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8.1 Appendices relating to how our staff achieve our vision

The role of the Commission

The Commission is responsible for ASIC's strategic direction and priorities. The Commission meets twice monthly (except January and December) to:

- › decide on matters within ASIC's regulatory functions and powers that have strategic significance
- › oversee management and operations of ASIC as an Australian Government agency.

The Commission appoints and evaluates the performance of its senior executive leaders and approves budgets and business plans for each team. Individual Commissioners also have executive responsibility for particular stakeholder and enforcement teams. ***For more information on ASIC's corporate structure, see Section 1.1.***

Commissioners are appointed by the Governor-General, on the nomination of the Treasurer.

The Treasurer may nominate only those staff who are qualified by knowledge of, or experience in, business, administration of companies, financial markets, financial products and financial services, law, economics or accounting.

Commissioners are appointed on fixed terms that may be terminated only for the reasons set out in section 111 of the ASIC Act.

The Remuneration Tribunal sets Commissioners' remuneration, which is not linked to their performance.

The ASIC Act requires Commissioners to disclose to the Minister direct or indirect pecuniary interests in corporations carrying on business in Australia, businesses in Australia, interests regulated by ASIC, or expectations, understandings, arrangements or agreements for future business relationships.

Chris Savundra, the Chief Legal Officer, is the primary source of legal advice to the Commission, providing legal counsel to the Commission on major regulatory and enforcement matters. Kathleen Cuneo has been Acting Chief Legal Officer from January 2018, while Chris Savundra has been overseeing ASIC's work in assisting the Royal Commission.

Other independent legal and accounting experts also advise on specific matters.

The Commission delegates various powers and functions to senior executive leaders, Regional Commissioners, and staff reporting to them, to ensure that ASIC's business is carried out efficiently and effectively. Delegations are reviewed regularly, and the Commission requires its delegates to act in accordance with policies and procedures approved by the Commission. The Commission held 21 meetings in 2017–18.

Table 8.1.1 Commission meetings, 2017–18

Commissioner	Eligible to attend	Attended
James Shipton	8 scheduled meetings	8
	1 unscheduled meeting	1
Greg Medcraft	4 scheduled meetings	4
	5 unscheduled meetings	5
Peter Kell	14 scheduled meetings	14
	7 unscheduled meetings	7
Cathie Armour	14 scheduled meetings	14
	7 unscheduled meetings	7
John Price	14 scheduled meetings	14
	7 unscheduled meetings	7

Unscheduled Commission meetings are called to obtain the Commission’s decision on specific issues where required outside of the meeting timetable.

The Commission also meets on a weekly basis to:

- › discuss rapidly evolving matters or those which require early input or an update on approach or strategy
- › coordinate Commissioners’ activities
- › make decisions on urgent matters.

Additional information on ASIC’s internal governance is published on our website.

Audit Committee and audit services

The Audit Committee operates independently of management and plays a key role in assisting the Chair to discharge his responsibilities for the efficient, effective, economical and ethical use of Commonwealth resources. The Committee does this by providing independent assurance to the Chair on ASIC’s financial and performance reporting, risk oversight and management, and systems of internal control. ASIC’s Audit Committee Charter is available on our website.

The Committee reviewed ASIC’s 2017–18 financial statements and provided advice to the Chair and Commissioners on the preparation and review of financial statements before the Chair signed them. The Committee met four times during the year, supplemented by one special meeting to review ASIC’s draft financial statements.

Table 8.1.2 Audit Committee meetings, 2017–18

Member	Eligible to attend	Attended
Geoffrey Applebee		
First appointed as an independent member on 1 February 2010	4 main meetings	4
Reappointed as independent member and Chairman 1 September 2015	1 special meeting	1
David Prothero		
First appointed as an independent member on 1 March 2011	4 main meetings	4
Reappointed as independent member and Deputy Chairman 1 July 2016	1 special meeting	1
Adrian Walkden		
First appointed as an independent member on 9 November 2017	3 main meetings	2
Cathie Armour		
ASIC Commissioner	1 main meeting	1
First appointed as a Committee member on 13 June 2018		
John Price		
ASIC Commissioner	4 main meetings	4
First appointed as a Committee member in May 2013	1 special meeting	1
Retired from the Committee on 22 March 2018		

Geoffrey Applebee and David Prothero are chartered accountants and company directors with significant financial, business and community experience. Adrian Walkden is Chief Information Officer for a separate Commonwealth entity and has significant information technology experience within a Commonwealth Government setting. The retiring and newly appointed internal appointees, John Price and Cathie Armour respectively, are both Commissioners of ASIC.

Internal audit services are provided by Internal Audit staff from ASIC's Internal Audit and Operational Risk team, supported by specialist private sector internal audit providers as needed. The Australian National Audit Office provides external audit services. Senior external and internal audit representatives attend Audit Committee meetings.

Geoffrey Applebee
Chairman

Audit Committee
July 2018

Boards, committees and panels

As a strategic and responsive regulator, we actively and extensively engage with our diverse range of stakeholders. We engage with regulated entities, consumers (including small business) and academics in a variety of ways, including through our extensive range of advisory panels, roundtables on specific issues across sectors, and regular meetings. These forms of engagement help us to:

- › gain a deeper understanding of industry and consumer developments
- › consult on policy matters
- › consider, and help to address, systemic risks or harms in the sectors we regulate
- › discover potentially harmful behaviours by particular entities.

Some of our panels – for example, the Financial Services and Credit Panel, the Markets Disciplinary Panel and the Liquidator Registration and Disciplinary Committees – also assist with our regulatory decision making.

This section outlines the background and purpose of each of ASIC’s boards, committees and panels and the major issues addressed in 2017–18. Lists of members for our boards, committees and panels are available on our website.

Australian Government Financial Literacy Board

The Australian Government Financial Literacy Board was established in 2005. The Board is a non-statutory body that provides independent and strategic guidance to the Government and ASIC on financial literacy and capability issues.

During 2017–18, the Board met three times, providing feedback on a range of tools and resources developed for ASIC’s financial capability program. Members also reviewed progress of the National Financial Capability Strategy, the ASIC Teaching Program evaluation process, and research on the financial capabilities of older Australians.

Business Advisory Committee

The registry’s Business Advisory Committee provides an ongoing means of direct consultation with the business community, providing input and opinion on the impact of current and proposed registry and licensing services, with an emphasis on small business.

The Committee’s scope includes advice on strategic directions, performance feedback, and reporting on the trends and needs of business. It advises on proposed legislative changes and on the appropriateness of corporate registry objectives and initiatives, with a focus on their impact on business and ASIC’s operations. The Committee’s members are drawn from a wide range of businesses, industry and professional organisations.

During 2017–18, the Committee received updates about our improvements to our registry services, including our continued efforts to move our registry customers to online services, and information about registry reforms, including the modernising of business registers.

