ASIC'S

priorities and key achievements 09

FINANCIAL ECONOMY

make a real difference in improving confidence in financial market integrity

Assist and protect retail investors and consumers in the financial economy

- Sought compensation for retail investors for losses arising from corporate wrongdoing
- Encouraged better conduct, product design and disclosure regarding financial products, as well as completing product health checks
- Expanded financial literacy, receiving about 2.2 million visits to our FIDO website and creating resources for consumers, schools and Indigenous communities
- Prepared for the national regulation of consumer credit

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Build confidence in the integrity of Australia's capital markets

- Prepared to take over supervision of the ASX and SFE (now known as ASX 24) (since completed, see page 47)
- Took legal action against executives and advisers who abused the market, resulting in numerous convictions and penalties for insider trading, market manipulation and making false and misleading statements
- Lifted standards by reviewing financial reports and the conduct of market professionals, such as auditors and external administrators
- Provided policy input to enhance Australia's regulatory framework
- Put additional resources into improving confidence in the integrity of our markets, in particular by targeting insider trading and market manipulation

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Facilitate international capital flows and international cooperation

- Worked with IOSCO to develop regulatory responses to the global financial crisis (GFC)
- Pushed for increased standards of risk management and transparency in the market for complex financial instruments
- Introduced a new regulatory framework for credit rating agencies operating in Australia

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REAL ECONOMY

deliver outstanding and cost-effective services

Manage the domestic and international implications of the global financial crisis

- Continued to act on short selling, including implementing reporting requirements
- Assisted investors in GFC-affected schemes, allowing withdrawals from some frozen funds and providing other regulatory relief
- Facilitated capital raisings among Australian companies and real estate investment trusts impacted by the downturn
- Facilitated the issue of 'vanilla' corporate bonds
- Increased confidence in superannuation through education, improving disclosure and surveillance of some funds

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Lift operational effectiveness and service levels for all ASIC stakeholders

- Facilitated record levels of online lodgements, with 70% of all documents lodged with ASIC submitted online
- Registered 157,667 new companies, 84 auditors, 30 liquidators and 14,758 credit participants, and licensed 454 new financial service providers – well ahead of our service charter targets
- Dealt with 13,372 complaints from investors and consumers, meeting our target of finalising 70% within 28 days
- Successfully prosecuted 554 company directors for 1,010 offences, with penalties including 132 good behaviour bonds and fines totalling $692,748
- Banned 70 company directors from managing companies for insolvency-related offences or phoenix trading – an increase of 43% over the previous year
- Expanded our operations, including new staff and a new call centre site in Adelaide, to prepare for ASIC's takeover of consumer credit regulation from July 2010

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Improve services and reduce costs with new technologies and processes

- Continued the modernisation of ASIC's registry systems by making more services available online and updating core computing systems
- Prepared to introduce a cheaper and simpler national system for Australian business names
- Reduced red tape by cutting the number of pages in our 20 most-used forms
- Embraced the Standard Business Reporting initiative to make it easier for business to report financial information to Government

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PRIORITY 1

Assist and protect retail investors and consumers in the financial economy

ASIC helps retail investors and financial consumers make informed choices while deterring illegal behaviour. We have powers to protect consumers against misleading or deceptive and unconscionable conduct affecting all financial products and services, now including credit.

Even though financial markets steadied during 2009–10, many investors and consumers continued to be impacted by the GFC and the unscrupulous behaviour of some business and investment professionals.

Against this background, ASIC focused on:

- recovering funds associated with failed investments, and pursuing criminal behaviour
- supporting financial literacy in the community
- improving product disclosure and access to advice.

1. Recovering funds and pursuing illegal behaviour

Enforcement actions

Westpoint

Since 2007, ASIC has launched 19 actions for the benefit of Westpoint investors. Following a global mediation in June 2009, continuing negotiations have resulted in a number of settlements whereby compensation has been or will shortly be paid to a number of Westpoint investors. Those settlements totalled $24.5 million as of August 2010. Another $49.2 million obtained through the liquidation process has also been distributed, a figure that is expected to reach $56 million. Returns from companies not in liquidation are expected to reach $22.5 million.

In all, investors are expected to see a return of about $100 million of the $388 million in losses. Further Westpoint proceedings are continuing with respect to directors, auditors and three AFS licensees. ASIC hopes to resolve more of these claims during 2010–11.

The settlements gained this year were with: Professional Investment Services Pty Ltd ($5.9 million); Bongiorno Financial Advisers Pty Ltd and Bongiorno Financial Advisers (Aust) Ltd ($2.6 million); State Trustees Ltd ($13.5 million); and Glenhurst Corporation Pty Ltd and its insurer QBE Insurance (Australia) Ltd ($2.5 million).

Opes Prime

ASIC took swift action to investigate issues arising from the collapse of Opes Prime and we assisted in the mediation that led to $253 million in compensation for Opes Prime creditors. Through mediation discussions initiated by ASIC and liquidators, clients of Opes Prime avoided costly litigation and have received a dividend of 37 cents in the dollar.

Earlier this year, ASIC also brought criminal charges against the directors of Opes Prime Stockbroking for breaching their duties as directors.

We previously put in place an enforceable undertaking from ANZ Bank, which required it to complete a program to remedy deficiencies in operational procedures across ANZ Custodial Services securities lending operations.

Astarra/Trio Capital

ASIC acted quickly by using interim stop orders to prevent further money going into a number of Astarra MISs managed by Trio Capital Limited. Soon afterwards, ASIC suspended the AFS licence of Trio Capital Limited. We continue to work with the Australian Prudential Regulation Authority (APRA) and the liquidator of the company to investigate the affairs of Trio Capital, which holds assets of more than

$400 million from over 10,000 investors. A public hearing involving the key directors of Trio Capital commenced in July 2010.

Arafura Equities

Brett Tony Best was sentenced to 13 years imprisonment for various charges related to operating an unregistered MIS while director of Arafura Equities Pty Ltd. This followed an investigation by ASIC into the operation and promotion of an illegal MIS operated by Arafura from 2003, which involved the trading of funds on foreign currency markets. The investigation found Arafura, Mr Best and promoters induced 200 clients to invest money in the scheme between 2003 and 2005.

David Hobbs and Future Trading

ASIC took enforcement action against a group of 14 managed investment funds that were based offshore and not licensed to operate in Australia, but were targeting local investors and self-managed superannuation funds. These were associated with, principally, David Hobbs of Nelson, New Zealand, and the former Vanuatu company, Future Trading Corporation Ltd.

Since 2002, more than 700 Australians have invested in excess of US$42 million in the funds. ASIC asserts the scheme operators used offshore companies, and required investors to set up their own offshore companies to conceal the true nature of their operations and to circumvent Australia's financial services laws.

Insolvent trading

A well-functioning economy that encourages investment requires a means by which investors and creditors can recover funds in the event of business failure.

