



# 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 economy and in turn, economic growth. In doing so, we contribute to the financial well-being of all Australians. We do this by:

- ♦ promoting investor and consumer trust and confidence
- ♦ ensuring fair and efficient markets
- ♦ providing efficient registration services.

The *Australian Securities and Investments Commission Act 2001* 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 following key legislation:

- ♦ *Australian Securities and Investments Commission Act 2001* (ASIC Act)
- ♦ *Business Names Registration Act 2011*
- ♦ *Corporations Act 2001* (Corporations Act)
- ♦ *Insurance Contracts Act 1984*
- ♦ *National Consumer Credit Protection Act 2009* (National Credit Act).

ASIC also administers parts of the following legislation:

- ♦ *Banking Act 1959* (Banking Act)
- ♦ *Life Insurance Act 1995* (Life Insurance Act)
- ♦ *Medical Indemnity (Prudential Supervision and Product Standards) Act 2003*
- ♦ *Retirement Savings Accounts Act 1997*
- ♦ *Superannuation (Resolution of Complaints) Act 1993*
- ♦ *Superannuation Industry (Supervision) Act 1993*.

### 1.1.1 Relationship with other agencies

ASIC maintains an operational and policy relationship with:

- ♦ Attorney-General's Department
- ♦ Australian Competition and Consumer Commission (ACCC)
- ♦ Australian Crime Commission (ACC)
- ♦ Australian Federal Police (AFP)
- ♦ Australian Prudential Regulation Authority (APRA)
- ♦ Australian Taxation Office (ATO)
- ♦ Australian Transaction Reports and Analysis Centre (AUSTRAC)
- ♦ Commonwealth Director of Public Prosecutions (CDPP)
- ♦ Commonwealth Ombudsman
- ♦ Fair Work Ombudsman
- ♦ Reserve Bank of Australia (RBA)
- ♦ The Treasury.

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

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

ASIC is a member of the IOSCO Board and a number of its Policy Committees and taskforces. ASIC Chairman, Greg Medcraft, was the Chair of the IOSCO Board from March 2013 to May 2016. ASIC is also the inaugural Chair of the IOSCO Assessment Committee.

Through various activities and projects, ASIC has demonstrated an important commitment to supporting the international regulatory agenda and ensuring that Australian influence is applied to international policy settings.

In 2015–16, the IOSCO Board approved *IOSCO's Strategic Direction 2015 to 2020*. ASIC took a lead role in setting this ambitious, clear and funded plan for IOSCO to maintain and grow its position as the leading global reference point for standard setting in securities regulation.

Under the chairmanship of Greg Medcraft, IOSCO continued to pursue its mission of developing international standards, strengthening information sharing, and supporting the development of markets. IOSCO supports the collective objective of regulators to allow markets to fund the economy and, in turn, economic growth. This means ensuring that:

- ♦ investors have trust and confidence in financial markets
- ♦ markets are fair, efficient and transparent
- ♦ financial system risks that arise in markets are mitigated.

The challenges that shape IOSCO's strategy are:

- ♦ conduct risk
- ♦ digital disruption and cyber resilience
- ♦ globalisation of financial markets and products
- ♦ structural change and the growth of market-based financing.

### Risk identification and standard setting

In 2015–16, ASIC supported IOSCO's work on the key emerging issues of digital disruption, innovative technologies being applied in financial markets ('fintech') and cyber resilience. IOSCO serves as a valuable forum for members to discuss and debate these issues, consider common approaches and share good regulatory practices.

To help develop high-quality, internationally consistent regulatory approaches to facilitate cross-border activity, ASIC contributed actively to the development of IOSCO standards and guidance concerning:

- ♦ criteria for identifying simple, transparent and comparable securitisations
- ♦ regulation of cross-border activity
- ♦ financing small to medium enterprises
- ♦ liquidity management and custody in collective investment schemes.

In 2015–16, the IOSCO Assessment Committee (chaired by ASIC) completed various reviews of how members are implementing IOSCO standards, recommendations and guidance – for example, the application of IOSCO's Standards for Derivative Market Intermediaries Regulation. These reviews have helped members identify where further reform work is needed.

