



5

APPENDICES

The role of Commissioners	142
Audit Committee and audit, assurance and compliance services	143
External committees and panels	144
Portfolio budget statements	147
Six year summary of key stakeholder data	152
Reports required under statute and other requirements	153
Consultancies and expenditure on advertising	156
ASIC's use of its powers	158

The role of Commissioners

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

- ♦ make decisions on matters within ASIC's regulatory functions and powers that have strategic significance
- ♦ oversee the 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 11–12 for ASIC's corporate structure.

The Commission held 15 meetings in 2012–13.

Commission meetings, 2012–13

Commissioner	Eligible to attend	Attended
Greg Medcraft	11 scheduled meetings	8
	4 unscheduled meetings	1
Belinda Gibson ¹	9 scheduled meetings	9
	3 unscheduled meetings	3
Peter Kell	11 scheduled meetings	10
	4 unscheduled meetings	3
Greg Tanzer	11 scheduled meetings	10
	4 unscheduled meetings	3
John Price	11 scheduled meetings	11
	4 unscheduled meetings	4
Cathie Armour ²	1 scheduled meeting	1
	1 unscheduled meeting	1

1. Term completed 5 May 2013.

2. Commenced 3 June 2013.

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 Chairman was absent from one scheduled monthly Commission meeting and two unscheduled Commission meetings because he was overseas representing ASIC as Chairman of the International Organization of Securities Commissions (IOSCO) Board. Through this role, the Chairman is able to shape the direction of global securities reforms, increase the global profile of ASIC and enhance cooperation

between ASIC and other overseas financial services regulators. The Chairman was absent from two scheduled monthly meetings and one unscheduled meeting while on annual leave.

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.

ASIC operates under the *Financial Management and Accountability Act 1997*, which governs, primarily, its use of Australian Government resources and expenditure of public money.

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 relating to the efficient, effective, economical and ethical use of Commonwealth resources. The Committee does this by providing independent oversight of, and reporting to the Chairman regarding ASIC's governance and internal control frameworks, financial reporting, and compliance with relevant legislation.

The Committee reviewed ASIC's 2012–13 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 two special meetings to review ASIC's draft financial statements and the annual *Financial Management and Accountability Act 1997* compliance certificate.

Audit Committee meetings, 2012–13

Members	Eligible to attend	Attended
Byram Johnston OAM Appointed independent member in January 2005 Reappointed as an independent member commencing 19 January 2010 Appointed as Chairman commencing 30 January 2011	4 main meetings 2 special meetings	4 2
Geoffrey Applebee Appointed independent member on 1 February 2010 Appointed as Deputy Chairman commencing 15 December 2010	4 main meetings 2 special meetings	4 2
David Prothero Appointed independent member on 1 March 2011	4 main meetings 2 special meetings	4 2
Chris Van Homrigh Senior Executive Leader, Investment Banks Appointed committee member November 2011	4 main meetings 2 special meetings	4 2
Belinda Gibson ASIC Deputy Chairman Appointed committee member January 2012 Resigned from committee April 2013	4 main meetings 2 special meetings	4 2
John Price ASIC Commissioner Appointed committee member May 2013	1 main meeting 0 special meetings	1 0

All three independent members are chartered accountants and company directors with significant financial, business and community experience. The internal appointees are John Price, representing the ASIC Chairman and replacing Belinda Gibson, and Chris Van Homrigh.

The internal audit function is provided by ASIC's Audit, Assurance and Compliance business unit supported by Deloitte Touche Tohmatsu 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 2013

External committees and panels

Australian Government Financial Literacy Board

The Australian Government Financial Literacy Board works to improve financial literacy in Australia. Its members are:

- ♦ Paul Clitheroe AM, ipac securities (Board Chairman)
- ♦ Air Commodore Robert Brown, Australian Defence Force Financial Services Consumer Council
- ♦ Hamish Douglass, Magellan Financial Group Limited
- ♦ Craig Dunn, AMP
- ♦ 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.

Consumer Advisory Panel

The Consumer Advisory Panel advises ASIC on current consumer and retail investor protection issues in the financial services and credit industries. The Panel also informs ASIC's policy, education and compliance initiatives.

Members are:

- ♦ Jenni Mack (Panel Chair)
- ♦ Elizabeth McNess, CHOICE
- ♦ Gerard Brody, Consumer Action Law Centre (Vic)
- ♦ Karen Cox, Consumer Credit Legal Centre NSW Inc
- ♦ Gordon Renouf, Consumers Federation Australia
- ♦ Ian Yates, COTA Australia
- ♦ Carmel Franklin, Financial Counselling Australia
- ♦ Ray Kent, Indigenous Consumer Assistance Network
- ♦ David Coorey, Legal Aid NSW
- ♦ Wendy Schilg, National Information Centre on Retirement Investments

- ♦ Australian Shareholders' Association representative.

We thank Vas Kolesnikof, outgoing representative of the Australian Shareholders' Association, for his contribution to February 2013.

In 2012–13, the Consumer Advisory Panel commissioned the following research and submissions:

- ♦ Susan Bell Research to undertake research on '*Do SMSF investors achieve their goals?*'
- ♦ Gordon Renouf to coordinate and prepare a joint consumer submission to ASIC Consultation Paper 191 *Future of Financial Advice: Approval of codes of conduct for exemption from opt-in requirement*
- ♦ Gordon Renouf to coordinate and prepare a joint consumer submission to the Government's consultation on *Richard St John's Report on Compensation Arrangements for Consumers of Financial Services*.

External Advisory Panel

The External Advisory Panel assists ASIC in gaining a better understanding of developments and systemic risks within industry. The panel provides advice to ASIC on a range of matters and feedback on current issues of concern. Members are from a range of sectors and hold or have held senior-level positions. Members sit in a personal capacity; they do not represent individual organisations. This ensures ASIC receives a broad range of views, free from vested interests.

Members are:

- ♦ Mark Johnson AO (Panel Chairman)
- ♦ Jo-Anne Bloch
- ♦ Paula Dwyer
- ♦ Stephen Fitzgerald
- ♦ Tony Gill
- ♦ David Gonski AC
- ♦ Catriona Lowe
- ♦ Jenni Mack
- ♦ James Millar AM
- ♦ Allan Moss AO
- ♦ Professor Ian Ramsay
- ♦ Jenny Seabrook
- ♦ Tony Shepherd AO
- ♦ Ian Silk
- ♦ John Trowbridge.

As part of the panel's processes, six panel members retired at the end of 2012. We thank them for their contribution:

- ◆ Peter Hemming
- ◆ Belinda Hutchinson AM
- ◆ Bill Moss AM
- ◆ John Stuckey
- ◆ Les Taylor AM
- ◆ Garry Weaven.

In addition, one panel member, Nick Leeder, retired in early 2013 due to relocating overseas. During 2012–13, the panel provided feedback on a number of matters including ASIC's approach to financial literacy, cybercrime and technological risks faced by ASIC and the regulation of the debenture sector.

