

# 7

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## 7.1 Appendices relating to ASIC's governance and operations

### Parliamentary oversight

#### Responsible Ministers

At 30 June 2022, the Minister responsible for ASIC was the Treasurer, the Hon. Jim Chalmers MP.

#### Parliamentary committees

ASIC is accountable to Parliament through the following Parliamentary committees:

- › Parliamentary Joint Committee on Corporations and Financial Services
- › Senate Standing Committee on Economics
- › House of Representatives Standing Committee on Economics
- › other parliamentary committees and inquiries as required.

#### Correspondence with members of Parliament

ASIC receives correspondence from members of Parliament both directly and indirectly through requests from Treasury.

We aim to respond to 100% of correspondence within 28 days of receipt. In 2021–22, we responded to 99 letters and emails from members of Parliament. We responded to 73% of this correspondence within 14 days and 94% within 28 days.

### Financial and operational oversight

ASIC is a non-corporate Commonwealth entity under the PGPA Act, which primarily governs our use and management of public resources.

The PGPA Act also requires ASIC to prepare a corporate plan covering our purpose, environment, performance, capability, and risk oversight and management for the budget forward estimates period.

ASIC's Corporate Plan for 2021–25 was published in August 2021.

The Auditor-General audits our annual financial statements on behalf of the Parliament.

### External scrutiny of our agency

#### Judicial decisions and decisions of administrative tribunals and the Office of the Australian Information Commissioner

There were no judicial decisions, administrative decisions, or decisions by the Office of the Australian Information Commissioner in 2021–22 that have had, or may have, a significant impact on ASIC's operations.

## Parliamentary Joint Committees

During 2021–22, ASIC testified before the following Parliamentary Joint Committees and provided answers to Questions on Notice:

- › Parliamentary Joint Committee on Corporations and Financial Services – Oversight of ASIC, the Takeovers Panel and the Corporations Legislation No.1 of the 46th Parliament
- › Parliamentary Joint Committee on the Australian Commission on Law Enforcement Integrity – Inquiry into the expansion of the Australian Commission on Law Enforcement Integrity’s jurisdiction and the corruption vulnerabilities of law enforcement agencies’ contracted services.

ASIC made submissions to the following Parliamentary Joint Committee inquiries:

- › Parliamentary Joint Standing Committee on Trade and Investment Growth – Inquiry into the prudential regulation of investment in Australia’s export industries
- › Parliamentary Joint Committee on the Australian Commission on Law Enforcement Integrity – Inquiry into the expansion of the Australian Commission on Law Enforcement Integrity’s jurisdiction and the corruption vulnerabilities of law enforcement agencies’ contracted services.

## Senate Committees

During 2021–22, ASIC testified before the following Senate Committees and provided answers to Questions on Notice:

- › Senate Economics Legislation Committee – Senate Estimates
- › Senate Economics Legislation Committee – Inquiry into the Financial Accountability Regime Bill 2021 [Provisions] and Financial Services Compensation Scheme of Last Resort Levy Bill 2021 [Provisions] and related Bills
- › Senate Select Committee on Australia as a Technology and Financial Centre – Inquiry into the Senate Select Committee on Australia as a Technology and Financial Centre’s third issues paper
- › Senate Economics Legislation Committee – Inquiry into Sterling Income Trust
- › Senate Economics Legislation Committee – Inquiry into the Financial Sector Reform (Hayne Royal Commission Response—Better Advice) Bill 2021 [Provisions].

ASIC made submissions to the following Senate Committee inquiries:

- › Senate Economics Legislation Committee – Inquiry into Sterling Income Trust
- › Senate Select Committee on Australia as a Technology and Financial Centre – Inquiry into the Senate Select Committee on Australia as a Technology and Financial Centre’s third issues paper
- › Senate Economics Legislation Committee – Inquiry into the Financial Sector Reform (Hayne Royal Commission Response—Better Advice) Bill 2021 [Provisions].

## House of Representatives Committees

During 2021–22, ASIC testified before the following House of Representatives Committees and provided answers to Questions on Notice:

- › House of Representatives Standing Committee on Economics – Review of Australian Securities and Investments Commission Annual Report 2020
- › House of Representatives Standing Committee on Indigenous Affairs – Inquiry into how the corporate sector establishes models of best practice to foster better engagement with Aboriginal and Torres Strait Islander consumers
- › House of Representatives Standing Committee on Economics – Inquiry into the implications of common ownership and capital concentration in Australia.

ASIC made a submission to the following House of Representatives Committee inquiry:

- › House of Representatives Standing Committee on Indigenous Affairs – Inquiry into how the corporate sector establishes models of best practice to foster better engagement with Aboriginal and Torres Strait Islander consumers.

## Corporate governance

### The role of the Chair and the Commission

In line with the PGPA Act, the Chair, as accountable authority, will govern ASIC in a way that is not inconsistent with the policies of the Australian Government.

Our Chair has sole executive management responsibility and relies on and uses our key senior executives to carry out day-to-day management activities and deal with operational issues. The Chair delegates functions where he considers this would benefit the executive management of ASIC.

The Commission acts as a strategic non-executive body, focusing on high-level regulatory and statutory decision making and stakeholder management. It provides support to the Chair on organisational oversight.

In 2021–22, ASIC continued to implement a program to improve our governance, structure and decision-making processes. As set out in Chapter 1, ASIC engaged PwC to review our infrastructure and assess how key aspects of our corporate support functions operate as part of our commitment to ensure efficient and effective regulation. We also confirmed the role of the COO and established an Executive Director Operations, as well as clearly communicating the split of accountabilities between the Accountable Authority, the Commission, and the Organisation.