Consumer Advisory Panel

The Consumer Advisory Panel (CAP) was established in 1999. It advises ASIC on current issues faced by consumers and retail investors in the financial services and credit industries. The CAP also informs ASIC’s surveillance, enforcement, policy and financial education initiatives. The CAP meets three times a year, with senior ASIC staff and Commissioners attending. A joint meeting with the Consumer Consultative Committee of the Australian Competition and Consumer Commission is held annually.

During 2017–18, the CAP considered the complex financial issues confronting older people at retirement and in the transition to aged care, and it maintained its focus on the financial needs of vulnerable consumers at all life stages. This included considering responsible lending, reforms to small amount lending contracts, add-on insurance, credit reporting and the conduct of debt management firms. The CAP also engaged with the effectiveness of remediation schemes and consumer codes, competition policy and superannuation issues.

In a busy year for inquiries and reform, the CAP maintained its focus on a diverse range of areas, including:

- › reform to the dispute resolution framework
- › professional standards reforms for financial advisers
- › implementation of reforms arising from the Financial System Inquiry, such as product intervention powers, and issuer and distributor obligations
- › the Royal Commission.

Director Advisory Panel

The Director Advisory Panel was established in 2013 to channel senior-level advice from directors of listed entities so that ASIC can gain a deeper understanding of developments and systemic risks in the corporate sector.

Members of the Director Advisory Panel are drawn from entities of various sizes, representing different sectors and locations, in order to provide us with views from a broad spectrum of Australian listed entities.

During 2017–18, the Director Advisory Panel met twice and discussed cyber resilience, innovation in financial services and regulatory technology, climate change risk disclosure, and ASIC’s focus on culture. Members also provided valuable insight and input into ASIC-wide issues.

External Advisory Panel

The External Advisory Panel was established in 2009 to help ASIC to gain a deeper understanding of developments and threats of harm within the financial services industry. This in turn assists us in better understanding the markets that ASIC regulates and being more forward-looking in examining issues and assessing systemic risks.

The External Advisory Panel is an advisory body only and, as such, has no decision-making authority.

Members are drawn from different sectors and hold, or have held, senior positions. Members sit in a personal capacity – they do not represent individual organisations.

During 2017–18, the Panel met four times and provided advice and feedback on a wide range of matters, including financial services and the Indigenous community, issues in the financial advice sector, raising professional standards in the financial services sector, illegal phoenix activity, current issues in whistleblowing, and the decline in audit quality. The Panel also discussed ASIC’s data strategy, ASIC’s strategic risks, and the ASIC Enforcement Review.

Financial Advisers Consultative Committee

The Financial Advisers Consultative Committee was established in 2017. The Committee supplements ASIC’s engagement with the financial advice industry by improving our capacity to identify, assess and respond to emerging trends, and by enhancing our relationships with key stakeholders.

Members are practising financial advisers with a range of skills in insurance, superannuation, self-managed superannuation funds and digital financial advice. They sit in a personal capacity – they do not represent individual organisations.

During 2017–18, the Committee met three times and provided feedback on a range of topics, including the Royal Commission, vertical integration and conflicts of interest, the impact of licensees shutting down on advisers and consumers, cyber security for independent financial advisers, and ASIC industry funding.

Financial Services and Credit Panel

The Financial Services and Credit Panel (FSCP) was established in late 2017 after public consultation and a call for expressions of interest. It comprises a pool of people engaged by ASIC to make decisions about whether to ban individuals from providing financial services and engaging in credit activities. A matter may be referred to the FSCP where we consider it appropriate for peer review because of its significance, complexity or novelty.

The FSCP is comprised of leaders in the financial services and consumer credit industry, adding an element of peer review to the administrative

decision-making process. Each sitting panel consists of two members from the FSCP and an ASIC staff member.

Liquidator Registration and Disciplinary Committees

An individual may apply to ASIC to be registered as a liquidator or to have a current condition on their registration varied or removed. ASIC refers these applications to a specially convened committee.

Where ASIC is not satisfied with the response of a liquidator who has been issued with a show cause notice as to why they should continue to be registered, ASIC may refer the matter to a specially convened committee for a decision.

Each committee consists of an ASIC staff member as Chair, a registered liquidator chosen by the Australian Restructuring, Insolvency and Turnaround Association, and a person appointed by the Minister. Administrative and secretariat services are provided to the Liquidator Registration and Disciplinary Committees by the ASIC Chief Legal Office.

The register of liquidators and a summary of disciplinary actions taken can be found on the ASIC website.

Markets Advisory Panel

The Markets Advisory Panel was established in 2010. The Panel advises us on our approach to our responsibilities for the day-to-day supervision of the Australian market and on broader market developments.

Members are drawn from the financial services industry, with experience in retail markets, institutional banking and asset management.

During 2017–18, the Panel met six times and provided advice on a wide range of topics, including:

- › ASIC's strategic direction on fixed income, currencies and commodities, and surveillance activity in these markets
- › risks associated with the growth in initial coin offerings and cryptocurrencies

- › licensing for administrators of significant benchmarks
- › various issues in exchange-traded products, including market making, short selling and price discovery.

Markets Disciplinary Panel

The Markets Disciplinary Panel (MDP) is a panel of people engaged by ASIC to make decisions about whether to give infringement notices to market participants for alleged breaches of the market integrity rules.

The MDP is a peer review panel that consists of part-time members with relevant market or professional experience. Members of the MDP have, or have had, senior roles in broking firms and investment banks. Each sitting panel comprises three MDP members. ASIC staff members cannot be members of the MDP. Legal and secretariat services are provided to the MDP by ASIC's Chief Legal Office.

Matters are referred to the MDP by ASIC's Market Integrity Group as an alternative to bringing civil proceedings in the court system. During 2017–18, the MDP considered eight matters and issued seven infringement notices amounting to a total of \$1,173,000 in specified penalties. For example:

- › In November 2017, Bell Potter Securities Limited paid a \$358,000 infringement notice issued by the MDP. The MDP found that Bell Potter Securities had made bids for shares in DirectMoney Limited to support the price of DirectMoney shares during the first two weeks of its backdoor listing on ASX. Bell Potter Securities had acted as lead manager and underwriter for DirectMoney's capital raising.
- › In December 2017, Interactive Brokers LLC paid a penalty of \$250,000 to comply with an infringement notice issued by the MDP. The MDP found it had reasonable grounds to believe that Interactive Brokers had breached the ASIC Market Integrity Rules (Chi-X Australia Market) 2011 prohibiting a market participant from making bids for shares on account of another person and requiring a market participant to have systems in place to prevent or minimise manipulative trading.

