



# 1

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## 1.1 ASIC's role

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ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator.

ASIC's vision is to allow markets to fund the real economy and, in turn, economic growth. This contributes to improved standards of living for all Australians. We look to achieve this by focusing on our strategic priorities of:

- ♦ investor and financial consumer trust and confidence
- ♦ fair, orderly, transparent and efficient markets
- ♦ efficient and accessible registration.

The *Australian Securities and Investments Commission Act 2001* (ASIC Act) requires ASIC to strive to:

- ♦ maintain, facilitate and improve the performance of the financial system and entities within it in the interests of commercial certainty, reducing business costs, and the efficiency and development of the economy
- ♦ promote confident and informed participation by investors and consumers in the financial system
- ♦ administer the law effectively and with a minimum of procedural requirements
- ♦ receive, process and store – efficiently and quickly – the information that we receive
- ♦ make information about companies and other bodies available to the public as soon as practicable
- ♦ take whatever action we can, and which is necessary, to enforce and give effect to the law.

ASIC enforces the law and regulates companies, financial markets and financial services under the:

- ♦ *Australian Securities and Investments Commission Act 2001*
- ♦ *Banking Act 1959*
- ♦ *Business Names Registration Act 2011*
- ♦ *Business Names Registration (Transitional and Consequential Provisions) Act 2011*
- ♦ *Corporations Act 2001* (Corporations Act)
- ♦ *First Home Saver Accounts Act 2008* (now repealed, effective from 1 July 2015)
- ♦ *Insurance Contracts Act 1984*
- ♦ *Life Insurance Act 1995*
- ♦ *Medical Indemnity (Prudential Supervision and Product Standards) Act 2003*
- ♦ *National Consumer Credit Protection Act 2009* (National Credit Act)
- ♦ *National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009*
- ♦ *Retirement Savings Accounts Act 1997*
- ♦ *Superannuation (Resolution of Complaints) Act 1993*
- ♦ *Superannuation Industry (Supervision) Act 1993.*

### 1.1.1 Relationship with other regulators

ASIC is a member of the Council of Financial Regulators, the coordinating body for Australia's main financial regulatory agencies. Other members are the Australian Prudential Regulation Authority (APRA), Treasury and the Reserve Bank of Australia (RBA).

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ASIC also maintains an operational and policy relationship with:

- ♦ Attorney-General's Department
- ♦ Australian Competition and Consumer Commission
- ♦ Australian Crime Commission
- ♦ Australian Federal Police
- ♦ Australian Prudential Regulation Authority
- ♦ Australian Taxation Office
- ♦ Australian Transaction Reports and Analysis Centre
- ♦ Commonwealth Director of Public Prosecutions
- ♦ Commonwealth Ombudsman
- ♦ Fair Work Ombudsman
- ♦ Reserve Bank of Australia.

## 1.1.2 Working with the International Organization of Securities Commissions (IOSCO)

ASIC is a member of IOSCO and a number of its Standing Committees. ASIC Chairman, Greg Medcraft, is the Chair of the IOSCO Board. ASIC is also the inaugural Chair of the IOSCO Assessment Committee, which is responsible for reviewing member implementation of IOSCO standards, recommendations and guidance.

### **IOSCO Board**

In 2014–15, ASIC has continued to be significantly invested in shaping and influencing international regulatory policy. In October 2014, ASIC Chairman, Greg Medcraft, was re-elected Chair of the IOSCO Board. In this role, he chaired the IOSCO 2020 Working Group, which has developed a strategic plan and resourcing and funding plan for IOSCO for 2015–20. The plan was approved by the IOSCO Presidents' Committee in June 2015 and subsequently published.

IOSCO's strategic objective is to allow the markets its members regulate to perform their fundamental purpose of funding the real economy and driving economic growth by ensuring:

- ♦ investors have trust and confidence in markets
- ♦ markets are fair, efficient and transparent
- ♦ the financial system risks they pose are mitigated.

The challenges IOSCO faces that shape its strategy include:

- ♦ conduct risk
- ♦ digital disruption and cyber resilience
- ♦ globalisation of financial markets and products
- ♦ structural change and the growth of market-based financing
- ♦ complexity driven by innovation in products, markets and technology.

To respond to these challenges, IOSCO is focused on three main areas of activity:

1. Standard setting – developing standards and guidance in response to the global risks identified.
2. Assisting its members – building their regulatory capacity and cooperating to develop, supervise and enforce the laws of their jurisdiction.
3. Advocacy – acting as an advocate for the collective interests of its members in international forums.

### **Standard setting**

ASIC is also a member of IOSCO's Committee on Enforcement and the Exchange of Information (Committee 4). In this role in 2014–15, we helped develop the IOSCO report on credible deterrence frameworks, released in June 2015.