Over the year, ASIC has worked with insolvency practitioners involved in major corporate failures, such as Allco Finance Group Ltd, ABC Learning Centres Ltd, Timbercorp Limited and Great Southern Limited.

We visited over 150 companies as part of our National Insolvent Trading Program, which identifies companies nearing insolvency and encourages directors to take early action. More than 20% of all companies reviewed by ASIC in the year were placed into some form of external administration, thereby improving potential outcomes for investors. We also published a guide to help directors understand and comply with their duty to prevent insolvent trading.

ASIC continued to administer the Assetless Administration Fund (AAF), which provides grants to liquidators of companies that have little or no assets to enable them to conduct detailed investigations and report officer misconduct. ASIC paid out more than $3.4 million to liquidators through the fund. Significant funded matters included the Elderslie Finance Corporation Limited, the Kleenmaid Group of companies, Storm Financial Limited and Firepower Operations Pty Ltd. See *www.asic.gov.au/aafund* for details.

Risk-based surveillance

ASIC now takes a more intensive and proactive risk-based approach to its surveillance activities. This involves identifying, analysing and evaluating the key risks in our regulated population and focusing our surveillance activities on those areas considered to be of highest risk.

This program sits alongside our ongoing reactive surveillance work, which is sourced directly from complaints or breach reports. We complement our financial advice surveillance work with innovative surveys of the advice market from the consumer's perspective. ASIC has previously undertaken two rounds of 'shadow shopping' using real consumers to monitor how well the advice market is meeting their needs, and has plans for more in the future.

Protecting consumers from aggressive credit insurance sales

During the year, ASIC raised concerns with a large financial institution about the sale and promotion of consumer credit insurance during credit cardholders' calls to activate new or replacement cards.

ASIC reviewed randomly selected recordings of direct market calls, which revealed instances of this institution selling one of its credit products to cardholders who had not agreed to purchase it and the use of ambiguous phrases by sales staff during the activation calls.

The institution responded constructively to ASIC's concerns and agreed to contact all affected customers and resolve concerns, including potentially refunding customers in appropriate circumstances.

ASIC is now looking at sales practices across the consumer credit insurance industry.

2. Improving product disclosure and access to advice

Reviewing disclosure documents

ASIC selects prospectuses and other fundraising documents for review if they appear to insufficiently outline risks for investors.

During the year, we finalised the review of 47 product disclosure statements (PDSs) involving structured and derivative products such as foreign exchange, margin foreign exchange, options, capital protected products, warrants, contracts for difference (CFDs), MISs (mainly hedge funds), futures and deferred purchase agreements. Of this total, 34 were identified as having material disclosure deficiencies and remedial actions were taken.

ASIC also obtained supplementary disclosure for PDSs in relation to 25 schemes involving agribusiness, financial assets and unlisted property investments. Our work also resulted in one stop order and withdrawal of two PDSs.

Further, we have commenced a risk-targeted review of superannuation PDSs. Approximately 65 matters are being considered for further action based on concerns that ASIC has with the disclosure of information in the PDS. In the financial year ASIC reviewed 879 prospectuses, issued 23 interim stop orders and 17 final stop orders.

ASIC considers complex legal requests for waivers or exemptions from the way the Corporations Act operates to facilitate business. The Corporations team worked on 1,576 applications in 2009–10, the vast majority of which were approved. ASIC also reviews takeover documents, prospectuses and governance matters.

Health checks

In March 2010, ASIC released the results of its 'health check' of the term deposit market, which was conducted against the background of recent strong growth in term deposits. The review looked at a number of authorised deposit-taking institutions that accounted for over 80% of Australia's total term deposits.

While the review confirmed that the market was working well, it identified risks for consumers associated with dual pricing of term deposits and recommended changes to minimise the risk of consumer deposits inadvertently being rolled over at below market rate. This review is a good example of ASIC and industry working cooperatively to address concerns and improve outcomes for investors.

We also completed a major health check of the CFD market, which identified the risks faced by retail investors in OTC CFDs. This led to the development of proposals for reform designed to prevent harm to retail investors interested in these products. Our study found issuers of CFDs need to do more to ensure investors understand the risks in trading these complex financial products and to put in place policies on who is suitable to trade in them.

Superannuation risk

ASIC aims to ensure the proper regulation of conduct and disclosure of issues regarding superannuation funds. We also work to improve disclosure and advice, and assist in general member engagement in the superannuation industry.

This year we have been heavily involved in work related to disclosure of the investment risks borne by superannuation fund members. In early 2009, ASIC commenced work looking at labelling of investment strategies offered to fund members and the possibility of synthetic indicators to assist in explaining risk. Since then, ASIC's work has helped inform the Financial Services Working Group (FSWG) on shorter PDSs and the APRA/ASIC Working Group (also including the Financial Services Council and the Association of Superannuation Funds of Australia) on the labelling of investment options.

Fraud

ASIC is concerned by the recent increase in identity theft and we are liaising with the ATO and APRA about these issues. We are keen to see an increase in industry and consumer awareness of this issue. Our revised messages on illegal early access now also mention identity theft. We estimate that our consumer messages may have reached up to 4 million superannuation fund members as a result of distributions to industry associations, unions and trustees.

Assessment of financial market operators

ASIC is required to annually assess operators of licensed financial markets to ensure compliance with obligations under the Corporations Act. The ASX group operates the main retail markets in Australia and there are also eight other domestic markets and six foreign markets (such as Eurex and Chicago Mercantile Exchange) licensed to operate in this jurisdiction. ASIC's assessments of ASX and other retail markets focused on the operators' real-time supervision of trading activity as well as the operators' supervision and management of listed entities. This work is designed to assist and protect retail investors and consumers by ensuring that surveillance of trading activity is conducted in a way that better supports market integrity, and that listed entities disclose information in a way that assists investors and consumers in making their investment decisions.

Financial advice

ASIC has implemented a range of projects designed to regulate and increase access to financial advice. Key projects include: Improving Access to Advice, Improving Training Standards, and Improving Monitoring and Supervision of Representatives by Licensees through risk-based surveillance.

Superannuation advice

The intra-fund initiative was launched to address a need for simple advice about superannuation. ASIC released *Regulatory Guide 200*, which provides guidance to financial advisers and superannuation fund trustees on how to comply with the law when giving intra-fund advice.

This guidance explains relevant class order relief and how to give factual information, and general and personal intra-fund advice, about issues like changing investment options, contributions, insurance within the member's superannuation fund and accessing superannuation early in cases of financial hardship. ASIC also provides examples of how to give advice over the phone, by email, on the internet and in person.

3. Supporting financial literacy in the community

FIDO

ASIC's website for consumers and investors, FIDO (*www.fido.gov.au*), continued to be a popular source of independent information about finance and investor matters, receiving over 2,195,000 visits in the past year – an increase of over 45%. New content added to the site includes practical tips and steps on 'Investing between the flags' (see below), a margin loan calculator and dedicated content on credit, including downloadable factsheets.