- › In September 2017, OpenMarkets Australia Limited paid a penalty of \$200,000 to comply with an infringement notice issued by the MDP. The MDP had reasonable grounds to believe that OpenMarkets Australia had failed to have appropriate filters in place for use of its automated order processing system – for example, to prevent trades that involved no change of beneficial ownership and to reject the placement of sell orders which were prohibited short sales.

The infringement notices for finalised matters are published in the MDP Outcomes Register on the ASIC website.

Digital Finance Advisory Committee

The Digital Finance Advisory Committee was established in 2015. The Committee assists ASIC in supporting innovation in financial services and markets. It provides advice and feedback on the opportunities, developments and emerging risks for start-up fintech and regtech businesses and our engagement with those businesses through our Innovation Hub.

Members are drawn from the fintech, regtech, venture capital, consumer and academic sectors, and serve in their personal capacity – they do not represent individual

organisations. The Treasury, the Australian Prudential Regulation Authority, the Reserve Bank of Australia, the Office of the Information Commissioner, the Australian Competition and Consumer Commission, the Australian Transaction Reports and Analysis Centre and Austrade attend Committee meetings as observers. Other agencies are also invited to attend as observers when relevant issues are being discussed.

During 2017–18, the Committee met four times and provided advice on several matters, including our international engagement, communication approach and regtech initiatives. The Committee also heard presentations from Insurtech Australia and the Regtech Association.

ASIC's staff

ASIC continues to attract and retain highly skilled staff who are instrumental in ensuring we carry out our regulatory functions and achieve our regulatory goals.

By 30 June 2018, ASIC had a total of 1,656 staff. Table 8.1.3 shows a breakdown of our staff numbers by location for each classification and Table 8.1.4 provides a detailed picture of the gender breakdown of our staff.

Table 8.1.3 ASIC employees (FTE), by location, 2017–18

Roles	Vic.	NSW	Qld	WA	SA	Tas.	ACT	NT	Total
Chair	1	–	–	–	–	–	–	–	1
Deputy Chair	–	1	–	–	–	–	–	–	1
Member	1	1	–	–	–	–	–	–	2
SES	11	27	–	1	–	–	–	–	39
ASIC Act employees	1	8	–	–	–	–	–	–	9
Exec 2	147	240	35	27	6	6	6	–	467
Exec 1	118	198	44	29	12	4	4	1	410
ASIC 4	121	121	38	22	13	3	1	–	319
ASIC 3	101	64	27	11	4	1	2	–	210
ASIC 2	145	12	11	2	3	1	–	–	174
ASIC 1	23	1	–	–	–	–	–	–	24
Total	669	673	155	92	38	15	13	1	1,656
Total %	40	41	9	6	2	<1	<1	<1	

Table 8.1.4 Combined totals for Commissioners, employees under ASIC Act and under *Public Service Act 1999*, by gender, 2017–18

Role	Ongoing				Non-ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Female	Male	Female	Male	Female	Male	Female	Male	
Appointee	–	–	–	–	1	3	–	–	4
Chair	–	–	–	–	–	1	–	–	1
Deputy Chair	–	–	–	–	–	1	–	–	1
Member	–	–	–	–	1	1	–	–	2
ASIC Act employees	1	1	1	–	7	13	2	1	26
SES	–	–	–	–	6	9	1	1	17
Other ASIC Act employees	1	1	1	–	1	4	1	–	9

Role	Ongoing				Non-ongoing				Total
	Full-time		Part-time		Full-time		Part-time		
	Female	Male	Female	Male	Female	Male	Female	Male	
Public Service Act employees	578	628	205	25	91	72	20	7	1,626
SES	6	10	4	1	1	0	0	0	22
Exec 2	139	220	64	12	10	19	2	1	467
Exec 1	119	185	57	6	20	18	4	1	410
ASIC 4	150	105	27	1	21	13	2	–	319
ASIC 3	76	78	19	–	20	13	2	2	210
ASIC 2	83	29	30	3	13	8	5	3	174
ASIC 1	5	1	4	2	6	1	5	–	24
Total	579	629	206	25	99	88	22	8	1,656
Total %	35	38	12	1	6	5	1	<1	

Table 8.1.5 shows how our regulatory staff resources are deployed, breaking down staff numbers according to the number of full-time equivalent (FTE) staff per regulatory team.

Table 8.1.5 Full-time equivalent staff for each ASIC regulatory team, 2017–18

Team	Total net FTE
Investors and Financial Consumers	
Assessment and intelligence	150
Deposit takers, credit and insurers	81
Financial advisers	47
Financial capability	32
Financial services enforcement	77
Investment managers and superannuation	52
Markets	
Corporations	42
Market infrastructure	29
Financial reporting and audit	28
Insolvency practitioners	23
Market enforcement	44

Team	Total net FTE
Corporations and corporate governance enforcement	34
Enforcement Western Australia	35
Market supervision	80
Registry	184
Total	938

Note: The figures in the above table are indicative only and do not include an additional 91 FTE staff employed to work on Enforcement Special Account matters and an additional 80 FTE staff providing enforcement support services and legal counsel.

The majority of our staff are employed under the ASIC Enterprise Agreement 2016–19, which is ongoing. Table 8.1.6 shows the industrial arrangements for all ASIC staff. Table 8.1.7 shows the salary ranges per annum for ASIC staff.

We continue to provide our staff with the opportunity to receive an annual performance bonus. Table 8.1.8 shows the performance payments we made in 2017–18.

Table 8.1.6 Industrial arrangements for ASIC staff as at 30 June 2018¹

Classification	ASIC Act s120(3)	AWA ²	EA ³	Total
ASIC 1	–	–	29	29
ASIC 2	–	–	192	192
ASIC 3	–	–	220	220
ASIC 4	–	–	335	335
Exec 1	–	–	483	483
Exec 2	–	–	556	556
SES	16	15	9	40
ASIC Act	9	–	–	9
Total	25	15	1,824	1,864

1 The number of industrial arrangements for ASIC staff is calculated based on total headcount as at 30 June 2018, rather than FTE. This is because each industrial instrument belongs to an individual, regardless of their work pattern, and our obligations against those instruments relate to a number of staff, not FTE.

2 Australian Workplace Agreement.

3 Enterprise Agreement.

Table 8.1.7 Salary ranges per annum

Classification	Minimum per annum (\$)	Maximum per annum (\$)
ASIC 1	44,122	49,740
ASIC 2	51,313	62,619
ASIC 3	65,406	76,473
ASIC 4	78,265	90,372
Exec 1	102,566	121,012
Exec 2	116,189	166,066
SES	188,662	312,356

Table 8.1.8 Performance payments, by classification, 2017–18¹

Classification	No. of recipients	Aggregate (\$)	Minimum (\$)	Maximum (\$)	Average (\$)
ASIC 4	284	1,010,153	358	12,532	3,557
Exec 1	444	2,481,396	365	15,096	5,589
Exec 2	550	4,726,562	384	24,523	8,594
SES	41	756,043	5,151	33,024	18,440
Total	1,319	8,974,154			

¹ Includes payments for the 2016–17 performance year which were paid in 2017–18, plus any pro-rata payments for the 2017–18 performance year for staff who left ASIC in 2017–18.