## 1.1 ASIC's role continued

### Assisting members

ASIC's Chairman, Greg Medcraft, spearheaded efforts to significantly expand IOSCO's capacity-building program. This included holding additional seminars, creating an online toolkit and approving the first IOSCO regional capacity-building hub in Kuala Lumpur. IOSCO also launched its Global Certificate Program for regulators of securities markets, in association with the Program on International Financial Systems at the Harvard Law School.

In May 2016, the IOSCO Enhanced Multilateral Memorandum of Understanding (MMoU) was endorsed by the IOSCO Presidents Committee at its Annual Conference. The IOSCO MMoU is a cooperation arrangement that enables 109 regulators, including ASIC, to share information to combat cross-border fraud and misconduct. The enhancements will provide additional powers to member regulators, ensuring continued effectiveness in the context of technological developments and increased globalisation.

### Advocacy

Under Greg Medcraft's leadership, IOSCO's voice became more prominent in debates on global regulatory reform. In 2015–16, there was increased participation from IOSCO members in key Financial Stability Board committees and working groups, including the Standing Committee on Standards Implementation.

Through participation in the Annual Meeting of the World Economic Forum in Davos in January 2016 and the IMF Spring Meetings in Washington DC in April 2016, the ASIC Chairman further raised the profile of securities regulation and its relevance to economic growth and development.

### 1.1.3 International cooperation

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

ASIC is linked to a global network of regulators to get the best outcomes for Australians. In addition to membership of IOSCO, ASIC is a member of the International Association of Insurance Supervisors and FinCoNet, the International Financial Consumer Protection Organisation.

### International cooperation requests

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

In 2015–16, we made 362 international cooperation requests and received 398 requests from international financial regulators and other law enforcement agencies on various topics including investigations, compliance and surveillance, enforcement, policy research, general referrals, delegations, licensing or due diligence.

This included 92 requests to ASIC for assistance in enforcement matters, including 17 requests seeking ASIC's assistance to compel material from third parties under the *Mutual Assistance in Business Regulation Act 1992*.

We met with 17 delegations, including from emerging markets, to discuss consumer protection and market regulation.

### Bilateral engagement

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

In March 2016, ASIC entered into a Cooperation Agreement with the United Kingdom's Financial Conduct Authority, which will provide financial technology companies in Australia and the United Kingdom with more support (before, during and after authorisation) as they attempt to enter their respective markets. In June 2016, ASIC entered into a similar agreement with the Monetary Authority of Singapore.

During 2015–16, ASIC jointly led a new initiative to establish an Asia–Pacific Regional Supervisory College Forum (RSC). This initiative is designed to enhance supervisory cooperation and facilitate information sharing efforts in the Asia–Pacific region in relation to targeted financial groups that have regional systemic importance. The RSC's first sessions were held in February 2016. Members of the RSC include the Securities and Exchange Board of India, the Financial Services Agency of Japan, the Korean Financial Supervisory Service, the Monetary Authority of Singapore, the Malaysian Securities Commission and the Financial Markets Authority of New Zealand.

## 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 on 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 consults with state or territory Ministers on the appointment of ASIC regional commissioners. Regional commissioners brief the local business community on ASIC's work through regional liaison committees (for more information, see pages 101–102). ASIC also provides state and territory government agencies with free online access to our companies database 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 2021.

ASIC also has a role as a joint regulator of the Australian Consumer Law with the states and territories, and with the ACCC.

## 1.1.5 Responsible Ministers

At 30 June 2016, the Ministers responsible for ASIC were the Treasurer, the Hon Scott Morrison MP; the Minister for Small Business and Assistant Treasurer, the Hon Kelly O'Dwyer MP; and the Parliamentary Secretary to the Treasurer, the Hon Alex Hawke 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.

## 1.1.7 Correspondence with Parliamentarians

We receive correspondence from Parliamentarians both directly and indirectly through requests from Treasury. We aim to respond to 100% of correspondence within 28 days of receipt.

