Everything ASIC does is based on our three priorities.

Priority 1: Confident and informed investors and financial consumers

Priority 2: Fair and efficient financial markets

Priority 3: Efficient registration and licensing

We use a number of tools to achieve our desired outcomes:

- engagement with industry and stakeholders
- surveillance
- guidance
- education
- enforcement
- policy advice and implementation.

2

Outcomes in detail

Priority 1 – Confident and informed investors and financial consumers

Engagement with industry and stakeholders

The Investors and Financial Consumers cluster held over 200 meetings with industry associations. Topics discussed ranged from the Future of Financial Advice reforms to the advertising of financial products and services. The diversity of our regulated population is demonstrated by those we meet with, from the Hedge Funds Standards Board to Greyhounds Australia.

Improving advice

In March 2012, ASIC released a report assessing 64 retirement financial plans, benchmarked against criteria set by an expert industry reference panel.

The report revealed that 39% of the pieces of advice reviewed were graded as 'poor', 58% were 'adequate' and only 3% were 'good'. Much of the advice given was criticised as being too generic or overly product-focused. Conflicts of interest were also highlighted as a problem.

Also worrying was the finding that consumers often found it hard to spot poor advice, with an adviser's confidence and friendliness having a bigger effect on how the quality of advice is judged compared to the actual impact on the consumer's financial well-being.

Since the report's publication, ASIC has worked closely with professional and industry associations to drive positive change and communicate its expectations to licensees. Activities have included a series of industry roadshows with the Financial Planning Association and the Association of Financial Advisers. ASIC has also enhanced the consumer information on the MoneySmart website about seeking financial advice.

Financial adviser training and assessment

ASIC continued to develop an assessment and professional development framework for financial advisers. The proposed framework is designed to ensure that all financial advisers achieve a uniform minimum standard of training and expertise, to increase consumer confidence in the financial advice industry and improve the quality of advice provided to consumers and retail investors.

ASIC consulted with the financial advice industry about whether a national exam for financial advisers should be implemented and whether a self-regulatory organisation should develop and administer such an exam. Industry participants were broadly in favour of the proposal, but opinions varied as to who should administer it.

Wealth management

ASIC promoted best practice in the wealth management industry by developing 11 regulatory and compliance educational workshops for representatives of the largest 100 advice licensees.

Consultation

Consultation Papers ASIC released in 2011–12 covered topics such as good practice guidance on advertising credit products and credit services; a review of the external dispute resolution jurisdiction over consumer complaints in cases where members have commenced legal proceedings to recover debts from consumers; and improving disclosure for retail investors considering unlisted property schemes.

'ASIC continued to develop an assessment and professional development framework for financial advisers.'

Surveillance

As part of its proactive approach, ASIC undertakes extensive surveillance to monitor the activities of individuals and entities within the populations that it regulates (see pages 18–19).

ASIC takes a risk-based approach to surveillance, identifying significant and strategically important key market participants or 'gatekeepers' to analyse.

Financial advisers

ASIC's risk-based surveillance of financial advice continued in 2011–12, focusing this year on licensees who rapidly grow by acquiring other financial advice businesses, quality of advice and managed discretionary accounts.

As a result of this work ASIC:

- reviewed approximately 579 pieces of financial advice
- banned six advisers
- imposed licence conditions on three licensees, covering areas such as conflicts of interest, monitoring and supervision of representatives
- cancelled or suspended six AFS licences for reasons including failure to remain a member of an external dispute resolution scheme, non-lodgement of financial accounts and ceasing to operate a financial services business.

In 2010–11, ASIC reviewed the 20 largest AFS licensees. Our approach was to closely examine their compliance systems and the review informed our analysis of the risks facing the financial advice industry. In 2011–12, ASIC continued its risk-based review of financial advice industry practice and requested information from the next 30 largest licensees.

Superannuation

ASIC undertook a key surveillance project in the superannuation industry, involving onsite visits to superannuation trustees and responsible entities. Concerns were identified for three entities ASIC visited as a part of this project, and remedial action is being reviewed.

ASIC also reviewed a number of Product Disclosure Statements and advised on how to produce more meaningful disclosure so that fund members can better understand their investment choices.

Investment products and services

ASIC carried out a number of investigations into various aspects of investment products and services, including:

Exchange traded funds (ETFs)

Surveillance of all major ETF issuers in Australia has helped ensure appropriate disclosure for retail investors. Our investigation also informed a report detailing ASIC's views for use in developing international standards for ETFs.

Investor-directed portfolio services and similar schemes

More than $100 billion of funds other than superannuation are now under management in investor-directed portfolio services schemes and similar offerings (collectively known as 'platforms'). ASIC undertook surveillance of nine established and emerging platform operators and engaged with industry associations, identifying two key growing risks in the sector:

- the emergence of less mature and less experienced platform operators
- shifting investor behaviour, with increasing demand for new investment types on platforms and new means of interacting with platforms.

This work has informed a review where we sought public comment on Consultation Paper 176 *Review of ASIC policy on platforms: Update to RG 148*. The new guidance will be released in 2012–13.

Managed discretionary account services

The use of managed discretionary account services is expanding. ASIC undertook surveillance of nine established and emerging managed discretionary account service operators within financial advisory and stockbroking businesses. This surveillance will inform a review of ASIC's regulatory approach to managed discretionary account services.

Hedge funds

ASIC assessed 95 hedge funds against a set of fraud 'red flags' to produce a list of 15 funds that were subject to detailed desk research and (in some cases) site visits. The asset valuation practices of a further five hedge funds were subject to additional analysis. We focused on the security of fund assets, the accuracy of reported returns and fee calculation, and the valuation of illiquid assets.

Issuers of CFDs and FX contracts

ASIC reviewed the client money handling and reconciliation practices of 25 out of 44 issuers of CFDs and FX contracts. We found that eight issuers failed to pay client money into a properly designated trust account where required, and six issuers failed to pay client money into a compliant account on the day it was received or within one business day.

Credit products and services

Following the implementation of the new consumer credit regime in 2010–11, ASIC focused on ensuring that consumers could commit to and use products with confidence.

Responsible lending

Responsible lending obligations are central to the new national credit regime. To ensure industry compliance, ASIC reviewed mortgage brokers providing credit assistance for home loans, and reviewed the practices of payday and other short-term, small-amount lenders.

We found that while the majority of those reviewed were aware of their new responsible lending obligations – and were taking steps to comply with them – further improvements needed to be made. Problems included lenders not recording the actual purpose of loans, undertaking very limited verification of consumers' financial circumstances, and not taking steps to clarify conflicting information in loan applications.

'ASIC focused on ensuring that consumers could commit to and use products with confidence.'

Advertising financial products

ASIC paid close attention to how financial products and services were advertised during the year, in an effort to ensure consumers could make financial decisions based on sound information.

In February 2012, we issued Regulatory Guide 234 *Advertising financial products and advice services: Good practice guidance* and worked with industry to ensure these guidelines were understood.

We also proactively monitored advertising campaigns to identify misleading advertisements, and took action against a number of advertisements and promotional claims. This included clamping down on terms such as 'stress-free' when used in relation to potentially risky products such as margin loans, exchange traded funds and self-funding instalments. Other targets involved disingenuous home loan discount offers and promoters using terms such as 'guaranteed finance' and 'no application refused'. ASIC's actions resulted in over 80 advertisements or campaigns being withdrawn or amended.

Investment banks

ASIC initiated 15 reviews of investment banks out of 24 identified in our current stakeholder population. ASIC monitored the practices of those banks in relation to compliance, corporate governance, new product approval processes, conflicts of interest and confidential information.

While we identified no issues requiring enforcement action, ASIC succeeded in modifying the behaviour of investment banks, where appropriate, and highlighted areas for improvement in industry practice.

ASIC also established regular informal lines of communication with stakeholders to maintain dialogue and aid future surveillance.

Credit rating agencies

ASIC received its first Annual Compliance Reports from six credit rating agencies, after announcing this reporting requirement on 13 December 2011. A key area of focus was the agencies' procedures for managing potential conflicts of interest.

Review of consumer credit insurance

In October 2011, ASIC issued Report 256 *Consumer credit insurance: A review of sales practices by authorised deposit-taking institutions*. ASIC reviewed the sales practices of 15 authorised deposit-taking institutions (ADIs) that sold consumer credit insurance for home loans, personal loans and credit cards.

This review identified a number of concerns about how consumer credit insurance is sold by ADIs in areas such as sales practices, disclosure and monitoring systems. ASIC also identified that a relatively high proportion of claims relating to this form of insurance were denied by the insurer. In response, the report set out 10 best practice recommendations to reduce the risk that consumer credit insurance might be mis-sold.

The 15 ADIs reviewed agreed to implement these recommendations.

Financial services and Indigenous communities

As well as providing information and advice to Indigenous people about financial services (see page 27), ASIC's Indigenous Outreach Program team gathers intelligence from consumers in urban, rural and remote locations, follows up complaints about financial services providers, conducts surveillance activities and refers serious matters to Enforcement for investigation. In 2011–12, the team undertook surveillance activities and assisted in investigations of credit activities, specifically in relation to white goods, motor vehicle finance and book-up (informal credit offered by stores and other traders) in rural and remote Western Australia, South Australia and Queensland. This included assisting with community liaison, gathering intelligence and evidence, as well as providing cultural and linguistic advice.

Guidance – setting rules, standards and expectations

We released 19 new or revised regulatory guides in relation to Priority 1. These included best practice guidance in advertising financial products, disclosure standards for unlisted property schemes, financial resource requirements for responsible entities and guidance on the shorter product disclosure regime.

Advice to the advising industry

In September 2011, ASIC also released a report highlighting issues in the financial advice industry across the following five key categories:

- licensee business models and managing conflicts of interest
- adviser training
- monitoring and supervising advisers, including checking references at recruitment
- product and strategic advice, including educating clients about risk and return
- complaints handling and compensation.