Investing between the flags

ASIC formally launched its 'Investing between the flags' retail investor education initiative – a long-term campaign designed to teach Australians the basics of safer investing. Our resources include a general investing booklet and web-based material. By 30 June 2010, we had distributed over 37,000 copies of the booklet and received positive feedback on the campaign.

ASIC also developed and distributed investor guidance to accompany new regulatory initiatives on topics such as corporate bonds and capital guaranteed products; created new calculators to help consumers assess financial options; and produced credit-related education materials.

Promoting literacy in schools

ASIC facilitated and supported four meetings of the Australian Government Financial Literacy Board, which comprises leaders from industry, education and the non-government sector (see box).

In education, specifically, we established a National Education Reference Group, with a focus on guiding our financial literacy work in schools. ASIC and the Financial Literacy Board also successfully negotiated the inclusion of financial literacy in the new national Australian school curriculum.

We worked in partnership with the Queensland Department of Education to develop an Indigenous financial literacy schools program that will be piloted in Queensland, the Northern Territory and Western Australia in 2010–11.

Further, ASIC negotiated Australia's participation in the first international financial literacy assessment of 15-year-olds, to be conducted as part of the OECD Program for International Student Assessment (PISA) in

Financial Literacy Board

The Australian Government Financial Literacy Board is committed to improving financial literacy in Australia. The following members served on the Board during the 2009–10 year:*

Paul Clitheroe AM (Chairman), Executive Director, ipac securities

Group Captain Robert Brown, ADF Financial Services Consumer Council

Hamish Douglass, Chief Executive Officer, Magellan Financial Group Limited

Craig Dunn, Chief Executive Officer, AMP

Linda Elkins, General Manager, Marketing, Colonial First State

Fiona Guthrie, Executive Director, Australian Financial Counselling and Credit Reform Association (AFCCRA)

Elaine Henry OAM, Chief Executive Officer, The Smith Family

Peter Kell, Deputy Chairman, Australian Competition and Consumer Commission

Kerrie Kelly, Executive Director, Insurance Council of Australia

Anthony Mackay, Executive Director of the Centre for Strategic Education

John McFarlane OBE, Former CEO, ANZ Banking Group Limited

Jan Pentland, Chair, Australian Financial Counselling and Credit Reform Association (AFCCRA)

Ian Silk, CEO, AustralianSuper

Michael Smith OBE, CEO, ANZ Banking Group

Robert James Thomas, Chairman, Gardner Smith (Holdings) Pty Limited

* There were some changes in membership during the year. The untimely death of Jan Pentland on 15 August 2009 led to a new representative from AFCCRA joining the Board in 2010. Jan will be remembered not just for her considerable contribution to the Board but also the legacy she left through her work at AFCCRA, her counselling work at East Access Community Health and for her support of the various State Financial Counselling Associations.

Kerrie Kelly and John McFarlane vacated their positions on the Board at the end of 2009, also leading to new Board appointments. We would like to acknowledge the wealth of experience and expertise Ms Kelly and Mr McFarlane brought to the Board and to thank them for their contributions.

2012. We also represented Australia on the expert advisory group that will oversee the development of this assessment.

Day trading

Following investor complaints, ASIC conducted detailed and targeted surveillances on financial advisers promoting day trading schemes. A number of deterrence actions are underway. In July 2010 Christopher Koch was sentenced to 13 years two months in jail for deceptively promoting high returns. ASIC has previously issued media releases warning about 'get rich quick' schemes, and warning against buying trading software. ASIC published a FIDO page on 'The six rules of day trading systems'.

ASIC is concerned about misleading or deceptive conduct, and licensees not providing financial services efficiently, honestly and fairly – for example, by understating risks of trading strategies, by promoting frequent or excessive trading, or by deceptively promoting hypothetical trading results without reference to real trading. ASIC attended a trading and investments expo to educate investors.

Consumer Advisory Panel

The Consumer Advisory Panel (CAP) continued to meet quarterly and play an important role in ASIC's consumer protection activities by contributing to the Commission's understanding of consumer and investor issues. CAP advised ASIC on issues affecting consumers and retail investors of credit and financial products and services in a number of areas, including:

- bank penalty fees and switching
- Issues relating to door-to-door sales of financial products in indigenous communities
- MISs and frozen funds
- unsolicited offers to purchase shares
- payday lending.

CAP members also gave input to ASIC's consumer protection policies and contributed to interactive discussion workshops on:

- superannuation
- financial advice and commissions
- credit and debt collection
- unfair contract terms (in conjunction with the Australian Competition and Consumer Commission's (ACCC) Consumer Consultative Committee).

The Consumer Advisory Panel (CAP) continued to meet quarterly and play an important role in ASIC's consumer protection activities.

CAP membership is drawn from a diverse range of consumer and investor organisations and individual consumer advocates. The membership was refreshed at the start of 2010 as part of our usual rotation of CAP members and to reflect ASIC's focus on protecting retail investors and our new credit responsibilities under the new national credit regime. CAP has an independent Chair, Jenni Mack. Other members are:

- Australian Council on the Ageing (Ian Yates)
- Australian Financial Counselling and Credit Reform Association (Pam Mutton)
- Australian Investors Association (Jenni Eason)
- Australian Shareholders' Association (Stuart Wilson)
- Consumer Credit Legal Centre NSW (Karen Cox)
- Indigenous Consumer Assistance Network (Jon O'Mally)
- Legal Aid NSW (David McMillan)
- National Information Centre on Retirement Investments (Wendy Schilg)
- National Seniors Association (Michael O'Neill).

ASIC would like to thank Elissa Freeman, Leigh Shacklady, Tricia Ross and Carolyn Bond for their valuable contributions to CAP meetings over the years.

PRIORITY 2

Build confidence in the integrity of Australia's capital markets

With the capital markets remaining volatile and fragile, ASIC continued to focus on building and enhancing confidence among investors. This included taking legal action against people engaged in insider trading and market manipulation, refining restrictions on short selling, facilitating capital raisings and the corporate bond market, reviewing the parties that monitor market participants, such as auditors, and contributing to policy development.

> ASIC continued to focus on building and enhancing confidence among investors.

Insider trading and market manipulation

ASIC has put additional resources into improving confidence in the integrity of our markets by targeting insider trading and market manipulation. As at 30 June 2010, we were conducting 69 enforcement matters relating to market integrity and had achieved eight significant outcomes:

- one conviction for insider trading
- one conviction and one civil penalty for market manipulation
- one conviction and one civil penalty for making false and misleading statements to the ASX
- the banning of three brokers from providing financial services for market misconduct.

At year-end, there were a further 12 civil and criminal matters still in litigation.

Examples of these actions include:

Market manipulation. On 18 March 2010, the former Genetic Technologies Limited executive Geoffrey Newing was sentenced to 22 months imprisonment (of which six were to be served before being eligible for release) after pleading guilty to five counts of market manipulation involving over 2.5 million of the company's shares.

