



Areas of work	What we plan to deliver over three years
<p>Stakeholders</p> <p>increase effective communication, build support, encourage compliance and give investors and consumers more skill and confidence</p>	<ul style="list-style-type: none"> • Increase help for investors and consumers in mainstream media by 20%, and raise ASIC's profile • Account to Parliament and government for our performance; meet increasing requests for submissions, especially on law reform • Maintain effective communication with stakeholders, and meet needs for more information • Increase use of our consumer website by 100%
<p>Operations</p> <p>take faster, more effective regulatory and enforcement action; tackle patterns of misconduct, not just individual cases; and build electronic-commerce capacities</p>	<ul style="list-style-type: none"> • Maintain goal of completing all investigations within 12 months. Deliver timely results on matters of special urgency or national significance • Raise the business community's rating (in benchmarking studies) of our enforcement performance from moderate to good • Maintain our target for successful criminal and civil litigation at 70% • Upgrade our ability to enforce the law over the internet and in e-commerce • Boost surveillance, compliance reviews and campaigns, if necessary up to a quarter of the work of regulatory and enforcement staff; reduce reactive activities; upgrade research and analysis • Issue new policies to help companies adjust to financial services reform legislation if approved • Increase the percentage of new companies incorporating electronically from 46% to 75% • Increase the percentage of companies updating information electronically from 63% to 70%, and reduce manual processing
<p>Our staff</p> <p>lead, develop and challenge staff to boost our regulatory effectiveness</p>	<ul style="list-style-type: none"> • Handle workloads, new responsibilities and law reform and improve performance without increasing staff numbers • Modernise employment conditions to give staff and the organisation more flexible recruitment, employment and working conditions • New IT services that extend what staff can do from their desktop • Continue learning and development focus on regulatory and enforcement activities
<p>Finance</p> <p>control costs, increase efficiency and align financial management with core business</p>	<ul style="list-style-type: none"> • Contain overall costs within the budget approved by Parliament • Collect fees for the Commonwealth, meeting audit standards for management and reporting • Continue to reduce costs of goods and services through operational efficiencies

Chairman's review of operations



ASIC and overseas regulators issued a special bulletin on investor protection in the "new economy".

ASIC Chairman
Alan Cameron, AM
at IOSCO Conference

My term as ASIC Chairman expires on 31 December 2000, making this my last annual report.

When I started on 1 January 1993 we regulated only companies and investments, we did not measure our impact and we duplicated many back office functions around Australia.

Our services cost \$137 million and we collected \$216 million in revenue.

my personal thanks go to our staff, managers and the Commissioners with whom I have served over the past eight years

In this section we cover:

- Chairman's review
 - Commissioners' profile
 - Corporate governance
 - Financial results
 - Community involvement
 - Summary of major operations
-

ASIC today regulates companies, investments, superannuation, insurance and deposit taking. Our performance measures show that our effectiveness, impact and reputation has grown. We rationalised back office work. We now employ 300 fewer but better paid staff. Our services cost \$135 million and we collected \$361 million in revenue.

Credit for these achievements and my personal thanks go to our staff, managers and the Commissioners with whom I have served over the past eight years, and to successive governments that put their faith in the organisation.

Nevertheless our resources have been stretched, and next year ASIC will have much to do with fewer staff than last year. The organisation will need the support and understanding of all our stakeholders to maintain and improve our performance.

Identifying and solving problems

Early results of a fresh approach

Last year we approved a three year plan that will, when fully implemented, devote more staff time to identifying and solving important problems that investors and consumers face, as well as responding to urgent tasks.

The results of campaigns where we adopted a problem solving approach have encouraged us to press ahead.

