about-asic/freedom-of-information-foi/information-publication-scheme/.

ASIC's use of compulsory information-gathering powers

Since 2010–11, ASIC has reported the use of significant compulsory information-gathering powers under statute.

This appendix discloses data by number of instances in 2019–20, with comparative data for 2018–19.

Table 8.3.3 Use of significant compulsory information-gathering powers

		Number of notices 2019–20	Number of notices 2018–19
Appear for examination			
ASIC Act, s19 ¹	Requirement to appear for examination	857	589
ASIC Act, s58	Power to summons a witness and take evidence	0	0
National Credit Act, s253 ¹	Requirement to provide reasonable assistance	153	22
Give reasonable assistance			
Corporations Act, s1317R	Power to require assistance in prosecutions	22	13
ASIC Act, s49(3)	Power to require reasonable assistance in prosecutions	13	14
National Credit Act, s51	Requirement to provide reasonable assistance	0	1
Corporations Act, s601FF	Power to conduct surveillance/monitor managed investment scheme	0	0
National Credit Act, s274(4)	Requirement to provide reasonable assistance	0	0
Corporations Act, s912E	Power to require assistance and disclosure of books and information from an AFS licensee	274	148
Produce documents			
National Credit Act, s266	Requirement to produce books (credit activities)	100	91
National Credit Act, s267	Requirement to produce books	247	128
ASIC Act, s30	Notice to produce books about affairs of body corporate or registered scheme	1,040	898
ASIC Act, s31	Notice to produce books about financial products	29	27

		Number of notices 2019–20	Number of notices 2018–19
ASIC Act, s32A	Notice to produce books about financial services	0	4
ASIC Act, s33	Notice to produce books in person's possession	1,589	1,433
Corporations Act, s1213P	Power to provide a register of members of a foreign passport fund	0	–
Provide access			
ASIC Act, s29	Power to inspect books	0	1
Corporations Act, s821D	Power to require access to a CS facility	0	1
Provide information			
ASIC Act, s12GY(2)	ASIC to require claims to be substantiated	0	0
ASIC Act, s37(9)(a)	Power requiring explanation of books	0	2
Corporations Act, s601HD	Power to request information about compliance plan of a registered scheme	0	0
National Credit Act, s49(1)	Requirement to provide information (statement)	40	126
Corporations Act, s912C	Power to require information from an AFS licensee	962	734
National Credit Act, Sch 2 item 17	Power to require information (obtain statement or audit report)	0	0
Corporations Act, s672A	Power to require disclosure of relevant interests	4	8
Corporations Act, s672B	Power to require disclosure of relevant interests	0	0
National Credit Act, s37(4)	Power to request information or audit report from licence applicant	0	0

		Number of notices 2019–20	Number of notices 2018–19
Corporations Act, s792D	Power to require reasonable assistance from a market licensee	22	3
Provide information and produce books			
ASIC Act, s30A	Notice to auditors requiring information or books	70	35
ASIC Act, s30B	Notice to registered liquidators requiring information or books	5	6
Search warrants			
<i>Crimes Act 1914</i> , s3E	Warrants to search premises/conveyance or person	10	66 ²
ASIC Act, s36	Warrant to search premises	0	0

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

2 Of the 66 warrants issued (for 13 individual investigations) in 2018–19, 57 were executed.

Table 8.3.4 Use of other powers

Use of other powers		Number of notices 2019–20	Number of notices 2018–19
Obligations of carriers and carriage service providers			
<i>Telecommunications Act 1997</i> , s313	Request for help as is reasonably necessary for enforcing the criminal law and laws imposing pecuniary penalties	0	0
Provide documents, information or evidence			
<i>Mutual Assistance in Business Regulation Act 1992</i> , s10(2)	Requirement to produce documents, to give information, or to appear to give evidence and produce documents	50	30

Grants programs

The Assetless Administration Fund (AA Fund) is a grant scheme established by the Government and administered by ASIC to address illegal phoenix activity or other serious misconduct. The scheme may fund the following types of activities:

- › further investigations and reports by liquidators into the failure of companies with few or no assets, where it appears that a director may be banned, or other enforcement action may result from the investigations and reports
- › liquidator recovery actions to undertake legal action to recover assets when misconduct has occurred which resulted in the dissipation of company assets
- › the appointment of reviewing liquidators to companies under external administration where ASIC suspects misconduct of either the director, the adviser or the registered liquidator
- › the appointment of liquidators to abandoned companies pursuant to Part 5.4C of the Corporations Act.

On 1 July 2019, ASIC was allocated \$7.083 million, which, together with an amount of \$3.575 million rolled over from the previous financial year, resulted in total available funds of \$10.558 million. ASIC paid and committed the amount of \$7.184 million to liquidators in 2019–20. Applications in process will result in the balance being fully applied.

In 2019–20, ASIC received 797 applications (a 10% increase on the previous financial year) for funding comprising:

- › 635 director banning reports (9% increase)
- › 150 matters other than section 206F director banning reports (6% increase)

- › 12 funding liquidator actions to recover assets (one received in the previous year).