The report identifies key enforcement factors that may deter misconduct in international securities and investment markets. It also provides securities regulators globally with a timely basis for designing, developing and reviewing enforcement strategies.

## 1.1 ASIC's role continued

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### Assisting IOSCO members

ASIC's Chairman spearheaded efforts to grow IOSCO's capacity-building work. This has included work underway to develop an online capacity-building toolkit that provides access to resources, particularly in the areas of surveillance and enforcement, rolling out seminar programs and progressing a pilot IOSCO capacity-building regional hubs initiative.

Work also continues to enhance IOSCO's Multilateral Memorandum of Understanding (MMOU) – a cooperation arrangement that enables 105 regulators to share information to combat cross-border fraud and misconduct – to deal with the increasingly digital environment that we operate in. These enhancements will make it easier for IOSCO to take action on cross-border transactions. It has been used over 3,000 times in 2014–15.

In 2014–15, ASIC also led the development of the IOSCO Global Secondment Register. The register is an online tool that helps members to identify suitable secondment opportunities between IOSCO members and will facilitate the building of skills and strong working relationships between IOSCO members. The register was launched in May 2015.

ASIC as inaugural chair of the IOSCO Assessment Committee designed and led a number of reviews of member implementation of IOSCO standards, recommendations and guidance. The Committee finalised seven reviews during the year covering a range of post-crisis reforms, including the implementation of reforms to the regulation of money market funds and securitisation. These reviews have assisted members in identifying where further reform work is needed.

These initiatives will assist countries to develop, supervise and enforce the laws in their jurisdictions, helping to underpin investor and financial consumer trust and confidence. They will also help build mutual trust and cooperation between jurisdictions and promote cross-border capital flows.

### Advocacy

As IOSCO Board Chair, ASIC Chairman Greg Medcraft sits on a number of committees, including the Financial Stability Board's Plenary and Steering Committee. His participation has ensured the agenda and work of these Committees benefits from the insights of markets regulators globally.

Under ASIC's leadership, IOSCO has also undertaken work on supporting the use of market-based financing to fund infrastructure, which was aligned with Australia's G20 growth agenda.

## 1.1.3 International cooperation

ASIC is linked to a global network of regulators to get the best outcomes for Australians.

Innovation, developments in technology and international financial regulation mean financial markets throughout the world and the global financial system are increasingly integrated, competitive and complex – calling for coordinated international responses.

### International cooperation requests

We maintain close relationships with peer regulators and law enforcement agencies to facilitate international regulation and enforcement.

In 2014–15, we made 330 international cooperation requests and received 424 requests on activities such as compliance and surveillance, investigations, enforcement, policy and licensing.

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This included 99 requests to ASIC for assistance in enforcement matters, including 15 requests seeking ASIC's assistance to compel material from third parties under the *Mutual Assistance in Business Regulation Act 1992*.

We met with 31 delegations, including from emerging markets, to discuss consumer protection and market regulation.

### **Bilateral engagement**

ASIC enters into memoranda of understanding (MOUs) with peer agencies to promote cross-border cooperation and facilitate information sharing.

In 2014–15, we entered into six MOUs, including with the Korean Financial Services Commission and Financial Supervisory Service, the Gibraltar Financial Services Commission and the US Commodity Futures Trading Commission (CFTC) on supervisory cooperation.

## **1.1.4 Relationship with states and territories**

The states have referred their corporations power to the Commonwealth, and the Commonwealth, states and territories are parties to the Corporations Agreement 2002 (Corporations Agreement) that underpins the current legislative scheme.

The Corporations Agreement provides for the Legislative and Governance Forum for Corporations – which ASIC attends as an observer.

Under the Corporations Agreement and ASIC Act, ASIC maintains regional offices and business centres in each state and territory, and minimum service levels through them, and consults with state or territory Ministers on the appointment of Regional Commissioners. Regional Commissioners brief the local business community on ASIC's work through regional liaison committees in each state and territory (for more information, see pages 80–81).

ASIC also provides state and territory government agencies with free online access to our companies database under the Corporations Agreement, and must respond to requests from state or territory Ministers for information that is not available on the companies database.

These arrangements are currently required to be renewed every five years, and the current arrangements expire on 15 July 2016.

## **1.1.5 Responsible Ministers**

At 30 June 2015, the Ministers responsible for ASIC were the Assistant Treasurer, the Hon Josh Frydenberg MP; the Treasurer, the Hon Joe Hockey MP; the Minister for Small Business, the Hon Bruce Billson MP; and the Parliamentary Secretary to the Treasurer, the Hon Kelly O'Dwyer MP.

## **1.1.6 Parliamentary oversight**

The Parliamentary Joint Committee on Corporations and Financial Services provides parliamentary oversight of ASIC. ASIC also appears before the Senate Standing Committees on Economics. ASIC appears before other parliamentary committees and inquiries as required.