Campaign and objective	Results
Increase fair and accurate information shareholders receive about their companies	Listed companies made \$2.4 billion worth of corrections in their financial statements. Intangibles and revenue recognition put on the agenda.
Increase timely disclosure to the ASX of company announcements likely to affect share prices	Trading halts tripled during pilot campaign operated; marked reduction in unexplained movements and price and volume detected by ASX computer surveillance.
Reduce the number of investment managers who have inadequate compliance plans	44 managers amended their compliance plans, structures and procedures.
Reduce the number of unregistered insurance brokers	Stopped unlawful franchising of brokers in WA, NSW, ACT and Queensland. Cancelled one broker's registration. 70 brokers using unregistered business names.
Find out if superannuation member statements comply with the law and how members use them	Found substantial compliance, but identified areas for improvement.
Discourage secret, bogus "high yield" offshore investments schemes	Number of schemes has declined. ASIC publicity and enforcement has slowed down these operations.

Chairman's review of operations

By improving analysis and problem solving skills, and by carrying out compliance reviews and campaigns, our regulatory and enforcement staff will devote much more of their energy to eliminating or reducing problems that threaten investors and consumers. The balance of their time will go to responding to individual cases and issues.

By early 2001, we will set directions for our involvement in consumer education (based on the strategy discussion paper we released in July 2000).

Responding to regulatory and enforcement issues

Stronger enforcement results

By upgrading project management and technical skills, we completed 232 investigations within more demanding deadlines, despite a 17% rise in matters on hand (page 6). We maintained a success in Court well above our 70% target (page 6). The people we regulate also noticed a better performance in enforcement than two years ago, according to independent market research.

To ensure investors receive efficient, honest and fair advice, we banned 50 people from advising, nearly three times as many as last year.

We took 62 enforceable undertakings to secure quick, effective remedies, up from 25 last year, of which 52 dealt with retail investor and consumer

matters. (Full list at www.asic.gov.au.)

The undertakings we secured from Westpac and Suncorp-Metway will produce better advice to investors than other enforcement action we might have taken. We won refunds for Aborigines in the Northern Territory and Queensland in our first "unconscionable conduct" action against mis-selling insurance.

We launched civil proceedings to recover about \$10 million for 26,000 EPAS superannuation fund members.

Better disclosure for shareholders

On Australian markets, dot.com and "new economy" stocks created disclosure and accounting issues that we tackled through a campaign (pages 26, 30), investor alerts about margin lending and computer trading programs, as well as discussions with individual companies. For example, at our instigation, "new economy" company, One.Tel Ltd, published financial statements in line with accounting standards, writing off \$100 million in expenses, previously recorded as an asset.

We worked with Telstra, the government and their advisers to iron out legal, logistical and disclosure issues in "T2", the largest secondary sale of shares ever offered in the Australian market. ASIC pressure produced more informative and more balanced documents for shareholders in Hudson Conway Ltd and for 1.8 million members of the NRMA upon demutualisation of its insurance operations.

Electronic enforcement and regulation

E-commerce and the internet have eliminated cost and geographical barriers to financial scams.

Two Melbourne men face ASIC charges over sending more than four million unsolicited e-mails to manipulate US stock, Rentech. We have forced unlicensed people to take down sites that offer unlicensed advice, or to get a licence. We have proposed guidelines to reduce misleading information about investments on internet discussion groups.

At its 25th annual conference hosted by ASIC in Sydney, the International Organisation of Securities Commissions (IOSCO) issued a special bulletin on investor protection in the “new economy” of the internet and e-commerce. International delegates praised our initiative in focusing the agenda on these and other issues.

Regulatory results make an impact

Those who deal with us reported improved performance and stronger impact in our regulatory work, especially in managed investments, takeovers and professional licensing, see page 24.

We implemented law reforms to managed investments. Last year we licensed 274 managers and registered 1780 schemes, examining compliance plans and documents for every application. For the first time, we have an accurate picture of the industry and insight into its weak spots. After about

\$100 million in defaulting loans affected more than 1,000 investors, we also took over regulating mortgage lending schemes previously regulated under State laws. Our investigations resulted in winding up unviable operators, criminal charges and civil action.

To help companies deal with changes to fundraising and takeover laws, our policy staff drafted, consulted with relevant parties and finalised nine new policies and nearly 80 class orders. A special project team built Australia’s first on-line register of investment offers.

We reviewed financial advising by real estate agents, recommending that agents advising on property investments operate under similar rules to securities advisers.