ASIC approved grant funding for 256 director banning reports and 58 matters other than director banning reports.

ASIC also funded liquidators appointed by ASIC to seven windings up of abandoned companies and the appointment of eight reviewing liquidators to report on 14 matters.

The AA Fund assisted in:

- › 37 director bannings, representing 84% of the total of 44 directors banned
- › 4 criminal convictions/prosecutions
- › liquidators commencing 36 public examinations.

Information on grants by ASIC under the AA Fund can be found at www.asic.gov.au/for-finance-professionals/registered-liquidators/your-ongoing-obligations-as-a-registered-liquidator/assetless-administration-fund/.

Managing property vested in ASIC or the Commonwealth

ASIC administers the property of deregistered companies. This property remains vested in ASIC or, in the case of trust property, the Commonwealth until it is lawfully dealt with or evidence is provided that the property no longer vests in ASIC or the Commonwealth for some other reason.

ASIC accounts for any proceeds on realisation of property vested in it by transferring such proceeds, less the

expenses incurred in dealing with the property, into the Official Public Account in accordance with our statutory duties. The proceeds are treated like any other unclaimed money for which ASIC is responsible.

In 2019–20, the number of new cases received increased to 1,608 and the number of cases finalised increased to 1,610.

Table 8.3.5 below shows vested properties of deregistered companies by number of cases.

Assets of deregistered companies vesting in ASIC or the Commonwealth

Section 601AD of the Corporations Act provides that when a company is deregistered, all of its property vests in ASIC or, in the case of trust property, the Commonwealth.

We generally only deal with vested property once an application is made by a third party for us to exercise powers under section 601AE or section 601AF of the Corporations Act. We do not consider it practical to value any identified vested property and, consequently, such property is not recorded or disclosed in these financial statements.

Table 8.3.5 Vested properties of deregistered companies (by number of cases)

Claims by type	2019–20	2018–19
Total new cases	1,608	1,497
Total finalised cases	1,610	1,488
Property disposals		
Transferred	68	92
Sold	16	9
No longer vested ¹	767	723
Other ²	60	51
Total property disposals	911	875

1 Property is removed from ASIC's records when the company is reinstated, a third party lawfully deals with the asset, or evidence is provided that the property no longer vests in ASIC.

2 Includes where the vested property interest has been discharged, released, surrendered or withdrawn.

Ecologically sustainable development

This section describes ASIC’s environmental performance in accordance with government policy. In 2019–20, we continued to mitigate our impact on the environment through the initiatives discussed below, which were consistent with the *Environmental Protection and Biodiversity Conservation Act 1999* principles of ecologically sustainable development (ESD). The progress and results of these initiatives are reported and reviewed by our Executive on a twice-yearly basis.

In our core business in 2019–20, we ensured that direct contributions to ESD principles were achieved by

way of activities such as increasing online self-service options, accepting online lodgements and using digital communication channels.

Energy efficiency

Our total electricity consumption has reduced by 37% since 2010–11.

We minimise our consumption of office energy and associated environmental impacts with initiatives such as LED lighting, motion sensor-controlled lighting, and the use of power-saving mode for ICT equipment. We continue to review and report on our energy consumption results against the Energy Efficiency in Government Operations (EEO) Policy targets.

Table 8.3.6 Consumption of office energy¹

Indicator	2019–20	2018–19
Light and power – ASIC tenancies (kWh)	2,947,775	2,810,828
MJ per person	4,011	4,337
Light and power – ASIC computer centres (kWh)	758,544	764,292
MJ per m ²	6,064	5,823
Greenhouse gas emissions (tonnes CO ₂ -e) – attributed to all light and power	3,318	3,420

¹ Consumption of office energy – results are calculated using a percentage of extrapolated data, as a portion of yearly consumption was not available for two offices before finalising the annual report.

Resource efficiency and waste

Our digitisation strategies include providing IT devices to allow work mobility, using online legislation, increasing our digital record keeping, and electronic forms and workflows.

Paper consumption is further reduced by default duplex settings on printers, automatic overnight job purging, and staff working digitally from home due to the COVID-19 pandemic.

Table 8.3.7 Resource efficiency and waste

Indicator	2019–20	2018–19
Office paper purchased by FTE (A4 reams/FTE)	3.4	4
Percentage of office paper purchased with recycled content	100%	100%
Toner cartridges recycled (kgs)	416	571
IT equipment recycled or re-used (tonnes)	9.3	5.5

Travel

ASIC employees are authorised to travel only when there is a demonstrated business need and when alternative communication tools, such as telephone and video conferencing, are not appropriate.

This year, there were over 214,000 video connections between ASIC employees and involving ASIC and external locations. This represents an almost 600% increase and is mainly attributable to staff working digitally from home due to the COVID-19 pandemic.