8.2 Appendices relating to assessments

Assessing misconduct and other reports

Misconduct reports from the public

We record and assess every report of alleged misconduct that we receive and use this information to identify and respond to misconduct.

As part of our Regulatory Transformation program, we have moved the processing of reports of misconduct to a new platform. This allows for more detailed reporting of the issues being raised. In the past, we only reported on the main issue being raised.

However, our new, more comprehensive reporting allows us to record multiple issues (e.g. not only a financial services issue but also a secondary issue about corporate governance). Table 8.2.1 below shows the breakdown by issue and is not directly comparable with previous years.

In 2017–18, we dealt with 9,567 reports of alleged misconduct. Table 8.2.2 below shows the outcome of the misconduct reports received by ASIC during the financial year.

Table 8.2.1 Misconduct issues, by category, 2017–18

Category	Percentage
Corporations and corporate governance	
Governance issues	10%
Failure to provide books and records or a report as to affairs to an insolvency practitioner	6%
Fraud allegations	5%
Insolvency practitioner misconduct	5%
Insolvency matters	4%
Other (e.g. shareholder issues, reporting issues)	12%
Subtotal	42%
Financial services and retail investors	
Credit issues	12%
Operating an unregistered managed investment scheme or providing financial services without an AFS licence	7%
General licence obligations	6%
Other (e.g. insurance, advice, misleading or deceptive conduct, unconscionable conduct)	11%
Subtotal	36%

Category	Percentage
Market integrity – including insider trading, continuous disclosure, misleading statements and market manipulation	8%
Registry integrity – including incorrect address recorded on ASIC's register, lodging false documents with ASIC and issues with business names	6%
Issues out of ASIC's jurisdiction	7%
Total	100%

Table 8.2.2 Misconduct reports, by outcome, 2017–18

Misconduct reports	Number
Total misconduct reports finalised¹	9,567
Outcome	Percentage
Referred for action by ASIC²	21%³
Resolved⁴	12%
Compliance achieved	4%
Warning letter issued	4%
Referred for internal or external dispute resolution	3%
Assistance provided	1%
More appropriate agency	< 0.5%
Analysed and assessed for no further action⁵	53%
Insufficient evidence	37%
No action	16%
No jurisdiction⁶	10%
No breach or offences	4%
Total	100%

1 Where ASIC receives reports about the same entity and issue, we merge these matters.

2 The matters ASIC takes into account when deciding whether or not to commence a formal investigation are set out in more detail in Information Sheet 151 *ASIC's approach to enforcement*.

3 This category has previously been split into two: referred for compliance, surveillance or investigation; and to assist existing investigation or surveillance. These are no longer separated under our Regulatory Transformation program.

4 This can involve referral to an EDR scheme, ASIC issuing a warning letter to the party that may be in breach of the Corporations Act, ASIC providing assistance to the reporter in the form of guidance and information about how best to resolve the matter themselves, or ASIC taking action to achieve compliance.

5 Preliminary inquiries made and information provided analysed and assessed for no further action by ASIC due to insufficient evidence or other reason – for example, because another agency or law enforcement body or third party (e.g. liquidator) is better placed to appropriately deal with the underlying issues or is already taking action.

6 Where relevant, ASIC directs reporters to the appropriate agency or solution.

Breach reports from licensees and auditors

The Corporations Act requires AFS licensees to tell us in writing within 10 business days about any significant breach (or likely breach) of their obligations. We also receive breach reports from auditors who have reasonable grounds to suspect a breach of the Corporations Act by the company, managed investment scheme or AFS licensee they are appointed to audit.¹

Table 8.2.3 provides a breakdown of the breach reports we assessed in 2017–18 by type and outcome.

Table 8.2.3 Breach reports, by type and outcome, 2017–18

Breach	
Type	Number
Auditor breach reports	491
Breach reports about AFS licensees and managed investment schemes	1,394
Total breach reports finalised	1,885
Outcome	Percentage
Referred for action by ASIC	38%
Referred for compliance, investigation or surveillance	33%
Assist existing investigation or surveillance	5%
Analysed and assessed for no further action	62%
No further action	61%
No offence identified	1%
Total	100%

¹ For more information about the matters that require an auditor to report a breach of the law to ASIC, see sections 311, 601HG and 990K of the Corporations Act.

Statutory reports from liquidators, administrators and receivers

The Corporations Act requires liquidators, administrators and receivers (i.e. external administrators) to report to ASIC if they suspect that company officers are guilty of an offence. Liquidators must also report if the return to unsecured creditors may be less than 50 cents in the dollar.

Table 8.2.4 provides details of the statutory reports we assessed in 2017–18 by type and outcome.

Table 8.2.4 Statutory reports from liquidators, administrators and receivers, 2017–18

Statutory reports	
Type	Number
Initial reports from liquidators, administrators and receivers	8,823
Reports alleging misconduct	6,840
Reports not alleging misconduct	1,983
Supplementary reports alleging misconduct	931
Total statutory reports finalised (initial + supplementary)	9,754
Outcome	Percentage
Initial report analysed and assessed, no further information required ¹	87%
Supplementary reports requested	13%
Referred for compliance, investigation or surveillance	12%
Assisted existing investigation or surveillance	1%
Total	100%

¹ There was insufficient evidence to warrant commencing a formal investigation in more than one-quarter of the cases where a supplementary report was requested and subsequently it was determined that no further information was required. We retain these reports for intelligence purposes for possible future use. We requested a further report from the external administrator in more than one-fifth of these cases.

ASIC's use of significant compulsory information-gathering powers

Since 2010–11, ASIC has reported the use of significant compulsory information-gathering powers under statute. This appendix discloses data by number of instances in 2017–18, with comparative data for 2016–17.