The Commission utilises a number of committees to assist it with the effective and efficient performance of its regulatory and governance roles. Details of these committees are set out in Chapter 1.

Commission meetings take place weekly and may be convened more regularly as required. The Commission also meets as a team on a weekly basis to provide early direction or guidance on issues, or to consider urgent matters. Unscheduled Commission meetings are called to obtain Commission decisions on specific issues where required outside of the meeting timetable.

The Commission appoints and evaluates the performance of its Executive Directors and Senior Executive Leaders and approves budgets and business plans for each team.

Commissioners are appointed by the Governor-General, on the nomination of the Treasurer. The Treasurer may nominate only those people who are qualified by knowledge of, or experience in, business, the 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.

ASIC's Chief Legal Office, led by Chris Savundra, General Counsel, is the primary source of legal advice to the Commission, providing legal counsel on governance and on major regulatory and enforcement matters. Other independent legal and accounting experts also advise on specific matters. The Commission delegates various powers and functions to Executive Directors, Senior Executive Leaders, Regional Commissioners and employees 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 45 meetings in 2021–22. The Commission Enforcement Committee met 44 times, the Commission Regulatory Committee met 18 times, and the Commission Risk Committee met six times in 2021–22.

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

## Audit and Risk Committee and audit services

The Audit and Risk Committee operates independently of management in accordance with Terms of Reference approved by the accountable authority. The Committee provides independent assurance to the ASIC Chair on ASIC's financial and performance reporting responsibilities, risk oversight and management, and system of internal control.

ASIC's Audit and Risk Committee Terms of Reference, which are available on our website (**Audit and Risk Committee Terms of Reference**), sets out the Committee's role, authority, membership and functions, as well as its procedural, reporting and administrative arrangements.

The Committee met seven times during the year, with five regular and two special meetings. Details of the Audit and Risk Committee's membership in 2021–22 are set out in Table 7.1.1. The remuneration of Committee members is set out in Table 7.1.2.

**Table 7.1.1 Membership of the Audit and Risk Committee, 2021–22**

Member	Member experience	No. of regular meetings	No. of special meetings
Peter Achterstraat AM (Chair)	<p>Peter holds a Bachelor of Economics (Hons), a Bachelor of Laws, and a Bachelor of Commerce from the Australian National University and has been inducted into the ANU College of Business and Economics Hall of Fame. He has been awarded a Member of the Order of Australia for significant service to public administration through financial management and governance roles.</p> <p>Peter currently retains the following positions:</p> <ul style="list-style-type: none"> <li>› NSW Productivity Commissioner</li> <li>› Chairman, Bankstown Airport Limited</li> <li>› Chair, Sydney Financial Forum</li> <li>› Chair, Australian Taxation Office Audit and Risk Committee</li> <li>› Chair, Department of Agriculture, Water, Environment Portfolio Audit Committee.</li> </ul> <p>His former roles include NSW President of the Australian Institute of Company Directors, Adjunct Professor at the Graduate School of Government at the University of Sydney, Auditor-General of NSW and Chief Commissioner of State Revenue NSW.</p>	5	2

Member	Member experience	No. of regular meetings	No. of special meetings
Lisa Woolmer (Deputy Chair)	<p>Lisa holds a Bachelor of Economics and Postgraduate Diploma in Japanese Business Communication from Monash University, and a Postgraduate Diploma of Employment Relations from the University of Canberra. She is a member of both the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand.</p> <p>Lisa currently retains the following positions:</p> <ul style="list-style-type: none"> <li>› Independent Chair, Adult, Community and Further Education Board’s Audit and Risk Committee</li> <li>› Independent Chair, Glen Eira City Council Audit and Risk Committee</li> <li>› Independent Member, Whitehorse City Council Audit and Risk Committee</li> <li>› Independent Member, Orygen Audit and Risk Committee</li> <li>› Director, The Yarra Yarra Golf Club Ltd.</li> </ul> <p>Lisa’s former roles include Principal at PwC Melbourne, and Independent Chair of the Audit and Risk Committees for Comcare, Bayside City Council and Mornington Peninsula Shire.</p>	5	2
Timothy Montgomery (a)	<p>Timothy holds a Bachelor of Economics and a Bachelor Science (Hons) from the Australian National University, a Graduate Certificate in Management from the Australian Graduate School of Management, and a Graduate Certificate in Statistics from the University of Canberra.</p> <p>He has held senior ICT roles across Commonwealth agencies, including as Program Manager in the Technology and Security Division at the ABS, as well as senior ICT management consultant roles.</p>	3	2

Member	Member experience	No. of regular meetings	No. of special meetings
Jon Webster AM (b)	<p>Jon holds a Bachelor of Commerce, Bachelor of Law (Hons) and Master of Laws from the University of Melbourne, where he was also a Senior Fellow of the Law School for more than 20 years.</p> <p>His former roles include Partner at Allens, practising in the area of mergers and acquisitions, Chairman of the Corporations Committee of the Law Council of Australia, Director of the Human Rights Law Centre, member of ASX's Listings Advisory Panel and of the Australian Government's Consultative Group to the Corporations Law Simplification Task Force, and Chairman of the Audit Committee of the Northern Land Council.</p> <p>Jon is an independent non-executive Director and member of the Audit Committee for AMCIL Limited, a Trustee of the R E Ross Trust, and a Director of Hillview Quarries Pty Ltd.</p> <p>He has been awarded a Member of the Order of Australia for significant service to the law, education and the community.</p>	4	–

- (a) Timothy Montgomery ceased as a committee member on 20 February 2022.  
(b) Jon Webster commenced as a committee member on 1 November 2021.