The ePayments Code

In September 2011, ASIC released the new ePayments Code, a best-practice consumer protection regime for electronic payment facilities in Australia.

The code regulates consumer electronic payments including ATM, EFTPOS, debit and credit card transactions, online payments, internet banking and BPAY. It assists consumers in cases of fraud and unauthorised transactions.

The code incorporates a tailored set of 'light touch' requirements for products up to a value of $500, and introduces a new regime to resolve mistaken internet banking payments.

The release of the code concluded an extensive review of the previous Electronic Funds Transfer (EFT) Code of Conduct, which involved wide consultation with industry and consumers.

New bank account switching rules

ASIC released new guidelines in June 2012 to support bank account switching reforms. The guidelines updated the ePayments and EFT industry codes to reflect the introduction of new rules designed to make it easier for consumers to move accounts from one bank to another.

Under the new rules, a financial institution (bank, building society or credit union) is now required to provide a list of regular direct debits and credits to a new financial institution at a customer's request. ASIC's guidelines will give consumers and financial institutions confidence in their rights and responsibilities when switching accounts from 1 July 2012.

New and revised guidance on disclosure obligations

ASIC published updated and new guidance for entities on their disclosure obligations, including 'if not, why not' disclosure benchmark policies for:

- unlisted property schemes – highlighting particular risks such as gearing, valuations, liquidity, distributions and diversification of the scheme's portfolio.
- mortgage schemes – highlighting that investors need to understand risks so that they can better align their expectations with the features of these schemes.
- infrastructure entities – to ensure consistent and clear information about the key characteristics and risks, such as whether all the units or shares in the infrastructure entity are fully paid and have the same rights.
- agribusiness managed investment schemes – highlighting risks such as those flowing from the fact these schemes do not use a traditional trust structure.

We also published guidance on making prospectuses more useful for investors, addressing problems ASIC has identified in the past and providing tools to assist in producing clear, concise and effective prospectus disclosure.

Financial resource requirements for responsible entities

In November 2011, ASIC released new financial resource requirements for responsible entities. The requirements aim to ensure that responsible entities have adequate resources to meet operating costs and that there is appropriate alignment with the interests of investors. As Australia raises its profile as a leading financial centre, increasing minimum responsible entity capital requirements to a level that is globally comparable improves confidence in the integrity of our markets. There is a 12-month transition period for the changes.

Shorter Product Disclosure Statements

ASIC made significant preparations for the introduction of the new shorter Product Disclosure Statement (PDS) regime. This reform, which aims to make PDSs simpler, came into force on 22 June 2012.

Review of general insurance

In August 2011, ASIC issued Report 245 *Review of general insurance claims handling and internal dispute resolution procedures*. ASIC asked eight general insurers – representing 20 motor vehicle industry (MVI) brands and approximately 75% of the direct retail MVI market – to provide statistics and internal documents on claims handling and internal dispute resolution procedures for MVI policy claims lodged between 1 January 2009 and 31 December 2009.

The findings were generally positive. Only a very small number of MVI claims were formally denied and the number of claims-related complaints was relatively low. Even so, ASIC made some recommendations on claims handling and internal dispute resolution procedures to reflect best practice and to help ensure consumers receive adequate information.

External dispute resolution

In December 2011, ASIC began a review of external dispute resolution (EDR) jurisdiction over consumer complaints in cases where EDR members have commenced legal proceedings to recover debts from consumers. The EDR framework is a key element in ASIC's strategy to ensure consumers have an avenue for complaining or seeking help when they most need it.

'ASIC's MoneySmart website has been a major success. It is also central to much of ASIC's education activity.'

Education

MoneySmart

ASIC's MoneySmart website has been a major success. The website, launched in March 2011, is a key plank of the multi-agency National Financial Literacy Strategy. It is also central to much of ASIC's education activity.

User participation and satisfaction with the website grew significantly this year. As at 30 June 2012, over 1.9 million visitors had visited MoneySmart since its launch in March 2011, and the site averaged around 10,000 visitors a day. By April 2012, it had reached 7% of adult Australian internet users. User surveys in August 2011 and April 2012 showed that 79% of users rated the site useful and 90% had taken action as a result of visiting the site.

MoneySmart was named Best Government Website at the 2011 Australian Web Awards, and Best Service Delivery Website at the 2012 Excellence in e-Government Awards. It was also one of only 10 investor protection sites (out of 200 globally) called 'outstanding' and given a 5/5 rating by IOSCO.

Many MoneySmart calculators are now available for mobile phones and tablets, and users can save and retrieve results for many of the site's most popular calculators. The site also features an online map search tool allowing people to find their nearest financial counsellor.

Financial literacy in schools

ASIC developed a range of quality teaching resources as part of the Helping Our Kids Understand Finance initiative. It also facilitated the revision and national endorsement of the National Consumer and Financial Literacy learning framework, in partnership with state and territory education authorities.

Key resources developed by ASIC included a national professional learning package for primary schools to engage students with real-life consumer and financial literacy content, and the MoneySmart Teaching website for educators (**www.teaching.moneysmart.gov.au**). This dedicated website ensures that teachers have access to online professional learning and quality resources. It is being trialled in 90 schools throughout Australia ahead of a national roll-out in 2013.

Additionally, ASIC created and trialled an Aboriginal and Torres Strait Islander program for primary and secondary schools, called Milba Djunga ('Smart Money'), with the Western Australian, Northern Territory and Queensland Departments of Education.

Credit outreach campaigns

In September 2011, ASIC ran a mortgage health campaign which encouraged people to carry out a mortgage health check on MoneySmart. The campaign included media promotion, online information and a brochure titled *Problems paying your mortgage?* The brochure was distributed to 75,000 people.

In March 2012, ASIC released a comprehensive money management kit for settlement workers who help newly-arrived, culturally and linguistically diverse communities settle into Australia. The kit contains written, audio and video content in 26 languages. ASIC has trained more than 600 settlement workers to use the kit, which is also available on MoneySmart.

ASIC also ran 173 education and training sessions about credit and debt, attended by over 2,000 community workers, and participated in 131 regional activities with communities throughout Australia.

Indigenous outreach

ASIC's Indigenous Outreach Program assists Aboriginal and Torres Strait Islander consumers to be confident and informed consumers when making decisions about financial services including banking, credit, insurance and superannuation.

It does this by providing information and publications specifically for Indigenous people, answering inquiries and taking complaints about financial services from Indigenous consumers in urban, rural and remote locations. In 2011–12, the Indigenous Outreach Program team met with Indigenous consumers and organisations in over 30 communities throughout Australia, promoting financial literacy, and following up complaints about financial service providers.

ASIC's Indigenous Outreach Program also contributes to the National Indigenous Consumer Strategy (NICS) Reference Group and the Indigenous Financial Services Network (IFSN), a national network facilitated by Reconciliation Australia.

International financial literacy education

ASIC participated in representing Australia on two expert groups sponsored by the Organisation for Economic Co-operation and Development (OECD): the International Network on Financial Education (INFE) and the Programme for International Student Assessment (PISA).

ASIC helped develop the first PISA financial literacy test, which 15-year-old students from all states and territories in Australia sat for the first time in 2011–12.

Enforcement

ASIC takes enforcement action to detect and deal with unlawful conduct, to recover money in appropriate circumstances and sometimes to prevent unlawful conduct before it happens. By doing this we deter misconduct. In particular, we focus on the actions of key market participants or 'gatekeepers'.

Enforcement action against gatekeepers is consistent with community expectations that they will act with honesty, diligence, competence and independence in the performance of their duties.

Enforcement action to recover money helps to minimise losses resulting from allegedly unlawful or inappropriate conduct.

Increased transparency and accountability

As part of ASIC's commitment to improving the transparency and accountability of our enforcement action and increasing public awareness of why, when and how we exercise these powers, we released a number of publications during the year that explain our approach to enforcement and report on our enforcement actions.

In February 2012, we published Information Sheet 151 *ASIC's approach to enforcement*, which describes how ASIC approaches enforcement and why it responds to breaches of the law in different ways; Information Sheet 152 *Public comment*, which explains when ASIC may comment publicly on investigations and enforcement actions; and Regulatory Guide 100 *Enforceable undertakings*, which explains what an enforceable undertaking is and when ASIC will consider accepting an enforceable undertaking.

We also published Report 281 *ASIC enforcement outcomes: July to December 2011* and Report 299 *ASIC enforcement outcomes: January to June 2012*. These reports identify categories of gatekeepers against whom enforcement action was taken and highlight examples of conduct that was targeted during the reporting period.

Since 2010–11, we have also publicly reported on the use of our compulsory information-gathering powers in our Annual Report (see page 150).

Enforcement action in 2011–12

ASIC's focus in 2011–12 under Priority 1 was on gatekeepers who have an important role in ensuring that investors and consumers remain confident and informed in their decisions. These included financial advisers, insurance brokers, responsible entities and their officers (who operate managed investment schemes) and credit licensees.

Examples of these actions are listed below. For a statistical summary of major enforcement outcomes in 2011–12, see page 151.

Honesty

Behaviours that breach the required standards of honesty and against which we took enforcement action in 2011–12 include knowingly issuing misleading statements, stealing from clients and falsifying documents.

Opes Prime

Lirim Emini and Anthony Blumberg, two former directors of Opes Prime Stockbroking Ltd, were jailed in July 2011 following an ASIC investigation into the stock lender's 2008 collapse. Mr Emini, the company's former CEO, was convicted of two charges of dishonestly using his position as a director in relation to the transfer of securities between companies which he controlled and one charge of recklessly using his position as a director of Opes Prime to secure bank finance. Mr Blumberg was convicted of one charge of dishonestly using his position as a director in relation to the signing of the same documentation to secure bank finance.