Changing markets

Like markets overseas, Australia’s share and futures markets are turning into competitive international businesses. Australia now has two authorised stock markets, with a third pending, and may soon have two futures markets. For ASIC, this not only presented additional technical work but also raised questions about how competitive, commercial organisations will fulfil supervisory functions. We discussed these issues with the parties, government and our international colleagues.

Chairman's review of operations

Moving public information onto the internet

More users of our information

Our public information database now records details of 1.195 million companies, as well as registered investment schemes, licensed financial advisers, insurance brokers, banned and disqualified advisers and company directors.

This database is one of the largest government internet services. People used our database for free information 3.2 million times. They browsed our new on-line list of investment offers 35,000 times since it began on 13 March 2000.

Electronic service delivery

We have adopted an electronic services delivery strategy that will progressively increase electronic services, will be consistent with government standards and will reduce transaction costs for companies and the other people whom we regulate. We will develop new electronic services for our regulatory and law enforcement operations.

Electronic business services

New e-commerce initiatives saw 46% of the 100,000 new companies register electronically, using a system that recently won the Australian Information Industry Association Award for Excellence. Small companies have subscribed to our *eRegisters* service, that lets them update their own company information.

These changes promise significant reductions in manual data processing. Paid on-line searches grew 25%, while the number of over the counter searches fell. For this reason, we are gradually integrating our Business Centres with Regional Offices.

Australian Business Register

The Australian Business Number, part of the new tax system, and the Australian Business Register that supports it, will have major long-term implications for the maintenance of our corporate database. We are represented on a task force set up in Brisbane to implement the Australian Business Register.

Facing tough legal, investigative and financial issues

Constitutional challenges to the law

Recent High Court judgements cast doubt over how the Corporations Law operates, and over the power of Commonwealth agencies to enforce it. Companies, financial markets and investors rely on this law, and I have appealed to State Ministers to refer powers to the Commonwealth.

Yannon investigation concluded

We completed our long and difficult investigation of the late 1980s Yannon transaction, in which Coles Myer Ltd lost approximately \$18 million. As was widely reported, the Director of Public Prosecutions (DPP) ultimately decided not to lay charges. I explained at a

special press conference the factors that made the investigation so long. Nonetheless, the time taken was clearly unsatisfactory, and we therefore reviewed the whole process in consultation with the DPP.

Financial issues, fees and GST

Thanks to steps we took in January 2000, our net costs of services at 30 June 2000 held steady at \$135 million. The 2000-01 federal budget did not increase our core funding. Commissioners agreed to reduce staff numbers to 1,200 and spend less on some activities such as small business.

We transferred \$361 million in fees to the Commonwealth, up 9% as a result of increased companies, and increased searches of our database. See page 19 for our financial results, and pages 61 to 102 for our financial statements.

The real impact of the GST on the price we pay for goods and services is uncertain. However, the Department of Finance and Administration has calculated that the abolition of the Wholesale Sales Tax will create savings, so the federal budget cut government agencies pro-rata, in ASIC's case by \$2.3 million.

We have continued to reduce routine costs. New travel arrangements saved about 15% in travel costs, and we installed IT systems that eliminate paper flow in approving travel and processing staff pay, leave and other entitlements.

Working with Parliament, government and the community

The Commonwealth Parliament took a closer interest in our work; this year we gave evidence to Parliamentary Committees 11 times, up from four times last year. We made six written submissions, including one about our consumer protection work. For our relationship with the Minister, see corporate governance page 17.

To ensure harmony and cooperation between ourselves and other financial regulators, I served as an ex-officio member of the APRA Board and the Council of Financial Regulators (ASIC, APRA and the Reserve Bank). We collaborated with the Commonwealth Director of Public Prosecutions who decides on and prosecutes all our indictable criminal matters, see page 34.

We could not have achieved many of our results without support from consumer groups, industry associations, company directors and professionals.

I particularly wish to acknowledge those who supported us in hosting the IOSCO Conference, the largest international event in our history that ran extraordinarily smoothly. See also page 20 about how we involved the community.