## 1.1 ASIC's role continued

### 1.1.7 Correspondence with Parliamentarians

We receive correspondence from Parliamentarians both directly and indirectly through requests from Treasury. We record and track this correspondence in our correspondence control system. We aim to respond to 100% of correspondence within 28 days of receipt.

In 2014–15, we responded to 263 letters and emails from Parliamentarians directly and indirectly, which was slightly less than the previous year. We responded to 96% of correspondence within 14 days and 100% of correspondence within 28 days.

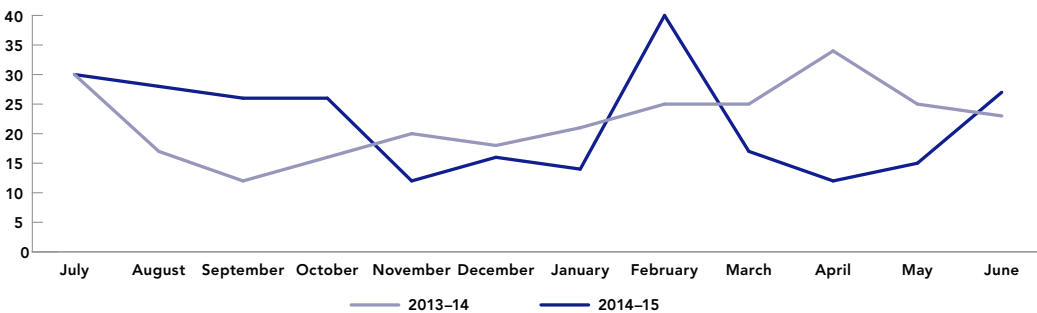
### 1.1.8 Financial and operational oversight

ASIC is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which primarily governs ASIC's use and management of public resources.

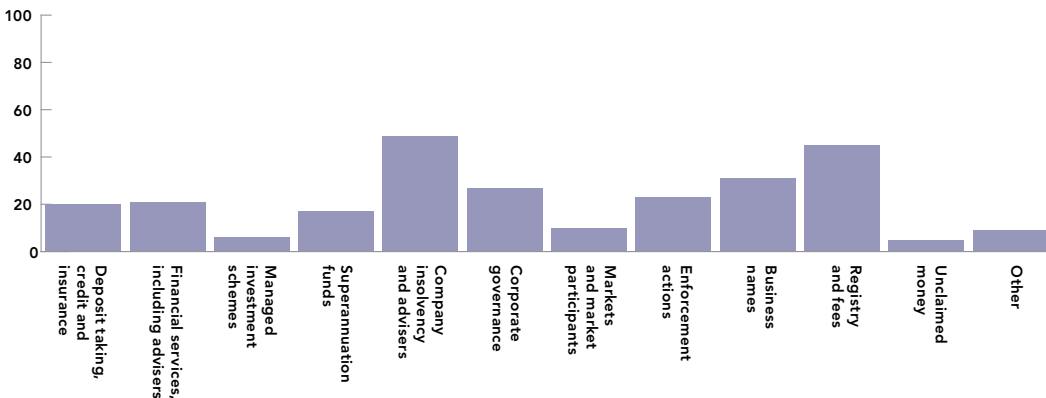
The PGPA Act also requires ASIC to prepare a Corporate Plan covering ASIC's purposes, environment, performance, capability and risk oversight and management for the forward estimates period. ASIC published our first Corporate Plan for the period 2015–16 to 2018–19 on 31 August 2015.

The Auditor-General is the auditor of all Commonwealth entities, and audits ASIC's annual financial statements on behalf of the Parliament.