Mr Emini was sentenced to 24 months imprisonment and was ordered to serve 12 months before being released on a recognisance release order. Mr Blumberg was sentenced to 12 months imprisonment and was ordered to serve six months before being released on a recognisance release order.

Sonray

The former CEO of Sonray Capital Markets Pty Ltd (Sonray), Scott Murray, was sentenced to five years in jail after pleading guilty in the Victorian Supreme Court to:

- six charges of false accounting involving fictitious deposits totalling $36,439,588 and US$9,779,395, and false withdrawals totalling $7,800,923
- two charges of theft totalling $2,256,500
- one charge of obtaining a financial advantage by deception
- one charge of misleading an auditor concerning a capital injection of $5,200,000.

Mr Murray will serve a minimum of two years and six months before he is eligible for parole. The sentence takes into account his early guilty plea and his cooperation in these proceedings. Russell Johnson, the sole director of Sonray, has also been committed to stand trial in the Victorian Supreme Court after his arrest on 24 criminal charges relating to conspiracy, theft and submission of a false document to ASIC. Mr Johnson has pleaded not guilty to the charges.

Operation Ark

ASIC took action to combat organised crime targeting unsuspecting and inexperienced Australian investors throughout 2011–12 in a project code-named 'Operation Ark'. These scams typically involved a number of businesses that claimed to offer financial services cold-calling victims and enticing them to invest via an elaborate, internet-related fraud. In some instances, the operators represented they were legitimate and licensed financial services businesses, when that was not the case.

Examples of enforcement action arising out of Operation Ark include:

- Golden Sparrow Pty Ltd: we obtained interim court orders restraining Golden Sparrow and its sole director Michelle Bruhn from promoting or carrying on any other financial services business including dealing with funds held in five bank accounts. The Supreme Court of Queensland ordered the winding up of Golden Sparrow in February 2012. Investors were defrauded of in excess of $350,000 by this unlicensed financial services business.
- Goldsmith & Associates Pty Ltd: we took urgent injunctive action restraining Goldsmith from carrying on a financial services business and from transferring or disposing of funds raised from investors. Investors had deposited a total of $364,000 into a bank account operated by Goldsmith. Approximately $81,500 has been ordered to be returned to investors following ASIC's action.

Public warning notices

In an effort to protect the public and prevent consumer losses before they occur, ASIC issued public warning notices about individuals and businesses who we have reasonable grounds to suspect are attempting to scam investors, such as:

- Dellingworth Pty Ltd: we issued a public warning notice urging consumers to be wary of this unlicensed financial services business offering investors returns of up to 50%.
- Connaught Investment Group: we issued a consumer alert urging consumers to be wary of this unlicensed financial services business offering fake investment opportunities.

Diligence

People providing financial products and services must do so with appropriate diligence. This means that advice, decisions or actions must be properly considered and appropriate in the circumstances. Examples of ASIC enforcement action against providers who failed to do so include the following:

Commonwealth Financial Planning

Following an ASIC investigation into the advice provided by several advisers employed by Commonwealth Financial Planning (CFP), a wholly owned subsidiary of the Commonwealth Bank of Australia, a number of former advisers have been removed (or have agreed to withdraw) from the financial services industry. ASIC was concerned that in several instances, the advice given by these individuals was deficient, for reasons including that it failed to consider the personal circumstances of the clients, did not have a reasonable basis, did not provide appropriate documentation or disclose fees. Their removal seeks to protect the public, deter similar conduct and maintain consumer confidence in the industry.

CFP has also agreed, under an enforceable undertaking, to conduct a comprehensive review of its compliance and risk management framework, as well as its legal and regulatory obligations regarding the provision of financial services and financial advice, and the monitoring and supervision of its representatives.

Equititrust Limited

ASIC took enforcement action against Equititrust Limited for failing to comply with a number of key obligations as a financial services licensee, including failing to hold sufficient net tangible assets and failing to lodge audited financial reports. Equititrust was the responsible entity for two registered managed investment schemes. The principal scheme had around 1,400 members who had invested a total of $247.5 million.

ASIC played a key role in appointing a receiver to the schemes when they were wound up by the Queensland Supreme Court in November 2011. The receiver of the schemes continues to work towards returning funds to investors. ASIC also obtained injunctions to prevent Equititrust from operating the schemes in a way that could affect scheme assets and harm investors. Equititrust's AFS licence was suspended in December 2011 and the company was placed into liquidation in April 2012.

Trio Capital Limited

A responsible entity must take responsibility for operating its managed investment schemes. The responsibilities of directors and officers of responsible entities are not diminished through outsourcing to third parties such as investment managers.

ASIC entered into enforceable undertakings with the former CEO, director and secretary of Trio Capital Limited (Trio), Rex Phillpott, and four former non-executive directors of Trio. Trio was formerly the trustee of five superannuation entities and the responsible entity for 25 managed investment schemes, including the Astarra Strategic Fund. The Astarra Strategic Fund invested in several overseas hedge funds, mostly based in the Caribbean. ASIC commenced an investigation into Trio in October 2009 over concerns about the legitimacy of its investments. This action is one of many arising from ASIC's investigation of Trio and its related entities.

Competence

All AFS and credit licensees must meet legislative and regulatory requirements for training, licensing, registration and conduct. Licensees are responsible for ensuring that they understand and comply with these requirements. Where necessary, additional conditions may be added to a licensee's existing obligations to address concerns about the licensee's conduct. An important part of ASIC's work in this area is also taking action against unlicensed operators.

- John Vafiadis was sentenced to six months imprisonment after an ASIC investigation found he provided unlicensed financial advice to investors. The court also ordered Mr Vafiadis to pay compensation to the investors.
- Following an investigation, ASIC reached an agreement with Saxo Bank A/S, the former provider of the trading platform for collapsed broker Sonray Capital Markets Pty Ltd (in liq), that additional requirements be included on its AFS licence.

Independence

AFS and credit licensees must have adequate arrangements for managing conflicts of interest that may arise in relation to the provision of financial services or credit services by the licensee or its representatives. Failure to have these arrangements in place may lead to suspension or revocation of a licence.

- ASIC cancelled FP Investment Partners Pty Ltd's AFS licence after the company failed to meet its obligations. ASIC's investigation and subsequent hearing found that FP Investment Partners had failed to ensure that adequate arrangements for the management of conflicts of interest were in place and that one of its previous authorised representatives, Joshua David Fuoco, had not complied with financial services laws.

Compensation for investors

Enforcement action to recover money helps to minimise losses resulting from allegedly unlawful or inappropriate conduct. We will ordinarily only take action to recover damages or property on a person's behalf if this would be in the public interest, beyond the interests of the affected consumers. We encourage investors to consider alternative options to recover damages or property from wrongdoers where possible, such as by lodging a dispute with the Financial Ombudsman Service or taking private legal action.

Storm Financial Limited

ASIC continued with its prosecution of its various legal actions arising out of the collapse of Storm Financial, a Townsville-based financial advice company that went into liquidation in March 2009, leaving many thousands of its clients facing significant losses.

ASIC filed three separate legal proceedings in December 2010, the first action being on behalf of Barry and Deanna Doyle who were seeking compensation from Bank of Queensland, Senrac Pty Limited (the owner and franchisee of Bank of Queensland's North Ward branch) and Macquarie Bank.

The second action argues that the Storm model amounted to the operation of an unregistered managed investment scheme that should have been registered under the Corporations Act. ASIC alleges that Storm operated the managed investment scheme and that the Bank of Queensland and Macquarie Bank were knowingly involved in the operation of that scheme.

ASIC also filed proceedings in the Federal Court of Australia against Emmanuel Cassimatis and Julie Cassimatis, the founding and former directors of Storm, alleging that they breached their duties as directors of Storm Financial.

Westpoint

The Westpoint property development group collapsed in 2006, owing approximately $388 million and leaving more than 3,500 investors with significant losses.

ASIC has mounted several actions against the former directors, its auditor KPMG and financial advisers over subsequent years. Recovered money currently stands at more than $160 million, around $93 million of which is compensation as a result of ASIC actions.

In December 2011, ASIC reached a settlement of its Federal Court proceedings against Strategic Joint Partners Pty Ltd (SJP), concerning a claim for compensation on behalf of SJP clients who invested in the Westpoint group. SJP clients received over $1.39 million in compensation.

On 9 September 2011, the former Westpoint chief financial controller Graeme Rundle was sentenced to two 18-month suspended sentences (to be served concurrently) for two offences under the *Crimes Act 1900* (NSW). The charges concerned statements made to a financial institution in relation to obtaining a $71 million construction finance facility. Mr Rundle is appealing his conviction.

Policy advice and implementation

Contribution to FOFA reforms

The Government's Future of Financial Advice (FOFA) reforms aim to improve the conduct of financial advisers and the way that retail clients engage with advisers and advice. Some elements of the reforms came into force on 1 July 2012, with compliance mandatory from July 2013.

ASIC began work on implementing the reforms through guidance on:

- the duty to act in the best interests of investors
- scaled advice
- conflicted remuneration
- ASIC's amended licensing and banning powers.

Stronger Super

ASIC has provided contributions to Treasury across a number of areas covered by the Government's 'Stronger Super' reforms, which are designed to improve the superannuation system. Key measures include establishing a new default superannuation product called MySuper, faster processing and improved governance throughout the superannuation system.

ASIC has focused on building the forthcoming SMSF auditor register, improving disclosure in MySuper and SuperStream, and strengthening superannuation governance in general.

ASIC has also provided comments on draft legislation and explanatory memoranda, contributed at cross-agency meetings, and built networks with other regulators that will be instrumental in implementing Stronger Super.

International regulation

ASIC worked with overseas regulators, the International Organization of Securities Commissions (IOSCO) and international regulatory bodies to develop an appropriate framework for assessing regulatory regimes for collective investment schemes.