In 2015–16, we responded to 182 letters and emails from Parliamentarians directly and indirectly. We responded to 96% of correspondence within 14 days, 99% within 28 days, and 100% within 30 days.

## 1.1.8 Financial and operational oversight

ASIC is a non-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. Our Corporate Plan for the period 2016–17 to 2019–20 was published on 31 August 2016.

The Auditor-General audits ASIC's annual financial statements on behalf of the Parliament.

## ASIC at work



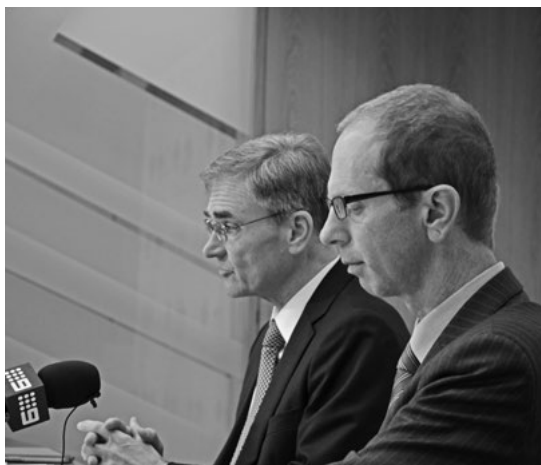
*Each year ASIC recruits talented graduates with a diverse range of skills and backgrounds. The 2016 graduates are shown here with ASIC Commissioners, during their induction program.*



*Wendy Bryant, Chief Information Officer (left) and Jo Harper, IT Program Director and recipient of the ASIC Women in Leadership award for 2016.*



*ASIC Commissioner John Price (with microphone) and Mark Adams, Senior Executive Leader, Strategic Intelligence speaking at an information session at Tyro FinTechHub, September 2015.*



*ASIC Chairman Greg Medcraft and Deputy Chairman Peter Kell holding a media conference in April 2016.*



*Staff at ASIC's Traralgon office at an Australia Day fundraising event, January 2016.*

1.2 Corporate structure at 30 June 2016



# MISSION

## DRAFT

- mission  
regulators  
ion of  
s
- ♦ 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 CONSUMERS

## REGISTRY

ty Chairman  
TER KELL

Commissioner  
GREG TANZER

Teams  
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s, Credit and Insurers  
and Intelligence

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visory Panel  
overnment Financial  
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th Consumer Affairs  
ncil

### Stakeholder Teams

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

### Enforcement

- ♦ Financial Services

### Internal Boards

- ♦ Technology Governance Board

### External Boards

- ♦ Heads of Commonwealth Operational Law Enforcement Agencies

### Registry

#### External Boards

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



# 1.3 ASIC and regulated populations<sup>1</sup>

## INVESTORS AND CONSUMERS

### Deposit-takers, credit and insurers

**159 authorised deposit-taking institutions; 5,726 Australian credit licensees; 36,650 credit representatives; 93 licensed general insurance companies; 28 life insurers; 12 friendly societies; 607 non-cash payment facility providers; 12 trustee companies**



Michael Saadat –  
Senior Executive Leader

- ♦ ASIC staff: 59
- ♦ Stakeholder engagement: 194 industry meetings

### Financial advisers

**AFS licensees licensed to provide personal advice (3,690 licensees) or general advice (1,588 licensees)**



Joanna Bird and Louise Macaulay –  
Senior Executive Leaders

- ♦ ASIC staff: 26
- ♦ Stakeholder engagement: 213 industry meetings

### Investment managers and superannuation

**More than \$1.5 trillion in funds under management; 145 superannuation fund trustees; 448 active responsible entities; 3,619<sup>2</sup> registered managed investment schemes; 784 foreign financial service providers; 895 custodial service providers**