Insider trading. John O'Reilly pleaded guilty to one count of insider trading of 50,000 Indophil Resources NL shares while he was a director of Lion Select Ltd. He was sentenced to 10 months imprisonment but released immediately on condition of good behaviour. Mr O'Reilly was also fined $30,000 and ordered to pay a pecuniary penalty to the Commonwealth of $61,600, being the cost of his purchase and the profit.

Misleading the ASX. The Federal Court of Australia ordered former Citrofresh Managing Director Ravi Narain to pay a pecuniary penalty of $20,000 to the Commonwealth; disqualified him from managing a corporation for seven years; and ordered him to pay ASIC's costs for the civil penalty proceeding we had brought against him. The order followed the Court's finding that Mr Narain had contravened s1041H(1) of the Corporations Act by personally making and authorising the company to make a misleading and deceptive statement to the ASX.

First market manipulation penalty – Select Vaccines

ASIC succeeded in obtaining a pecuniary penalty of $80,000 and disqualification from managing a corporation for 10 years against Dr Martin Soust, the former CEO of listed biotechnology company Select Vaccines Limited.

The orders followed the Court's finding that Dr Soust had deliberately manipulated the price of Select Vaccines shares to earn himself a financial benefit. This was achieved by buying shares in his mother's name shortly before the close of the market for the 2007 calendar year, which had the effect of increasing the price of the shares from 2.0 cents to 2.5 cents (a 25% increase).

This case was the first successful civil penalty proceeding brought by ASIC for a breach of the market manipulation provisions of the Corporations Act, s1041A and s1041B. The judgment was published on 23 April 2010. ASIC also won legal costs.

ASIC actively encourages appropriate disclosure by those seeking to raise capital from investors or complete transactions.

Traralgon finance team members Denise Ball, Robyn Vincent, Berny Inglis and Tanya Thornton admire the Go Red for Women products for the National Heart Foundation.

Disclosure and market facilitation

ASIC actively encourages appropriate disclosure by those seeking to raise capital from investors or complete transactions. During the year, we reinforced these initiatives, for example, by issuing eight interim stop orders on prospectuses.

In addition, we brought about compliance with continuous disclosure benchmarks on unlisted property funds (Centro, Becton, Trinity), aggressive mortgage funds (LM Managed Investments Limited, Pacific First Mortgage Fund, Shakespeare Haney Securities) and agribusiness (Align, Macquarie).

ASIC promoted best practice by issuing guidance on disclosures for unlisted debentures and overseeing changes to prospectuses and other documents. ASIC also ensured directors and independent experts made full and frank disclosures in relation to many high-profile transactions. ASIC also ensures that concerned parties comply with prospectus disclosure benchmarks for unlisted unrated debentures (*Regulatory Guide 69*) as well as benchmarks for advertising (*Regulatory Guide 156*) and continuous disclosure (*Regulatory Guide 198*).

During the year, ASIC reviewed 480 financial reports of listed entities and some larger unlisted entities.

Support for capital raising

ASIC facilitated the offering of debt products to retail shareholders through relief to reduce required documentation. We issued *Regulatory Guide 213* and recently received the first 'vanilla' bond prospectus for review.

In another initiative, ASIC released a policy to help companies raise capital more easily. This focused on measures that will allow retail investors to also participate in the capital raising – for example, by making rights issues and share purchase plans easier and more effective.

Policy contributions

ASIC's role is primarily to focus on policy issues around our regulatory work (such as issuing regulatory guides and statutory relief) and to assist Treasury, which carries prime responsibility for policy regarding the Corporations Act. During the year, ASIC made substantial submissions to the Ripoll/Parliamentary Joint Committee Inquiry into Financial Products and Services. We also appeared before and made submissions to the Senate Economics Committee as part of its Inquiry into Liquidators and Administrators.

Financial reporting and audit

During the year, ASIC reviewed 480 financial reports of listed entities and some larger unlisted entities. We publicly released suggested areas for boards, preparers of financial reports and auditors to focus on in future reporting.

ASIC also continued to inspect firms that audit entities of significant public interest, focusing on quality control systems and audit engagement file reviews. During the year, we issued our public report on 19 firm inspections substantially completed in the 18 months to 30 June 2009.

Independence project

ASIC reviewed 240 external administrations, involving approximately 80 insolvency firms, in order to test compliance with independence disclosure, as required by law. The review identified non-compliance by a broad range of practitioners and has achieved the following outcomes to date:

- a heightened awareness by insolvency practitioners of their independence requirements, through circulars and specific communications
- an undertaking by the Insolvency Practitioners Association of Australia to significantly revise its code of conduct to improve independence guidance for the profession.

These changes will help in providing better information to creditors.

Internalisations and deals

ASIC considered transactions that involved the internalisation of management of entities, including Babcock and Brown Infrastructure, Macquarie Airports, Macquarie Infrastructure Group and Macquarie Media. We gained greater disclosure and, in some cases, enhanced the protections available to shareholders.

Our actions led to improvements in the scheme documents for the proposed merger between Channel 7 and WesTrac, which were noted by the Court and parties, and we worked on CSR's proposed demerger of its sugar assets and the asbestos issues raised by the demerger.

Responsible entity behaviour

Responsible entities are licensed entities or bodies that operate MISs. By focusing on entities, ASIC has had an impact on boardroom behaviour and raised industry standards. For example, Aspen Funds Management Limited agreed to an external review of its compliance plan to ensure related party transactions were adequately addressed, and Centro changed its banking practices and disclosure policy to ensure compliance with *Regulatory Guide 166* and *Regulatory Guide 46*.

Expert reports

ASIC obtained amendments to numerous independent expert reports to better meet the expectations outlined in *Regulatory Guide 111.*

ASIC's role is primarily to focus on policy issues around our regulatory work (such as issuing regulatory guides and statutory relief) and to assist Treasury.

PRIORITY 3

Facilitate international capital flows and international cooperation

A key priority for ASIC is to encourage capital flows into and out of Australia while protecting Australian investors. Increasing access to international capital and investment opportunities drives liquidity in the Australian market, generates competition, increases diversification and offers better overall returns for local investors. In the wake of the GFC, ASIC actively cooperated with other regulators to develop policy responses for maintaining global confidence in the capital markets.

ASIC continued its work with regional counterparts (including New Zealand and Singapore) to reduce impediments to cross-border capital flows. The Trans-Tasman Mutual Recognition for Securities Offerings arrangement between Australia and New Zealand is an example of this work. This arrangement – which allows issuers of securities to use a single document to offer securities to investors – has been used more than 300 times since it came into effect in 2008. Recent research indicated cost savings of up to 90% for issuers using the arrangement.

In the wake of the GFC, ASIC also actively cooperated with other regulators to develop policy responses for maintaining global confidence in the capital markets.

