

FINANCIAL SUMMARY

Increased outputs to achieve the outcome approved by Parliament

Parliament appropriated funds for ASIC in order to achieve the outcome of 'a fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers'.

To achieve this outcome, we delivered four outputs (or services).

Output*

	This year	Last year	Change
1. Policy and guidance about laws administered by ASIC, pages 31 and 32.	\$10m	\$11m	steady
2. Comprehensive and accurate information on companies and corporate activity, page 34. Increased expenses included acquiring a new mainframe and upgrading online business systems.	\$50m	\$45m	+11%
3. Compliance monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity, pages 23, 28 and 33. Lower expenses flowed from successfully completing the transition to new financial services laws.	\$51m	\$56m	-9%
4. Enforcement activity to give effect to the laws administered by ASIC, page 16. Increased expenses included major matters including James Hardie, Offset Alpine Printing and One.Tel.	\$97m	\$84m	+15%
Total	\$208m	\$196m	+6%

*Internal service costs are apportioned to these outputs.

We raised \$531 million for the Commonwealth in fees and charges.

We balanced revenue and expenses with a break-even result. We received \$199 million in appropriations and \$9 million in revenue from sale of services, interest and other sources, including \$2.6 million in recoveries for court and investigation costs.

Our expenses of \$208 million increased, largely to sustain ASIC operations and to increase enforcement activities and

surveillance of company auditors. Employee expenses, our largest outlay of \$125 million, increased as a result of an additional 39 full-time equivalent positions. Supplier expenses, excluding property costs, increased 4% to \$69 million, including increased litigation and forensic costs.

Some \$13.2 million of our appropriation was levied by the government on deposit taking, superannuation and insurance organisations, used for the purposes shown on page 57.

Our financial statements begin on page 60.

Outlook

Under the government's May 2005 budget, ASIC will receive \$214 million in 2005-06. All increases to our budget were tied to specific activities, such as enforcement activities (including One.Tel, Offset Alpine and James Hardie), consumer protection and monitoring superannuation choice. No additional money was provided for general operations.