Gerard Fitzpatrick –  
Senior Executive Leader

- ♦ ASIC staff: 41
- ♦ Stakeholder engagement: 331 industry meetings

### Financial literacy

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



Miles Larbey –  
Senior Executive Leader

- ♦ ASIC staff: 28

### Assessment and intelligence (including small business compliance and deterrence)<sup>4</sup>



Warren Day –  
Senior Executive Leader

- ♦ ASIC staff: 161
- ♦ Stakeholder engagement: 61 industry meetings (for small business compliance and deterrence)

## MARKETS

**Corporations (including emerging mining and resources companies)<sup>5</sup>**  
**23,047 public companies, 2,076 of which are listed entities (including registered schemes and foreign companies)**



Kate O'Rourke and Jane Eccleston –  
Senior Executive Leaders, Corporations

- ♦ ASIC staff: 33
- ♦ Stakeholder engagement: 38 industry meetings



Jane Gouvernet –  
Senior Executive Leader,  
Emerging Mining  
and Resources

- ♦ ASIC staff: 10
- ♦ Stakeholder engagement: 43 industry meetings

**Insolvency practitioners**  
**707 registered liquidators; 9,848 companies entering external administration**



Adrian Brown –  
Senior Executive Leader

- ♦ ASIC staff: 21
- ♦ Stakeholder engagement: 51 industry meetings

**Financial reporting and audit**  
**4,483 registered company auditors; 28,000 entities required to produce financial reports; 6,671 SMSF auditors**



Douglas Niven –  
Senior Executive Leader

- ♦ ASIC staff: 30
- ♦ Stakeholder engagement: 140 industry meetings

**Financial market infrastructure**  
**52 authorised financial markets; 18 licensed financial markets; 7 licensed clearing and settlement facilities; 2 licensed derivative trade repositories**



Oliver Harvey –  
Senior Executive Leader

- ♦ ASIC staff: 26
- ♦ Stakeholder engagement: 310 industry meetings

**Market and participant supervision**  
**120 market participants; 750 securities dealers**



Greg Yanco –  
Senior Executive Leader

- ♦ ASIC staff: 69
- ♦ Stakeholder engagement: 218 industry meetings

**Investment banks<sup>6</sup>**  
**22 investment banks; 65 retail over-the-counter (OTC) derivative providers; 7 credit rating agencies; 47 wholesale electricity derivative dealers.**



Chris Van Homrigh –  
Senior Executive Leader

- ♦ ASIC staff: 17
- ♦ Stakeholder engagement: 103 industry meetings

## ENFORCEMENT<sup>7</sup>

### Financial services and credit enforcement



Tim Mullaly – Senior Executive Leader  
and David McGuinness – Senior Executive

♦ ASIC staff: 69

### Markets enforcement



Chris Savundra – Senior Executive Leader  
and George Stogdale – Senior Executive

♦ ASIC staff: 82

### Enforcement Western Australia



Natalie Durr –  
Senior Executive Leader

♦ ASIC staff: 18

## REGISTRY SERVICES

### Registry services and Customer Contact Centre

**90.7 million searches of ASIC registers. Registry services for 2.37 million companies, 2.07 million business names, 5,511 AFS licensees, 5,726 credit licensees, over 23,000 financial advisers on the Financial Advisers Register, 4,483 registered company auditors, 6,671 registered SMSF auditors, 707 registered liquidators, 3,619<sup>1</sup> registered managed investment schemes. Over 861,000 enquiries handled by Customer Contact Centre**



Rosanne Bell –  
Senior Executive Leader

♦ ASIC staff: 205

1. Data is indicative. See relevant sections of annual report for 2015-16 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. 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. On 1 July 2016, the functions of the Small Business, Compliance and Deterrence team were merged with Assessment and Intelligence.
5. On 1 July 2016, the functions of the Emerging Mining and Resources team were merged with the Corporations team.
6. On 1 July 2016, the functions of the Investment Banks team were merged into Market Supervision (formerly Market and Participant Supervision) and Market Infrastructure (formerly Financial Market Infrastructure).
7. Plus 143 full-time equivalent (FTE) staff working on Enforcement Special Account matters, and an additional 82 FTE providing Enforcement support services and legal counsel.