ASIC is also a member of the IOSCO Task Force on Unregulated Entities including hedge funds and has participated in its deliberations on systemic risk issues during the year.

ASIC worked with the European Securities and Markets Authority (ESMA) on two projects. It signed an agreement to share information and cooperate more closely when supervising credit rating agencies and agreed to refine proposed rules for non–European Union fund manager access to EU markets under the EU's Alternative Investment Fund Managers Directive.

'ASIC has focused on building the forthcoming SMSF auditor register, improving disclosure in MySuper and SuperStream.'

Priority 2 – Fair and efficient financial markets

Engagement with industry and stakeholders

The Markets cluster attended over 200 meetings and conferences with industry associations on topics such as cost recovery for market supervision. We attended regular liaison meetings with key stockbroking and legal bodies and held bi-monthly meetings with insolvency discussion groups. We supported industry bodies in developing guidance, including the best practice guidelines on handling confidential and price-sensitive information and market soundings published by Australian Financial Markets Association Ltd (AFMA).

Launch of exchange competition

One of the most significant changes to the Australian financial landscape was the launch of the first competitor to the Australian Securities Exchange (ASX), Chi-X Australia Pty Ltd (Chi-X), on 31 October 2011.

The Government welcomed the launch as 'the start of a new era for Australia's financial market and [fulfilling] the Government's promise to open up Australia's equity market to competition'.

In the months leading up to the launch, ASIC closely monitored Chi-X's readiness and maintained constant communication with market operators, participants, vendors, the Market Supervision Advisory Panel, Treasury and third-party experts. The launch, including the transition from 'soft' to full launch, took place without incident.

Emerging trading issues

Following the launch of Chi-X, ASIC has continued to work on enhancing the market framework and addressing emerging trading issues.

We consulted with the market on our proposed approach to regulating emerging issues such as the increasingly automated nature of trading and the move towards more frequent, smaller trades completed away from public markets. We considered automated and high-frequency trading, extreme price movements, enhanced data for market surveillance, best execution, and pre-trade and post-trade transparency and price formation (including dark liquidity).

We conducted more than 50 meetings with stakeholders, and held information sessions for industry bodies. Based on this engagement, we refined our proposals and issued drafts of market integrity rules and guidance for comment.

Elements of the market integrity rules include:

- automated and high-frequency trading
- extreme price movements
- enhanced data for surveillance
- pre-trade and post-trade transparency.

Surveillance

Market supervision

ASIC's responsibility for market supervision has delivered numerous benefits from a market integrity perspective.

We bedded down processes relating to identifying and investigating possible misconduct, and how misconduct is referred to ASIC's enforcement groups. This has halved the average number of days involved from identifying misconduct to starting investigations, resulting in more timely and better outcomes. We are also refining the parameters for real-time surveillance to ensure analysts can concentrate their time on genuine market misconduct issues.

On 13 July 2011, we published our second report on the supervision of markets and participants, which identified 23,494 trading alerts during the period January to June 2011, with 121 matters requiring further consideration.

On 7 February 2012 we published our third markets and participants supervision report, which identified 20,029 trading alerts during the period July to December 2011, with 131 matters requiring further consideration.

ASIC's surveillance, including these alerts, focuses on insider trading, market manipulation and continuous disclosure. We are also reviewing issues arising from new technologies and trading approaches, including high-frequency trading systems and dark pools of liquidity.

Market assessment reports

In 2011–12, we published a total of 25 market assessment reports. These reports, which assess whether the licensee has adequate arrangements to supervise its market and/or clearing and settlement facilities, are one of the ways ASIC is increasing its engagement with industry and providing education and guidance to participants.

ASX Group

ASIC's supervision of ASX Group has highlighted a number of improvements that could be made to ASX systems and processes. The issues identified, although important, did not cause ASIC to qualify the conclusion that ASX adequately met its obligations during the reporting period.

These were highlighted in a market assessment report published on 5 July 2012 covering the period July 2010 to November 2011, which called on ASX to review its technology after a market outage on 27 October 2011. ASX has conducted a thorough review of its trading system support and testing frameworks and plans to make enhancements. These include requiring its trading system vendor to establish an office in Australia to provide better support, and running more 'live' tests of its backup facilities.

We required ASX to address how it handles conflicts of interest, particularly regarding its arrangements for managing those entities with which it has a real or perceived conflict.

In addition, ASIC reviewed arrangements in respect of ASX's CEO and his board membership of another ASX-listed company. While ASIC's view is that ASX's arrangements meet the requirements of the Corporations Act, ASX has agreed to make changes including greater disclosure.

Finally, we looked at how ASX monitors and enforces compliance with its operating rules, especially when admitting participants to its markets. ASX has agreed to make changes, including implementing a more rigorous process for considering applications and communicating with the market about admissions.

Improved disclosure

ASIC intervened on 125 prospectuses to deliver better disclosure for investors, including issuing 21 interim and 13 final stop orders.

ASIC also reviewed a number of notices of meetings and explanatory memoranda, independent expert reports and PDSs throughout the year. These reviews resulted in improved and more meaningful disclosure for investors.

We also took action to improve disclosure on hybrid debt offerings (especially about risks) to retail consumers. This included publishing guidance on the MoneySmart website about the risks associated with investing in hybrids.

ASIC's review of PDSs focused on whether documents met expected standards of being clear, concise and effective.

ASIC intervened in relation to a number of control transactions (including takeovers and schemes of arrangement) to promote consistency with the Eggleston principles that govern mergers. These interventions led to changes in the structure of the particular transaction or changes in disclosure provided to shareholders.

Financial reporting

ASIC reviewed 450 financial reports of listed entities and some larger unlisted entities. We publicly released the findings of those reviews, suggesting areas on which directors and auditors should focus. In addition, further reviews were also conducted on the basis of complaints and market intelligence.

Audit firm inspections

ASIC inspected firms that audit entities of significant public interest, focusing on audit engagement file reviews and quality control systems. ASIC found that the areas of audit evidence and professional scepticism required ongoing improvement. ASIC also conducted surveillance of individual audits and auditors, based on market intelligence and other information.

Insolvency

In November 2011, ASIC published its annual overview of corporate insolvencies for the 2010–11 financial year, based on statutory reports lodged by administrators. The report is part of ASIC's efforts to provide better insolvency statistics, and includes details such as industry types, numbers of employees, causes of failure, and likely dividends to unsecured creditors.

ASIC undertakes significant work in regulating registered liquidators to help ensure creditors have confidence in the administration of insolvent companies. In 2011–12, ASIC initiated 18 proactive practice reviews, finalised a further 10 activities and escalated five activities for enforcement action.

In our remuneration monitoring work we completed 200 reviews resulting in better disclosure to creditors, registered liquidators agreeing to reduce their fees, and registered liquidators adjourning meetings of creditors to provide further information to all creditors.

Certain external administrators are required by law to prepare declarations about relationships and indemnities to fully inform creditors. During the year, we completed 62 activities that involved reviewing the adequacy of declarations. In 52% of cases, we found the declarations were inadequate in some way, requiring registered liquidators to issue replacement declarations. Our work in this area will continue in 2012–13 with a primary aim of educating the insolvency profession and improving standards.

Guidance – setting rules, standards and expectations

New market integrity rules

Alongside the launch of Chi-X, ASIC also published new competition market integrity rules, which establish common standards for market operators.

ASIC provided extensive guidance to the industry on applying these rules through:

- FAQs on the ASIC website
- joint market event scenario testing exercises with market operators
- active engagement with stakeholders to help facilitate the industry's smooth transition to the new environment.

We guided participants through their obligations in relation to new and existing rules. In addition to certifying automated order processing systems to ensure compliance with market integrity rules, ASIC guided participants on how to develop robust policies and procedures, provide best execution disclosures to clients, and monitor and prove best execution. We also educated participants on exceptions to the pre-trade transparency rule and how to report to other market operators.

The commencement of competition has created an incentive for rapid innovation among market operators. As a result, the number of market operating rule changes doubled in 2011–12 compared to 2010–11.

Regulation of emissions units

In July 2011, the Federal Government announced details regarding Australia's carbon pricing mechanism as part of its Clean Energy Legislative Package. This legislation is intended to create incentives to reduce pollution and encourage companies to invest in clean energy by putting a price on carbon. The system introduces a fixed price per tonne of carbon in 2012, before moving to a full emissions trading scheme by 2015.

ASIC is responsible for regulating emissions units, which are recognised under the legislation package as financial products. This includes licensing those who provide financial services or operate a financial market for emissions units.

During the year, ASIC developed guidance to help the industry prepare for a transitional registration system, and become licensed to provide financial services relating to emissions units. This included publishing and updating regulatory guides and fact sheets, and delivering industry presentations.

Financial reports

In December 2011, ASIC issued a regulatory guide to help directors provide useful and meaningful information in financial reports, as well as reduce the risk that financial information (other than that produced in accordance with accounting standards) could be misleading.

Remuneration reporting

In 2011–12 we continued to focus on improving companies' disclosure of remuneration policy and arrangements for their key management personnel. Our survey of 50 remuneration reports of ASX 300 companies for the year ended 30 June 2011 revealed some improvements compared to the previous year's review, but also scope for further improvement. In February 2012 we published examples of effective disclosure in the areas our review identified as needing particular attention. We also commented on our observations of voting procedures for remuneration resolutions at annual general meetings, and supported Chartered Secretaries Australia in its development of guidance on executive remuneration.

Enforcement

Participants in Australia's financial markets have a responsibility to uphold the integrity and fairness of the market. ASIC undertook a range of enforcement activities throughout the year targeting misconduct by gatekeepers which has the potential to damage confidence in the market.

Honesty

The fairness and efficiency of financial markets depends on gatekeepers not using their positions to gain an improper advantage for themselves or for someone else. ASIC enforcement actions in 2011–12 included actions against insider trading, market manipulation and false or misleading statements.