Table 8.2.5 Use of significant compulsory information-gathering powers

Use of significant compulsory information-gathering powers		Number of notices 2017–18	Number of notices 2016–17
Appear for examination			
ASIC Act, s19 ¹	Requirement to appear for examination	650	722
ASIC Act, s58	Power to summons a witness and take evidence	0	0
National Credit Act, s253 ¹	Requirement to provide reasonable assistance	50	38
Give reasonable assistance			
Corporations Act, s1317R	Power to require assistance in prosecutions	25 ²	452
ASIC Act, s49(3)	Power to require reasonable assistance in prosecutions	24	17
National Credit Act, s51	Requirement to provide reasonable assistance	0	0
Corporations Act, s601FF	Power to conduct surveillance / monitor managed investment scheme	0	0
National Credit Act, s274(4)	Requirement to provide reasonable assistance	0	0
Corporations Act, s912E	Power to require assistance and disclosure of books and information from an AFS licensee	412	352
Produce documents			
National Credit Act, s266	Requirement to produce books (credit activities)	123	74
National Credit Act, s267	Requirement to produce books	114	67
ASIC Act, s30	Notice to produce books about affairs of body corporate or registered scheme	1,014	1,261
ASIC Act, s31	Notice to produce books about financial products	74	87
ASIC Act, s32A	Notice to produce books about financial services	7	0
ASIC Act, s33	Notice to produce books in person's possession	1,470	1,684

¹ These notices may include directions to provide reasonable assistance or produce documents.

² The number of Corporations Act s1317R notices issued in 2017–18 returned to normal levels following a spike in 2016–17 due to some specific ASIC surveillance projects, such as the bank bill swap rate investigation.

Use of significant compulsory information-gathering powers		Number of notices 2017–18	Number of notices 2016–17
Provide access			
ASIC Act, s29	Power to inspect books	0	0
Corporations Act, s821D	Power to require access to a CS facility	0	0
Provide information			
ASIC Act, s12GY(2)	ASIC to require claims to be substantiated	0	0
ASIC Act, s37(9)(a)	Power requiring explanation of books	0	1
Corporations Act, s601HD	Power to request information about compliance plan of a registered scheme	0	0
National Credit Act, s49(1)	Requirement to provide information (statement)	138	75
Corporations Act, s912C	Power to require information from an AFS licensee	640	652
National Credit Act, Item 17 Sch 2	Power to require information (obtain statement or audit report)	0	0
Corporations Act, s672A	Power to require disclosure of relevant interests	45	17
Corporations Act, s672B	Power to require disclosure of relevant interests	0	0
National Credit Act, s37(4)	Power to request information or audit report from licence applicant	0	0
Corporations Act, s792D	Power to require reasonable assistance from a market licensee	13	41
Provide information and produce books			
ASIC Act, s30A	Notice to auditors requiring information or books	43	53
ASIC Act, s30B	Notice to registered liquidators requiring information or books	3	0
Search warrants			
<i>Crimes Act 1914</i> , s3E	Warrants to search premises/conveyance or person	55 ³	51
ASIC Act, s36	Warrant to search premises	0	1

3 Of the 55 warrants issued (for seven individual investigations) in 2017–18, 38 were executed.

Table 8.2.6 Use of other powers

Use of other powers		Number of notices 2017–18	Number of notices 2016–17
Obligations of carriers and carriage service providers			
<i>Telecommunications Act 1997, s313</i>	Request for help as is reasonably necessary for enforcing the criminal law and laws imposing pecuniary penalties	0	0
Provide documents, information or evidence			
<i>Mutual Assistance in Business Regulation Act 1992, s10(2)</i>	Requirement to produce documents, to give information or to appear to give evidence and produce documents	31	33

Licensing and professional registration activities

ASIC assesses applications for AFS licences and credit licences. We also maintain a number of professional registers for registered companies and auditors.

Table 8.2.7 provides a breakdown of the type and number of applications we assessed in 2017–18 compared with 2016–17.

Table 8.2.7 ASIC's licensing and professional registration activities

Outcome (by licence type)	2017–18	2016–17
AFS licences, including limited AFS licences (new and variations)		
Approved	758	1,159
Refused/Withdrawn	410	421
Cancelled/Suspended	204	228
In progress	561	534
Australian credit licences (new and variations)		
Approved	430	406
Refused/Withdrawn	188	243
Cancelled/Suspended	331	413
In progress	204	251

Outcome (by licence type)	2017–18	2016–17
Registered auditors – registered company auditors, authorised audit company and SMSF auditors		
Approved	195	178
Refused/Withdrawn	95	100
Cancelled/Suspended	632	626
In progress	39	31

The decrease in the number of AFS licence applications finalised in 2017–18 is mainly a follow-on effect from the large number of limited AFS licence applications received at the end of 2015–16 that remained on hand at the start of 2016–17 and were finalised in that year. There was no similar pool of applications on hand at the start of 2017–18.

Reports required under statute and other reporting requirements

ASIC Act

As required by the ASIC Act, s136(1)(a), in 2017–18, ASIC reports that we issued one legislative instrument under Part 29 of the SIS Act amending the existing instrument, the *ASIC Superannuation (RSE Websites) Instrument 2017/570*. We did not exercise our powers under Part 15 of the *Retirement Savings Account Act 1997*.

As required under s136(1)(c), ASIC reports that during 2017–18 we conducted three joint inspections with the US Public Company Accounting Oversight Board under the terms of an agreement between the two organisations, although only one involved a joint audit engagement file review. We did not conduct any joint inspections with the Canadian Public Accountability Board or the Luxembourg Commission de Surveillance du Secteur Financier or share any information with them under the relevant provisions of the ASIC Act during 2017–18.

Commonwealth fraud control guidelines

ASIC has a fraud control policy and plan in place, which is reviewed every two years and approved by the Operational Risk Committee. We have appropriate fraud prevention, detection, investigation and reporting mechanisms in place.

We have taken all reasonable measures to deal appropriately with fraud.

External scrutiny of agency

Judicial decisions and decisions of administrative tribunals

There were no judicial decisions, administrative tribunal decisions or decisions by the Australian Information Commissioner in 2017–18 that have had, or may have, a significant impact on ASIC's operations. ***For information about the assistance we have provided to the Royal Commission, see Section 1.5.***

Reports by Parliamentary Joint Committees

In 2017–18, ASIC contributed to the following responses and reports produced by the Parliamentary Joint Committee on Corporations and Financial Services:

- › Government response: Inquiry into proposals to lift the professional, ethical and education standards in the financial services industry, December 2014 (tabled 8 August 2017)
- › Whistleblower protections in the corporate, public and not-for-profit sectors (tabled 13 September 2017)

- › Inquiry into the life insurance industry (tabled 27 March 2018)
- › The Parliamentary Joint Committee on Corporations and Financial Services examined ASIC's 2016–17 Annual Report and considered that ASIC met its reporting requirements
- › ASIC also contributed to Report 469: *Commonwealth Performance Framework* (tabled December 2017), by the Parliamentary Joint Committee of Public Accounts and Audit.

Senate Standing Committees

During 2017–18, ASIC testified before the Senate Economics Committees numerous times and provided answers to Questions on Notice.

ASIC was involved in the following three reports finalised by the Senate Economics Committees:

- › *Australia's general insurance industry: Sapping consumers of the will to compare* (tabled 10 August 2017)
- › *Foreign bribery* (tabled 23 March 2018)
- › Corporate tax avoidance report – *Part III: Much heat, little light so far* (tabled 30 May 2018).