## 1.4 ASIC's surveillance coverage of regulated populations

This chart provides a snapshot of ASIC's surveillance coverage in 2015–16 and our anticipated surveillance coverage in 2016–17, based on 2016–17 budget and resources. The chart shows the regulated population and the estimated number of years it would theoretically take to cover the entire population through all types of surveillance (both completed and current)<sup>1</sup>, based on the number of entities subject to surveillance by ASIC in 2015–16.

### INVESTORS AND CONSUMERS

#### Financial advisers

<b>2015–16</b>	<b>2016–17<sup>2</sup></b>
<b>Surveillance resources: 23</b>	<b>Est: 34</b>

##### Surveillance coverage:

3,690 AFS licensees authorised to provide personal advice

- ♦ Top 20 – 42% of advisers – 0.2 years —
- ♦ Next 30 – 19% of advisers – 1.6 years ↑
- ♦ Remaining 3,640 – primarily reactive surveillances ↑

1,588 AFS licensees authorised to provide general advice only – reactive surveillances only —

#### Deposit-takers, credit and insurers

<b>2015–16</b>	<b>2016–17<sup>2</sup></b>
<b>Surveillance resources: 36</b>	<b>Est: 47</b>

##### Surveillance coverage:

159 authorised deposit-taking institutions (ADIs)

- ♦ Big 4 – every year ↑
- ♦ Remaining 155 – primarily reactive surveillances, supplemented by reviews of target risks or concerns ↑

133 insurers – primarily reactive surveillances, supplemented by reviews of target risks or concerns ↑

607 licensed non-cash payment facility providers and distributors – primarily reactive surveillances —

12 trustee companies – reactive surveillances only —

5,574 non-ADI credit licensees (lenders and intermediaries) with 30,752 credit representatives – primarily reactive surveillances, supplemented by reviews of target risks or concerns ↑

#### Investment managers and superannuation

<b>2015–16</b>	<b>2016–17<sup>2</sup></b>
<b>Surveillance resources: 8</b>	<b>Est: 23</b>

##### Surveillance coverage:

448 active responsible entities

- ♦ Top 20 – 70% of funds under management – every 2 years —
- ♦ 33 identified as most at risk of non-compliance – every year ↑
- ♦ 18 responsible entities where we have identified risks or have concerns – varies from year to year ↓
- ♦ Remaining 377 – primarily reactive surveillances —

145 super fund trustees

- ♦ 8 identified as most at risk of non-compliance – every year —
- ♦ 40 where we have identified risks or concerns – varies from year to year ↑
- ♦ Remaining 97 – primarily reactive surveillances —

916 custodial and depository service providers

- ♦ 6 custodians where we have identified risks or have concerns – varies from year to year ↑
- ♦ Remaining 910 – primarily reactive surveillance or considered as part of surveillances of other entities utilising services —

#### Small business compliance and deterrence

<b>2015–16</b>	<b>2016–17</b>
<b>Surveillance resources: 6</b>	<b>Est: 6</b>

##### Surveillance coverage:

11,494 companies identified for the potential to conduct illegal phoenix activity

- ♦ A small sample of entities in high-risk industries – every year —
- ♦ Supplemented by reactive surveillances and reviews to target risks or concerns —

1. ASIC's surveillance activity includes onsite visit and desk-based reviews and can vary in intensity (e.g. a high-intensity surveillance lasts for more than two days). Surveillance figures in this chart include all surveillances completed in 2015–16 as well as those in progress at 30 June 2016.

**Key:** ↑ increase — remain stable ↓ decrease

ASIC's risk-based approach to surveillance means that a subset of the population is examined multiple times while others are 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

**2015–16** **2016–17**  
Surveillance resources: 37 Est: 37

#### Surveillance coverage:

Monitoring of the ASX, Chi-X, NSX and ASX  
24 markets – every day

120 market participants – 0.5 years

750 securities dealers – reactive surveillances  
and targeted reviews of high-risk entities only