Insider trading

Insider trading damages investor confidence in a fair and efficient market. ASIC took action to ensure that laws prohibiting insider trading are complied with, including:

- Former Pricewaterhouse Coopers senior consultant Nicholas Glynatsis pleaded guilty to nine insider trading charges relating to trades he conducted when in possession of confidential information acquired from PwC databases. He has yet to be sentenced, and has agreed to repay the $50,826 he made from the trading.
- Justin O'Brien, former director of business development of the strategic shareholder consulting services company, Georgeson, was sentenced to two years imprisonment to be served by intensive correction order after pleading guilty to four charges of insider trading. He was also ordered to repay the $54,748 profit he made from the trading.

Market manipulation

ASIC's continuing focus on maintaining fair and efficient markets saw it take action against market participants whose actions detracted from this goal, such as:

- Hoong Kee Tang, a former director of Wintech Group Limited, was convicted of four charges of market manipulation and one charge of making false or misleading statements to ASIC in December 2011. Mr Tang was also fined $10,000 and automatically disqualified from being involved in the management of a corporation for five years.

False or misleading statements

ASIC pursued criminal charges for dishonest conduct resulting in conviction and imprisonment for these gatekeepers:

- Three former Australian Capital Reserve (ACR) directors pleaded guilty to charges relating to false or misleading statements in the company's accounts and a prospectus. Samuel Pogson and Murray Lapham were each sentenced to two years imprisonment to be served by intensive correction order. Mr Pogson was also sentenced to a further one year's imprisonment to be served by intensive correction order and served concurrently with the other charge. Steven Martin was sentenced to one year and four months imprisonment to be served by intensive correction order. The Commonwealth Director of Public Prosecutions has appealed against these sentences.
- Stuart Ariff was jailed for six years on 19 December 2011 following his conviction on 19 criminal charges. The charges related to Mr Ariff's conduct while he was the liquidator of HR Cook Investments Pty Ltd between 9 June 2006 and 29 March 2009. Mr Ariff was also found guilty on six charges of making false statements in documents lodged with ASIC.

Asher Brooks and Kathryn Flanagan at work in ASIC's Traralgon office.

Phoenix companies

ASIC takes the issue of fraudulent 'phoenix' company activity seriously. Phoenix activity refers to directors moving assets to new companies and liquidating the old ones, leaving behind the liabilities.

- ASIC relies on statutory reports provided by liquidators to support its decisions to disqualify directors from managing corporations.
- ASIC receives and acts on requests for assistance from liquidators where directors are failing to comply with their statutory obligations to provide reports, books and records to liquidators when companies fail. In 2011–12, ASIC received 1,410 requests for assistance. Many of the requests for assistance received relate to companies where there have been allegations of phoenix activity.
- Where a director fails to assist a liquidator, ASIC may prosecute the director. ASIC obtained compliance from directors on 441 occasions – a compliance rate of 44%, up from 40% in 2010–11. A total of 402 directors were prosecuted for 817 offences in 2011–12, resulting in fines and costs of $1.05 million.
- ASIC can also take administrative action to disqualify directors if they have been involved in two or more companies that have been placed into liquidation within seven years. In 2011–12, 84 directors were disqualified or removed from managing corporations. Half of those disqualifications arose as a result of funding through the Assetless Administration Fund, which finances preliminary investigations and reports by liquidators regarding the failure of companies with few or no assets.

Diligence

Significant judicial decisions in court proceedings brought by ASIC against directors and senior executives during the year brought into focus the standard of diligence expected of these gatekeepers.

Centro

In August 2011, the Federal Court of Australia handed down its penalty decision against eight directors and former executives of Centro Properties Group. In a landmark decision in June 2011, the Court found that the defendants had failed to discharge their duties with the degree of care and diligence required of them in approving the financial reports for the year ended 30 June 2007.

The case highlighted the danger of boards uncritically relying on management or auditors, and provides important direction on the corporate accountability of directors and management. Directors must apply their own skill and knowledge when discharging their duties, a responsibility that cannot be delegated.

The Court refused the directors' applications to be exonerated from their contraventions and made declarations that all directors and the CFO had contravened the law. The court imposed a pecuniary penalty of $30,000, and disqualified the former CFO from managing corporations for two years.

James Hardie

In May 2012, ASIC succeeded in a High Court appeal in its case against former non-executive directors and one company officer of industrial building company James Hardie. The case revolved around breaches of the Corporations Act when making a statement to ASX in 2002 about the adequacy of asbestos compensation funding.

The original trial judge had found that a draft ASX announcement had been approved by the James Hardie board and that the approval involved was a breach of directors' duties, whereas the NSW Court of Appeal had found that the announcement in question had not been approved by the board. The Court of Appeal also found that ASIC had an obligation of fairness in civil penalty proceedings, which included an obligation to call all material witnesses. This finding related to ASIC's decision not to call David Robb, the company's former solicitor, as a witness.

The High Court upheld the finding of the original trial judge that the directors of James Hardie did approve the draft ASX announcement made by the company and, in doing so, breached their duty to the company. It also decided that ASIC's decision not to call Mr Robb caused no unfairness, and that there was no basis for drawing any inference that Mr Robb would have given evidence adverse to ASIC's case.

Trio Capital Limited

Auditors must ensure each audit is planned and performed with an attitude of professional scepticism. We took action against a number of auditors in the relevant period as part of our program to lift standards in the financial services and professional services industries.

ASIC accepted an enforceable undertaking from the auditor of the failed Astarra Strategic Fund to not act as a registered company auditor for three years. Timothy Frazer of WHK Audit & Risk Assessment audited the 2008 financial report of Alpha Strategic Fund and the 2009 report of Astarra Strategic Fund. We were concerned that during these audits Mr Frazer failed to adequately and properly perform the duties of an auditor, and failed to ensure each audit was planned and performed with an attitude of professional scepticism. This action is one of many arising from ASIC's investigation of Trio Capital and its related entities.

Infringement notices[1]

Infringement notices were issued to companies who, ASIC alleged, failed to comply with their obligations under the Corporations Act, including:

- Leighton Holdings Limited paid a penalty of $300,000 in March 2012 after ASIC issued three infringement notices alleging the company had not complied with its continuous disclosure obligations. In addition, we accepted an enforceable undertaking from Leighton that commits the company to reviewing its disclosure practices.
- Nomura Australia Limited was issued with an infringement notice and paid a penalty of $30,000 for a trading error involving shares in Alumina Limited (AWC) which resulted in the market for AWC not being fair and orderly. Nomura did not have any controls in place to prevent this type of error. These controls were implemented the day after the errors were made.

Competence

A person who is disqualified from managing companies breaks the law if they continue to engage in company management.

[Text removed in accordance with ASIC policy - see INFO 152 Public comment on ASIC's regulatory activities.]

Independence

The independence of auditors and liquidators is the foundation of an effective and efficient system of financial reporting and corporate insolvency. In 2011–12, ASIC took action against auditors and liquidators whose conduct showed a lack of understanding of the importance of the independence of their role.

- John Frederick Lord, a former partner of accounting firm PKF Chartered Accountants and Business Advisers, had his official liquidator registration cancelled after failing to disclose that he had a commercial relationship with the petitioning creditor of 225 companies he was acting for as official liquidator.
- ASIC accepted an enforceable undertaking from Sydney-based auditor Graham Bruce Abbott after he breached the auditor rotation requirements in the Corporations Act. Our surveillance found that Mr Abbott breached these requirements by playing a significant role in audits of listed companies Central West Gold NL and Morning Star Gold NL for a number of successive financial years. Under the enforceable undertaking, Mr Abbott has agreed not to practise as an auditor for a company or a registered scheme under the Corporations Act.

1. Under s1317DAJ(3)(b)(v) and (vi) of the Corporations Act, compliance with the infringement notice is not an admission of guilt or liability and the disclosing entity is not taken to have contravened the provision specified in the notice.

Policy advice and implementation

Insolvency reform

Insolvency law reform was a significant focus for ASIC throughout the year.

In December 2011, the Government released an options paper for public consultation on a substantial package of insolvency law reform. Two key ASIC-related measures proposed and subsequently adopted were legislative changes that give ASIC the power to wind up companies and the development of a website for publishing insolvency notices (rather than publishing the notices in newspapers).

The insolvency notices website will result in cost savings to industry and significantly improve the information available to creditors and others impacted by insolvencies. In 2012–13, ASIC will be consulting on how and when to exercise its power to wind up companies.

International regulation and cooperation

ASIC has worked closely with local and international regulators to shape Australia's response to the Government's Group of Twenty Finance Ministers and Central Bank Governors (G20) commitments.

Chief among the areas of reform was a new framework for over-the-counter (OTC) derivatives, with new powers for the Government and ASIC in relation to mandating the trading, clearing and reporting of prescribed classes of OTC derivatives. ASIC was also involved in developing a new licensing regime for central clearing and trade repositories.

ASIC has discussed proposals for an 'Asian funds passport' consistent with Government initiatives to support investment managers that offer services in key Asian jurisdictions. ASIC is working with Treasury to identify how an Asian mutual recognition framework could be implemented.

In 2012 we prepared material about Australia's regulation and its supervision of financial markets for the International Monetary Fund's Financial Sector Assessment Program (FSAP) review of Australia's financial sector. The FSAP review is a comprehensive and in-depth analysis of a country's financial sector, which assesses the financial sector and, among other things, rates the quality of its financial market supervision against international standards. Australia's first FSAP review was conducted in 2005–06 and the second review was undertaken in 2012, consistent with a recent commitment of Financial Stability Board members to undergo an FSAP review approximately every five years. The IMF is in the process of finalising a report containing its detailed assessment and policy recommendations, which will be published later in 2012.