Markets Disciplinary Panel

The Markets Disciplinary Panel is the forum for disciplinary action against participant and market operators 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 panel have, or have largely had, senior roles in broking firms and investment banks.

ASIC established the panel 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 are referred to the panel.

Members are:

- ◆ Lisa Gay (Chair of the MDP)
- ◆ Richard Brasher, Northcape Capital
- ◆ Ian Chambers, Morgan Stanley Australia
- ◆ Leigh Conder, Commonwealth Bank
- ◆ Geoffrey Louw, Bell Potter Securities
- ◆ Simon Gray, Shaw Stockbroking
- ◆ Michael Manford, Patersons Securities
- ◆ Russell McKimm, Patersons Securities
- ◆ Peter Curry, MAP Capital Advisors Pty Ltd
- ◆ Peter Robson, Investment Technology Group Inc.
- ◆ Sadie Powers, Patersons Securities
- ◆ Cilla Boreham, JBWere
- ◆ Victoria Weekes, Risk Compliance Solutions Pty Ltd
- ◆ John Steinthal, consultant financial advisor

- ◆ Adrian Holst, Baillieu Holst Ltd
- ◆ Glenn Rosewall, BBY Limited (new member)
- ◆ Andrew Tanner, Goldman Sachs Australia (new member)
- ◆ Mark Pugsley, Resource Development Group Ltd (new member)
- ◆ Anne Brown, Clean Energy Regulator (new member)
- ◆ Ian Nissen, Citigroup Pty Ltd (new member).

For more detailed information, refer to the Markets Disciplinary Panel page on the ASIC website.

Members of the Markets Disciplinary Panel made determinations on alleged breaches of the market integrity rules during 2012–13.

The infringement notices for finalised matters have been published in the Markets Disciplinary Panel Infringement Notices Register on the ASIC website. Nine infringement notices were published during 2012–13.

There were seven matters concerning alleged breaches of market integrity rules for the ASX market and two matters concerning alleged breaches of market integrity rules for the ASX 24 market. The Markets Disciplinary Panel imposed a total of \$452,000 in penalties in these matters. Penalties imposed ranged from \$20,000 to \$120,000.

Market Supervision Advisory Panel

The Market Supervision Advisory Panel advises ASIC on its approach to its responsibilities in day-to-day supervision of the Australian market and on broader market developments. Members are from the financial services industry, with experience in the legal, compliance, retail and institutional aspects of broking.

Members are:

- ◆ Cathie Armour, Commissioner, ASIC (new Panel Chairman)
- ◆ Stewart Adams, Morgan Stanley Smith Barney Australia
- ◆ David Dixon, Colonial First State Global Asset Management
- ◆ Scott Webster, UBS AG Australia
- ◆ Brad Usasz, Wilson HTM Investment Group
- ◆ Dean Surkitt, Bell Financial Group

External committees and panels continued

- ◆ Will Psomadellis, Schroders Investment Management Australia Limited
- ◆ Stephen Karpin, CommSec
- ◆ Paul Hilgers, Optiver
- ◆ Keith Birch, Goldman Sachs
- ◆ Daniel McAuliffe, Treasury.

ASIC representatives include Greg Yanco, Senior Executive Leader and Oliver Harvey, Senior Executive Leader.

We would like to thank the outgoing members for their valuable contribution:

- ◆ Belinda Gibson (former Panel Chairman)
- ◆ April Mountfort.

During 2012–13 the panel provided advice on:

- ◆ market structure initiatives including ASIC's proposals on automated trading controls, extreme price movements and meaningful price improvement
- ◆ the work of ASIC's taskforces on dark liquidity and high-frequency trading
- ◆ market surveillance issues, including ASIC's new surveillance system.

Registry and Licensing Business Advisory Committee

The Registry and Licensing Business Advisory Committee is the key stakeholder consultation forum for ASIC's Registry and Licensing. It provides an ongoing means of direct consultation with the business community providing input and opinion on the impact of current and proposed services, with particular emphasis on small business and registry services.

The committee's scope includes advice on strategic directions, performance feedback, and reporting on trends and the needs of business. In doing so, the committee advises on the appropriateness and impact on ASIC and business of proposed changes to relevant legislation and corporate registry objectives, operations and initiatives.

The committee is an interactive forum where each member contributes their knowledge, experience and expertise of business, industry and ASIC to the advisory process.

Committee members are drawn from a wide range of business community, industry and professional organisations. The committee members in 2012–13 were:

- ◆ Greg Tanzer, Commissioner, ASIC (Committee Chairman)
- ◆ Andrew Madry, Australian Institute of Company Directors
- ◆ Reece Agland, Institute of Public Accountants
- ◆ Paula Allen, Institute of Chartered Accountants Australia
- ◆ Anna Tantau, CPA Australia
- ◆ Judith Fox, Chartered Secretaries Australia
- ◆ Geoff Nicoll, Law Council of Australia
- ◆ Peter Strong, Council of Small Business Organisations of Australia
- ◆ Philippa Taylor, Family Business Australia
- ◆ Guy Surkyn, Dun & Bradstreet
- ◆ Claire Wivell Plater, The Fold Legal Pty Ltd
- ◆ Colin Porter, CreditorWatch
- ◆ Warren Renden, BGL Corporate Solutions
- ◆ Myron Zlotnick, Reckon Group.

Simon Flowers (CPA Australia representative) and Tom Ravlic (IPA representative) stood down during the year and were replaced by Anna Tantau and Reece Agland respectively.

During 2012–13, the committee participated in activities and events supporting ASIC's ongoing Registry Transformation program. The committee was actively engaged in providing regular feedback and input throughout the introduction of the national Business Names Register and its services.

Portfolio budget statements

ASIC's outcomes for 2012–13 are reported below against the Government's Portfolio Budget Statements (PBS) where applicable to ASIC.

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	2012–13 achievements
Confident and informed investors and financial consumers		
<ul style="list-style-type: none"> Improving industry behaviour Ensuring investors and financial consumers are informed and confident Ensuring fair and efficient financial markets Registry and licensing services Enforcement/deterrence Stakeholder services Facilitating business 	<ul style="list-style-type: none"> Improvements in quality and availability of financial advice Improvements in overall financial literacy levels Improvements in retail investor and financial consumer perception of information received about products and services 	<ul style="list-style-type: none"> MoneySmart named 'Best in Class' at the 2012 Interactive Media Awards in two categories: 'Government' and 'Financial information'. 89% of surveyed users rate the site as useful, and 90% had taken specific action as a result of visiting the site. Launch of MoneySmart Rookie, ASIC's flagship financial education program for 16–25 year olds. Indigenous Outreach team visited over 30 urban, regional and remote locations, delivering information sessions, workshops and training to the financial counsellors, financial literacy educators, legal services and Indigenous organisations that support Indigenous consumers. Undertook proactive, risk-based surveillance focused on e.g. self-managed superannuation funds (SMSFs), superannuation trustees, issuers of complex products (hybrids, capital guaranteed products, hedge funds, CFDs and FX contracts) and unlicensed credit providers. ASIC's action during the year resulted in over 120 advertisements for credit, insurance and deposit products being withdrawn or amended. In 2012–13 we dealt with 11,682 reports of alleged misconduct, 76% of which were finalised within 28 days (target: 70%).