Table 8.3.8 Type and amount of travel undertaken by ASIC employees

Indicator	2019–20	2018–19
Ground travel¹		
Total number of fleet vehicles	2	3
Total distance travelled by fleet vehicles (kms)	20,672	43,041
Average fuel consumption of fleet vehicles (litres/100 kms)	8.53	7.11
Total direct greenhouse emissions of fleet (tonnes CO ₂ -e)	4.19	8.09
Total distance travelled using carshare and hire car (kms)	25,407	46,079
Air travel		
Total distance of air flights (kms)	10,524,116	10,849,207
Total greenhouse emissions of flights (tonnes CO ₂ -e)	1.012	1.036
Alternative meeting communications		
Total number of video conferencing calls	41,526	9,113

¹ Ground travel – fleet vehicles data is for the period 1/4/19–31/3/20.

Information and engagement

Sustainability initiatives information is available to employees on our intranet and during the year interested staff participated in sustainability improvement sessions. We continued to provide detailed performance reporting and participate in environmental activities, such as Earth Hour, to promote sustainability.

Consultancies and expenditure on advertising

During 2019–20, ASIC conducted the advertising campaigns set out in Table 8.3.9. Further information on ASIC's advertising campaigns is available on our website at www.asic.gov.au. 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.

Table 8.3.9 Expenditure on advertising agency services, 2019–20

Agency	Expenditure (\$)	Purpose
Australian Public Service Commission	34,073	2019–20 Public Service Gazette (APS Jobs Advertising)
Mediabrand Australia Pty Ltd	128,745	Google AdWords Moneysmart
Mediabrand Australia Pty Ltd	18,260	Google AdWords campaign
Mediabrand Australia Pty Ltd	16,499	2020 Graduate advertising – GradAustralia
Mediabrand Australia Pty Ltd	14,330	GradConnection Gold Package and Diversity Bundle
Mediabrand Australia Pty Ltd	13,200	Seek ad packs FY 19–20
Mediabrand Australia Pty Ltd	38,891	LinkedIn package 2020
The Nielsen Company (Australia) Pty Ltd	18,334	Portfolio Digital Advertising Monitoring 2019–20
Total	282,332	

Procurement

ASIC's use of Commonwealth resources and expenditure of public money is primarily governed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).

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 advisers who:

- › develop and maintain our procurement processes, guidance and systems to promote compliance with the PGPA Act, the PGPA Rule and the CPRs for all levels of procurement
- › manage in partnership with the business complex and high-risk procurement activities, including procurements that are subject to the mandatory procurement procedures of the CPRs
- › advise on all procurement activities.

Our 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'.

We undertake 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 2019–20 contained provisions, as required, allowing the Auditor-General access to information held by contractors relating to contract performance.

Using AusTender

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

During 2019–20, ASIC implemented two standing offer arrangements (procurement panels) and awarded 796 procurement activities (each valued at \$10,000 or more reported on AusTender) for a total value of \$166.920 million. Of these procurements, 251 were valued in excess of \$80,000 for a total value of \$140.857 million.

Contracts of \$100,000 or more were reported on AusTender, 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. Our annual procurement plan was published on AusTender by 1 July 2019 and was updated as required during the year.

No contracts were exempt from the contract reporting requirements.

Consultancy contracts

During 2019–20, ASIC entered into 39 new consultancy contracts, involving total expenditure of around \$6.733 million. In addition, 35 ongoing consultancy contracts were active during the year, involving total expenditure of \$8.638 million.

Table 8.3.10 Consultancy trend data

Business data	2019–20	2018–19
Number of new consultancies	39	49
Expenditure on new consultancies (\$ millions)	6.733	6.625
Number of ongoing consultancies	35	32
Expenditure on ongoing consultancies (\$ millions)	8.638	7.460

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 expenditures shown in the financial statements, which are 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.

Policy on selection and engagement of consultants

ASIC’s consultancy budget is managed centrally and business units seeking to engage consultants must prepare a business case seeking funding. Requests to engage consultants must be linked to outcomes in business plans and must contribute to ASIC’s objectives. Once the engagement of a consultant is approved, the procurement method used will be in accordance with the CPRs and ASIC’s procurement policies.

Of the 39 consultants that ASIC engaged during 2019–20:

- › 22 were for specialised or professional skills
- › 1 was for skills not currently available within ASIC
- › 16 were for independent research or assessment.

The method of procurement used was open tender for 15 engagements (including engagements from panels) and limited tender for 25 engagements.

The consultants were engaged for the following main service categories:

- › business intelligence consulting services
- › corporate objectives or policy development
- › data services
- › education and training services
- › human resources services
- › information technology consulting services
- › market research
- › research programs
- › safety or risk analysis
- › strategic planning consultation services.

Procurement initiatives to support small business

ASIC supports small business participation in the Australian Government procurement market. Small to medium enterprise (SME) and small enterprise participation statistics are available on the Department of Finance website, www.finance.gov.au.

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 the Treasury 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
- › using the Digital Transformation Agency's digital marketplace, which is accessible to SMEs and clearly identifies their SME status
- › presenting information in an accessible format.