Supplemented by reactive surveillances and  
reviews to target risks or concerns

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

**2015–16** **2016–17**  
Surveillance resources: 13 Est: 15

#### Surveillance coverage:

23,047 public companies, including 2,076  
listed entities

- All control transactions for listed entities
- A significant proportion of prospectuses
- A small sample of entities in areas of emerging risk – every year
- Remaining entities – reactive surveillances only

### Investment banks

**2015–16** **2016–17**  
Surveillance resources: 9.75 Est: N/A<sup>3</sup>

#### Surveillance coverage:

22 investment banks – 0.2 years

65 retail OTC derivative providers – 1.25 years

7 credit rating agencies – 0.6 years

### Financial reporting and audit

**2015–16** **2016–17**  
Surveillance resources: 24 Est: 23

#### Surveillance coverage:

Financial reports of around 2,000 listed  
entities (excludes foreign companies) and  
26,000 unlisted entities

- Top 500 listed entities – 98% of total market capitalisation – 2.4 years
- Remaining 1,500 listed entities – 167 reports reviewed every year
- 2,100 unlisted public interest entities – 35 reports reviewed every year

100 audit firms that audit listed entities

- Big 4 audit – 95.8% of listed entities by market capitalisation – every year (36 files reviewed)
- Next 20 audit – 3.9% of listed entities by market capitalisation – 1.5 years (16 files reviewed)
- Remaining 83 audit – 0.3% of listed entities by market capitalisation – 16 years (5 files reviewed)

Supplemented by reactive surveillances

### Financial market infrastructure

**2015–16** **2016–17**  
Surveillance resources: 15 Est: 18

#### Surveillance coverage:

52 authorised financial markets

- 18 licensed financial markets – every year
  - Remaining 34 – reactive surveillances only
- 7 licensed clearing and settlement facilities – every year
- 2 licensed trade repositories – every year

### Insolvency practitioners

**2015–16** **2016–17**  
Surveillance resources: 12.5 Est: 11.4

#### Surveillance coverage:

707 registered liquidators – 2.3 years

- Includes funding for specific measures announced as part of the Government's 2016–17 budget.
- On 1 July 2016, the functions of the Investment Banks team were merged into Market Supervision (formerly Market and Participant Supervision) and Market Infrastructure (formerly Financial Market Infrastructure).

## 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 6.1 million times in 2015–16 – an increase of 15% on the previous year. It offers more than 700 pages of free, impartial and comprehensive information on money matters, and is directed to people from a wide range of demographic groups. 90% of people surveyed reported that they took action on their finances after visiting MoneySmart in 2015–16.

### Examples of ASIC's work at life stages in 2015–16



#### Financial advice and investing

- ◆ Our **Financial Advisers Register** has been searched more than 790,000 times by consumers seeking information about advisers, such as work history, qualifications and the products they can advise on.
- ◆ The **MoneySmart Investing Challenge** helps investors develop new skills such as how to judge a good investment, how to diversify their portfolio and how to identify the risks of different products. Investors choose a topic of interest and answer a series of short questions designed to get them thinking about and evaluating their knowledge of the topic.



#### Budgeting and saving

- ◆ Our online calculators give consumers direction and motivate them to achieve their financial goals. The most popular calculators offered on MoneySmart are the **Budget Planner**, the **Mortgage Calculator** and the **Income Tax Calculator**. Our online calculators are used on average 393,000 times per month.
- ◆ Purchase of a new car is a major financial decision for many Australians. Our new **MoneySmart Cars app** helps consumers work out the real cost of buying and running a car and identify hidden costs and alternative ways to finance a car.
- ◆ Our **TrackMySPEND app** was **downloaded over 90,000 times** in 2015–16, allowing Australians to track their personal expenses on the go and manage their money better.

#### Borrowing and credit

- ◆ ASIC cracked down on misleading or deceptive advertising – 12 ads were withdrawn or fixed.
- ◆ Our **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. Since its launch in September 2015, on average 5,000 people use the calculator each month.
- ◆ Our MoneySmart **interest-only mortgage calculator** helps Australians understand the amount of interest they will pay with an interest-only mortgage compared to a principal and interest loan.