ASIC also contributed to the following reports:

- › *Future of rugby union in Australia* (tabled 15 November 2017) by the Senate Standing Committees on Community Affairs
- › *Select Committee on Lending to Primary Production Customers* (tabled 6 December 2017).

House of Representatives Standing Committees

ASIC appeared before the Standing Committee on Economics to discuss the *Review of the Four Major Banks (Third Report)* (tabled 7 December 2017).

Other reports

This financial year, there were no:

- › statements of significant issues reported to the Minister relating to ASIC's non-compliance with finance law
- › reports issued by the Auditor-General relating to the financial statements of Australian Government entities
- › reports issued by the Commonwealth Ombudsman relating to the operation of ASIC
- › capability reviews on ASIC.

Freedom of Information Act 1982

Members of the public have the right to apply to ASIC for access to documents in ASIC's possession under the *Freedom of Information Act 1982* (FOI Act).

Applications must be in writing, state that they are made under the FOI Act, provide information to identify the documents requested and provide details of where notices under the FOI Act can be sent to the applicant.

Requests by email should be sent to:

FOIrequest@asic.gov.au

You may lodge a mail request to:

The Senior Manager
Administrative Law Team
GPO Box 9827
Melbourne VIC 3001

For further information on how to apply, visit our website.

Categories of documents in ASIC's possession include, for operational matters:

- › licence and professional registration applications
- › applications from businesses, correspondence, internal working papers, policy proposals and submissions
- › administrative, civil and criminal enforcement matters, including documents obtained under ASIC's compulsory powers.

For other matters, categories of documents include:

- › law reform, including submissions and proposal papers
- › correspondence with members of the public, government entities, parliamentary committees, business entities and other bodies
- › administration, including accommodation, accounts, expenditure, invoices, audit, human resources, recruitment and staff management, delegation and authorisation
- › reference materials, including those contained in the library, handbooks, guidelines, manuals, regulatory documents, media releases, information releases, pamphlets and annual reports
- › other documents held as public information (in the ASCOT database).

Members of the public can inspect ASIC regulatory documents, information brochures, media releases, reports, legislative instruments and other regulatory publications on our website.

ASIC Digest, which includes ASIC regulatory documents and additional information, is published by Thomson Reuters under the terms of an agreement with ASIC.

ASIC Digest is available by subscription from Thomson Reuters (telephone 1300 304 197).

Information from ASIC's registers and databases that is available to the public for the payment of a fee cannot be obtained under the FOI Act.

Agencies subject to the FOI Act are required to publish information for the public as part of the Information Publication Scheme (IPS). This requirement is in Part 2 of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report.

ASIC's Information Publication Scheme Plan, showing what information is published in accordance with the IPS requirements, is available on our website.

Grants programs

The Assetless Administration Fund (AA Fund) is a grant scheme established by the Australian Government and administered by ASIC.

The scheme may fund liquidators for:

- › preliminary investigations and reports into the failure of companies that have few or no assets, where it appears that enforcement action may result from the investigations and reports
- › the winding-up of companies under Part 5.4C of the Corporations Act
- › actions to recover assets where fraudulent or unlawful phoenix activity is suspected.

The funding allocation for 2017–18 was \$3.583 million. ASIC paid and committed the total allocation to liquidators in 2017–18.

In 2017–18, under the grant scheme, ASIC received:

- › 587 banning (EX02) applications – a 5% increase on applications received in 2016–17
- › 197 'Matters other than s206F – Director banning' (EX03) applications – a 10% increase on applications received in 2016–17
- › 14 winding-up activities – a 57% increase on winding-up activities in 2016–17
- › 0 actions for a liquidator to recover assets.

In total, ASIC received 784 applications for funding in 2017–18 – the highest number of applications ever received.

Reports funded by the AA Fund assisted in approximately 93% of the 45 director bannings.

Information on grants by ASIC under the AA Fund during 2017–18 is available on www.asic.gov.au.

8.3 Appendices relating to statements required by law

Portfolio budget statement outcomes

Table 8.3.1 Agency resource statement, 2017–18

		Actual available appropriation for 2017–18 \$'000s	Cash payments made ¹ 2017–18 \$'000s	Balance remaining 2017–18 \$'000s
Ordinary annual services²				
Departmental				
Departmental appropriation ³		546,650	382,501	164,149
Administered expenses				
Outcome 1 – Administration fund		7,302	5,439	N/A
Total ordinary annual services	A	553,952	387,940	N/A
Other services				
Departmental non-operating				
Equity injections ⁴		36,016	27,777	8,239
Total other services	B	36,016	27,777	8,239
Total available appropriations (A+B)		589,968	415,717	N/A
Special appropriations limited by criteria/amount				
Banking Act 1959		N/A	28,109	N/A
Life Insurance Act 1995		N/A	3,609	N/A
Total special appropriations	C	N/A	31,718	N/A
Total appropriations excluding special accounts (A+B+C)		589,968	447,435	N/A

1 Does not include GST.

2 Appropriation Bill (No. 1) 2017–18, Appropriation Bill (No. 3) 2017–18, prior year departmental appropriation and section 74 relevant agency receipts.

3 Includes \$20.868 million for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No. 2) 2017–18.

		Actual available appropriation for 2017–18 \$'000s	Cash payments made ¹ 2017–18 \$'000s	Balance remaining 2017–18 \$'000s
Special Account⁵				
Opening balance		33,064	N/A	N/A
Appropriation receipts		26,279	N/A	N/A
Costs recovered		29,355	N/A	N/A
Payments made		N/A	29,563	N/A
Total Special Account	D	88,698	29,563	N/A
Total resourcing (A+B+C+D)		678,666	476,998	N/A
Less appropriations drawn from annual appropriations above and credited to special accounts		(26,279)	–	N/A
Total net resourcing for ASIC		652,387	476,998	N/A

5 Does not include Special Public Money.

Table 8.3.2 Expenses by outcome

		Budget ¹ 2017–18 (1) \$'000s	Actual expenses 2017–18 (2) \$'000s	Variance column (1) minus column (2) \$'000s
Outcome 1: Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems				
A	Administered expenses funded by administered appropriations	7,302	4,099	3,203
B	Departmental expenses funded by departmental appropriations and own-source revenue	377,740	401,110	(23,370)
Total for Outcome 1 (A + B)		385,042	405,209	(20,167)
	Average FTE ²	1,698	1,656	42

1 Based on the 2017–18 forecast as set out in ASIC's 2017–18 Portfolio Budget Statements.

2 2017–18 Portfolio Budget Statements quoted the average staffing level which is different from FTE. The average staffing level includes employees working on capital projects while the FTE excludes employees working on capital projects.