Portfolio budget statements continued

Program 1.1 deliverables	Key performance indicators	2012–13 achievements
Fair and efficient markets		
	<ul style="list-style-type: none"> ◆ Improved confidence in market integrity ◆ Improvements in conduct of market participants and corporates ◆ ASIC's regulatory system not being seen as a major barrier to inward and outward capital flows 	<ul style="list-style-type: none"> ◆ ASIC has significantly reduced the average number of days between identifying market misconduct and beginning an investigation. ◆ In 2012–13 ASIC continued to work towards rolling out our new real-time integrated market surveillance system. The Flexible Advanced Surveillance Technologies program will allow ASIC to efficiently and flexibly adapt to greatly increased message traffic, new technologies and trading techniques. ◆ Our surveillance of ASX resulted in ASX agreeing to take action in seven areas, including ASX's technology, communication procedures and monitoring and enforcement of compliance with operating rules. ◆ This year ASIC either stopped, or improved disclosure on, 111 prospectuses. This involved extending the exposure period on 54 prospectuses. ◆ ASIC released new market integrity rules responding to changing financial markets.
Efficient registration and licensing		
	<ul style="list-style-type: none"> ◆ Improved effectiveness and efficiency of registry and licensing services ◆ Improved stakeholder satisfaction with ASIC's corporate register and other stakeholder services 	<ul style="list-style-type: none"> ◆ 192,211 new companies registered, an increase of 9.1% compared to previous year. ◆ 274,349 business names were newly registered on the national Business Names Register during 2012–13. 87% were registered by the next business day after ASIC received the application. ◆ 5,935 SMSF auditors registered following commencement of the new register on 31 January 2013. 98% of applications were registered within 28 days of receipt of full application. ◆ Over 28.3 million free searches and 250,700 paid searches were conducted through ASIC Connect. ◆ ASIC's Client Contact Centre handled 716,382 calls in 2012–13. ◆ We established a team dedicated to engaging directly with small business and held 45 meetings to discuss implementing regulatory initiatives, ASIC's role, and the assistance available to help small business understand and comply with the law.

Misconduct is dealt with and deterred

	<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"> ◆ ASIC achieved 806 enforcement outcomes. This included criminal action as well as civil and administrative action, enforceable undertakings (EU), and negotiated outcomes. ◆ There were 166 enforcement outcomes achieved in the market integrity, corporate governance and financial services areas, and 640 in the small business area. ◆ See the Outcomes in Detail section for more information about major enforcement actions.
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Program 1.2 Banking Act 1959, Life Insurance Act 1995, unclaimed monies 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	2012–13 achievements
<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 monies are paid to successful claimants promptly ◆ Payments of monies from special accounts are paid out promptly in accordance with the specified purposes or appropriate legislation 	<ul style="list-style-type: none"> ◆ ASIC received \$641 million in unclaimed money. Approximately \$72 million was paid out in claims. ◆ ASIC contacted 12,616 potential owners of unclaimed money, as well as conducting a media campaign in November 2012.

Agency resource statement, 2012–13

		Actual available appropriation for 2012–13 (\$'000s)	Cash payments made ¹ 2012–13 (\$'000s)	Balance remaining 2012–13 (\$'000s)
Ordinary annual services ²				
Departmental				
Departmental appropriation ³		467,083	372,607	94,437
Administered expenses				
Outcome 1 – Assetless Administration Fund		3,566	2,075	N/A
Total ordinary annual services	A	470,649	374,682	N/A
Other services				
Departmental non-operating				
Equity injections ⁴		13,934	9,078	4,856
Total other services	B	13,934	9,078	4,856
Total available annual appropriations (A+B)		484,583	383,760	N/A
Special appropriations limited by criteria/amount				
<i>Banking Act 1959</i>		N/A	40,479	N/A
<i>Life Insurance Act 1995</i>		N/A	4,466	N/A
Total special appropriations	C	N/A	44,945	N/A
Total appropriations excluding Special Accounts (A+B+C)		484,583	428,705	N/A
Special Account ⁵				
Opening balance		20,086	N/A	N/A
Appropriation receipts		30,000	N/A	N/A
Costs recovered		2,166	N/A	N/A
Payments made		N/A	18,458	N/A
Total Special Account	D	52,252	18,458	N/A
Total resourcing (A+B+C+D)		536,835	447,163	N/A
Less appropriations drawn from annual appropriations above and credited to Special Accounts				
		(30,000)	–	N/A
Total net resourcing for ASIC		506,835	458,070	N/A

Note: N/A means not applicable.

1. Does not include GST.

2. *Appropriation Act (No. 1) 2012–13, Appropriation Act (No. 3) 2012–13*, prior year departmental appropriation and s31 relevant agency receipts.

3. Includes \$15.8 million for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

4. *Appropriation Act (No. 2) 2012–13*.

5. Does not include Special Public Money.

Expenses by outcome

	Budget ¹ 2012–13 (1) (\$'000s)	Actual expenses 2012–13 (2) (\$'000s)	Variance column (1) minus column (2) (\$'000s)
Outcome 1: Improved confidence in financial market integrity and protection of investors and consumers through research, policy, education, compliance and deterrence that mitigates emerging risks			
A Administered expenses funded by administered appropriations	3,566	2,203	1,363
B Departmental expenses funded by departmental appropriations and own-source revenue	416,249	411,269	4,980
Total for Outcome 1 (A + B)	419,815	413,472	6,343
Average FTE²	1,786	1,844	(58)

1. Based on the 2012–13 forecast as set out in ASIC's 2013–14 Portfolio Budget Statements.

2. 2013–14 Portfolio Budget Statements quoted the average staffing level which is different to FTE. The average staffing level includes employees working on capital projects while the FTE excludes employees working on capital projects.