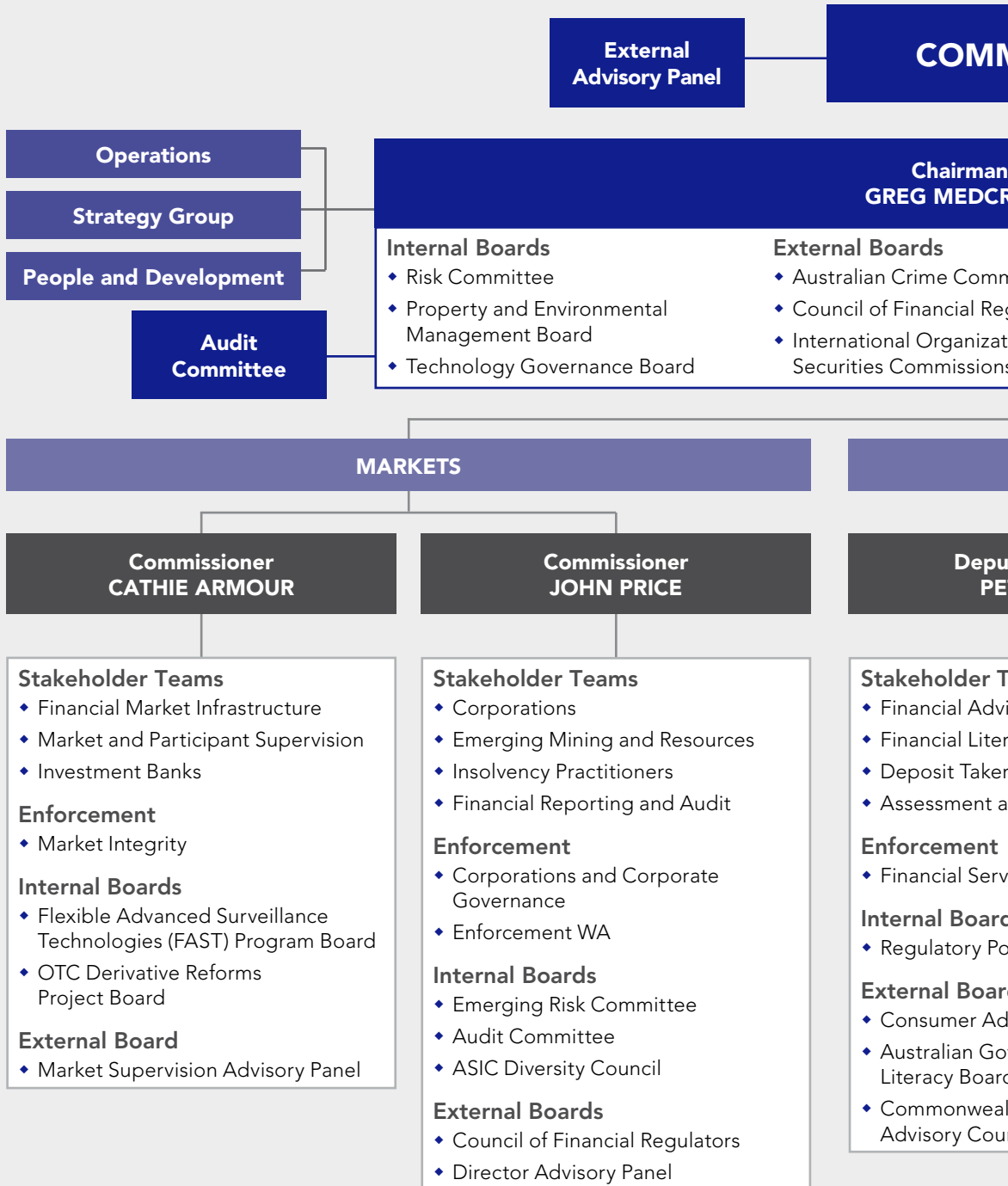
#### Volume of correspondence received from Parliamentarians 2014–15



#### Correspondence received by subject 2014–15



## 1.2 Corporate structure at 30 June 2015



# MISSION

## DRAFT

- ◆ Financial Stability Board
- ◆ Heads of Commonwealth Operational Law Enforcement Agencies
- ◆ Australian Government Financial Literacy Board

Chief Legal Office

Corporate Affairs

Regional Commissioners

Audit Assurance and Compliance

## INVESTORS AND FINANCIAL CONSUMERS

## REGISTRY

Deputy Chairman  
TER KELL

Commissioner  
GREG TANZER

**Teams**  
 Investors  
 Regulatory  
 Services, Credit and Insurers  
 and Intelligence

Services  
 Policy Group

**Boards**  
 Advisory Panel  
 Australian Government Financial  
 Literacy Board  
 with Consumer Affairs  
 Council

**Stakeholder Teams**

- ◆ Investment Managers and Superannuation
- ◆ Small Business Compliance and Deterrence

**Enforcement**

- ◆ Financial Services

**Internal Boards**

- ◆ Technology Governance Board
- ◆ Enforcement Committee

**External Boards**

- ◆ Wickenby
- ◆ Heads of Commonwealth Operational Law Enforcement Agencies

**Registry**

**External Boards**

- ◆ Standard Business Reporting
- ◆ Business Advisory Committee
- ◆ Australian Business Register Advisory Board



## 1.3 Regulated populations and key responsibilities<sup>1</sup>

### INVESTORS AND FINANCIAL CONSUMERS

#### Deposit-takers, credit and insurers

**164 authorised deposit-takers; 5,779 Australian credit licensees; 33,736 credit representatives; 97 licensed general insurance companies; 27 life insurers; 10 friendly societies; 602 non-cash payment facility providers; 12 trustee companies.**

##### ASIC staff: 59

Stakeholder engagement: 84 industry meetings

- ◆ Focusing on how deposit-takers, credit licensees (lenders and intermediaries), insurance providers, traditional trustee companies and non-cash payment facility providers comply with the law.
- ◆ Conducting research and industry surveillances to improve outcomes for consumers and industry.
- ◆ Actively engaging with industry stakeholders to understand and facilitate innovation in consumer financial services.
- ◆ Responding to financial services issues impacting Indigenous consumers through the Indigenous Outreach Program.