Managing property vested in ASIC or the Commonwealth

ASIC administers the property of deregistered companies. This property remains vested in ASIC or, in the case of trust property, the Commonwealth until it is lawfully dealt with or evidence is provided that the property no longer vests in ASIC or the Commonwealth for some other reason.

ASIC accounts for any proceeds on realisation of property vested in it by transferring such proceeds, less the expenses incurred in dealing with the property, into the Official Public Account in accordance with our statutory duties. The proceeds will be treated like any other unclaimed money for which ASIC is responsible.

The number of new matters received in 2017–18 increased to 1,417. The number of matters finalised increased to 1,425. Table 8.3.3 below shows vested properties of deregistered companies by number of cases.

Assets of deregistered companies vesting in ASIC or the Commonwealth

Section 601AD of the Corporations Act provides that, when a company is deregistered, all of its property vests in ASIC or, in the case of trust property, the Commonwealth. We account for any proceeds on realisation of those assets in accordance with our statutory duties.

We generally only deal with vested property once an application is made by a third party for us to exercise powers under s601AE or s601AF of the Corporations Act. We do not consider it practical to value any identified vested property and, consequently, such property is not recorded or disclosed in these financial statements.

Table 8.3.3 Vested properties of deregistered companies (by number of cases)

Claims by type	2017–18	2016–17
Total new matters	1,417	1,244
Total finalised matters	1,425	1,254
Property disposals		
Transferred	82	114
Sold	6	5
No longer vested ¹	693	653
Other ²	47	47
Total property disposals	828	819

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.

Environmental performance

This section describes ASIC’s environmental performance in accordance with Government policy. In 2017–18, we continued to mitigate our impact on the environment through the initiatives discussed below.

Energy efficiency

Our total electricity consumption has reduced by 35.5% since 2010–11.

We minimise our consumption of office energy with initiatives including LED lighting, motion sensor-controlled lighting and use of power saving mode for ICT equipment.



Table 8.3.4 Consumption of office energy

Indicator	2017–18	2016–17
Light and power – ASIC tenancies (Kwh)	2,895,023	2,851,041
MJ per person	5,347	5,096
Light and power – ASIC computer centres (kWh)	852,217	906,496
MJ per m ²	6,586	7,006
Greenhouse gas emissions (tonnes CO ₂ -e) – attributed to all light and power	3,731	3,756

Note: Energy consumption includes sub-tenanted areas that are not separately metered.

Waste reduction

Our digitisation strategies include using online legislation and electronic working methods to review lengthy reports and papers online rather than in printed form. Default duplex settings on printers and automatic overnight job purging further reduce our use of copy paper.



Table 8.3.5 Waste reduction

Indicator	2017–18	2016–17
Office paper purchased by FTE (A4 reams/FTE)	7	9
Percentage of office paper purchased with recycled content	98	99.8
Toner cartridges recycled (kgs)	452	572
IT equipment recycled or re-used (tonnes)	6.8	1.5

Since 2014–15, we have reduced our consumption of office paper purchased by FTE by 42%.

Travel

ASIC employees are authorised to travel only when there is a demonstrated business need and when alternative communication tools, such as telephone and video conferencing, are not appropriate. This year there were more than 25,000 video connections, both intra-office and office to external locations.

Table 8.3.6 Type and amount of travel undertaken by staff

Indicator	2017–18	2016–17
Ground travel¹		
Total number of fleet vehicles	5	8
Total distance travelled by fleet vehicles (kms)	62,351	100,033
Average fuel consumption of fleet vehicles (litres/100 kms)	8.23	7.68
Total direct greenhouse emissions of fleet (tonnes CO ₂ – e)	12.10	19.32
Total distance travelled using GoGet carshare (kms)	4,644	2,735
Air travel		
Total distance of air flights (kms)	11,278,871	11,608,206
Alternative meeting communications		
Total number of video conferencing calls	7,741	7,549

1 The fleet data is for the period 1 April to 31 March each year.

Property

ASIC continues to reduce its environmental footprint, including with the implementation of Activity Based Working which has enabled us, in 2017–18, to increase the number of staff located in our Sydney and Melbourne offices by 15% without increasing the space footprint.

Information and engagement

We continued to provide information to staff on our intranet and at induction on sustainable initiatives. Staff are also provided with our biannual performance reporting and participate in environmental activities such as Earth Hour.

Consultancies and expenditure on advertising

Commonwealth Electoral Act 1918

Section 311A of the *Commonwealth Electoral Act 1918* requires agencies to report expenditure on services provided by advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

Sums less than \$13,200 are not required to be reported. All sums are GST inclusive and are actual expenditures for 2017–18.

During 2017–18, ASIC conducted the advertising campaigns set out in Table 8.3.7 below.

Further information on ASIC's advertising campaigns is available on our website. Information on advertising campaign expenditure greater than \$250,000 is available in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available at www.finance.gov.au.

Table 8.3.7 Expenditure on advertising agency services, 2017–18

Agency	Expenditure (\$)	Purpose
Dentsu Mitchell Media Australia	13,986	GradConnections online service for 2019 graduate recruitment
Dentsu Mitchell Media Australia	55,268	LinkedIn Package 2018
Dentsu Mitchell Media Australia	18,947	Advertising on Seek recruitment website
Australian Public Service Commission	29,039	Advertising of jobs in the APS Gazette
Total	117,240	

Table 8.3.8 Expenditure on services by market research, polling, direct mail and media advertising organisations, 2017–18¹

Agency	Expenditure (\$)	Purpose
Telstra Corporation Limited	32,077	Sensis White Pages advertising
Trivium Research Pty Ltd	33,900	Qualitative research – seniors supporters and retirees
Plan for Life	71,500	Market research, Direct Life project
Les Bell and Associates Pty Ltd	79,891	Consumer research, Direct Life project
A.C.N. 613 066 541 Pty Ltd (trading as Behavioural Insights (Australia))	28,325	Research and design survey
Whereto Research Based Consulting Pty Ltd	139,500	Provision of qualitative and quantitative market research services
Hall and Partners Pty Ltd	65,780	Buy now and pay later consumer research
Ebiquity Pty Ltd	17,820	Ebiquity Portfolio Digital Advertising Agreement 2018–19
Trivium Research Pty Ltd	27,500	Vision and naming research
Designate Group Pty Ltd	493,350	Branding services for ASIC's MoneySmart
Total	989,643	

¹ We have listed market research organisations that are recognised by the Australian Market & Social Research Society and the Association of Market and Social Research Organisations.

Procurement

Managing procurement

ASIC's use of Commonwealth resources and expenditure of public money is primarily governed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). Responsibility for compliance with the Commonwealth Procurement Rules (CPRs) lies with the appropriate financial delegates.