Six-year summary of key stakeholder data

Summary of key stakeholder data, 2007–13

Companies (total)	2,012,241	1,921,545	1,839,772	1,768,526	1,700,891	1,645,805
New companies registered	192,211 ¹	176,062 ¹	163,276 ¹	157,667	137,410	149,403
Australian financial services (AFS) licensees	5,043	4,955	4,883	4,874	4,803	4,768
Authorised financial markets	18	18	17	16	16	17
Licensed clearing and settlement facilities	6	5	5	5	5	5
Registered company auditors	4,852	4,985	5,114	5,207	5,345	5,495
Registered liquidators	685	680	669	664	660	674
Registered managed investment schemes	4,152	4,289	4,270	4,339	4,651	5,108
Credit licences	5,856	6,004	6,081	N/A	N/A	N/A
Fundraising documents lodged	821	799	957	880	776	1,011
Product disclosure 'in use' notices	4,988	4,758	4,593	4,698	6,390	9,708
Takeovers	45	55	72	73	47	113
Criminals jailed	9	20	16	12	19	23
Fundraising where ASIC required additional disclosure	\$3.5bn	\$7bn	\$3.4bn	\$6bn	\$4bn	\$3bn
Recoveries, costs, compensation, fines or assets frozen	\$222.4m	\$19.8m	\$113m	\$302m	\$28m	\$146m
Litigation concluded ²	144	179	202	156	186	280
% successful litigation ³	95%	92%	90%	91%	90%	94%
Reports of crime or misconduct	11,682	12,516	15,634	13,372	13,633	11,436
Total searches of ASIC databases	68.0m	71.2m	68.5m	61m	60m	51m
% company data lodged on time	95%	95%	95%	95%	95%	95%
Fees and charges collected for the Commonwealth	\$717m	\$664m	\$622m	\$582m	\$552m	\$545m
Staff (average FTEs)	1,844	1,738	1,893	1,932	1,698	1,669

1. Successful and completed applications.

2. Includes criminal and civil litigation and administrative actions. Excludes summary prosecutions, conducted by ASIC, for less serious criminal offences.

3. Includes criminal and civil litigation. Excludes administrative actions and summary prosecutions, conducted by ASIC, for less serious criminal offences.

Reports required under statute and other requirements

Australian Securities and Investments Commission Act 2001

As required by s136(2)(e), ASIC reports that in 2012–13 it did not exercise its powers under Part 15 of the *Retirement Savings Account Act 1997* (RSA Act). No applications were received to do so.

ASIC issued one legislative instrument under Part 29 of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) to provide RSE licensees of a registrable superannuation entity with additional time to make the necessary arrangements to comply with disclosure obligations under s29QB(1) of that Act. An application was received to exercise our powers under that Part which was refused.

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

In connection with the joint inspection, ASIC shares certain information with the PCAOB under s11(14) of the ASIC Act. The inspections focus on audit quality and include reviews of firms' 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 the year ended 30 June 2013.

Commonwealth fraud control guidelines

In 2012–13, ASIC reviewed its fraud exposures and the Commission approved the fraud control policy and plan. 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.

Compensation for detriment caused by defective administration

There were no payments made in 2012–13 under the Compensation for Detriment caused by Defective Administration (CDA) scheme.

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 2012–13 that have had, or may have, a significant impact on ASIC's operations.

Parliamentary Joint Committee on Corporations and Financial Services Reports

There were four ASIC oversight reports between 1 July 2012 and 30 June 2013.

The report on the 2011–12 annual report of bodies established under the ASIC Act was released on 14 February 2013.

The Government released a response on 7 February 2013 in regard to the statutory oversight of ASIC hearing held by the Parliamentary Joint Committee on Corporations and Financial Services held on 25 August 2011.

Additionally, the Parliamentary Joint Committee on Corporations and Financial Services tabled reports on:

- ♦ A regulatory framework for tax (financial) advice services (previously Tax Laws Amendment (2013 Measures No. 2) Bill 2013, Schedules 3 and 4)
- ♦ Corporations and Financial Sector Legislation Amendment Bill 2013
- ♦ Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013
- ♦ Family Business in Australia
- ♦ Superannuation Legislation Amendment (Reform of Self Managed Superannuation Funds Supervisory Levy Arrangements) Bill 2013

Reports required under statute and other requirements continued

- ◆ Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013
- ◆ Superannuation Legislation Amendment (Service Providers and Other Governance Measures) Bill 2012
- ◆ Personal Liability for Corporate Fault Reform Bill 2012
- ◆ Tax Laws Amendment (Clean Building Managed Investment Trust) Bill 2012
- ◆ Corporations Legislation Amendment (Derivative Transactions) Bill 2012
- ◆ Superannuation Legislation Amendment (Further MySuper and Transparency Measures) Bill 2012
- ◆ Australian Charities and Not-for-profits Commission Bill 2012; the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012; the Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012.

Senate Economics Committee

The Senate Economics Committee noted ASIC's *Annual Report 2011–12* and noted ASIC's provision of answers to Questions on notice.

On 20 June 2013 the Senate referred an inquiry into the performance of the Australian Securities and Investments Commission to the Senate Economics References Committee for inquiry and report. The due date for receipt of submissions is 21 October 2013 and the reporting date is 31 March 2014.

Reports by Auditor-General

The Auditor-General did not issue any reports or capability reviews on ASIC in 2012–13.

Freedom of Information Act 1982

Members of the public have a 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 pursuant to 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 (ASCOT).

Members of the public can inspect ASIC regulatory documents, information brochures, media releases, reports, class orders 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 Plan, showing what information is published in accordance with the IPS requirements is accessible at www.asic.gov.au/IPS.

Grants programs

The Assetless Administration Fund (AA Fund) is a grant scheme established by the Australian Government and administered by ASIC. It funds preliminary investigations and reports by liquidators into the failure of companies that have few or no assets, where it appears that enforcement action may result from the investigation and report.

During the year, government expanded the funding guidelines to include ASIC's ability to fund liquidators for the winding up of companies under Pt 5.4C of the Corporations Act and consider funding liquidator actions to recover assets where fraudulent or unlawful phoenix activity is suspected.

The funding allocation for 2012–2013 was \$3.5 million. This year, under the grant scheme, ASIC received 426 banning (EX02) applications and 102 'Matters other than section 206F – Director banning' (EX03) applications – a record number.

Funded reports assisted in approximately 58% of director bannings in 2012–13 (increase of 4% on 2011–12).

Consultancies and expenditure on advertising

Commonwealth Electoral Act 1918

Section 311A of the *Commonwealth Electoral Act 1918* requires agencies to report on expenditure to advertising agencies, market research organisations, polling organisations and direct mail organisations. Sums less than \$11,900 are not required to be reported. All sums are GST inclusive, and are actual expenditure for 2012–13.

During 2012–13, ASIC conducted the advertising campaigns listed below. Further information on those advertising campaigns is available at www.moneysmart.gov.au and in the reports on Australian Government advertising prepared by the Department of Finance and Deregulation. Those reports are available at www.finance.gov.au/advertising/index.html.