#### Financial advisers

**AFS licensees licensed to provide personal advice (3,443 licensees) or general advice (1,521 licensees); 2 ASIC-approved external dispute resolution schemes.**

##### ASIC staff: 32

Stakeholder engagement: 266 industry meetings

- ◆ Focusing on how financial advice licensees and their representatives comply with the law.
- ◆ Overseeing the ASIC-approved external dispute resolution schemes.
- ◆ Conducting research on topical consumer policy issues.
- ◆ Implementing recent law reform on financial advice conduct.

#### Financial literacy

**Approximately 20 million financial services consumers.<sup>2</sup>**

##### ASIC staff: 27

- ◆ Developing the financial literacy strategy, supporting the Financial Literacy Board.
- ◆ Providing financial consumer and retail investor guidance, tools and education.

#### Investment managers and superannuation

**More than \$1 trillion in funds under management; 156 superannuation fund trustees; 460 active responsible entities; 3,642<sup>3</sup> registered managed investment schemes; 727 foreign financial service providers; 859 custodial service providers.**

##### ASIC staff: 44

Stakeholder engagement: 203 industry meetings

- ◆ Focusing on how responsible entities, superannuation trustees and custodians comply with the law.
- ◆ Registering managed investment schemes, and oversight of managed funds, including hedge funds, listed and unlisted property trusts, mortgage funds, infrastructure schemes and agribusiness schemes.
- ◆ Reviewing financial product disclosure and promotional material issued by responsible entities and superannuation trustees.
- ◆ Oversight of exempted foreign financial service providers and foreign collective investment schemes and operators.

#### Small business compliance and deterrence

##### ASIC staff: 33

Stakeholder engagement: 74 industry meetings

- ◆ Investigating alleged misconduct and failure to meet statutory requirements in licensing and registration by licensees, companies, other entities, directors and company officers.

#### Assessment and intelligence

##### ASIC staff: 130

- ◆ Receiving and assessing reports of misconduct (9,644 received and 9,669 finalised by ASIC in 2014–15).
- ◆ Receiving and assessing statutory reports from liquidators, administrators and receivers (9,428 received and 9,450 finalised by ASIC in 2014–15).
- ◆ Receiving and assessing breach reports from licensees and auditors (1,649 received and 1,635 finalised by ASIC in 2014–15).
- ◆ Handling requests for assistance to and from foreign regulators (754 received and 706 finalised in 2014–15).

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## MARKETS

### Corporations (including emerging mining and resources companies)

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**2.25 million registered companies, of which 23,792 are public companies, and 2,140 are listed entities (including registered schemes and foreign companies).**

#### ASIC staff: 46

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Stakeholder engagement: 65 industry meetings

- ♦ Improving market integrity by influencing fair, orderly and transparent behaviour by companies in fundraising, mergers and acquisitions, and other key transactions, focusing on large and complex transactions by listed entities.
- ♦ Promoting market participation by ensuring appropriate disclosure for investors.

### Financial market infrastructure

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**43 authorised financial markets; 7 licensed clearing and settlement facilities; 1 licensed derivative trade repository.**

#### ASIC staff: 26

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Stakeholder engagement: 283 industry meetings

- ♦ Focusing on how financial markets, clearing and settlement facilities and derivative trade repositories meet statutory objectives, and comply with statutory requirements.
- ♦ Setting standards through market integrity rules and derivative trade repository rules.
- ♦ Advising the Minister on applications for financial market, clearing and settlement, and derivative trade repository licences, licence exemptions and operating rules.

### Insolvency practitioners

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**711 registered liquidators; 9,177 companies entering external administration.**

#### ASIC staff: 21

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Stakeholder engagement: 32 industry meetings

- ♦ Focusing on how insolvency practitioners comply with the law.
- ♦ Promoting a fair, orderly and transparent market, and confidence in insolvent company administration and ASIC's supervision of registered liquidators.
- ♦ Implementing insolvency reforms and initiatives.
- ♦ Administering the Assetless Administration Fund.
- ♦ Administrative winding up of abandoned companies.

### Investment banks

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**24 investment banks; 65 retail OTC derivative providers; 7 credit rating agencies; 42 wholesale electricity derivative dealers.**

#### ASIC staff: 19

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Stakeholder engagement: 186 industry meetings

- ♦ Focusing on how investment banks, private equity providers, retail OTC derivative providers, credit rating agencies and dealers in derivatives relating to the wholesale price of electricity comply with the law.