IOSCO cooperation

ASIC continued to make a significant contribution to the work of the International Organization of Securities Commissions (IOSCO) – which is now seen as the global standards setter for securities regulation – as it developed plans to revise financial regulation after the financial crisis.

ASIC co-led work on the regulation of securitisation and credit default swap (CDS) markets, and played an active role in shaping IOSCO's work on supervising hedge funds, regulating credit rating agencies and improving cooperation between regulators in supervising cross-border activity.

IOSCO's guidance in these areas is making a difference and being reflected in national regulatory approaches. Its recommendations on securitisation and hedge funds are influencing various initiatives being taken in the US, Europe and Asia. IOSCO's work on credit rating agencies has been endorsed by the G20 as the basis for regulatory standards for that industry.

In Australia, we recommended amendments to the Corporations Act in relation to short selling activity. These set out a framework for a disclosure regime, a general prohibition on naked short selling, and clarification of ASIC's powers. These requirements are appropriate for Australia, and consistent with local market conditions and the IOSCO principles for the regulation of short selling.

Hedge funds

ASIC actively participated in the deliberations of the IOSCO Task Force on Unregulated Entities and initiated a dialogue with Treasury on options for the local implementation of its recommendations. By increasing our understanding of this area, this work facilitated ASIC's early investigation into Trio Capital's Astarra funds (see page 22).

OTC securities

ASIC is focused on increasing standards, risk management and transparency practices for complex financial instruments, such as over-the-counter (OTC) securities and derivatives, in line with IOSCO guidance. This includes participating in an OTC Working Group alongside APRA and the RBA.

Following the release of a survey report in May 2009, the working group worked with Treasury to amend legislation to give APRA the power to require market participants to report OTC trades to a trade repository (TR), thus providing transparency to Australian regulators.

Increasing access to international capital and investment opportunities drives liquidity in the Australian market, generates competition, increases diversification and offers better overall returns for local investors.

The working group is also in dialogue with larger banks and the Australian Financial Markets Association (AFMA) regarding access to offshore central clearing counterparties (CCPs). Further, the group is monitoring, through a quarterly survey, the industry's take-up of automated services (such as CCPs, TRs, electronic trading platforms and confirmations, and portfolio compression and reconciliation).

Finally, ASIC is participating in the OTC Derivative Regulators' Forum, comprising regulators and central banks from 15 countries, the European Union, and international standards-setting bodies. This will improve information sharing and cross-border consistency in the regulation of CCPs and TRs.

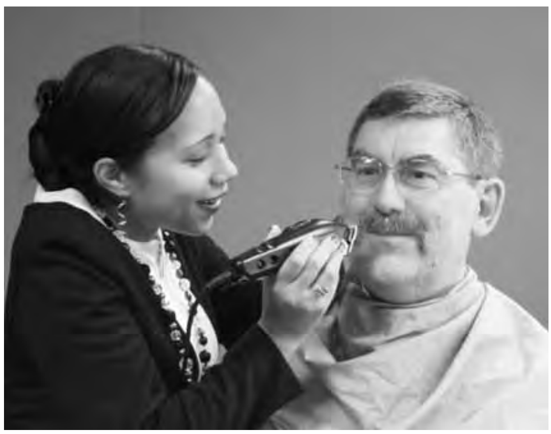
Credit rating agencies

Credit rating agencies play an important role by informing investors about the financial strength of companies, but came under considerable scrutiny after the GFC. From 1 January 2010, ASIC has required credit rating agencies to hold an AFS licence. Licence conditions require rating agencies to comply with the IOSCO Code of Conduct for Credit Rating Agencies on an 'if not, why not' basis until 30 June 2010 and on a mandatory basis from 1 July 2010.

Cooperation with international regulators

ASIC continued to work with the Indonesian capital markets supervisory agency, Bapepam-LK, to build and strengthen their regulatory capability. A senior ASIC officer continued her deployment in Jakarta during the year to work with the regulator on projects which included developing licensing, surveillance and investor education programs.

ASIC continues to assist foreign regulators by obtaining information and evidence in Australia for their investigations, with a 72% increase in the number of requests made by ASIC to foreign regulators and a 19% increase in the number of requests received from foreign regulators.



Last year ASIC's Perth office got into the swing of cancer fundraiser Movember. Pictured is senior lawyer Ingrid McCormick shaving off investigator Ray Lane's luxurious offering.

PRIORITY 4

Manage the domestic and international implications of the global financial crisis

The effects of the GFC continued to be felt keenly in Australia and around the world during 2009–10. Much of ASIC's work focused on addressing weaknesses exposed by the GFC to provide immediate support to organisations and investors or seek to prevent similar issues occurring in the future.

Short selling

During the sharemarket turmoil of 2008, ASIC acted decisively to ban naked and covered short selling of shares to act as a 'circuit breaker' to potential losses in market confidence. Covered short selling was reintroduced in 2009.

In the 2009–10 year, ASIC continued to focus on this issue by implementing a system for net short sale position reporting, and by determining and implementing appropriate naked short selling exemptions for the orderly operation of the markets. This included recommending changes to Australia's Corporations Act in line with the international IOSCO principles for the regulation of short selling. ASIC also published guidance to assist short sellers and associated parties to meet their short position reporting obligations under the Act. The obligation for short sellers to report short positions was piloted in May 2010 and introduced fully from June.

Providing relief

To assist in the efficient operation of Australia's regulatory system, ASIC considers applications for exemptions from or modifications of chapters 6 and 6D of the Corporations Act and related provisions of the law. This year a number of these related to conditions arising from the GFC.

ASIC finalised 3,067 of 3,442 relief applications received in 2009–10. Examples include:

- relief to reduce disruptions to class actions in the wake of the Multiplex decision
- relief to facilitate the affordable housing scheme run by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)
- relief to facilitate capital raisings by Australian real estate investment trusts in the aftermath of the GFC
- relief to facilitate investors' access to capital in frozen funds (hardship relief and rolling redemption relief)
- relief to facilitate capital raising by Australian companies
- relief to facilitate the issue of corporate bonds.

ASIC also reviewed a substantial number of filings by foreign financial service providers operating in Australia under licensing exemption, and processed requests from the Foreign Investment Review Board relating to the activities of foreign entities in Australia.

Superannuation fund surveillance

Many investors do not take an active interest in their superannuation, particularly when they first join the workforce. The GFC placed pressure on the superannuation system and made it more vital than ever for members to understand and engage with their investments held in superannuation.

In July 2009, ASIC visited more than 20 defined-benefit fund trustees. We obtained an updated understanding of their financial position and discussed their disclosure obligations. ASIC has monitored frozen redemptions within investment options of superannuation funds. This included visits to superannuation trustees exposed to frozen underlying investment options and discussing their disclosure obligations with them. Two frozen fund disclosure matters have also been referred within ASIC for possible enforcement action.

Communicating with advisers

ASIC improved communication with the financial advice industry in 2009–10 to better drive behavioural change. This was achieved through consultation on issues such as access to advice, the effects of business consolidation resulting from the GFC, and related issues surrounding the quality of advice received by consumers.