ASIC made increased use of YouTube and other social media in 2011–12

Priority 3 – Efficient registration and licensing

ASIC's third priority focuses on the effectiveness of Australia's business registration and licensing regimes. This includes overseeing company registration and notifications, the AFS licensing and credit licensing regimes, and business names registration.

In 2011–12, ASIC made substantial progress towards more efficient registration and licensing for Australian companies and licensees, using technology to reduce costs and provide new and improved services, including an online national Business Names Register.

Engagement with industry and stakeholders

Doing more business online

One of ASIC's priorities is to steadily increase the quantity of business conducted online. This reflects ASIC's view that online transactions are easier and cheaper for business. In 2011–12, 75.5% of the 2.1 million forms lodged with ASIC were submitted online, up from 72.7% in 2010–11. New services such as the national Business Names Register have substantially reduced the cost of doing business.

Average weekly visits to the **www.asic.gov.au** website jumped 18% after the launch of the new ASIC Connect online search service on 31 March 2012, and a further 28% following the launch of the Business Names Register on 28 May 2012.

To support online interactions, ASIC has developed a new framework to improve the quality of the self-help information provided on the ASIC website. This framework was implemented with the introduction of the national Business Names service and provides these customers with access to the same guidance used by our Client Contact Centre staff when answering calls or emails.

ASIC consulted with its Registry and Licensing Business Advisory Committee (see page 136) and conducted several focus groups with customers to help it design new online services for the ASIC Connect and Business Names Register projects.

New social media channels (ASIC Registry presence on Twitter, Facebook and YouTube) have been launched as ASIC aims to be more responsive to customers, and to promote and seek feedback on our registration and licensing services. The use of social media is a new direction this year for ASIC to better interact with and understand our stakeholders. In the short period since we opened these channels of communication, we have over 2,500 Twitter followers, and our customers have viewed over 600 business name roadshow webcasts. There have also been more than 3,200 views of YouTube videos introducing customers to ASIC Connect and the national Business Names Register.

Companies register

During 2011–12, the number of companies registered with ASIC grew to 1.9 million – the highest number ever recorded.

The number of new companies that registered with ASIC in 2011–12 totalled 176,062. This was an increase of 7.8% compared to 2010–11. New company registrations have steadily increased in volume each financial year since 2008–09.

The rate of company deregistration also continues to increase, with 97,198 companies deregistered during 2011–12, an increase of 3.46% on 2010–11.

Companies entering external administration totalled 10,757 during 2011–12, an increase of 9.4% on 2010–11. While the number of companies in external administration as a percentage of companies on the register has increased, the 2011–12 figure of 0.56% is still below the 0.59% seen during 2008–09, at the height of the global financial crisis.

'In 2011–12, ASIC made substantial progress towards more efficient registration and licensing for Australian companies and licensees.'

ASIC Connect

ASIC's new online user interface, ASIC Connect, was launched in March 2012.

ASIC Connect allows customers to conduct ASIC registry searches online and pay search fees by credit card. Searches were previously available only by mail, over the counter or through information brokers.

Our customers conducted over five million free searches and over 46,000 paid searches through ASIC Connect from its launch to June 2012, generating $785,096 in revenue. Over the same period we had 1.03 million searches through information brokers (4.32 million over the full 2011–12 year).

Paid searches conducted directly with ASIC (on paper, over the counter and via ASIC Connect) have increased by 42,618 (approximately 580%). The launch of the ASIC Connect online search has also seen a 53% decrease in paper searches conducted directly with ASIC. These figures are based on a comparison of search data from April to June 2011 and April to June 2012.

Rosanne Bell, senior executive leader, Registry Services and Licensing, at the launch of ASIC Connect.

National Business Names Register

On 28 May 2012, ASIC launched the new national Business Names Register.

The Business Names Register replaces the eight previous state and territory services, so that businesses only need to register their name once to be registered throughout Australia.

The establishment of the national Business Names Register required the transfer of more than 1.4 million active business name registrations previously held on state and territory business name registers.

The Business Names Register can be accessed through ASIC Connect to search for information including:

- business names
- business name holders (people or organisations), to see who is behind the business name
- whether a business name is available for registration, or if similar names exist.

ASIC Connect is also linked to the Australian Business Register (ABR), offering greater integration and an improved experience for businesses. For example, new businesses can register an ABN, then move directly to ASIC's website and apply for a business name. Future service enhancements will allow customers to apply for a business name directly from the ABR website.

Costs for registering a national business name are significantly cheaper under the new system, at $30 for one year or $70 for three years. Previously, a business would have spent over $1,000 to register a business name in every state for three years.

The launch of this initiative – together with the joint ABN/business name registration transaction – is expected to deliver approximately $480 million in benefits to businesses, consumers and the Government over eight years. These benefits include the reduced fee to register a business name, and reduced time to complete the joint business name and ABN registration.

National Business Names Register – key statistics

Measure	To 30 June 2012	Notes
Business names registered on the national Business Names Register at 30 June	1,488,898	
Business names newly registered with ASIC	19,131[1]	
Business name registrations received by ASIC	26,740[1]	Of the 26,740 registrations received by 30 June 2012, 19,131 were registered by 30 June.
Other transactions received	10,782[1]	This includes requests for business names details, suppressions, requests for ASIC keys and cancellations.
Business name registrations received online (%)	100%	Prior to commencement of the national Business Names Register, online registration was only available in two of the states and territories.
Business names registered by next business day	71.4%[1]	From the date ASIC receives the application.
Business names registered by next business day – for registrations received via ASIC Connect	92.2%[2]	The ASIC Connect business names registration service was introduced on 4 June 2012.
Business names registered by next business day – for registrations received via Smart Form	3.8%	Available as an interim service from 28 May 2012 for the first week of operation.
Access to Business Names Register	98.2%[2]	The percentage of time, between the hours of 8.30 am and 7 pm AEST, Monday to Friday, that the national Business Names Register was available to search.
Cost to register a business name – 1 year	$30.00[1]	Prior to the implementation of the national Business Names Register, registration of a single business name in every state and territory for three years cost more than $1,000 in total.
Cost to register a business name – 3 years	$70.00[1]	

1 From 28 May 2012, the date on which the national Business Names Register was launched.

2 From 4 June 2012, the date on which the ASIC Connect business names registration service was introduced.

The Personal Property Securities Register

The Personal Property Securities (PPS) Register is the centrepiece of the Government's recently implemented PPS reform program. The PPS Register replaces ASIC's register of company charges as well as various other state and territory registers of personal property.

The PPS Register helps business owners manage credit risk, check for encumbrances on property they plan to buy, and search for and register assets used to secure a loan. Personal property listed on the register includes assets that may be used to secure a loan, such as cars, boats, crops and intellectual property. The PPS Register does not include real estate property, such as houses or land. It is operated by the Insolvency and Trustee Service Australia.

As a result, ASIC's register of company charges is now closed and company charges no longer need to be lodged with ASIC. ASIC transferred 1,563,193 charges to the PPS Register, together with 3,425,133 associated documents, as part of the implementation of the register on 30 January 2012.

Creditors and investors should search the PPS Register for details of current charges and charges satisfied since 30 January 2012. Until 30 January 2019, ASIC will continue to provide details of charges satisfied prior to 30 January 2012. In some instances, creditors and investors may need to search both ASIC's register and the PPS Register for a full report of their secured interests.

'In 2011–12, ASIC handled over 600,000 calls through the Client Contact Centre.'

Client Contact Centre

Where consumers cannot obtain information they need from ASIC's website, they can contact our Client Contact Centre. In 2011–12, ASIC handled over 600,000 calls through the Client Contact Centre, with the top 10 topics shown in the table below.

Topic	2011–12
Company	439,572
General	48,827
Business name	19,088
Infoline	15,870
Credit	11,943
Online complaints	9,393
Financial services	8,559
Auditor	2,165
Liquidator	745
Scheme	568

Note: ASIC assumed responsibility for registration of business names from the states and territories on 28 May 2012, but received some related calls throughout 2011–12 in the lead-up to the commencement of the service.

Since the commencement of the national Business Names Register service on 28 May 2012, ASIC has experienced a significant increase in the number of calls to our Client Contact Centre. This is forecast to double the number of calls it receives each year. As a result ASIC's Client Contact Centre is experiencing significant delays in servicing calls and we have had an increase in callers not being answered in an acceptable timeframe. ASIC strives to provide a fast and effective service, and we are addressing these issues.

Priority 3 – Efficient registration and licensing continued

Reuniting people with unclaimed money

ASIC maintains a register of unclaimed money from banks, credit unions, building societies, life insurance companies and friendly societies, as well as shares that have not been collected from companies. ASIC's register can be searched by the public and claims can be made to ASIC's Unclaimed Money team.

In 2011–12, ASIC received about $108 million in unclaimed money. This is more than the approximately $90.8 million received in 2010–11, with increases in receipts across all categories of unclaimed money. Nearly $57 million was paid out in claims in 2011–12, compared with $62 million in the previous year.

ASIC continued to actively reunite owners of unclaimed money with their funds by finding and writing to 28,468 potential owners. As a result, approximately $3.8 million was returned to 1,102 successful claimants.

The following tables show the total claims by type of unclaimed money and the number of claims (and value) where owners were reunited with previously unclaimed money.

Claims by type

	2011–12 ($)	2010–11 ($)
Company	19,329,228	25,126,507
Banking	32,768,797	34,000,579
Life insurance	4,602,327	3,113,605
Deregistered company trust money	129,807	60,077
Total	**56,830,159**	**62,300,768**

Number of claims and amounts reunited with owners (company unclaimed money)

	2011–12		2010–11	
Source	No. of claims	$ value	No. of claims	$ value
Money recovery agency	1,521	6,624,423	1,468	5,559,326
ASIC reuniting	1,102	3,796,478	1,198	3,372,101
Other	2,600	8,908,327	2,035	16,195,080
Total	**5,223**	**19,329,228**	**4,701**	**25,126,507**

'ASIC continued to actively reunite owners of unclaimed money with their funds by finding and writing to 28,468 potential owners.'