### Financial reporting and audit

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**4,596 registered company auditors; 28,000 companies required to produce financial reports; 6,669 SMSF auditors.**

#### ASIC staff: 32

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Stakeholder engagement: 59 industry meetings

- ♦ Promoting market trust and confidence in the quality of financial reports by ensuring that financial reports and auditors comply with the law.

### Market and participant supervision

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**125 market participants; 1,162 securities dealers; 7 markets.**

#### ASIC staff: 66 (includes new integrated market surveillance system development)

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Stakeholder engagement: 251 industry meetings

- ♦ Focusing on how market participants and indirect participants comply with the law and meet their obligations as AFS licensees and under the market integrity rules (for participants).
- ♦ Supervising equity and derivative markets for instances of market misconduct that disrupt market integrity, including market manipulation, insider trading, breaches of continuous disclosure obligations, and abnormal algorithmic trading.

## ENFORCEMENT

### Financial services and credit enforcement

**ASIC staff: 65<sup>4</sup>**

- ◆ Investigating suspected misconduct in financial services and taking enforcement action to achieve criminal convictions (through DPP), civil outcomes (including penalties) or administrative sanctions, with a focus on financial and credit products and advice.

### Markets enforcement

**ASIC staff: 100<sup>4</sup>**

- ◆ Investigating suspected misconduct and taking enforcement action to achieve criminal convictions (through DPP), civil outcomes (including penalties) or administrative sanctions, with a focus on corporate governance and market integrity.
- ◆ Corporate governance: investigating misconduct by company officers, advisers, liquidators and auditors.
- ◆ Market integrity: focus on alleged insider trading, market manipulation, continuous disclosure, making of false and/or misleading statements, contraventions of market integrity rules.

### Enforcement Western Australia

**ASIC staff: 20<sup>4</sup>**

- ◆ Investigating suspected misconduct and taking enforcement action to achieve criminal convictions (through DPP), civil outcomes (including penalties) or administrative sanctions, with a focus on financial services (10 staff) and market integrity and corporate governance (10 staff).

## REGISTRY SERVICES

### Registry services and Customer Contact Centre

**86.2 million searches of ASIC registers. Registry services for 2.25 million companies, 2.15 million business names, 5,198 AFS licensees, 5,779 credit licensees, 22,548 financial advisers on the Financial Advisers Register, 4,596 registered company auditors, 6,669 registered SMSF auditors, 711 registered liquidators, 3,642<sup>3</sup> registered managed investment schemes. Over 888,000 calls handled by Customer Contact Centre.**

**ASIC staff: 227**

- ◆ Providing registry services for companies, AFS and credit licensees, liquidators and auditors, personal property securities, managed investment schemes.
- ◆ Providing public and non-public access to registry information.
- ◆ Providing Customer Contact Centre for the public, consumers, regulated populations.
- ◆ Administering the national Business Names Register and the Financial Advisers Register.

1. Data is indicative. See relevant sections of annual report for 2014–15 data. All staff figures are average net full-time equivalents (FTE) and represent staff dedicated to respective populations, including operational staff working on non-business-as-usual projects. Each team undertakes a range of work using our regulatory tools of stakeholder engagement, surveillance, guidance, education, enforcement and policy advice. For further details of our surveillance coverage, see pages 28–29. Excludes Strategy Group, Chief Legal Office, Corporate Affairs, Operations, People and Development, and statutory bodies.

2. ABS 2011, *Australian Census of Population and Housing*, Cat. No. 2001.0, Australian Bureau of Statistics, Canberra.

3. Excluding managed investment schemes in wind up or strike off.

4. Plus 70 FTE working on Enforcement Special Account matters, and an additional 90 FTE providing enforcement support services and legal counsel.



ASIC's risk-based approach to surveillance means that some portion of the population would be examined multiple times while others would not be examined at all. The data is indicative only.

Staff numbers are full-time equivalents (FTE) that are allocated to undertake surveillances in each team. They do not represent the total staff for each team that undertakes a range of work.