## Examples of ASIC's work for particular demographic groups in 2015–16



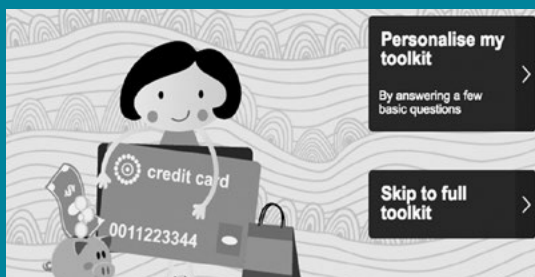
### School children

- ◆ Since 2012, **more than 20,500 teachers** have received financial literacy professional development on MoneySmart Teaching resources for primary and secondary schools.
- ◆ In 2015–16, **5,079 schools**, more than 50% of the nation's schools, engaged with the MoneySmart Teaching program.



### Women

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



### Indigenous communities

- ◆ Our **Take a minute with your money** campaign helps regional and remote Indigenous consumers with information about car loans, renting appliances, and using book up (a tab or store account) through a series of three innovative animations.
- ◆ Our **Be Smart Buy Smart** resource helps Indigenous consumers get a fair go when shopping and save time, money and trouble.



### Divorce and separation

- ◆ ASIC's **Divorce and Separation Financial Checklist** and the **Asset Stocktake Calculator** assist people with the financial aspects of divorce, separation or relationship breakdown.



### Retirees and those approaching retirement

- ◆ ASIC's MoneySmart **retirement planner** helps consumers determine their likely income from super and the age pension and work out how to boost their 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 consumers, facilitating fair and efficient markets and delivering efficient registry systems

## 1.6.2 Revenue for the Commonwealth

In 2015–16, ASIC raised \$876 million for the Commonwealth in fees and charges, an increase of 6.4% from 2014–15. The increase in revenue is driven by continued net company growth coupled with fee indexation.

## 1.6.3 Revenue, appropriations and expenditure

In 2015–16, ASIC received approximately \$311 million in appropriation revenue from Government, including \$27 million from the Enforcement Special Account (ESA), representing an \$11 million or 3% reduction compared with 2014–15. We received approximately \$5 million of own-source revenue, which is consistent with the previous year. The decrease in

appropriation revenue relates to a net decrease in both operational funding and funding for special initiatives.

Total operating expenditure of \$371 million was \$17 million or 4.8% higher than 2014–15, predominantly as a result of higher ESA expenditure. In 2015–16, ASIC incurred significant expenditure on the BBSW and FX Benchmark matters and the Wealth Management project. Note 5.2 to the Financial Statements details the movements in the ESA (for more information, see page 153).

In 2015–16, ASIC changed our accounting treatment in relation to ESA revenue. In prior years ESA revenue was recognised when enforcement activity expenditure met the criteria set out in the Finance Minister’s ESA Determination. ESA revenue is now recognised when the appropriation is legally available to ASIC. The ESA was set up as a contingency fund to give ASIC independence in the large investigations it pursues, the costs of which could not otherwise be absorbed without significantly prejudicing its general enforcement role. ESA revenue is recognised when the appropriation is legally available to ASIC; however ESA expenditure may vary significantly from year to year depending on the stage of the matters.

Table of 2015–16 revenue, appropriations and expenses

	2015–16 \$'000	2014–15 \$'000	Change \$'000	%
Revenues from Government (inc. ESA)	311,427	322,465	(11,038)	(3%)
Own-source revenue	5,200	4,844	356	7%
Total revenue	316,627	327,309	(10,682)	(3%)
Total expenses (including depreciation and amortisation)	371,223	354,293	16,930	5%
Surplus/(deficit)	(54,596)	(26,984)	(27,612)	(102%)

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

	2015–16	2014–15	2013–14
Operating expenses			
Total	\$371m	\$354m	\$405m
Annual change on previous year	+4.8%	-12%	-1%
Fees and charges raised for the Commonwealth			
Total	\$876m	\$824m	\$763m
Annual change on previous year	+6.4%	+8%	+6%