Expenditure on advertising agency services, 2012–13

Agency	Expenditure	Purpose
Adcorp	\$12,163	Advertising for 2014 graduate recruitment
Commercial Monitors	\$24,754	Ad review advertising monitoring service
Spinach Advertising	\$322,584	MoneySmart campaign development
Universal McCann	\$1,435,158	Advertising placement for the MoneySmart campaign

Expenditure on market and professional research and media advice

Roy Morgan Research Ltd	\$400,000	Demand-side market research database
Latitude Research Pty Ltd T/as Latitude Insights	\$75,625	Market (45–55 year olds) research
TABB Group	\$30,646	Research subscription
GFK Australia Pty Ltd	\$25,520	Research material
Usabilityone Pty Ltd	\$148,346	MoneySmart research project
Rice Warner Actuaries	\$50,000	Research and report – SMSFs
Investment Trends Pty Limited	\$37,400	Two SMSFs research reports
Les Bell and Associates T/as Susan Bell Research	\$39,570	CAP SMSFs research project
Les Bell and Associates T/as Susan Bell Research	\$198,600	Stakeholder Survey 2013

Managing procurement

The *Financial Management and Accountability Act 1997* (FMA Act) and Financial Management and Accountability Regulations 1997 (FMA Regulations) 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, which are designed to promote compliance with the FMA Act, FMA Regulations and the CPRs for all levels of procurement, and
- ♦ manage complex and 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 reported through the CEO certification process are addressed as required through process improvement initiatives.

All major contracts entered into in 2012–13 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 2012–13, ASIC implemented nine standing offer arrangements, including five cooperative arrangements, and awarded 682 procurement activities (each valued \$10,000 or more reported on AusTender) for a total value of \$97.7 million.

Of these procurements, 185 were valued in excess of \$80,000 for a total value of \$81.9 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 2012 and updated in January 2013.

There were no contracts which were exempted from the contract reporting requirements.

Consultancy contracts

During 2012–13, 62 new consultancy contracts were entered into, involving total actual expenditure of \$4.242 million. In addition, 16 ongoing consultancy contracts were active during the year, involving total actual expenditure of \$3.961 million.

Consultancy trend data

	2012–13	2011–12	2010–11
Number of new consultancies	62	27	51
Expenditure on new consultancies (millions)	\$4.242	\$2.828	\$1.976
Number of ongoing consultancies	16	6	56
Expenditure on ongoing consultancies (millions)	\$3.961	\$1.704	\$2.282

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 on page 103 of the financial statements which show 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 are required to prepare a business case seeking funding. Requests to engage consultancies must show the link to outcomes (set out in the business unit's business plan) and how the engagement will contribute to ASIC's strategic priorities.

Once the engagement of a consultant is approved, the procurement method used will be in accordance with the CPRs and ASIC's procurement policies.

All of the 62 consultancies engaged by ASIC during 2012–13 were for specialised or professional skills not available within the business unit. The method of procurement used was open tender for 37 engagements (including engagements from panels), pre-qualified tender for 4 engagements and limited tender for 21 engagements.

The main categories for which the consultants were engaged were:

- ◆ information technology
- ◆ education and training
- ◆ strategic planning services
- ◆ research programs.

ASIC's use of its powers

From 2010–11, ASIC has reported the use of our compulsory information-gathering powers under statute. This appendix discloses data by number of instances in 2012–13, with comparative data for the previous year.¹

Use of significant compulsory information gathering powers		No. of notices 2012–13	No. of notices 2011–12
Appear for examination			
s19 ASIC Act ¹	Requirement to appear for examination	448	433
s58 ASIC Act	Power to summons a witness and take evidence	0	1
s253 NCCP Act ^{1,2}	Requirement to provide reasonable assistance	66	98
Give reasonable assistance			
s1317R Corporations Act	Power to require assistance in prosecutions	43	67
s49(3) ASIC Act	Power to require reasonable assistance in a prosecution	20	31
s51 NCCP Act	Requirement to provide reasonable assistance	0	0
s601FF Corporations Act	Power to conduct surveillance/monitor managed investment scheme	3	28
s912E Corporations Act	Power to require assistance and disclosure of books and information from an AFS licensee	582	653
Produce documents			
s266 NCCP Act	Requirement to produce books (credit activities)	210	167
s267 NCCP Act	Requirement to produce books	190	274
s30 ASIC Act	Notice to produce books about affairs of body corporate or registered scheme	969	1,074
s31 ASIC Act	Notice to produce books about financial products	187	212
s32A ASIC Act	Notice to produce books about financial services	6	3
s33 ASIC Act	Notice to produce books in person's possession	1,109	863

Use of significant compulsory information gathering powers		No. of notices 2012–13	No. of notices 2011–12
Provide information			
s12GY(2) ASIC Act	ASIC to require claims to be substantiated	0	4
s601HD Corporations Act	Power to request information about compliance plan of a registered scheme	0	1
s49(1) NCCP Act	Requirement to provide information (statement)	49	30
s912C Corporations Act	Power to require information from an AFS licensee	344	276
Item 17 Schedule 2 NCCP Act	Power to require information (obtain statement or audit report)	0	0
s672A Corporations Act	Power to require disclosure of relevant interests	55	68
s672B Corporations Act	Power to require disclosure of relevant interests	4	1
s37(4) NCCP 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	17	11
Provide information and books			
s30A ASIC Act	Notice to auditors requiring information or books	57	43
Search warrants			
sS3E Crimes Act (Cth)	Warrants to search premises/conveyance or person	30 ³	38
s36 ASIC Act ⁴	Warrant to search premises	1	N/A
Use of other powers			
Obligations of carriers and carriage service providers			
s313 Telecommunications Act ⁴	Request for help as is reasonably necessary for enforcing the criminal law and laws imposing pecuniary penalties	10	N/A
Provide documents, information or evidence			
s10(2) MABR Act ^{4,5}	Requirement to produce documents, to give information or to appear to give evidence and produce documents	23	N/A

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

2. *National Consumer Credit Protection Act 2009* (National Credit Act).

3. Of the 30 warrants issued (in relation to 9 individual investigations), 24 were executed.

4. Newly reported powers/notices.

5. *Mutual Assistance in Business Regulation Act 1982*.

Glossary

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
Assetless Administration Fund	A grant scheme established by the Australian Government and administered by ASIC. It funds preliminary investigations and reports by liquidators into the failure of companies that have few or no assets
ASX	ASX Limited or the exchange market operated by ASX Limited
Business Names Register	ASIC's new national business names registration service, which replaced the previous state and territory services so that businesses only need to register their name once to be registered throughout Australia. The Business Names Register was launched on 28 May 2012
CFD	Contract for difference
Chi-X	Chi-X Australia Pty Limited or the exchange market operated by Chi-X Limited
Corporations Act	<i>Corporations Act 2001</i>
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, the 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. Common derivatives include options and futures contracts
ETF	Exchange-traded fund
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. Some elements of the reforms came into force on 1 July 2012, with compliance mandatory from July 2013
FX contract	Foreign exchange contract
G20	Group of 19 of the world's largest economies, and the European Union
G20 commitments	Commitments made by the G20 nations in September 2009 for the operation of OTC derivatives markets