Managing property vested in ASIC

ASIC administers the property of deregistered companies. This property remains vested in ASIC – or in ASIC on behalf of the Commonwealth in relation to trust property – until it is lawfully dealt with (for example, it is purchased by another party or transferred to another party), or evidence is provided that the property no longer vests in ASIC for some other reason (for example, the company has been reinstated).

In 2011–12 ASIC began taking a more proactive approach to administering vested property, including attracting parties to apply to ASIC to purchase that property where appropriate.

ASIC accounts for any proceeds on realisation of the property in accordance with its statutory duties, by depositing such proceeds, less the expenses incurred in dealing with the property, into the Company Unclaimed Money Special Account, to be treated like any other unclaimed money for which ASIC is responsible.

There has been a steady increase in matters dealt with by ASIC, generally as a result of ASIC's more proactive approach to engaging and assisting parties to effectively deal with vested property. The number of matters received in 2011–12 rose 20% compared to 2010–11, to 1,552. The number of matters finalised rose 9% to 1,390. The following table shows vested properties of deregistered companies by number of cases.

Vested properties of deregistered companies (by number of cases)

	2011–12	2010–11
Total new matters	1,552	1,294
Total finalised matters	1,390	1,270
Total property disposals	933	897
Property disposals comprise:		
Transferred	289	196
Sold	19	5
No longer vested[1]	505	590
Other[2]	120	106

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

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

Surveillance

Credit licensing

Credit licensees are required to lodge an annual compliance certificate. During April and June 2012, ASIC carried out the first annual compliance certificate verification campaign under national consumer credit laws. The purpose of the campaign was to check the accuracy of the information provided by a randomly selected sample of Australian credit licence holders. ASIC chose 32 licensees for examination then carried out desktop reviews and onsite audits to confirm the information contained within their annual compliance certificates lodged with ASIC.

Some common issues arose. First, some licensees were having difficulty understanding the method used to calculate the fee for lodging the certificate and renewing their licence. This resulted in some instances of the licensee paying a lesser amount than required as part of their renewal process.

Second, some smaller finance and mortgage brokers showed a lack of understanding of the need to manage conflicts of interest and have appropriate policies and procedures in place.

Third, some smaller brokers were struggling to develop internal dispute resolution policies. Seven entities have received letters from ASIC warning them about their activities and two entities were referred for investigation with a view to cancelling their licences for breaches of the national consumer credit laws.

A total of 5,374 annual compliance certificates were lodged with ASIC and 503 licensees asked for their licences to be cancelled prior to lodgement of their compliance certificates.

Investigating unsuccessful credit licence applicants

In a separate exercise, ASIC investigated entities that had applied for an Australian credit licence, but been unsuccessful. The purpose was to determine whether entities that had previously indicated a desire to work within the credit industry but that had not successfully obtained a licence were engaged in credit activities without being licensed to do so.

ASIC investigated 116 entities to determine if they were engaged in unlicensed credit activities. Only one entity was identified as potentially engaging in unlicensed activity, and is being investigated.

Foreign entities

ASIC carried out a number of activities relating to foreign entities operating in Australia in 2011–12. It reviewed filings by foreign financial service providers operating in Australia under licensing exemptions, and processed requests from the Foreign Investment Review Board relating to the activities of foreign entities in Australia.

Additionally, in 2011–12 ASIC released updates to three regulatory guides relating to these activities: the first covering principles for cross-border financial regulation, the second on foreign financial service providers and the third on foreign collective investment schemes. We also published an information sheet providing practical guidance for foreign financial service providers.

Guidance – setting rules, standards and expectations

Regulation of emissions units

ASIC developed a process through which parties can apply for registration to provide financial services relating to emissions units. As at 30 June 2012, 173 entities had registered via this process.

In addition, entities wishing to establish facilities or platforms for trading emissions units – or derivatives over them – are likely to need an Australian market licence. ASIC has been working closely with the industry to develop an appropriate licensing and supervision framework for the carbon-related financial markets that are expected to develop in the future.

Enforcement

Competence

Directors with a history of involvement in failed companies may be disqualified from managing companies in order to protect the interests of future creditors, investors and employees who may suffer losses at the hands of these individuals. On application by ASIC, 38 individuals were banned from managing corporations, after presiding over two or more companies that were wound up.

Assessing misconduct and other reports

ASIC receives and responds to reports of alleged misconduct and statutory breaches in the business areas and populations it regulates. In 2011–12, ASIC dealt with 12,516 reports of misconduct, 20% fewer than the previous year, and finalised 72% of report assessments in 28 days. Of these, 26% were escalated for compliance, investigation or surveillance, compared with 28% in 2010–11.

The table below shows the outcome of misconduct reports finalised in 2011–12 compared with 2010–11. Approximately 20% of reports are finalised on the basis that the conduct reported is outside ASIC's jurisdiction or does not disclose an offence. When we finalise these matters, our Misconduct and Breach Reporting team seeks to assist the party or direct it to a more appropriate agency or solution. A further 21% of reports are resolved and 26% are referred to a specialist team within ASIC for further surveillance or investigation.

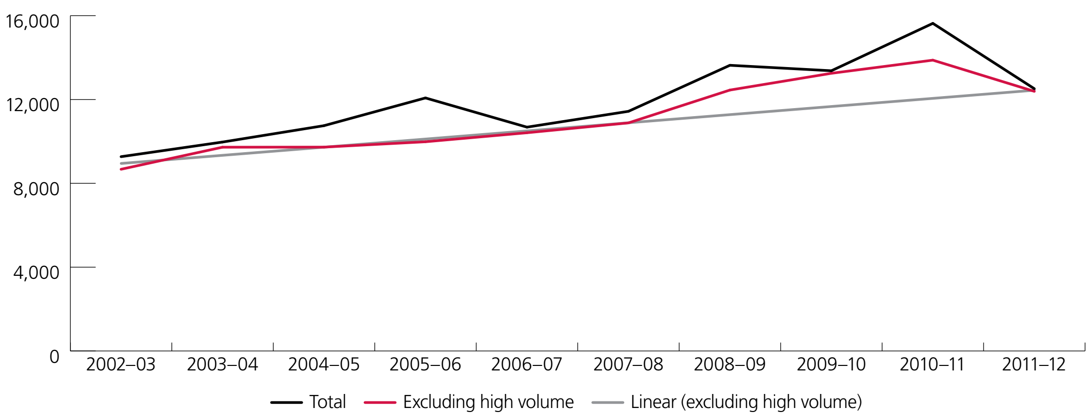
Figure 1, below, shows the total number of reports finalised each year, together with the underlying trend after high-volume matters have been removed. High-volume matters are those where ASIC has received 100 or more reports of misconduct about the same entity and the same issue.

While the number of matters reported to ASIC declined in 2011–12, after several years of higher volumes due to the effects of the global financial crisis, it appears that this simply reflects the longer-term trend. Analysis of the types of matters reported to ASIC, after allowing for ASIC's increased credit jurisdiction from July 2010, points to a return to more traditional 'safe harbour' investments, with fewer reports about managed investment funds, potential scams and alleged corporate fraud.

Misconduct reports

	2011–12	2010–11
Report assessments finalised	12,516	15,634
Referred for compliance, investigation or surveillance	26%	28%
Resolved	21%	21%
No jurisdiction	15%	14%
No breach/offences	5%	6%
Analysed, assessed and recorded	33%	31%
Total	**100%**	**100%**

Figure 1: Misconduct reports finalised



Assessing misconduct and other reports continued

The following table shows a breakdown of the main categories of misconduct reports received by ASIC.

Reports by category

Report categorisation by area and main issue	2011–12 (%)	2010–11 (%)
Corporations and corporate governance including:		
◆ failure to provide books and records or a report as to affairs to an insolvency practitioner	10	8
◆ insolvency matters	8	8
◆ insolvency practitioner misconduct	3	3
◆ late lodgement or non-lodgement of financial reports	1	2
◆ other (e.g. directors' duties, contractual issues, internal disputes)	22	19
Subtotal	**44**	**40**
Financial services and retail investors including:		
◆ managed investment schemes	4	13
◆ credit	16	14
◆ operating an unregistered managed investment scheme or providing financial services without an AFS licence	4	4
◆ potential scam	4	4
◆ other (e.g. superannuation, insurance, advice, breach of licence conditions, misleading or deceptive conduct, unconscionable conduct)	15	13
Subtotal	**43**	**48**
Market integrity, including insider trading, continuous disclosure, misleading statements, market manipulation	6	4
Registry integrity, including incorrect address recorded on ASIC's register or lodging false documents with ASIC	5	5
Other issues	2	3
Total	**100**	**100**

Breach reports

In 2011–12, ASIC assessed 350 auditor breach reports under s311 of the Corporations Act and 1,017 breach reports that related to managed investment schemes and AFS licensees. This compares with 296 auditor breach reports under s311 and 1,019 breach reports that related to managed investment schemes and AFS licensees in 2010–11. Of the reports received in 2011–12, almost half were referred for specialist review within ASIC, or to assist with an existing investigation or surveillance.

Statutory reports from liquidators, administrators and receivers

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.

In 2011–12, ASIC has seen an increase in the number of reports received, reflecting the increase in the number of insolvencies over the last couple of years. In 2011–12, 29% of these reports were referred for compliance, investigation or surveillance. This compares to 33% in the past two years and 24% in 2008–09.