## MARKETS

Market and participant supervision		Financial reporting and audit	
2014-15	2015-16	2014-15	2015-16
Surveillance resources: 38	Est: 36	Surveillance resources: 25	Est: 24
<b>Surveillance coverage:</b> Monitoring of the ASX, Chi-X, NSX and ASX 24 markets – <i>every day</i> 125 market participants – <i>3.3 years</i> 1,162 securities dealers – <i>reactive surveillances and targeted reviews of high-risk entities only</i> Supplemented by reactive surveillances and reviews to target risks or concerns	↑ – – –	<b>Surveillance coverage:</b> Financial reports of around 2,000 listed entities (excludes foreign companies) and 26,000 unlisted entities <ul style="list-style-type: none"> <li>Top 500 listed entities – 98% of total market capitalisation – <i>2.9 years</i></li> <li>Remaining 1,500 listed entities (excludes foreign companies) – <i>9 years</i></li> <li>2,100 unlisted public interest entities – <i>25 years</i></li> </ul> Coverage of listed entity audits at 125 audit firms <sup>1</sup> <ul style="list-style-type: none"> <li>Big 4 audit 96.5% of listed entities by market capitalisation – <i>17 years</i></li> <li>Next 20 audit 3.1% of listed entities by market capitalisation – <i>50 years</i></li> <li>Remaining 101 audit 0.3% of listed entities by market capitalisation – <i>49 years</i></li> </ul> Supplemented by reactive surveillances	↓ ↓ ↓ ↓ ↓ ↓ –
Corporations (including emerging mining and resources companies)			
2014-15	2015-16		
Surveillance resources: 8	Est: 8		
<b>Surveillance coverage:</b> 23,792 public companies, including 1,966 listed entities (excludes foreign companies) <ul style="list-style-type: none"> <li>All control transactions for listed entities</li> <li>A significant proportion of prospectuses</li> <li>A small sample of entities in areas of emerging risk – <i>every year</i></li> <li>Remaining entities – <i>reactive surveillances only</i></li> </ul>	– – – –		
Investment banks		Financial market infrastructure	
2014-15	2015-16	2014-15	2015-16
Surveillance resources: 11	Est: 10	Surveillance resources: 14	Est: 15
<b>Surveillance coverage:</b> 24 investment banks – <i>twice a year</i> 65 retail OTC derivative providers – <i>every year</i> 7 credit rating agencies – <i>every year</i>	↓ ↓ –	<b>Surveillance coverage:</b> 43 authorised financial markets <ul style="list-style-type: none"> <li>19 licensed financial markets – 100% of equities and futures market – <i>every year</i></li> <li>Remaining 24 – <i>reactive surveillances only</i></li> </ul> 7 licensed clearing and settlement facilities – <i>every year</i> 1 licensed derivative trade repository – <i>every year</i>	– – – –
		Insolvency practitioners	
2014-15	2015-16	2014-15	2015-16
Surveillance resources: 12	Est: 12	Surveillance resources: 12	Est: 12
		<b>Surveillance coverage:</b> 711 registered liquidators – <i>5.5 years</i>	↓

1. From 1 July 2014, we have reviewed audit files on a continuous basis. We now indicate the average number of years it would take to review the audits of all listed entities audited by audit firms, rather than – as previously – the number of years between visits to audit firms.

## 1.5 ASIC for all Australians

ASIC assists Australians at every stage of life and in many different circumstances. We help them to make the most of financial opportunities, make financial decisions and deal with challenges when they occur. ASIC's MoneySmart website was visited over 5 million times in 2014–15 – an increase of 15% on the previous year. It offers more than 500 pages of free, impartial and comprehensive information on money matters, and is directed to people from a wide range of demographic groups. 89% of people took action on their finances after visiting MoneySmart in 2014–15.

### Examples of ASIC's work at life stages in 2014–15



#### Budgeting and saving

- ◆ **67,000 people used ASIC's MoneySmart online budget planner** each month to work out where their money is going.
- ◆ ASIC's updated **TrackMyGOALS app** enables people to set, plan and track their savings goals.
- ◆ Our **TrackMySPEND app** has been **downloaded over 106,000 times**, allowing Australians to track their personal expenses on the go and manage their money better.



#### Getting and servicing a mortgage

- ◆ ASIC's **MoneySmart mortgage calculator** was used by over 42,000 people every month.
- ◆ ASIC's **MoneySmart reverse mortgage calculator** shows the long-term impact of a reverse mortgage on home equity.
- ◆ Our new **MoneySmart interest-only mortgage calculator** helps Australians understand how much more interest they will pay with an interest-only mortgage compared to a principal and interest loan.
- ◆ ASIC stopped banks and other credit providers from overcharging interest and fees on accounts, with **over \$4.4 million refunded to consumers**.



#### Getting a credit card and applying for a lease or personal loan

- ◆ ASIC cracked down on misleading or deceptive advertising for credit cards and financial products – **54 ads were withdrawn or fixed**.
- ◆ ASIC **reviewed the payday lending industry** and warned the industry to improve its practices to protect some of the most financially vulnerable members of the community.
- ◆ Our new **rent vs buy calculator** enables consumers to compare the cost of renting electrical goods and furniture (a consumer lease) with the cost of borrowing money to buy them.



#### Getting financial advice and life insurance

- ◆ ASIC reviewed **retail life insurance advice** practices to improve the quality of advice people receive.
- ◆ Our new **Financial Advisers Register** helps consumers find out information about advisers and helps them choose an adviser.
- ◆ ASIC updated our **consumer information to help Australians better understand their life insurance needs**.
- ◆ ASIC took **action against firms and advisers** that put their financial interests ahead of the interests of their customers.