Chairman's review of operations

Managing staff and performance

Staff performance and development

Independent survey results showed that our staff performed well in the eyes of the people who most often deal with them, considering the diverse issues and broad markets we regulate.

This, and our own data on performance, substantiated comments I received that our staff handled urgent, complex and heavy workloads effectively and within agreed deadlines. They displayed a genuine desire to improve ASIC's performance and their own professional skills, see also page 50.

Our fifth Summer School on regulatory reform studied how to identify patterns of non-compliance, design compliance strategies and measure their effectiveness. Ten senior ASIC staff, nine Australian agencies and eight overseas agencies attended, led by Professor Malcolm K Sparrow of Harvard University. A former UK police officer, he now researches and works with US regulatory agencies. This highly successful School stimulated ASIC's leadership to greater innovation in tackling regulatory issues.

Management changes

Commissioners benefited from a full team for the whole year when Deputy Chairman David Knott joined us on 5 July 1999. My term and Jillian's expire later in 2000. For information about Commissioners, their roles and corporate governance, see pages 16-18.

We appointed Ian Johnston as National Director Infrastructure. His predecessor Phil Khoury left us after nine years, having helped reform our organisation.

Among Regional Commissioners who lead our operational work, Ian Johnston moved from Tasmania and ACT Regional Commissioner Greg Tanzer took over in Queensland, succeeding Barrie Adams. Barrie's many years of devoted and effective service were recognised by the award of the Public Service Medal in January 2000. Ron Ladlay took charge in the ACT. See page 55 for current National Directors and Regional Commissioners.

Y2K, service and complaints about staff

On 1 January 2000 we electronically registered the first new company in the world, New Millenium 2000 Pty Ltd , successfully testing our systems. Thanks to careful planning and remediation, Australia's markets, financial institutions and ASIC switched over without disruption.

Our service standards held up under heavy pressure. Our Infoline telephone staff dealt with 90% of questions and problems on the spot, but rising call volumes meant many callers could not get through at their first attempt. To offer a faster channel to information, we upgraded our website and added new web services.

Senior managers investigated 12 serious complaints about our staff, down by two. See pages 52-53 for details.

Looking ahead

ASIC faces many challenges and demands across its portfolio of responsibilities.

The Constitutional challenges to our powers under the Corporations Law create doubt and delay for us and for the community. This issue now requires an urgent solution.

We face a complex and heavy workload in implementing the Financial Services Reform Bill, that if approved, will harmonise consumer protection across all financial products and services. The Bill also rewrites the rules about the supervision of markets including the Australian Stock Exchange.

ASIC must resolve issues arising from the globalisation of securities and futures markets. Both the ASX Ltd and the Sydney Futures Exchange are undergoing sweeping change to meet global competition as fully commercial operations.

We will be responsible for protecting consumers if Parliament introduces “superannuation choice” to allow millions of members a choice of funds.

Investors, consumers and businesses expect us to maintain and improve our performance. With stretched resources and with fewer staff than last year, ASIC will need the support and understanding of all our stakeholders.

This will be my final overview in an ASIC annual report. It has been an extraordinary honour and pleasure to serve as Chairman. I wish ASIC, its staff and diverse stakeholders all the best for the future, and in particular I thank the Government, the Parliament, our fellow regulators, the Director of Public Prosecutions, past and current colleagues and staff for their support.



Alan Cameron, AM
Chairman

Commissioners



Alan Cameron, ASIC Chairman, AM, BA, LLM (Hons)

Alan Cameron is a lawyer. He has served as Chairman of ASIC and the ASC from 1 January 1993 until 31 December 2000. Previously he was Commonwealth Ombudsman, and before that, national executive partner of Blake Dawson Waldron, solicitors. He has held a range of other appointments and has been a director of a number of companies.

He is an ex-officio member of the Companies and Securities Advisory Committee and the Council of Financial Regulators, and a Board member of the Australian Prudential Regulation Authority. From 1997 to 1999 he was Chairman of the Joint Forum, an international body of regulators of firms active in banking, insurance and securities.