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
IOSCO	International Organization of Securities Commissions
MoneySmart	MoneySmart is ASIC's consumer website. It provides money tips and tools and aims to help consumers and investors make financial decisions that improve their lives
MySuper	The new low-cost default superannuation product created as part of the Stronger Super reforms
National Credit Act	<i>National Consumer Credit Protection Act 2009</i>
National Financial Literacy Strategy	The National Financial Literacy Strategy was developed in 2011 to provide a national direction for this priority area. The Strategy is being reviewed during 2013, identifying key issues and priorities for 2014–16
OTC	Over-the-counter
PDS	Product Disclosure Statement
Phoenix activity	Typically, phoenix activity involves transferring the assets of a company (the previous company) to a subsequent company in circumstances where the previous company was unable to pay its debts, and the transfer may have been conducted in a manner so as to deprive unsecured creditors equal access to its assets, and there is a connection between the management or shareholding of the previous company and the subsequent company
Shorter PDS regime	The shorter Product Disclosure Statement regime, which came into force on 22 June 2012 and aims to make PDSs simpler
SMSF	Self-managed superannuation fund
Stronger Super reforms	The Stronger Super reforms are the Government's response to the review of Australia's superannuation system (Super System Review). The Stronger Super reforms aim to create a new and simple low-cost default superannuation product, make the processing of everyday transactions easier, cheaper and faster, and strengthen the governance and integrity of the superannuation system

Compliance index

Part of Report	Description	Requirement	Location (page/s)
	Letter of transmittal	Mandatory	1
	Table of contents	Mandatory	Inside front cover
	Index	Mandatory	165
	Glossary	Mandatory	160
	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	2–4
	Summary of significant issues and developments	Suggested	2–4
	Overview of department's performance and financial results	Suggested	2–6, 19
	Outlook for following year	Suggested	4
	Significant issues and developments – portfolio	Portfolio departments – suggested	N/A
Departmental overview	Role and functions	Mandatory	10
	Organisational structure	Mandatory	11–12
	Outcome and program structure	Mandatory	2, 5–6, 13–15
	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	147
	Portfolio structure	Portfolio departments – mandatory	N/A
Report on performance	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	5–6, 18, 21–64, 152
	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	147–151
	Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	147–151
	Narrative discussion and analysis of performance	Mandatory	21–64
	Trend information	Mandatory	54, 152, 157
	Significant changes in nature of principal functions/services	Suggested	N/A
	Performance of purchaser/provider arrangements	If applicable, suggested	N/A
	Factors, events or trends influencing departmental performance	Suggested	2–4, 6
	Contribution of risk management in achieving objectives	Suggested	3, 16–17, 24–27, 37–39
	Social inclusion outcomes	If applicable, mandatory	N/A
	Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	60–61
	Discussion and analysis of the department's financial performance	Mandatory	19
	Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory	2–4, 19
	Agency resource statement and summary resource tables by outcomes	Mandatory	150–151

Part of Report	Description	Requirement	Location (page/s)
Corporate governance	Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines.	Mandatory	153
	Statement of the main corporate governance practices in place	Mandatory	142–143
	Names of the senior executive and their responsibilities	Suggested	7–8, 11–12
	Senior management committees and their roles	Suggested	11–12, 142–143
	Corporate and operational planning and associated performance reporting and review	Suggested	
	Approach adopted to identifying areas of significant financial or operational risk	Suggested	
	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	3, 66–68
	How nature and amount of remuneration for SES officers is determined	Suggested	
External scrutiny	Significant developments in external scrutiny	Mandatory	4, 10, 153–154
	Judicial decisions and decisions of administrative tribunals	Mandatory	153
	Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	153–154
Management of human resources	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	66–68
	Workforce planning, staff turnover and retention	Suggested	67
	Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	
	Training and development undertaken and its impact	Suggested	66
	Work health and safety performance	Suggested	67
	Productivity gains	Suggested	
	Statistics on staffing	Mandatory	68–73
	Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	69
	Performance pay	Mandatory	68
Assets management	Assessment of effectiveness of assets management	If applicable, mandatory	N/A
Purchasing	Assessment of purchasing against core policies and principles	Mandatory	156–157
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	156–157
Australian National Audit Office access clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	157
Exempt contracts	Contracts exempt from the AusTender	Mandatory	157
Financial statements	Financial Statements	Mandatory	79–140

Compliance index continued

Part of Report	Description	Requirement	Location (page/s)
Other mandatory information	Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory	67
	Advertising and Market Research (s311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	156
	Ecologically sustainable development and environmental performance (s516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	77–78
	Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	N/A
	Grant programs	Mandatory	155
	Disability reporting – explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	67
	Information Publication Scheme statement	Mandatory	155
	Spatial reporting – expenditure by program between regional and non-regional Australia	If applicable, mandatory	N/A
	Correction of material errors in previous annual report	If applicable, mandatory	Inside back cover
	List of requirements	Mandatory	162

Note: N/A means not applicable.

General index

A

Aboriginal people *see* Indigenous Australians
accounting policies (ASIC), 94–102
 changes in, 95
 new Australian Accounting Standards, 95–96
 significant judgements & estimates, 95
ACM Group, 33
Addwealth Financial Services, 34
administered items, 90–93, 121–126
 accounting policies, 100–101
administrative tribunal decisions, 153
administrators' statutory reports, 58–59
advertising credit products, 26
advertising expenditure (ASIC), 156–157
agency resource statement, 150
Annual Forum, 20
annual reports, 41
 failure to lodge, 44
appropriations (ASIC), 19, 127–132
AQUA market, 24
ASIC Connect, 47
assets (ASIC)
 acquisition, 99
 administered, 91
 non-financial, 106–108
 vesting in ASIC, 53, 133
 write-down & impairment, 104
 see also financial assets
ASX *see* markets
Auditor-General reports, 154
auditors, 14, 17
 breach reports, 57
 competence, 42
 diligence, 43
 inspections, 39
 registration, resignations, removal & replacements, 41
 statistics, 152
auditors (ASIC)
 Audit Committee and audit,
 assurance & compliance services, 143
 remuneration, 119
 report, 81–82
AusTender, 157
Australian Charities and
 Not-for-profits Commission (ACNC), 47
Australian Government Financial Literacy Board, 147
*Australian Securities and
Investments Commission Act 2001*
 reports required, 153

B

balance sheet, 85
 events after date, 102
Banksia taskforce, 36
boards and tribunal expenditure, 102, 132
breach reports, 15, 57–58
business names, 48–49