**Table 7.1.2 Remuneration of Audit and Risk Committee members, 2021–22**

Member	Remuneration (net of GST where applicable)		
	ARC meetings	Other meetings	Total remuneration
Peter Achterstraat AM	45,455	7,603	53,057
Lisa Woolmer	34,091	2,383	36,474
Jon Webster AM	30,000		30,000
Timothy Montgomery (a)	–	–	–

(a) Audit and Risk Committee services were provided free of charge in accordance with an MOU between ASIC and the ABS.

**Peter Achterstraat AM**

Chair  
 Audit and Risk Committee  
 August 2022

**Consultative panels and committees**

ASIC takes a consultative approach to addressing harms and emerging developments in Australia’s financial system.

As part of ASIC’s strategic change program, we have enhanced our advisory panel processes to bolster their efficiency and to ensure that we are effectively engaging with our stakeholders to gain a deeper understanding of industry and consumer developments, consult on policy matters, and identify threats and harms in the sectors we regulate.

**ASIC Consultative Panel**

The ASIC Consultative Panel was established in 2020 to provide ASIC with a flexible and responsive approach to

external engagement. It enables us to consult on proposed regulatory changes and provides intelligence on the external environment, including market conditions.

Panel members are senior representatives from the academic, consumer, industry, legal and regulatory sectors and are appointed in their personal capacity. They can be called upon to consult on emerging issues as they arise and they meet as a group at a plenary meeting at least once annually.

In November 2021, the annual plenary meeting was hosted virtually by ASIC. Members discussed changing market dynamics, supporting innovation, and vulnerable consumers. The Panel also reflected on emerging threats and harms within ASIC’s regulatory remit to assist in the development of its strategic priorities for 2022–23.

## ASIC Consumer Consultative Panel

In 2021, ASIC renamed the Consumer Advisory Panel, which was established in 1998 after ASIC assumed regulatory responsibility for consumer protection in financial services, the ASIC Consumer Consultative Panel (ACCP). The ACCP:

- › tells us about current and emerging consumer issues it sees in the sectors we regulate
- › provides feedback on proposed regulatory changes
- › informs – through an evidence base of practical consumer and investor experience – the development and delivery of ASIC’s strategic and operational objectives.

With the continuing impacts of the COVID-19 pandemic, the ACCP met virtually three times in 2021–22. This included a joint meeting with the ACCC’s equivalent consumer panel, the Consumer Consultative Committee.

Priority areas of ACCP member focus included:

- › the increasing prevalence and impacts of scams activity on consumers, the focus topic of the joint ASIC–ACCC consumer panel meeting
- › ASIC’s consultation on and proposed updates to the ePayments Code
- › the implementation of reforms to license debt management firms and the commencement of the design and distribution obligations
- › consumer experience and impacts from the growing buy now pay later sector
- › persistent problems for First Nations people with car loans and poor value insurance products

- › the failure of the Youpla Group (formerly the Aboriginal Community Benefit Fund) and its impacts on First Nations peoples and communities
- › issues confronting new investors in a low return environment and potential policy responses to cryptocurrency
- › ASIC’s consultation on remediation guidance and consumer issues and experience in financial sector remediation programs
- › the Government’s introduction of legislation to establish a Compensation Scheme of Last Resort.

## Corporate Governance Consultative Panel

The Corporate Governance Consultative Panel continued to meet during 2021–22. The Panel was established in 2020 to enable ASIC to gain a deeper understanding of developments and emerging issues in corporate governance practices.

Members of the Panel include listed company directors, industry association representatives, institutional investors and academics.

The Panel met twice in 2021–22. It discussed climate change-related disclosure, including the International Sustainability Standards Board’s draft standards and the cyber resilience of companies.

## Cyber Consultative Panel

This year, ASIC established a Cyber Consultative Panel to advise us on our supervisory approach for the cyber resilience of financial services and markets. The Panel is an independent group of

senior members from regulators and the financial services industry with relevant experience across a variety of disciplines relevant to ASIC's regulatory remit.

In addition to advising on our strategic approach, the Panel shares emerging threats and other market developments for regulatory consideration.

The Panel met for the first time in May 2021 and will meet twice yearly going forward.

### **Digital Finance Advisory Panel**

The Digital Finance Advisory Panel (DFAP) was established in 2015 to help inform ASIC's fintech and regtech approach and to advise on engagement with the sector. Members of DFAP are drawn from a cross-section of the fintech and regtech communities, academia and consumer organisations.

DFAP also has active observer members from public sector and regulatory agencies, which facilitates dialogue between industry and the public sector. The establishment of DFAP has helped foster a network of domestic departments and agencies dealing with innovative businesses, which has promoted a coordinated approach to financial innovation and regtech. DFAP helps inform the focus of ASIC's engagement with the fintech and regtech sectors.

DFAP met four times in 2021–22 and has included discussions on crypto-assets, payments, the Consumer Data Right, central bank digital currencies and artificial intelligence.

### **Financial Advisers Consultative Panel**

The Financial Advisers Consultative Panel was established in 2017. Its members are practising financial advisers who are skilled in insurance, superannuation (including self-managed funds) and digital financial advice. The members sit in a personal capacity.

The Panel met three times this year. It discussed a number of topics of interest, including the future of advice, advice processes, the cost of advice, and the implementation of new laws such as breach reporting, advice fee consent, and design and distribution obligations. The Panel also discussed and provided input into initiatives from ASIC's unmet advice needs work, including new ASIC guidance on limited advice, records of advice, and the financial advice webpage.

### **Markets Consultative Panel**

The Markets Consultative Panel was established in 2010 and advises on ASIC's approach to our responsibilities for 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, asset management and academia.