David Knott, ASIC Deputy Chairman, LLB

David Knott's term runs from 5 July 1999 until 4 July 2002. He is a lawyer and Fellow of the Australian Institute of Company Directors. Previously he was Chief Operating Officer of the Australian Prudential Regulation Authority (APRA).

He spent 13 years in private legal practice, specialising in company and commercial law. In 1992 he became inaugural Executive Director of the Australian Financial Institutions Commission, which was established by the State and Territory governments to regulate credit unions and building societies. He then served as Chief Executive of Commonwealth Funds Management. In 1998 he was appointed to help establish APRA, playing a key part in the Authority's formation, strategic planning and structuring.



Jillian Segal, ASIC Commissioner, BA, LLB, LLM (Harv.)

Jillian Segal's term runs from 13 October 1997 until 12 October 2000. She is a lawyer, specialising in corporate and environment law. She was previously Special Counsel at Dunhill Madden Butler advising on issues management and prior to that a partner and consultant to Allen, Allen and Hemsley. She has also been a company director with particular experience in the financial services sector.

Among her other interests she was a Professorial Fellow in the Faculty of Law at the University of Wollongong, a member of the Legal sub-committee of the Companies and Securities Advisory Committee and a member of the consultative committee for the Corporate Law Simplification project.

Commissioners' role, appointment and remuneration

Three full time Commissioners direct ASIC's affairs, approve and review operational plans and performance, appoint and appraise the most senior executives and involve themselves in all major enforcement, regulatory, budgetary and staffing matters. Commissioners appoint eight Regional Commissioners in consultation with the relevant State Minister.

Commissioners receive advice from staff, including the National Directors of Enforcement, Regulation and Infrastructure, and General Counsel. Independent legal and accounting experts advised on specific matters. We do not have a procedure for an individual Commissioner to obtain legal advice independently at ASIC expense. No occasion for such advice has arisen, and all Commissioners are legally qualified.

The Governor-General, on the nomination of the Minister, appoints Commissioners on fixed terms that may be terminated only for reasons set out in section 111 of the ASIC Act. The terms of the Chairman and Commissioner Jillian Segal expire later in 2000. The Minister may appoint acting Commissioners during vacancies or absences. The Remuneration Tribunal sets Commissioners' remuneration, see also page 92.

The role of the Parliament, Minister and State Ministers

Commissioners reported to Parliament and the responsible Minister on ASIC's performance.

The Parliamentary Joint Committee on Corporations and Securities reviewed our annual report and activities at public and private hearings. The Senate Standing Committee on Economics required ASIC to appear and answer questions on our budget estimates on three occasions. We made six submissions and gave evidence 11 times to Parliamentary Committees, submitted an annual report and responded to inquiries on behalf of constituents.

The Treasurer, the Hon Peter Costello MP, and, in matters determined by him, the Minister for Financial Services and Regulation, the Hon Joe Hockey MP, are responsible for ASIC. Under sections 12 and 14 of the ASIC Act, the responsible Minister may direct how we use our powers, perform our functions or direct us to investigate. He gave no directions this year. Only one has ever been given, in September 1992.

Our Commissioners met regularly with the Treasurer and with the Minister for Financial Services and Regulation. We briefed them and the Treasury about current issues and proposed changes to the law.

Under the Corporations Agreement, we submitted half yearly reports on our performance to State and Territory Ministers, and attended the Ministerial Council on Corporations, comprising Commonwealth, State and Territory Ministers, as an observer to answer questions.

Corporate governance

Integrity and confidentiality

Commissioners and staff use financial products and services that ASIC regulates. To maintain the integrity of our decisions, we require disclosure of any real or apparent conflict of interest. Commissioners and staff took no part in decisions where a real or apparent conflict of interest could arise. In those cases, we set up special reporting and decision making procedures.

The Chairman and Commissioners disclosed to the Minister all direct or indirect pecuniary interests in businesses, companies or superannuation trusts, funds or retirement savings accounts or retirement savings account providers. Senior executives disclosed their interests to the Chairman. Other staff keep registers of their interests at work that supervisors may inspect at any time, and submit annual returns of interests. Commissioners have appointed senior disclosure officers to advise managers and staff in handling particular situations.