C

capital protected & capital guaranteed products, 26–27
carbon market participants, 40
cash (ASIC), 98
cash appropriation, 140
cash flows (ASIC), 87, 92, 125
 reconciliation, 111, 125
CFDs (contracts for difference), 27
Chairman
 biographical details, 7
 corporate structure, 11–12
 financial statement, 83
 letter of transmittal, 1
 lunchtime sessions, 20
 report, 2–4
charities, 47, 75
Chief Financial Officer's statement, 83
Client Contact Centre, 15, 51
Commissioners
 biographical details, 7–8
 changes, 4
 corporate structure, 11–12
 gender, 70–73
 remuneration, 113–114
 role of, 142
commitments, 88, 93
committees, 144–146
Commonwealth Electoral Act 1918, 156
Commonwealth, revenue for, 19, 152
community outreach, 67, 74–75
companies register, 47
company registration *see* registration and licensing
compensation
 ASIC, 138
 detriment caused by defective administration, 153
 for investors, 33
competence
 licensees, 34
 markets, 42–43
Consolidated Revenue Fund, 140
consultancies, 156–157
Consumer Advisory Panel, 144
consumer credit *see* credit products and services

General index continued

consumers see investors and financial consumers
contingent liabilities and assets, 89, 93, 111–112, 125
 accounting policies, 99
contracts for difference (CFDs), 27
corporate governance
 misconduct reports, 55
 monitoring, 14
Corporate Registers Forum, 20, 48
corporate structure, 11–12
corporations, 14
 annual reports, 41, 44
 employees access entitlements, 41
 engagement with, 36
 misconduct reports, 41, 55
 prospectus disclosure, 38
 statistics, 152
 surveillance, 17
 winding up abandoned companies, 41
 see also takeovers
cost recovery, 139
credit products and services
 advertising financial products, 26
 ASIC guidance, 28
 civil penalty proceedings, 34
 enforcement, 13, 33
 licensing, 13, 152
 outcomes, 24
 responsible lending, 25, 34
 surveillance, 16, 25–26
custodial service providers, 28

D

dark liquidity, 3, 36, 40
dealers' security deposits, 133
debentures reform, 36
debt relief, 138
deposit-takers, 13, 16
 ASIC guidance, 28
 outcomes, 24
 surveillance, 25–26
depository service providers, 28
depreciation & amortisation (ASIC), 103
deregistered companies, 53, 133
derivatives see OTC derivatives issuers
diligence
 financial products & services, 33–34
 markets, 43–44

E

education
 investors & financial consumers, 5
 outcomes, 28–31
 see also financial literacy

emerging mining & resources companies, 14, 17
 reporting, 41
employees access entitlements, 41
employees (ASIC) see staff
energy efficiency, 77
enforcement
 financial services, 13
 investors & financial consumers, 5
 major outcomes, 18
 markets, 5, 14, 42–44
 outcomes in detail, 32–35
 registration & licensing, 15
 small business compliance & deterrence, 15
engagement with industry and stakeholders, 5
 external committees and panels, 144–146
environmental performance (ASIC), 77–78
equity, changes in (ASIC), 86
expenditure (ASIC), 19, 102–104, 121
 advertising, 156–157
 outcomes and, 19, 151
 statutory boards & tribunal, 132
External Advisory Panel, 144–145
external committees and panels, 144–146
external scrutiny, 153–154

F

false or misleading statements, 42
finance costs (ASIC), 98, 104
financial advisers, 13
 ASIC guidance, 27
 engagement with new advisers, 23
 FOFA reforms, 22, 27
 outcomes in detail, 22–23
 surveillance, 16, 24
 training and assessment, 22
 Trans-Tasman mutual recognition, 23
financial assets (ASIC), 98, 105–106, 123, 126
 reconciliation, 121, 126
financial consumers see investors and financial consumers
financial innovation-driven complexity, 3
financial instruments (ASIC), 119–120, 126
financial liabilities (ASIC), 91, 98
financial literacy
 ASIC programs, 13
 Australian Government Financial Literacy Board, 144
 international cooperation, 31
 MoneySmart, 28–30
Financial Management and Accountability Act 1997
 s 39, 134–137
financial markets see markets
financial products and services
 enforcement, 13, 32, 34
 failure to disclose, 34
 misconduct reports, 55

financial reporting, 14, 17
 exploration & mining sector, 41
 reviews, 39
 see also annual reports

financial services see financial products and services

financial statements (ASIC), 79–140
 basis of preparation, 94–95
 comparative figures, 102
 notes to, 94–140
 rounding, 102

financial summary (ASIC), 19

foreign exchange (FX) contracts, 27

fraud control (ASIC), 153

freedom of information, 154–155

funding
 additional for future years for specific initiatives, 19
 appropriations, 19, 127–132

Future of Financial Advice (FOFA) reforms, 22, 27

G

gains, 96

globalisation, 3

glossary, 160–161

government bonds trading, 40

grants programs, 155

guidance (ASIC rules, standards & expectations)
 investors and financial consumers, 4
 markets, 5, 40–41
 outcomes, 27–28

H

hedge funds, 28

high frequency trading, 3, 36, 40

honesty, 32–33, 42

hybrid products, 26

I

income (ASIC), 84, 90, 104–105, 122

independence, 34

Indigenous Australians
 ASIC awareness & action, 76
 cadetship, 68, 76
 community support, 4, 76
 consumers & investors, 76
 outreach program, 30–31
 suppliers, 76

industry, engagement with, 36–37

information technology, 78

infringement notices, 34, 44

insider trading, 42

insolvency
 notices, 50
 practitioners, 14, 17, 39
 see also liquidators

insurance (ASIC), 102

insurance industry, 13
 ASIC guidance, 28
 outcomes, 24
 surveillance, 16, 26

intangibles, 100

international cooperation
 financial literacy, 31
 regulation, 35, 45
 requests, 35

International Organization of
 Securities Organizations (IOSCO), 3, 20

internet see online services (ASIC); websites

investigations see enforcement

investment advisers' security deposits, 133

investment banks, 13, 16
 outcomes, 24
 surveillance, 26

investment managers, 13, 16
 AQUA market, 24
 ASIC guidance, 29
 surveillance, 25

investment platforms, 28

investment products see financial products and services

investment scams, 32

investors and financial consumers, 2
 ASIC corporate structure, 11
 key outcomes, 5
 misconduct reports, 55
 outcomes in detail, 22–35
 regulated populations, 13
 surveillance, 16

IOSCO (International Organization of
 Securities Organizations), 20

J

James Hardie Industries, 44

judicial decisions, 153

L

leasehold improvements, plant & equipment, 99–100

leases, 98

liabilities, 91, 98

licensing see registry and licensing services

liquidators
 competence, 43
 diligence, 43
 funding actions, 41
 registration, 39
 security deposits, 133
 statistics, 152
 statutory reports, 58–59
 surveillance, 39

General index continued

M

Macquarie Equities Ltd, 33
managed investment schemes
 unregistered offshore, 32
 see also investment managers
Market Supervision Advisory Panel, 145–146
markets, 2
 AQUA market, 24
 ASIC corporate structure, 12
 assessment reports, 37
 carbon market participants, 40
 dark liquidity, 3, 36, 40
 enforcement, 14
 government bonds trading, 40
 high frequency trading, 3, 36, 40
 infrastructure, 14, 17, 36–37, 40
 integrity, 14, 55
 key outcomes, 5
 misconduct reports, 55
 new rules, 40
 outcomes in detail, 36–45
 participant supervision, 14, 17, 38
 regulated populations, 14
 statistics, 152
 supervision, 14, 17, 38
 surveillance, 17, 38
Markets Disciplinary Panel, 44, 145
mining see emerging mining & resources companies
Ministers responsible, 10
misconduct, reports of, 15, 54–56
MoneySmart (consumer website), 30
MoneySmart Rookie, 30
MoneySmart Teaching, 28–29
mortgage brokers, 25