During 2021–22, the Panel met five times. Issues discussed included the macroeconomic environment, energy markets, operational and technological issues and developments, crypto-assets, cyber resilience, design and distribution obligations, market events and retail investor trading.

## Disciplinary or peer review panels

The panels listed below have disciplinary or peer review functions and assist in our regulatory decision making.

### Liquidator registration and disciplinary committees

Applications for registration as a liquidator, or to vary or remove conditions imposed on a liquidator's registration,

and potential disciplinary actions against registered liquidators are referred to committees convened by ASIC.

Each committee consists of an ASIC delegate who chairs the committee, a registered liquidator chosen by the Australian Restructuring, Insolvency and Turnaround Association, and a person appointed by the Minister, as set out in sections 20–10, 20–45 and 40–45 of Schedule 2 to the Corporations Act.

During 2021–22, ASIC convened 25 committees to consider applications for registration as a liquidator, and registered 21 liquidators, as set out in Table 7.1.2.

**Table 7.1.2 Committees convened, 2021–22**

Results of committees convened in 2021–22	Convened	Registered
Applicants should be registered (no conditions)	11	11
Applicants should be registered (conditions)	6	6
Applicant – not registered	7	–
Committee decision pending	1	–
Prior year convened committee registered during the year	–	4
<b>Total</b>	<b>25</b>	<b>21</b>

During 2021–22, ASIC received five applications from liquidators to remove conditions attached to their registration. The applications were referred to committees convened by ASIC for consideration. Of those five applications, one committee decision was pending at the end of the financial year and the other four committees decided to remove the conditions attached to the relevant liquidator's registrations. ASIC implemented those four decisions.

Also during 2021–22, one disciplinary committee considered a matter referred by ASIC. That committee decided that the liquidator should continue to be registered, should be publicly reprimanded, and should be directed by ASIC not to accept any further appointments for a period, and that ASIC should publish the committee's notice of reprimand.

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

## Markets Disciplinary Panel

The Markets Disciplinary Panel (MDP) is a peer review panel engaged by ASIC to make decisions about whether infringement notices should be given to market participants for alleged contraventions of the market integrity rules. It consists of part-time members with extensive market or professional experience. Matters are referred to the MDP by ASIC as an alternative to bringing civil proceedings.

During 2021–22, the MDP issued an infringement notice in respect of the following matter:

- › BGC Partners (Australia) Pty Limited (BGC) paid a \$110,250 infringement notice in connection with the MDP’s view that, on two occasions on 22 March 2019, BGC transacted pre-negotiated business orders on the ASX 24 market without making the required inquiry through the trading platform’s message facility.

The infringement notices issued by the MDP are published on the MDP Outcomes Register on the ASIC website. Compliance with an infringement notice is not an admission of guilt or liability, and the market participant is not taken to have contravened subsection 798H(1) of the Corporations Act.

## Financial Services and Credit Panel

No matters were referred to the Financial Services and Credit Panel (FSCP) during 2021–22.

On 1 January 2022, the *Financial Sector Reform (Hayne Royal Commission Response – Better Advice) Act 2021* (Better Advice Act) commenced. The Better Advice Act changed the role of the FSCP by providing it with its own functions and powers. Under the Better Advice Act, ASIC can refer certain conduct and circumstances regarding financial advisers which occurred from 1 January 2022 onwards to the FSCP for its consideration, and ASIC must do so in specified circumstances. The FSCP operates separately from, but alongside, ASIC’s existing administrative decision-making processes. Each panel of the FSCP will be comprised of an ASIC staff member, who will chair the panel, and no less than two industry participants.

Since 1 January 2022, ASIC has been making the necessary arrangements to administer the Better Advice Act, including by consulting on updates to our regulatory guidance about FSCPs via Consultation Paper 359 *Update to RG 263 Financial Services and Credit Panels*. In February 2022, the industry participants eligible to be appointed to FSCPs were appointed by the responsible Minister.

In 2017, ASIC established a panel of external delegates (also called the FSCP) to make administrative decisions on financial services and credit matters. ASIC’s 2017 FSCP ceased to operate from 1 July 2021, in anticipation of the reforms in the Better Advice Act.

## Warnings and reprimands

No warnings or reprimands were issued by ASIC during 2021–22.

From 1 January 2022, ASIC must issue financial advisers a written warning or reprimand in specified circumstances relating to less serious misconduct which occurred from that date onwards. The requirement for ASIC to issue a warning or reprimand was introduced by the Better Advice Act.

Since 1 January 2022, ASIC has been making the necessary arrangements to issue warnings or reprimands, including by publishing Information Sheet 270 *Warnings and reprimands*.

## Financial Adviser Exam

ASIC took over administration of the Financial Adviser Exam (the exam) from the former Financial Adviser Standards and Ethics Authority on 1 January 2022, following commencement of the Better Advice Act. The Better Advice Act requires ASIC to administer the exam in accordance with the principles approved by the responsible Minister. The exam is a key component of the education and training standards that all financial advisers must complete in order to provide personal advice on relevant financial products to retail clients.

We contracted the Australian Council of Educational Research (ACER) to develop and administer the exams in 2022. ACER delivered and administered all previous financial adviser exams.

ASIC successfully administered two cycles of the exam from 1 January to 30 June 2022. The 16th and 17th cycles of the exam were held 17–21 February and 12–16 May 2022 respectively.

We released the results of the February 2022 exam on 25 March 2022, and the results of the May 2022 exam on 20 June 2022.

- › 829 candidates sat the exam between 1 January and 30 June 2022, 333 sat the February exam, and 496 sat the May exam
- › the pass rate was 32.4% in the February exam and 42.7% in the May exam
- › both exams had a high number of resitters (73% in the February exam, and 72% in the May exam)
- › approximately 20,000 candidates have sat the exam since it began in June 2019.