Outcomes included:

- five large licensees announced projects designed to improve and measure the quality of advice
- a major licensee restructured its advice business to ensure better quality of advice
- IFSA (now called the Financial Services Council), in conjunction with Ernst & Young, conducted a thought leadership project on how to measure quality advice
- to improve access to advice, some licensees explored the provision of advice using new scalable (limited) advice models.

Market exemptions

ASIC consulted with industry on criteria for exemption from licence provisions for professional markets. This supported a more flexible approach to the existing regime and in doing so:

- responded to international (post-GFC) proposals to have more OTC products traded on electronic platforms
- facilitated the use of platforms and products by Australian professional investors that may have not otherwise been accessible in this jurisdiction.

The effects of the GFC continued to be felt keenly in Australia and around the world during 2009–10.

ASIC leadership at a stopover in Traralgon to view ASIC's new credit registration interface, demonstrated by Aaron Whannell (seated). Starting from left are ASIC Chairman Tony D'Aloisio, Commissioner Dr Peter Boxall, Senior Executive Leader, Registry Services and Licensing, Rosanne Bell, and Senior Executive Leader, Real Economy, Kathrine Morgan-Wicks.

PRIORITY 5

Lift operational effectiveness and service levels for all ASIC stakeholders

ASIC's services touch a wide range of stakeholders, including consumers, investors and creditors of corporations and other businesses (see page 61). As an organisation, we are constantly striving to improve the efficiency of our operations and lift service levels. Among our key functions are managing the register of Australia's 1.77 million companies, licensing a range of market participants and handling inquiries and complaints from consumers and businesses.

Registrations and administrations

The total number of companies in ASIC's corporate register rose 4% to reach 1,768,526. This included the registration of 157,667 new companies – an increase of 14.7% over the 2008–09 year when the rate of new company registrations slowed by 8%.

The number of companies entering into external administration declined 7% to 9,269 in 2009–10 compared with 2008–09.

These statistics reflect the recovery in the Australian economy following the end of the GFC.

Unclaimed monies

ASIC maintains a register of unclaimed money in banks, credit unions and building societies; life insurance companies and friendly societies; and shares which have not been collected from companies. ASIC's register is publicly available for searching and claims can be made to our Unclaimed Monies unit. In 2009–10, ASIC received approximately $102 million in unclaimed money and paid out approximately $62 million in claims.

ASIC continued its program of actively reuniting owners with their unclaimed funds by finding and writing to 28,328 potential owners. Project Unite resulted in 2,476 successful claims totalling $9.1 million. This is over four times the amount paid out through this process in 2008–09.

ASIC is working to further improve its internal processes and reunite more rightful owners with lost funds and property, with a focus on helping people achieve this directly rather than through agents who often receive a substantial proportion of the funds in fees.

Starting businesses

ASIC is focused on making it easier to start and do business in Australia, which is an important contribution to the real economy. We have made it a priority to improve the value we provide to the 1.77 million companies on our corporate registers and the approximately 160,000 new companies that register with us each year.

The World Bank recognised the efficiency of the current system this year, ranking Australia third in the world for ease of starting a business in its 2010 Doing Business report. Australia was also ranked the second-fastest place to start a business. As shown in the Service Charter results on page 41, ASIC completed 99% of 165,130 company incorporations within one business day last year.

Client Contact Centre

This year, ASIC's Client Contact Centre answered 80% of all calls within 60 seconds, down from 90% the previous year, with an average time of 35 seconds to answer a call. Of all inquiries, 92% were answered on the spot (compared with 94% the previous year). These falls were mostly due to some technology outages throughout the year that affected ASIC's legacy registry systems, and the establishment and training of new staff for ASIC's Adelaide call centre. We also referred more calls to specialist teams rather than answering them on the spot, reflecting ASIC's new or increased jurisdictions, such as credit.

The total number of companies in ASIC's corporate register rose 4% to reach 1,768,526. The number of companies entering into external administration declined 7% to 9,269 in 2009–10 compared with 2008–09.

Email volume to the Contact Centre increased by 16%, or more than 8,000 additional emails. We answered 98% of emails within two business days, compared with 99% last year.

ASIC established a dedicated credit team and a second call centre in Adelaide to assist with the increase in calls received from both the credit industry and consumers as we prepared to assume responsibility for the regulation of consumer credit. These initiatives were timely, with 3,480 credit-related calls received by the centre in the month of June 2010 alone, and an expected 3,000 credit calls per month on an ongoing basis. Consumers were particularly interested in mortgage exit fees, credit card fees and debt collectors' powers.

Complaints handling

Complaints from the public alleging misconduct and breach notifications from industry are extremely important to ASIC. At a minimum, they are a vital part of ASIC's intelligence and information gathering process, along with our direct industry and market liaison.

Over the course of 2009–10, ASIC sought to increase the transparency of its complaints handling processes by increasing the information we publish about complaints received and by improving our own communication with complainants. In December we published a guide *How ASIC deals with your complaint* to provide clear information on ASIC's role and our complaints handling process.

This year, we dealt with 13,372 complaints – 2% less than last year. We finalised 70% within 28 days, meeting our target, and escalated an increased number of public complaints for compliance, investigation or surveillance (21% compared with 18% in 2008–09).

ASIC generally seeks to obtain compliance before launching prosecution action. Following complaints from insolvency practitioners, we sent 1,093 warning letters to individual company directors, requiring that they comply with the law in lodging documents or giving information to insolvency practitioners.

ASIC took court action against 726 company directors. As a result of these actions, 554 individuals were successfully prosecuted for 1,010 offences, with penalties including 132 good behaviour bonds, and fines and costs totalling $813,768.

Under our project to target phoenix activity, ASIC banned 70 company directors from managing companies for insolvency and phoenix activity-related offences. This was an increase of 43% over the 2008–09 year. Forty-two disqualifications were based on reports from liquidators who received Assetless Administration funding.

Complaint trends

Following our restructure in September 2008, ASIC implemented a keyword categorisation and risk and trend searches as a second layer of analysis for all complaints to ASIC. This has been highly beneficial in enabling us to understand themes and trends in complaints data and therefore to better assist with decision making in respect of surveillance, review and deterrence activity.

The keywords are grouped into broad 'spheres' that show the main areas of concern to the public. This year is the first full year for which this data is available (see table below).

While the number of public complaints finalised by ASIC has increased by 44% over the past seven years, this trend has not been even and has been affected by a number of high-volume complaint matters (e.g. the collapses of Westpoint, Storm Financial and Timbercorp) and prevailing economic conditions, such as the GFC (see chart on page 32). Increasing engagement with the public through Regional Commissioner roadshows has also increased public awareness of ASIC and the number of complaints reported to us.