Statutory reports

	2011–12	2010–11
Total reports received	11,404	9,230
Reports assessed alleging misconduct or suspicious activity	8,528	6,823
Initial reports[1]		
Reports assessed alleging suspicious activity	7,607	6,080
Supplementary reports requested	10%	10%
Analysed, assessed and recorded	90%	90%
Total	**100%**	**100%**
Supplementary reports[2]		
Supplementary reports assessed alleging misconduct	921	743
Referred for compliance, investigation or surveillance	20%	24%
Referred to assist existing investigation or surveillance	9%	9%
Analysed, assessed and recorded	70%	67%
Identified no offences	1%	0%
Total	**100%**	**100%**

1 Initial reports are electronic reports lodged under Schedule B of Regulatory Guide 16 *External administrators: Reporting and lodging*. Generally, ASIC will determine whether to request a supplementary report on the basis of an initial report.

2 Supplementary reports are typically detailed free-format reports setting out 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.

Performance against Service Charter

ASIC Service Charter results

The ASIC Service Charter covers the most common interactions between ASIC and its stakeholders and sets performance targets for each. The following table sets out our performance against the key measures outlined in the Service Charter.

ASIC Service Charter performance

Service	Service Charter target	2011–12	2010–11
General phone queries	ASIC aims to answer your telephone queries on the spot	87% of calls answered on the spot (525,741 of 600,889) 13% (75,148) referred to specialist staff	91% of calls answered on the spot (578,084 of 632,379) 9% (54,295) referred to specialist staff
General email queries	ASIC aims to reply to email queries within two business days	73% replied to within two business days (17,611 of 24,224)	96% replied to within two business days (45,168 of 47,264)
General correspondence about our public database and registers, including fee waivers	ASIC aims to acknowledge receipt within 14 days of receiving it, with full response within 28 days	91% replied to within 28 business days (18,719 of 20,629)	95% replied to within 28 business days (36,338 of 38,331)
Registering a company	We aim to complete company registtrations within one business day[1]	98% completed within one business day (182,503 of 185,559) 97% of paper forms completed within one day (18,357 of 18,905) 98% of electronic forms completed within one day (164,146 of 166,654)	98% completed within one business day (167,962 of 170,763) 98% of paper forms completed within one day (19,501 of 19,987) 98% of electronic forms completed within one day (148,461 of 150,776)
Updating company information and status	We aim to enter critical changes to company information in the corporate register within two business days	98% entered within two business days (1,053,821 of 1,075,984) 91% of paper forms entered within two business days (153,631 of 169,142) 99% of electronic forms entered within two business days (900,190 of 906,842)	98% entered within two business days (1,082,846 of 1,107,095) 91% of paper forms entered within two business days (180,247 of 198,653) 99% of electronic forms entered within two business days (902,599 of 908,442)

ASIC Service Charter performance (continued)

Service	Service Charter target	2011–12	2010–11
Registering as an auditor	We aim to decide whether to register an auditor within 28 days of receiving a complete application	91% registered within 28 days (98 individual applications and 15 authorised audit companies)	91% registered within 28 days (71 individual applications and 19 authorised audit companies)
Registering as a liquidator	We aim to decide whether to register a liquidator or official liquidator within 28 days[2]	92% of liquidator applications decided within 28 days (34 of 37 applications) 95% for official liquidators (35 of 37 applications)	91% of liquidator applications decided within 28 days (31 of 34 applications) 100% for official liquidators (33 of 33 applications)
Applying for or varying an AFS licence	We aim to decide whether to grant or vary an AFS licence within 28 days[2]	85% of licences granted within 28 days (357 of 420 applications) 88% of licence variations decided within 28 days (803 of 917 applications)[3]	83% of licences granted within 28 days (355 of 427 applications) 88% of licence variations decided within 28 days (1,368 of 1,557 applications)[3]
Registering a managed investment scheme	By law we must register a managed investment scheme within 14 days of receiving a complete application	100% registered within 14 days (191 of 191)	100% registered within 14 days (240 of 240)
Applying for or varying a credit licence	We aim to decide whether to grant or vary a credit licence within 28 days[2]	90% of all licence applications decided within 28 days (350 of 391) 94% of licence variations decided within 28 days (149 of 159)	70.5% of all licence applications decided within 28 days (4,312 of 6,116) 94% of licence variations decided within 28 days (62 of 66)
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 (target: 70%)	73% of in-principle decisions made within 21 days (1,897 of 2,594 applications)[3]	75% of in-principle decisions made within 21 days (1,958 of 2,623 applications)[3]

Performance against Service Charter continued

ASIC Service Charter performance (continued)

Service	Service Charter target	2011–12	2010–11
Complaints about misconduct by a company or individual	If someone reports alleged misconduct by a company or an individual, ASIC aims to respond within 28 days of receiving all relevant information (target: 70%)[4]	72% finalised within 28 days (8,954 of 12,516)	78% finalised within 28 days (12,207 of 15,634)

1 Includes all applications received, regardless of whether applications approved or a company registered.

2 Applications beyond the 28-day target are generally complex ones, requiring, for example, additional policy work or legal review.

3 This result includes all applications, including those where we did not initially receive all the information we needed to make a decision.

4 Reports beyond the 28-day target are generally complex ones or ones requiring considerable additional work.

Regional activities

In 2011–12, ASIC's regional commissioners led a range of initiatives within each state and territory, some of which are listed at right and on page 54, and assisted in the delivery of nationwide initiatives, including a national roadshow to explain the new Business Names Register.

During 2011–12, three regional commissioners retired from the role. Greg Yanco handed over the role of Regional Commissioner, New South Wales, and Dr Pamela Hanrahan, Regional Commissioner for Queensland and Delia Rickard, Regional Commissioner for the ACT, left ASIC. We acknowledge their tremendous contributions as Regional Commissioners.

Chris Van Homrigh was appointed as Regional Commissioner, New South Wales, Brett Bassett was appointed Regional Commissioner, Queensland and Peter Cuzner was appointed Regional Commissioner, Australian Capital Territory.

Australian Capital Territory

- ASIC was represented on the Intergovernmental Working Group for the development of the Foundation Skills National Strategy with all major Australian Government departments.
- ASIC hosted monthly liaison meetings for all major Australian Government departments involved in financial literacy work.

New South Wales

- In October 2011, ASIC hosted a delegation from the South African Transnet Retirement Fund.
- In February 2012, ASIC hosted its annual Summer School in Sydney, which was attended by 413 delegates.
- In March 2012, several ASIC staff presented at the Sydney/Shanghai Finance Symposium.
- Meetings included those with NSW Department of Trade and Peninsula Business Services and the Stockbrokers Association of Australia and its board of directors.

Northern Territory

- In July 2011, ASIC co-hosted a one-day workshop entitled 'Indigenous Financial and Commercial Literacy Programs' with CPA Australia and the Northern Territory Government; and exhibited at the fifth Indigenous Economic Development Forum in October 2011. In April 2012, we launched audio posters with messages about ATM fees in 12 Aboriginal languages. This was a joint project with the Territory Insurance Office, The Arnhem Land Progress Association and Outback Stores.
- Ongoing support was provided for the Milba Djunga (Smart Money) school financial literacy program across the Northern Territory. ASIC also held monthly financial literacy community meetings.
- ASIC co-hosted events such as a business luncheon titled 'How to Manage and Prevent Business Insolvency' with CPA Australia in August 2011 and an October 2011 public forum in Katherine to raise awareness of ASIC. ASIC also presented to business stakeholders at a Department of Business and Employment seminar, 'Demystifying Business Trusts, Sole Traders and Companies in Plain English' in February 2012.

Queensland

- Hosted two Women in ASIC networking events.
- January 2012 marked the beginning of a major external stakeholder engagement campaign to foster understanding of the role of ASIC. Over 100 meetings took place between ASIC and stakeholders from the corporate, not-for-profit and regulatory sectors in Queensland.
- In May 2012, ASIC launched a new initiative titled 'The Queensland Regulators and Consumers Forum' to exchange intelligence and views with key Queensland-based consumer advocacy groups.

Regional activities continued

Regional Commissioners

Peter Cuzner
Australian Capital Territory

Chris Van Homrigh
New South Wales

Duncan Poulson
Northern Territory

Brett Bassett
Queensland

Mark Bielecki
South Australia

Julie Read
Tasmania

Warren Day
Victoria

Bruce Dodd
Western Australia

South Australia

- In October 2011, as part of a national launch, ASIC's Regional Commissioner launched in South Australia, the Good Shepherd Youth & Family Service research paper 'Microfinance and the Household Economy: Financial inclusion, social and economic participation and material well-being'.
- ASIC representatives participated in events with groups including the Financial Services Institute of Australasia and the Australian Investors Association.
- In March 2012, ASIC representatives supported a booth in Rundle Mall for World Consumer Rights Day, providing information on consumer rights and the Right Door project together with Consumer and Business Services and Consumers SA.

Tasmania

- ASIC hosted bi-monthly insolvency discussion groups attended by the Insolvency and Trustee Service Australia, the Australian Taxation Office and local insolvency practitioners and lawyers.
- Public education sessions focused on MoneySmart financial literacy resources and gaining feedback from community settlement workers using the Money Management Kit.
- In March 2012, ASIC held a roundtable discussion with Tasmanian directors and secretaries of public companies attended by ASIC Deputy Chairman Belinda Gibson.

Victoria

- ASIC focused on raising awareness of the MoneySmart website in regional Victoria.
- Graduates from Traralgon and other staff members hosted stalls at a range of field days in regional centres across Victoria to promote MoneySmart and answer other questions from consumers and business people.

Western Australia

- ASIC presented at a seminar organised by Valmin, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, which oversees requirements for the technical assessment and valuation of mineral and petroleum assets and securities.
- Throughout the year, ASIC presented to groups such as the Institute of Chartered Accountants in Australia; the University of Western Australia's Law Summer School; the Chartered Secretaries Australia's Annual Corporate Update; and the Corrs Chambers Westgarth Corporate Control Forum.