Approximately 91% of advisers who have sat the exam since it began in June 2019 have passed the exam.

## ASIC's people

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

As at 30 June 2022, ASIC had a total of 1947 full-time equivalent (FTE) employees. Table 7.1.4 and Table 7.1.5 show a breakdown by location for each classification in 2021–22 and 2020–21 respectively. Table 7.1.6 and Table 7.1.7 provide a detailed picture of the gender breakdown of our people in 2021–22 and 2020–21 respectively.

**Table 7.1.4 ASIC employees (FTE), by location, 2021–22<sup>1,2,3</sup>**

Roles	Vic.	NSW	Qld	WA	SA	Tas.	ACT	NT	Total
Chair	1	–	–	–	–	–	–	–	1
Deputy Chair	1	–	–	–	1	–	–	–	2
Member	2	1	–	–	–	–	–	–	3
SES	20	32	1	1	2	–	2	–	58
ELS	3	8	1	–	–	–	–	–	12
Exec 2	223	359	60	35	15	13	9	–	713
Exec 1	131	257	44	31	13	2	5	1	484
ASIC 4	132	193	42	22	13	6	2	–	410
ASIC 3	72	71	27	13	5	1	2	–	191
ASIC 2	41	10	10	1	–	–	1	–	64
ASIC 1	9	–	–	–	–	–	–	–	9
<b>Total</b>	<b>635</b>	<b>931</b>	<b>185</b>	<b>103</b>	<b>49</b>	<b>22</b>	<b>21</b>	<b>1</b>	<b>1,947</b>

1 Averaged FTE for FY 2021–22 on a business-as-usual FTE basis (i.e. including FTE working on capital projects).

2 No staff at the Superannuation Complaints Tribunal and the Companies Auditors and Liquidators Disciplinary Board.

3 Excludes contractors and secondments from other agencies.

Note: Data rounded – some totals and subtotals may vary.

**Table 7.1.5 ASIC employees (FTE), by location, 2020–21<sup>1,2,3</sup>**

Roles	Vic.	NSW	Qld	WA	SA	Tas.	ACT	NT	Total
Chair	1	–	–	–	–	–	–	–	1
Deputy Chair	1	–	–	–	–	–	–	–	1
Member	2	1	–	–	–	–	–	–	3
SES	19	36	–	2	2	–	1	–	60
ELS	–	1	–	–	–	–	–	–	1
Exec 2	214	324	51	30	12	14	7	–	652
Exec 1	140	251	45	34	14	3	6	1	494
ASIC 4	150	186	43	24	12	1	1	–	417
ASIC 3	116	110	32	16	8	5	3	–	290
ASIC 2	124	11	13	1	1	1	1	–	152
ASIC 1	16	1	–	–	–	–	–	–	17
<b>Total</b>	<b>783</b>	<b>921</b>	<b>184</b>	<b>107</b>	<b>49</b>	<b>24</b>	<b>19</b>	<b>1</b>	<b>2,088</b>

1 Averaged FTE for FY 2020–21 on a business-as-usual FTE basis (i.e. including FTE working on capital projects).

2 Includes staff at the Superannuation Complaints Tribunal and the Companies Auditors Disciplinary Board.

3 Excludes contractors and secondments from other agencies.

Note: Data rounded – some totals and subtotals may vary.



**Table 7.1.6 Combined totals by gender and employment type, 2021–22<sup>1,2,3</sup>**

Roles	Permanent				Temporary				Total	
	Full-time		Part-time		Full-time		Part-time			
	Female	Male	Female	Male	Female	Male	Unspecified	Female		Male
Chair	–	–	–	–	–	1	–	–	–	1
Deputy Chair	–	–	–	–	2	–	–	–	–	2
Member	–	–	–	–	2	1	–	–	–	3
SES	28	20	1	1	3	5	–	–	–	58
ELS	7	5	–	–	–	–	–	–	–	12
Exec 2	231	336	76	12	22	32	–	4	1	714
Exec 1	167	207	61	6	16	24	1	2	–	484
ASIC 4	188	149	30	4	21	15	–	3	–	410
ASIC 3	89	62	12	2	16	7	–	2	1	191
ASIC 2	31	13	4	1	9	3	–	1	1	63
ASIC 1	3	2	2	–	1	1	–	–	–	9
<b>Total</b>	<b>744</b>	<b>794</b>	<b>186</b>	<b>26</b>	<b>92</b>	<b>89</b>	<b>1</b>	<b>12</b>	<b>3</b>	<b>1,947</b>

1 Averaged FTE for FY 2021–22 on a business-as-usual FTE basis (i.e. including FTE working on capital projects).

2 No staff at the Superannuation Complaints Tribunal and the Companies Auditors Disciplinary Board.

3 Excludes contractors and secondments from other agencies.

Note: Data rounded – some totals and subtotals may vary.

**Table 7.1.7 Combined totals by gender and employment type, 2020–21<sup>1,2,3</sup>**

Roles	Permanent				Temporary				Total
	Full-time		Part-time		Full-time		Part-time		
	Female	Male	Female	Male	Female	Male	Female	Male	
Chair	–	–	–	–	–	1	–	–	1
Deputy Chair	–	–	–	–	1	–	–	–	1
Member	–	–	–	–	2	1	–	–	3
SES	27	19	–	1	7	6	–	–	60
ELS	1	–	–	–	–	–	–	–	1
Exec 2	204	308	78	13	24	22	1	2	652
Exec 1	183	205	55	3	17	25	6	–	494
ASIC 4	199	144	28	2	18	25	1	–	417
ASIC 3	130	102	14	1	23	16	4	–	290
ASIC 2	62	27	26	4	19	7	5	2	152
ASIC 1	5	1	4	1	2	2	1	1	17
<b>Total</b>	<b>811</b>	<b>806</b>	<b>205</b>	<b>25</b>	<b>113</b>	<b>105</b>	<b>18</b>	<b>5</b>	<b>2,088</b>

1 Averaged FTE for FY 2020–21 on a business-as-usual FTE basis (i.e. including FTE working on capital projects).

2 Includes staff at the Superannuation Complaints Tribunal and the Companies Auditors Disciplinary Board.

3 Excludes contractors and secondments from other agencies.

Note: Data rounded – some totals and subtotals may vary.