Public complaints annual results

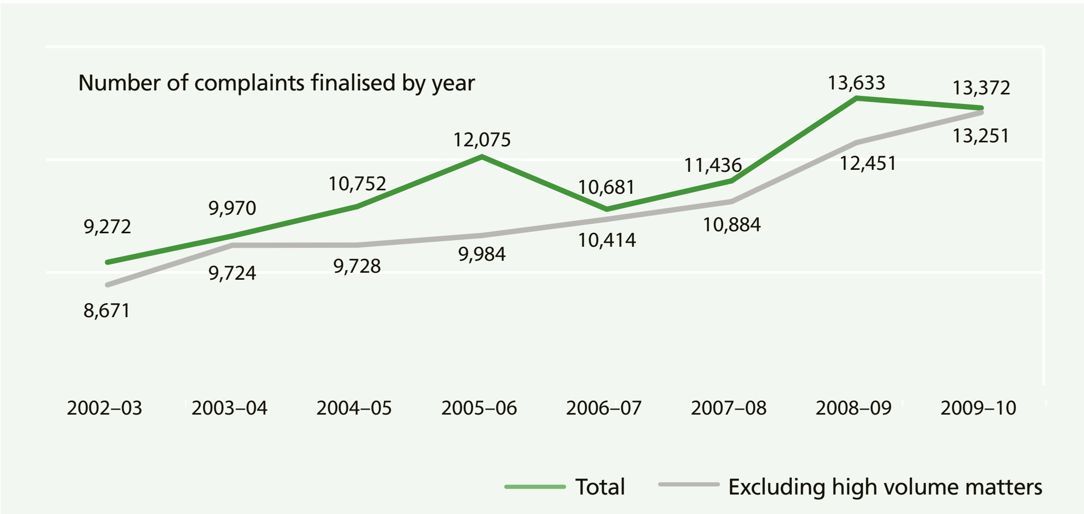
	2009–10	2008–09
Complaints finalised	**13,372**	13,633
Referred for compliance, investigation or surveillance	**21%**	18%
Resolved	**21%**	26%
No jurisdiction*	**13%**	9%
No breach/no offences*	**8%**	11%
Analysed, assessed and recorded	**37%**	36%

* In previous years these have been reported together. However, following ASIC's strategic review in 2008, we reviewed our reporting to align with our new structure and to better differentiate matters falling outside of ASIC's jurisdiction. As a result, some matters previously recorded as 'Resolved' are now recorded as being outside ASIC's jurisdiction. Regardless, we still attempt to provide assistance to these complainants.

Public complaints – keyword categorisations

Complaint categorisation by sphere – main issue	2009–10
Corporations/corporate governance, including: failure to provide books and records, or a Report as to Affairs, to an insolvency practitioner; insolvency matters; insolvency practitioner misconduct, directors' duties, contractual issues; and late lodgement/failure to lodge financial reports.	52%
Financial services/retail investors, including: providing financial services without an AFS licence; financial advisers – quality of advice, dishonest conduct, licence obligations; credit – debtor harassment, fees and interest rates; managed investment schemes – frozen funds, disclosure; illegal early access to superannuation; misleading or deceptive conduct/unconscionable conduct; operating an unregistered MIS.	29%
Market integrity, including: insider trading; continuous disclosure; misleading statements; market manipulation.	5%
Registry integrity, including: incorrect address recorded on ASIC's register; lodging false documents with ASIC.	12%
Other issues	2%

Public complaint trends



Breach reports

ASIC saw a sharp increase during the year in the reporting of breaches relating to company financial reports, MISs and financial services licensees. We received and assessed 353 auditor breach reports under s311 and 1,210 breach reports in relation to MISs and AFS licensees in the year. Of these, ASIC referred 407 matters for specialist review internally, or to assist with an existing investigation or surveillance (26%).

This compares with 249 auditor breach reports and 946 breach reports in relation to MISs and AFS licences in 2008–09, or an overall increase of 29%.

Statutory reports

Liquidators, administrators and receivers (external administrators) are required to report to ASIC if they suspect that company officers have been guilty of an offence or, in the case of liquidators, if the return to unsecured creditors may be less than 50 cents in the dollar.

As part of our response to the GFC, ASIC committed to increasing action on reports alleging misconduct from insolvency practitioners, following a 25% increase in insolvency appointments in 2008–09. This year, a significantly increased proportion of supplementary reports (33% compared with 24% in 2008–09) were referred for compliance, investigation or surveillance, or to assist with an existing investigation or surveillance. Fewer reports failed to identify any offences.

Statutory reports 2009–10

	2009–10	2008–09	2007–08
Total reports received	**9,074**	8,986	8,579
Reports assessed alleging misconduct or suspicious activity	**6,509**	6,228	6,886
Initial reports†			
Reports assessed alleging suspicious activity	**5,748**	5,656	5,835
Supplementary reports requested	**11%**	11%	17%
Analysed, assessed and recorded	**89%**	89%	83%
Supplementary reports††			
Supplementary reports assessed alleging misconduct	**761**	572	1,051
Referred for compliance, investigation or surveillance	**23%**	20%	10%
Referred to assist existing investigation or surveillance	**10%**	4%	7%
Analysed, assessed and recorded	**66%**	75%	79%
Identified no offences	**1%**	1%	4%

† Initial reports are electronic reports lodged under Schedule B of *Regulatory Guide 16*. Generally, ASIC will determine whether to request a supplementary report on the basis of an initial report.

†† Supplementary reports are typically detailed free-format reports, which detail the results of the external administrator's inquiries and the evidence to support the alleged offences. Generally, ASIC can determine whether to commence a formal investigation on the basis of a supplementary report.

MIS scheme registrations

ASIC registers new managed investment schemes, which requires a qualitative review of the scheme documentation (compliance plan and constitution). During the year, we received 245 applications and finalised 244, all within statutory deadlines.

ASIC Service Charter

The ASIC Service Charter sets out the standards of service that industry and consumers who deal with ASIC can expect, and our performance against those standards.

Service Charter	Target	2009–10 performance	2008–09 performance
General phone inquiries	We aim to answer telephone inquiries on the spot	92% of calls answered on the spot (597,382 of 646,770)	94% of calls answered on the spot (608,294 of 644,919)
		8% (49,388 calls) referred to specialist staff	6% (36,625 calls) referred to specialist staff
General email inquiries	We aim to reply within 48 hours to email inquiries	98% replied to within two business days (62,518 of 63,827)	99% replied to within two business days (54,635 of 55,127)
General correspondence about our public database and registers, including fee waivers	We aim to acknowledge receipt within 14 days, with a full response within 28 days	93% replied to within 28 days (43,093 of 46,390)	93% replied to within 28 days (44,059 of 47,446)
Correspondence received by our Correspondence Control Unit	We aim to acknowledge receipt within 14 days, with a full response within 28 days	100% acknowledged within 14 days (571 letters)	100% acknowledged within 14 days (621 letters)
		71% responded to within 28 days (397 of 571 letters)	75% responded to within 28 days (464 of 621 letters)
Registering a company	We aim to complete company incorporations within one business day of receiving a complete application	99% completed in one business day (162,832 of 165,130)	99% completed in one business day (141,392 of 142,613)
		98% of paper forms completed in one day (21,281 of 21,813)	99% of paper forms completed in one day (19,986 of 20,269)
		99% of electronic forms completed in one day (141,562 of 143,317)	99% of electronic forms completed in one day (121,406 of 122,344)