The delegates are supported by a central procurement team of qualified procurement officers who:

- › develop and maintain our procurement processes and systems to promote compliance with the PGPA Act, the PGPA Rule and the CPRs for all levels of procurement
- › manage complex and high-risk procurement activities, including procurements that are subject to the mandatory procurement procedures of the CPRs.

Our procurement framework aims to facilitate compliance with the core principles and policies of the CPRs, including 'value for money', 'encouraging competition', 'efficient, effective, ethical and economical use of resources' and 'accountability and transparency'.

We undertake regular audits of procurement and any instances of non-compliance are reported through the compliance report and addressed as required through process improvement initiatives.

All major contracts entered into in 2017–18 contained provisions, as required, allowing the Auditor-General access to information held by contractors relating to contract performance.

Using AusTender

ASIC advertises all open tender opportunities through the AusTender website, www.tenders.gov.au.

During 2017–18, ASIC did not implement any standing offer arrangements (procurement panels) and awarded 795 procurement activities (each valued at \$10,000 or more reported on AusTender) for a total value of \$112.270 million. Of these procurements, 243 were valued in excess of \$80,000 for a total value of \$91.868 million.

Contracts of \$100,000 or more were reported on AusTender in accordance with the Senate order on departmental and agency contracts. Information on contracts and consultancies awarded by ASIC is also available on the AusTender website. Our annual procurement plan was published on AusTender by 1 July 2018 and was updated as required during the year.

No contracts were exempt from the contract reporting requirements.

Consultancy contracts

During 2017–18, ASIC entered into 43 new consultancy contracts, involving total actual expenditure of around \$4.697 million. In addition, 22 ongoing consultancy contracts were active during the year, involving total actual expenditure of \$3.2 million.

Table 8.3.9 Consultancy trend data

Business data	2017–18	2016–17	2015–16	2014–15
Number of new consultancies	43	64	58	63
Expenditure on new consultancies (\$ millions)	4.697	4.173	4.017	2.354
Number of ongoing consultancies	22	23	27	23
Expenditure on ongoing consultancies (\$ millions)	3.200	1.920	2.382	1.313

Note: The above figures are GST inclusive and include all consultancies valued over \$10,000 as indicated on AusTender. The figures differ from the consultancy expenditures shown in the financial statements, which are the value of all consulting costs exclusive of GST. Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website, www.tenders.gov.au.

Policy on selection and engagement of consultants

ASIC's consultancy budget is managed centrally, and business units seeking to engage consultants must prepare a business case seeking funding. Requests to engage consultants must be linked to outcomes in business plans and contribute to ASIC's objectives. Once the engagement of a consultant is approved, the procurement method used will be in accordance with the CPRs and ASIC's procurement policies.

Of the 43 consultants that ASIC engaged during 2017–18:

- › 29 were for specialised or professional skills
- › 2 were for skills not currently available within ASIC
- › 12 were for independent research or assessment.

The method of procurement used was open tender for 20 engagements (including engagements from panels), limited tender for 23 engagements and no pre-qualified tender engagements.

The consultants were engaged for the following main service categories:

- › business intelligence consulting services
- › information technology consulting services
- › market research
- › education and training services
- › strategic planning consultation services.

Procurement initiatives to support small business

ASIC supports small business participation in the Australian Government procurement market. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website, www.finance.gov.au.

ASIC recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on Treasury's website, www.treasury.gov.au.

ASIC's procurement practices support small businesses by:

- › encouraging the use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000, where applicable
- › presenting information in an accessible format.

8.4 Five-year summary of key stakeholder data

Table 8.4.1 Five-year summary of key stakeholder data, 2013–2018

Business data	2017–18	2016–17	2015–16	2014–15	2013–14
Companies (total)	2.6m	2.5m	2.4m	2.2m	2.1m
New companies registered	244,510	249,394	246,051	235,182	212,573
AFS licensees	6,170	6,058	5,511	5,198	5,101
Authorised market infrastructure providers ¹	65 ¹	67 ¹	52	50	50
Registered company auditors	4,226	4,365	4,483	4,596	4,729
Registered liquidators	663	713	707	711	696
Registered managed investment schemes	3,726	3,632	3,619	3,642	3,673
Credit licensees	5,503	5,576	5,726	5,779	5,837
Fundraising documents lodged	898	1,017	891	1,078	1,095
Takeover bids monitored	36	41	40	43	59
Fundraising where ASIC required additional disclosure	\$3.5bn	\$7.2bn	\$6.4bn	\$9.4bn	\$6.7bn
Recoveries, costs, compensation fines or assets frozen	\$437.8m	\$849.7m ⁴	\$217.4m	\$61.1m	\$214.6m
% successful criminal and civil litigations ²	99%	90%	96%	85%	90%
Criminal and civil litigation and administrative actions concluded ³	138	220	181	167	149
Criminals imprisoned	6	13	13	12	14

1 We changed the methodology for reporting the number of authorised market infrastructure providers in 2016–17. This figure now includes exempt financial markets, licensed clearing and settlement (CS) facilities, exempt CS facilities, licensed trade repositories and credit rating agencies in addition to domestic and overseas financial markets.

2 Excludes administrative actions and summary prosecutions for strict liability offences.

3 Excludes summary prosecutions for strict liability offences.

4 In 2016–17, the Queensland Supreme Court imposed financial penalties on four former officers and the fund manager of MFS Investment Management Ltd. The court also ordered that the four former officers pay various amounts in compensation to Premium Income Fund, ranging from \$28,738,517 to \$205,755,601. On 23 June 2017, all the defendants appealed the decision and the compensation remains unpaid. One of the former officers (Anderson) discontinued his appeal on 29 September 2017 and paid the \$500,000 he was ordered to pay by way of pecuniary penalty. The remaining appeals were heard by the Queensland Court of Appeal between 4 and 18 June 2018. The court's decision has been reserved.

Business data	2017–18	2016–17	2015–16	2014–15	2013–14
Reports of crime or misconduct finalised	9,567	9,011	9,751	9,669	10,530
Total searches of ASIC databases	122.5m	90.6m	90.7m	86.2m	76.2m
Business names (total)	2.2m	2.2m	2.1m	2.2m	1.9m
New business names registered	366,181	348,266	337,413	327,687	299,988
Registered SMSF auditors	6,039	6,339	6,671	6,669	7,073
% company data lodged on time	94.6%	94.6%	95%	96%	96%
Fees and charges collected for the Commonwealth	\$1,227m	\$920m	\$876m	\$824m	\$763m
Staff (average FTEs) ⁵	1,656 ⁶	1,640	1,627	1,609	1,773

5 Data rounded. This data excludes contractors and secondees from other agencies.

6 Plus 91 FTE staff working on Enforcement Special Account matters, and an additional 80 FTE providing enforcement support services and legal counsel.