Table 7.1.8 shows ASIC employees by stakeholder team. Most of our staff are employed under the ASIC Enterprise Agreement 2019–22, which is ongoing. Table 7.1.9 shows the industrial arrangements for all ASIC employees.

We continued to provide our people with the opportunity to receive an annual performance bonus. Table 7.1.10 shows the performance payments we made in 2020–21.

**Table 7.1.8 ASIC employees (FTE) by stakeholder team, 2021–22**

<b>Stakeholder teams</b>	<b>Total Net FTE</b>
<b>Markets</b>	
Corporations	31
Financial Reporting and Auditing	27
Insolvency Practitioners	25
Market Infrastructure	33
Market Supervision	83
Markets Operations	11
Governance	14
<b>Financial Services and Wealth</b>	
Financial Advisers	51
Investment Managers	38
Superannuation	39
Credit, Retail Banking and Payments	63
Insurers	37
Licensing	33
Institutional Supervision	27
<b>Consumer Insights and Communications</b>	<b>36</b>
<b>Misconduct and Breach Reporting<sup>1</sup></b>	<b>97</b>
<b>Small Business Engagement and Compliance<sup>1</sup></b>	<b>35</b>
<b>Office of Enforcement<sup>2</sup></b>	
<b>Financial Services Enforcement</b>	
Financial Services Enforcement	215
<b>Markets Enforcement</b>	
Corporations and Corporate Governance	60
Enforcement WA and Criminal Intelligence Unit	70
Market Enforcement	62
<b>Total net FTE<sup>3</sup></b>	<b>1,087</b>

1 The Misconduct and Breach Reporting team and the Small Business Engagement and Compliance team are reported as two separate lines in FY 2021–22. These two teams were presented under the Assessment and Intelligence Group in the FY 2020–21 annual report. The Assessment and Intelligence Group is no longer in use due to organisational structure change.

2 Plus an additional 131 FTEs providing Enforcement support services and legal counsel.

3 No FTEs were recorded in the Registry team in FY 2021–22, unlike in previous years, due to Registry staff transfers to the ATO following completion of the MoG in April 2021.

**Table 7.1.9 Industrial arrangements for ASIC employees as at 30 June 2022<sup>1</sup>**

Classification	ASIC Act s120(3)	EA <sup>2</sup>	Total
ASIC 1	–	9	<b>9</b>
ASIC 2	–	75	<b>75</b>
ASIC 3	–	222	<b>222</b>
ASIC 4	–	430	<b>430</b>
Exec 1	–	511	<b>511</b>
Exec 2	–	758	<b>758</b>
ELS	16	–	<b>16</b>
SES	56	–	<b>56</b>
<b>Total</b>	<b>72</b>	<b>2,005</b>	<b>2,077</b>

1 The number of industrial arrangements for ASIC team members is calculated based on the total headcount as at 30 June, rather than FTEs. This is because each industrial instrument belongs to an individual, regardless of their work pattern. Headcount is the number of people employed by ASIC, including full-time, part-time and temporary team members. FTE, or full-time equivalent, is the adjusted size of the workforce, reducing the number of team members to account for part-time and casual team members.

2 Enterprise agreement.

**Table 7.1.10 Performance payments by classification, 2020–21**

Classification	No. of recipients	Aggregate	Minimum	Maximum	Average
ASIC 4	327	\$1,181,496	\$647	\$13,991	\$3,613
Exec 1	504	\$2,866,164	\$845	\$19,684	\$5,687
Exec 2	765	\$7,038,871	\$1,285	\$33,012	\$9,201
SES	54	\$869,121	\$3,580	\$35,398	\$16,095

This table includes payments for the 2020–21 performance year which were paid in 2021–22, plus any pro-rata payments for the 2021–22 performance year for staff who left ASIC in 2021–22.

## Executive remuneration

ASIC's executive remuneration is determined by:

- › the *Remuneration Tribunal Act 1973*
- › the ASIC Act
- › the ASIC Enterprise Agreement 2019–2022
- › remuneration policies and procedures.

**Commission remuneration** is set according to the *Remuneration Tribunal Act 1973* and the Remuneration Tribunal Determinations.

**Executive Director and Senior Executive Leader remuneration** is determined under section 120 of the ASIC Act. Remuneration and conditions are consistent across the cohort and jobs are evaluated under Mercer IPE methodology. Remuneration for Executive Directors and Senior Executive Leaders is based on a fixed total remuneration package that comprises base salary and superannuation.

In 2021–22, ASIC removed bonuses from Executive Director and Senior Executive Leader remuneration, in line with the APSC Performance Bonus Guidance.