To avoid misuse of information, strict procedures reinforce the criminal law to safeguard confidential information.

Independent audit

The Commonwealth Auditor-General audits ASIC's financial statements. The Commission's Audit Committee helped Commissioners examine internal and external audit matters and risk assessment, see its report on page 57. The independent Chair, Ms Merran Kelsall, is a senior chartered accountant and company director in private practice. The Deputy Chair is also independent. The Committee's charter conforms with Australian National Audit Office and Australian Institute of Company Directors best practice guidelines.

Financial results 1999-2000



Overall costs and outputs

The net cost of ASIC's services was \$135.3 million, \$132.4 million funded from Parliamentary appropriation, and the balance from operating revenue. See pages 61-102 for our full financial report.

Output costs*	Cost
Output 1: Policy and guidance about laws administered by ASIC	\$13.9m
Output 2: Comprehensive and accurate information on companies and corporate activity	\$41m
Output 3: Compliance monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity	\$24.1m
Output 4: Enforcement activity to give effect to the laws administered by ASIC	\$56.3m

*National and support costs are apportioned to these outputs

Employee expenses rose

Our employee expenses of just over \$83.8m represented our major outlay, up by nearly 8%. This increase reflected the full year effect of an increase in staff resulting from the expansion in ASIC's roles and responsibilities from 1 July 1998, the full year effect of our Certified Agreement put in place in December 1998, and an increase in provisions. See page 83 of our financial statements.

Expenses on goods and services fall

Our costs on goods and services, excluding property, represented some 24% of outlays, down from last year because we no longer faced set up costs for additional responsibilities under the ASIC Act. Notable reductions occurred in communications, computing, office requisites and legal expenses. We will continue to contain these costs. Property expenses remained steady although we changed leasing arrangements in Sydney, Perth, Adelaide and Hobart.

Investment in infrastructure

We invested about \$5 million in infrastructure, including a new human resources information system, a financial information system to improve managing and reporting fees and charges collected under the Corporations Law, and a litigation support system to assist in court proceedings.

Loan repayments

We paid back to the government the second instalment of a \$6.5 million loan we took out in 1998, repaying just over \$2 million in principal. (We paid out the balance in early 2000-01.)

Revenue collected

We collected \$361 million, up 9% , in statutory fees under the Corporations Law. See page 69 of our financial statements.

Community involvement

ASIC involves the community in our work, although differently from customer service organisations.

We deal with investors and consumers mainly when things go wrong.

To identify and deal with consumer risks and issues, we involve consumer advocates and experts.

We deal most often with people we regulate to discuss, propose or enforce duties and obligations. To remain sensitive to commercial issues and needs, we consult frequently with industry but ensure public scrutiny by publicising regulatory policies and decisions.

Investors and consumers

Our Consumer Advisory Panel brought together, under an independent Chair, nine other consumer and investor advocates experienced in the financial services industry. The panel met four times, successfully recommended \$55,000 worth of research projects that identified issues and risks facing investors and consumers, alerted us to other problems, and commented on policy. A Commissioner, our Directors of Consumer Protection and Communication usually attended these meetings. See page 56 for the Panel's report. We also consulted other investor and consumer organisations.

People we regulate

The organisations and people we regulate are listed on page 2. We met regularly with about 18 peak industry and professional associations, and consulted other organisations, companies and professionals, and helped thousands of directors and professionals over the phone.

Under the Corporations Agreement with the States and Northern Territory, we maintained seven Regional Liaison Committees representing the business community. They met about four times each year, received information on our performance and service, and offered ideas. A Commissioner usually attended these meetings.

General public

Through the media, our website, speeches, investment and business expos, we encouraged people to report misconduct and comment on policy proposals. We responded to 5,534 misconduct allegations, up 5%. To encourage reporting of internet scams, we awarded "Gulls" (\$50 gullibility awards for outrageous swindles) and referred serious cases for investigation. We invited comment on 13 proposed policies.