## Examples of ASIC's work for particular demographic groups in 2014–15

### School children

- ◆ Over **4,000 teachers** have been trained to use the MoneySmart Teaching resources for primary and secondary schools, bringing the total teachers trained since 2012 to more than 14,000.
- ◆ More than **3,100 schools**, or 34% of the nation's schools, have engaged with the MoneySmart Teaching program.

### Apprentices and trainees

Our new **Be MoneySmart online training** resource helps apprentices and trainees better understand personal taxation, superannuation, insurance, debt management and budgeting.

### Indigenous communities

- ◆ The **Avoid a funeral rip-off campaign** - a joint initiative through the National Indigenous Consumer Strategy Reference Group - provides Indigenous consumers with the knowledge they need to make an informed choice about funeral savings and insurance plans so they can avoid a funeral rip-off.
- ◆ Our new **Be Smart Buy Smart resource** helps Indigenous consumers get a fair go when shopping and save time, money and trouble.

### Women

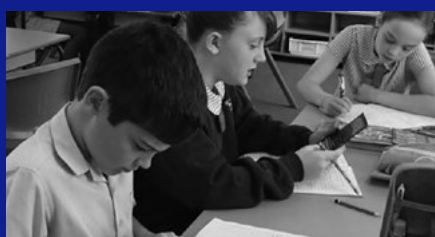
Our new **Women's Money Toolkit** helps Australian women manage their finances, make money decisions at key life stages and enhance their financial wellbeing.

### Defence Force

- ◆ The **Australian Defence Force (ADF) repackages ASIC's consumer and investor information** on the ADF Consumer website to help Defence Force staff and their families make smart financial decisions when getting financial advice, managing their money and buying a car.
- ◆ ASIC provides **monthly articles for the ADF Financial Services Consumer Centre newsletter** on various money management topics, helping ADF personnel make informed decisions and plans about their financial affairs.

### Retirees and those approaching retirement

- ◆ ASIC's **MoneySmart retirement planner** helps consumers determine their likely income from super and the age pension.
- ◆ ASIC enhanced how super funds can provide their members with **forecasts of retirement benefits** in periodic statements.
- ◆ ASIC reviewed **SMSF advice practices** to promote greater adequacy of retirement income.



## 1.6 Financial summary and expenditure

### 1.6.1 Outcomes

Parliament funds ASIC to achieve the following outcome:

**Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.**

from the Enforcement Special Account (ESA) to fund investigations), representing a 10% reduction compared with 2013–14. We received approximately \$5 million of own-source revenue, which is consistent with the previous year.

ASIC incurred expenditure (excluding depreciation and amortisation) of approximately \$313 million, representing a 10% reduction compared with 2013–14.

### 1.6.2 Revenue for the Commonwealth

In 2014–15, ASIC raised \$824 million for the Commonwealth in fees and charges, an increase of 8% from 2013–14. The increase in revenue is driven by continued net company growth coupled with fee indexation.

The decrease in appropriation revenue relates to a net decrease in both operational funding and funding for special initiatives. A permanent savings measure was applied to reduce operational funding by 10%. In addition, there has been a reduction in non-ongoing funding for operational support and other initiatives, including OTC derivative reforms, dealing in carbon permits and superannuation reforms.

### 1.6.3 Revenue, appropriations and expenditure

In 2014–15, ASIC received approximately \$312 million in appropriation revenue from Government (including approximately \$16 million

The decrease in expenditure is consistent with the reduction in appropriation revenue and represents a general reduction in staff and supplier expenditure.

**Table of 2014–15 revenue, appropriations and expenses**

	2014–15 \$'000	2013–14 \$'000	Change \$'000	%
Revenues from Government (inc. ESA)	311,942	346,802	(34,860)	-10%
Own-source revenue	4,844	5,031	(187)	-4%
Total revenue	316,786	351,833	(35,047)	-10%
Total expenses <sup>1</sup>	312,920	349,464	(36,544)	-10%
Surplus <sup>2</sup>	3,866	2,369	1,497	63%

1. Total expenses before depreciation/amortisation expenses previously funded through revenue appropriation. Total expenses including depreciation and amortisation is \$354,293,000 (2013–14: \$405,454,000).

2. Surplus before depreciation/amortisation expenses previously funded through revenue appropriation and changes in asset revaluation reserve. Figure includes amortisation of lease incentives relating to Sydney and Melbourne tenancies (2014–15: \$3.4 million, 2013–14: \$1.7 million).

### ASIC's use of taxpayers' money for the outcomes approved by Parliament

	2014–15	2013–14	2012–13
<b>Operating expenses</b>			
Total	\$354m	\$405m	\$411m
Annual change on previous year	-12%	-1%	+7%
<b>Fees and charges raised for the Commonwealth</b>			
Total	\$824m	\$763m	\$717m
Annual change on previous year	+8%	+6%	+8%