Table 7.1.11 Information about remuneration for key management personnel, 2021–22<sup>1,2</sup>

Name	Position title	Base salary \$	Bonuses <sup>5</sup> \$	Other benefits and allowances \$	Superannuation contributions \$	Long service leave \$	Other long-term benefits \$	Termination benefits \$	Total remuneration \$
Joseph Longo	Chair	781,446	–	–	23,568	18,748	–	–	823,762
Sarah Court	Deputy Chair	549,786	–	–	80,680	13,801	–	–	644,267
Karen Chester	Deputy Chair	596,155	–	–	79,083	13,801	–	–	689,039
Catherine Armour	Commissioner <sup>3</sup>	500,827	–	–	23,568	12,480	–	–	536,875
Danielle Press	Commissioner	555,239	–	–	23,568	13,224	–	–	592,031
Sean Hughes	Commissioner	521,209	–	–	72,936	12,322	–	–	606,467
Warren Day	Chief Operating Officer	416,623	–	11,904	60,258	10,691	–	–	499,476
Christopher Savundra	General Counsel	390,596	–	–	27,500	9,693	–	–	427,789
Greg Kirk	Executive Director Strategy	354,356	–	–	61,922	8,736	–	–	425,014
Greg Yanco	Executive Director Markets	386,343	–	–	27,500	9,639	–	–	423,482
Joanna Bird	Executive Director Wealth Management	320,837	–	–	63,149	8,368	–	–	392,354
Sharon Concisom	Executive Director Markets Enforcement	349,405	–	–	63,878	8,668	–	–	421,951

Name	Position title	Base salary \$	Bonuses <sup>5</sup> \$	Other benefits and allowances \$	Superannuation contributions \$	Long service leave \$	Other long-term benefits \$	Termination benefits \$	Total remuneration \$
Timothy Mullaly	Executive Director Financial Services	343,042	–	–	63,647	8,668	–	–	415,357
Zak Hammer	Executive Director Operations <sup>4</sup>	181,747	–	–	11,846	4,085	–	–	197,678
Louise Macaulay	Chief of Staff	315,118	–	13,725	54,020	7,848	–	–	390,711

1 This table is prepared on an accrual basis. This includes accrued long service leave which can only be realised when the vesting requirements have been met.  
2 The remuneration for these positions is set by the Remuneration Tribunal. This is outlined in Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2021.  
3 Part-year remuneration disclosure – ceased as a KMP on 2 June 2022.  
4 Part-year remuneration disclosure – commenced as a KMP on 4 January 2022.  
5 In accordance with the APS Performance Bonus Guidance, bonuses were not awarded to KMP for the 2021–22 performance year.  
Note: In August 2022, ASIC found that due to an administrative error, \$3 travel allowance payments totalling \$3,690.93 were paid incorrectly to Statutory Office Holders across three financial years. These will be rectified in the 2022–23 financial year.

Table 7.1.12 Information about remuneration for senior executives, 2021–22<sup>1</sup>

Remuneration band (\$)	Number of senior executives	Short-term benefits			Average other benefits and allowances (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits	Termination benefits (\$)	Total remuneration
		Average base salary (\$)	Average bonuses <sup>2</sup> (\$)	Average employment benefits						
0–220,000	13	92,970	–	2,106	13,642	(1,628)	–	–	107,090	
220,001–245,000	1	186,054	–	1,041	32,450	4,918	–	–	224,463	
245,001–270,000	5	192,871	–	2,297	19,832	4,770	–	37,838	257,608	
270,001–295,000	5	240,851	–	2,682	32,182	6,109	–	–	281,824	
295,001–320,000	14	260,134	848	1,443	37,832	6,435	–	–	306,692	
320,001–345,000	10	277,459	–	3,866	39,919	6,838	–	–	328,082	
345,001–370,000	5	301,159	–	2,615	41,833	7,506	–	–	353,113	
370,001–395,000	1	321,507	–	–	53,517	7,813	–	–	382,837	
420,001–445,000	1	385,704	–	–	27,500	9,449	–	–	422,653	
445,001–470,000	1	110,746	–	–	17,354	2,721	–	315,074	445,895	
495,001–520,000	1	315,082	–	–	24,433	8,395	–	158,042	505,952	
520,001–545,000	2	287,476	–	692	38,746	7,135	–	207,559	541,608	

<sup>1</sup> This table is prepared on an accrual basis. This includes accrued long service leave which can only be realised when the vesting requirements have been met.

<sup>2</sup> In accordance with the APS Performance Bonus Guidance, bonuses were not awarded to Senior Executives on individual contracts. Acting Senior Executives employed under the ASIC Enterprise Agreement 2019–2022 (EA) continued to receive a bonus due to their entitlement under the EA.



**Other highly paid team members** are remunerated either under the ASIC Act with similar conditions to Executive Directors and Senior Executive Leaders, or through higher duties or individual flexibility arrangements under the ASIC Enterprise Agreement 2019–22. Any bonuses paid to highly paid staff during the financial year were limited to those employed under the ASIC Enterprise Agreement or pro-rata bonuses to ASIC Act employees who left ASIC prior to the removal of bonuses.

**Table 7.1.13 Information about remuneration for other highly paid staff, 2021–22<sup>1</sup>**

Remuneration band (\$)	Number of other highly paid staff	Short-term benefits			Average other allowances (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration
		Average base salary (\$)	Average bonuses <sup>2</sup> (\$)	Average other bonuses <sup>2</sup> (\$)							
235,001–245,000	9	196,450	7,745	–	31,033	4,833	–	–	–	–	240,061
245,001–270,000	23	197,635	12,665	–	30,827	4,819	–	–	10,025	–	255,971
270,001–295,000	11	154,633	6,380	–	24,029	3,827	–	–	90,568	–	279,437
295,001–320,000	1	121,868	5,994	–	24,525	3,014	–	–	137,035	–	292,436
320,001–345,000	6	149,295	7,066	–	24,039	3,635	–	–	149,332	–	333,367
370,001–395,000	1	167,020	6,678	–	25,420	4,161	–	–	175,382	–	378,661
420,001–445,000	2	189,470	3,594	–	30,913	4,561	–	–	196,055	–	424,593

1 This table is prepared on an accrual basis. This includes accrued long service leave which can only be realised when the vesting requirements have been met.