Summary of major operations



Regulatory and enforcement operations

Who and where we are

- 662 full time equivalent staff
- Eight offices in each State and Territory capital
- Costs: about \$73 million

What we do

- Investigate and act against alleged misconduct
- License and inspect financial advisers, insurance brokers and other intermediaries
- Approve and monitor consumer complaint resolution schemes
- Monitor codes of practice across all financial services
- Receive and inspect prospectuses
- Register and inspect managed investment schemes
- Supervise securities and futures markets
- Monitor what company directors say and do
- Monitor takeovers
- Grant or refuse requests for relief from the law
- Register company auditors and liquidators
- Handle defunct company property

What we achieved

- Court results dropped slightly to 84% success in 461 matters, but above 70% target
- 25 prison sentences, the second highest on record
- Completed investigations more quickly despite a 17% rise in matters on hand, see page 6
- 80% of 1534 fundraising applications processed within 10 business days, up 5%
- Banned 50 unsuitable people from giving investment advice, 34 more than last year
- Completed two year transition for managed investment schemes, with only eight entities missing the deadline

What we plan

- Complete all investigations within 12 months; deliver timely results on urgent or nationally significant matters
- Raise the rating in benchmarking studies of our enforcement performance
- Maintain our target for successful criminal and civil litigation at 70%
- Upgrade our ability to enforce the law over the internet and in e-commerce
- Boost compliance reviews and campaigns, and reduce reactive work
- Implement the Financial Services Reform Bill, if passed
- Focus on consumer protection and reduce some small business activities

Summary of major operations

Public information

Who and where we are

- 287 full time equivalent staff
- Information Processing Centre at Traralgon, Victoria; 12 Business Centres in capital cities, Geelong, Newcastle, Gold Coast and Townsville
- Costs: about \$31 million

What we do

- Register new companies with a unique number
- Record every company's name, number, directors and other information on a public register
- Collect company fees and transfer them to consolidated revenue
- Process changes to company details and make retrievable images of company documents
- Answer company housekeeping and information enquiries
- Take enforcement action against people who fail to lodge company information

What we achieved

- On-line company searches increased by 25%, and free internet browsing up 100%
- Total over the counter paid searches fell 27%, as appeal of on-line increased
- 94% of company information lodged on time, up 1%
- Increased electronic lodgement of annual returns by 7%, ahead of target
- Electronic Company Registrations, now attracting nearly 50% of all registrations
- Maintained service levels despite staff reductions

What we plan

- Increase the percentage of new companies incorporating electronically to 75%
- Increase the number of companies updating information electronically from 63% to 70%, and reduce manual processing
- Integrate our company compliance and electronic services functions into our mainstream regulatory and enforcement work
- Offer businesses increased opportunities to deal with us electronically
- Implement changes to Corporations Law resulting from the Corporate Law Economic Reform Program



National coordination and support services

Who and where we are

- 285 full time equivalent staff
- National Offices in Melbourne (our headquarters) and in Sydney
- Costs: about \$31 million

What we do

- Develop guidelines and policies to help business comply with the law
- Coordinate and provide legal, accounting and policy support for enforcement and compliance activities
- Provide information technology systems and support
- Provide human resources, training and payroll services
- Provide finance, budgeting and audit systems and advice
- Provide administrative support to operations
- Provide and advise on communication and publishing
- Operate Infoline call centre

What we achieved

- 20 new policies issued to guide industry, up from 14 last year
- IT system availability and service maintained without Y2K problems
- 23,500 IT help desk calls, up 5%; 77% resolved within 15 minutes, up 4%
- Provided human resources advice and payroll services for 1,234 full time equivalent staff
- Managed \$135 million in costs and collected \$361 million in revenue
- Answered 91% of Infoline calls on the spot (steady, but surging call volumes left many callers unable to get through)
- Survey respondents praised communication activities

What we plan

- Issue new policies to help companies adjust to financial services reform legislation if approved
- Manage increased workloads, new responsibilities and law reform and improve staff performance, without increasing staff numbers
- Increase spending on learning and development and relate it closely to regulatory and enforcement activities
- More flexible recruitment and employment options for managers
- New IT applications that link all our regulatory and enforcement processes