Priority 5 (continued)

Service Charter	Target	2009–10 performance	2008–09 performance
Updating company information and status	We aim to enter critical changes to company information in the corporate register within two business days	97% entered within two business days (1,101,309 of 1,133,617)	98% entered within two business days (1,032,278 of 1,048,462)
		88% of paper forms entered within two business days (200,156 of 227,217)	95% of paper forms entered within two business days (223,087 of 235,524)
		99% of electronic forms entered within two business days (901,531 of 906,400)	99% of electronic forms entered within two business days (809,191 of 812,938)
Registering as an auditor	We aim to decide whether to register an auditor within 28 days of receiving a complete application	100% registered within 28 days (84 individual applications and 23 authorised audit companies)	100% registered within 28 days (97 individual applications and 22 authorised audit companies)
Registering as a liquidator	We aim to decide whether to register a liquidator or official liquidator within 28 days of receiving a complete application	83% of liquidator applications decided within 28 days (25 of 30 applications)	88% of liquidator applications decided within 28 days (22 of 25 applications)
		90% for official liquidators (27 of 30 applications)	88% for official liquidators (30 of 34 applications)
Applying for or varying an AFS licence	We aim to decide whether to grant or vary an AFS licence within 28 days of receiving a complete application	77% of new licences decided within 28 days (348 of 454 applications)	72% of new licences decided within 28 days (234 of 323 applications)
		83% of licence variations decided within 28 days (807 of 968 applications) This result is for all applications, including those where we did not initially receive all the information we needed to make a decision.	84% of licence variations decided within 28 days (863 of 1,023 applications This result is for all applications, including those where we did not initially receive all the information we needed to make a decision.

Service Charter	Target	2009–10 performance	2008–09 performance
Applying for an Australian market licence	We aim to give the Minister our recommendation about simple applications to operate financial markets within 12 weeks of receiving an application	One recommendation sent to the Minister, sent 18 weeks from receipt of application	Not applicable (no recommendation made to the Minister in this period)
Registering a managed investment scheme	By law we must register an MIS within 14 days of receiving a complete application	99% registered within 14 days (244 of 245)	99% registered within 14 days (297 of 298)
Applying for relief	If you lodge an application for relief from the Corporations Act that does not raise new policy issues, we aim to give an in-principle decision within 21 days of receiving all necessary information and fees	74% of in-principle decisions made within 21 days (2,520 of 3,407 applications)	71% of in-principle decisions made within 21 days (2,080 of 2,935 applications)
		This result is for all applications, including those where we did not initially receive all the information we needed to make a decision.	This result is for all applications, including those where we did not initially receive all the information we needed to make a decision.
Complaints about misconduct by a company or individual	We aim to respond within 28 days of receiving all relevant information	70% finalised within 28 days (9,321 of 13,372)	70% finalised within 28 days (9,602 of 13,633)

PRIORITY 6

Improve services and reduce costs with new technologies and processes

ASIC continued to leverage information and communications technology to make its operations more cost-effective, faster and more convenient for consumers, businesses and other stakeholders. This included the ongoing transformation of our corporate registry systems and the continued expansion in the use of the internet as a service delivery platform.

Online growth

Customers show a growing preference for electronic channels. During 2009–10, 70% of the 2.16 million forms lodged with ASIC were submitted online. This was an increase of 3.5% on the previous year.

Underlying these results is a 4.4% increase in the use of ASIC's website (Easylodge), a 1.5% decline in the use of EDGE (third party proprietary software) and a 2.9% decline in the use of paper forms. At year-end, 77.3% of lodgers used our online portals and 22.7% used paper forms.

Record searching of ASIC information

ASIC's registers are of high value to our customers and this year we facilitated over 61 million search and access requests by the public, other government agencies and information brokers.

Registry transformation

ASIC has commenced a transformation program to modernise its registry operations so we can deliver outstanding and cost-effective services. Our vision is to transform our registry business to a customer-centric, simple, 100% online, high-performing service that adds value to the national economy. Registry transformation comprises a number of projects:

External portals. We started a program to upgrade and revitalise the way our external clients interact with us online for services such as searching public registers, starting and running businesses and companies, lodging information and making payments. This includes a new service, due for release in 2010, that will allow users to search ASIC's public registers online and pay using a credit card. This will be followed by a service to allow for company and business names to be registered on our website.

National Business Names. ASIC has designed new processes to take over the National Business Names register from April 2011 and to integrate this system with the ATO (see page 47).

Migrating legacy registry systems. ASIC is modernising its registry technology under the wider STAR program to cut 'red tape' and improve how we support customers through online services and, particularly, our call centre. The project will run until 2012–13, and a series of changes will be delivered during this time.

Personal Property Securities Register (PPSR). As a result of Government reforms, ASIC's register of charges over company assets will become part of the PPSR in 2011.

The registry transformation vision has been developed in close consultation with our Real Economy Business Advisory Committee chaired by Commissioner Dr Peter Boxall. The Business Advisory Committee, which met twice in 2009–10, comprises representatives of key Real Economy stakeholders, including large registered agents, information brokers, AFS licensees and company officeholders.

International benchmarking

ASIC completed an international benchmarking process to look for best practice in registry management. We are an active participant in the International Corporate Registers Forum, comprising over 30 countries from corporate registrars around the world.

ASIC participated in a World Bank-led conference in Indonesia to assist developing countries in the Asia–Pacific to use Australia as a benchmark as they simplify their company registration processes and move online. We also furthered our work with the New Zealand Companies Office to create joint company registration and searching services in the near future. This is part of a whole-of-Government initiative to promote greater economic cooperation between Australia and New Zealand.

Standard Business Reporting

ASIC is part of the Standard Business Reporting (SBR) initiative to reduce the burden on business of reporting financial information to Government. This multi-agency Australian Government program will allow companies to use a single secure log-on to send information to relevant government agencies, including ASIC.

From 1 July 2010, ASIC can receive financial statements and reports using SBR-enabled software. SBR will also enhance ASIC's public registers by allowing financial information to be searched in the relevant extensible business reporting language (XBRL).

Streamlining forms

As we move more of our customers online, we have continued to improve services for paper lodgements. We have reviewed our top 20 forms that are lodged in paper format and significantly reduced the number of pages required to be lodged.

This year ASIC staff in Adelaide held a Pink Ribbon Morning Tea to raise awareness about breast cancer. Pictured is analyst Catrina Orr.

ASIC continued to leverage information and communications technology to make its operations more cost-effective, faster and more convenient.