N

National Business Names Register, 48–49
New Zealand, 3, 23

O

objectives (ASIC), 94
online services (ASIC)
 ASIC Connect, 47
 business conducted, 46
 MoneySmart, 30
 National Business Names Register, 48–49
 online help, 47
 social media, 47
OTC derivatives issuers, 27
 clearing, 45
 G20 reform, 45

outcomes, 5–6
 detailed, 21–64
 expenditure and, 19
 financial reporting, 139
outlook, 4

P

Parliamentary oversight, 4, 10, 153–154
payables (ASIC), 109, 124
people see Commissioners; staff
performance against Service Charter, 60–61
policy advice and implementation
 domestic, 35
 international, 35
 investors and financial consumers, 5
 markets, 5, 45
 outcomes, 35
Portfolio Budget Statements, 144–151
powers, use of, 158–159
priorities, 2, 5–6
 detail, 22–53
procurement, 156–157
property
 ASIC, 78
 vested in ASIC, 53, 133
property law, 15
prospectus disclosure, 38
provisions (ASIC), 110

R

receipts subject to cost recovery, 139
receivers, statutory reports from, 58–59
reconciliation schedule, administered, 91
regional activities (ASIC), 62–64
Registry and Licensing Business Advisory Committee, 146
registry and licensing services, 2, 15
 ASIC corporate structure, 11
 breach reports, 57
 Corporate Registers Forum, 20, 48
 integrity, 55
 key outcomes, 6
 outcomes in detail, 46–53
 statistics, 152
regulated populations, 3, 13–17
 surveillance, 16–17
regulator cooperation, 10
related party disclosures (ASIC), 113
relief granted, 37
remuneration
 auditors, 119
 Commissioners, 113–114
 senior executives, 115–118
reports required under statute, 58–59, 153–155
resource allocation (ASIC), 6

- responsibilities (ASIC), 13–15
- responsible Ministers, 10
- retail investors *see* investors and financial consumers
- revenue (ASIC)
 - accounting policies, 96
 - appropriations and, 19
 - for the Commonwealth, 19
- risks, 3
- role of ASIC, 10
- role of ASIC Commissioners, 142

S

- security deposits, 133
- senior executives
 - development, 66
 - remuneration, 115–118
- Service Charter, 60–61
- small business
 - compliance & deterrence, 15
 - registration & licensing, 46
- special accounts (ASIC), 134–137
- staff, 66–75
 - capability building, 66–68
 - Chairman's report, 4
 - community outreach, 67, 74–75
 - diversity, 67
 - employee benefits, 98, 102
 - fundraising, 74
 - gender, 72–73
 - Indigenous cadetship, 68, 76
 - industrial arrangements, 69
 - integrated leadership system, 66
 - location, 70–71
 - management training, 66
 - managing & retaining talent, 67
 - payroll, 66
 - performance payments, 68
 - pro bono legal work, 75
 - professional networks & communities of practice, 66
 - salary ranges, 69
 - stakeholder engagement, 66
 - statistics, 152
 - unconscious bias, 66
 - volunteering, 75
 - women in leadership, 67–68
 - workplace giving, 74
 - workplace safety, 67
 - see also* Commissioners; senior executives
- stakeholders
 - engagement with, 22–24, 36–37, 66
 - statistics, 152
 - survey, 2
- states and territories
 - ASIC regional activities, 62–64
 - ASIC regulatory relationships, 10

- statistics
 - business names, 49
 - energy consumption, 77
 - insolvency notices, 50
 - six-year summary, 153
 - SMSF auditor register, 50
- statutory boards *see* boards and tribunal
- statutory reports, 58–59, 153–155
- Storm Financial Ltd, 33
- structural change, 2
- superannuation, 2, 13
 - ASIC guidance, 27–28
 - education, 31
 - self-managed, 28
 - SMSF auditors, 50
 - Stronger Super, 23, 27
 - surveillance, 16, 25
- suppliers, 103
- surveillance, 3
 - investors and financial consumers, 5
 - markets, 37–39
 - outcomes, 24–27
 - regulated populations, 16–17
 - see also* enforcement

T

- takeovers
 - guidance, 41
 - law reform, 45
 - monitoring, 38
 - statistics, 152
- taxation, 100
- tenders, 157
- transactions with Government, 96–97
- Trans-Tasman mutual recognition, 23
- travel, 78
- tribunal expenditure, 102, 132
- Trio Capital Ltd, 32

U

- unclaimed money, 15, 52

V

- vested property, 53, 133

W

- waste, 77
- water, 78
- websites
 - financial product comparisons, 26
 - see also* online services (ASIC)
- winding up abandoned companies, 41
- women in leadership, 67–68
- workplace safety, 67

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

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

To report misconduct to, or complain about, ASIC

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

Media inquiries

Go to www.asic.gov.au/media, email media.unit@asic.gov.au or phone **1300 300 630**.

Annual report contact officer

Senior Manager, Publishing
phone: **02 9911 5829**
email: peter.richardson@asic.gov.au

For copies of ASIC publications (including annual reports)

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

To follow ASIC online:

ASIC media releases

Twitter*: [@asicmedia](https://twitter.com/asicmedia)

ASIC information for consumers and investors

Twitter*: [@MoneySmartTeam](https://twitter.com/MoneySmartTeam)
Facebook: facebook.com/moneysmartAU
YouTube: youtube.com/moneysmartAU

ASIC registry and licensing services

Twitter*: [@ASIC_Connect](https://twitter.com/ASIC_Connect)
Facebook: facebook.com/ASICConnect
YouTube: youtube.com/ASICConnect

To contact ASIC by mail:

For all correspondence with ASIC Commissioners, stakeholder teams, enforcement, corporate affairs, chief legal office and administration:

ASIC, GPO Box 9827 in your capital city

For registry and licensing matters, including company annual statements, notification of changes to company or licence details, routine company or licence compliance, document lodgements, deregistration and reinstatements:

ASIC, PO Box 4000
Gippsland Mail Centre, VIC 3841

Annual Report 2012–13 publication details

ISSN 1448-3416 (Print)

ISSN 1448-370X (Online)

* 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.

Annual Report 2011–12 errata

On pages 4 and 5 of the ASIC Annual Report 2011–12 we reported that we completed 133 civil litigation actions under Priority 1 and 46 civil litigation actions under Priority 2. These figures include criminal and administrative actions.