2 In accordance with the APS Performance Bonus Guidance, bonuses were not awarded to Senior Executives on individual contracts. Acting Senior Executives employed under the ASIC Enterprise Agreement 2019–2022 (EA) continued to receive a bonus due to their entitlement under the EA.

## Governance arrangements

Senior Executive remuneration reviews are conducted by the Chair around June–July each year. In 2021-22, the Chair awarded a salary increase of 1.7% to senior executives under the ASIC Act following wage freezes the previous year.

In December 2021, the Chair reviewed all Senior Executive remuneration and contract arrangements in line with the APSC Performance Bonus Guidance recommendation to remove bonuses. A percentage of the average bonus was rolled into base salary to compensate for the loss of a performance bonus.

Remuneration decisions are based on:

- › the duties, responsibilities and accountabilities required by the position
- › the performance of the relevant executive
- › managing internal consistency, recognising the different skills, experience, and capabilities of executives in comparable level roles.

Highly paid team members employed under the ASIC Enterprise Agreement 2019–22 did not receive a salary increase as there were no salary increases remaining under the Enterprise Agreement.

## 7.2 Appendices relating to assessments

### Assessing misconduct and other reports

#### Misconduct reports from the public

We record and assess reports of alleged misconduct we receive and use this information to identify and respond to misconduct. In 2021–22, we dealt with 8,688 reports of alleged misconduct. Table 7.2.1 shows the outcome of the misconduct reports received by ASIC during the financial year.

**Table 7.2.1 Misconduct issues, by category, 2021–22**

Category	2021–22
<b>Corporations and corporate governance</b>	
Governance issues	12%
Failure to provide books and records or a report as to affairs to registered liquidator	11%
Fraud allegations	2%
Registered liquidator misconduct	4%
Insolvency matters	3%
Other (e.g. shareholder issues, reporting issues)	10%
<b>Subtotal</b>	<b>42%</b>
<b>Financial services and retail investors</b>	
Credit issues	11%
Operating an unregistered managed investment scheme or providing financial services without an AFS licence	15%
General licence obligations	7%
Other (e.g. insurance, advice, misleading or deceptive conduct, unconscionable conduct)	9%
<b>Subtotal</b>	<b>42%</b>

Category	2021–22
<b>Market integrity</b> – including insider trading, continuous disclosure, misleading statements, or market manipulation	5%
<b>Registry integrity</b> – including incorrect address recorded on ASIC’s register, lodging false documents with ASIC and issues with business names	4%
<b>Issues outside of ASIC’s jurisdiction</b>	7%
<b>Total</b>	<b>100%</b>

**Table 7.2.2 Misconduct issues, by outcome, 2021–22 and 2020–21**

	2021–22 Number	2020–21 Number
<b>Misconduct reports</b>		
Total misconduct reports finalised <sup>1</sup>	<b>8,688</b>	10,711
<b>Outcome</b>		
<b>Referred for action by ASIC<sup>2</sup></b>	<b>13%</b>	15%
<b>Resolved<sup>3</sup></b>	<b>11%</b>	9%
Compliance achieved	1%	<0.5%
Warning letter issued	6%	6%
Referred for internal or external dispute resolution	4%	3%
Assistance provided		<0.5%
Make formal information release under s127 (ASIC Act)	<0.5%	<0.5%

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 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.

	2021–22 Number	2020–21 Number
<b>Analysed and assessed for no further action<sup>4</sup></b>	<b>66%</b>	65%
Insufficient evidence	43%	48%
No action	23%	17%
<b>No jurisdiction<sup>5</sup></b>	<b>9%</b>	9%
<b>No breach or offences</b>	<b>1%</b>	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Reportable situations from licensees and auditors

The Corporations Act requires AFS licensees and, since 1 October 2021, Australian credit licensees to submit notifications to ASIC about reportable situations (previously called breach reports). Reportable situations are significant or likely significant breaches of core obligations and investigations into such matters, or conduct of gross negligence or serious fraud. Licensees can also report situations about other licensees. We also receive reports from auditors who have reasonable grounds to suspect a breach of the Corporations Act by the company, managed investment scheme, AFS licensee or Australian credit licensee they are appointed to audit. ASIC uses the reports to undertake both immediate assessment of particular concerns and broader consideration of trends and issues arising from the analysis of the collective information. Since the

new regime commenced on 1 October 2021, ASIC has received 14,038 reportable situation form lodgements from licensees and 137 from licensees reporting about another licensee.

During the 2022–23 financial year, ASIC will commence publication of information about reportable situations lodged with us each financial year, with reports to be published on our website within four months after the end of each financial year.

Table 7.2.3 provides a breakdown of the reportable situations and reports where an immediate assessment was completed by ASIC’s Misconduct and Breach Reporting team in 2021–22 by type and outcome. Reportable situations are also considered by ASIC’s Stakeholder and Enforcement teams.

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

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

**Table 7.2.3 Reportable situations by type and outcome, 2021–22 and 2020–21**

	2021–22	2020–21
<b>Type</b>	<b>Number</b>	<b>Number</b>
Auditor breach reports	1,393	1,174
AFSL notifications/updates	1,151	2,435
AFSL and ACL licensee notifications	765	
Another licensee notification	53	
<b>Total breach reports finalised</b>	<b>3,362</b>	<b>3,609</b>
<b>Outcome</b>	<b>Percentage</b>	<b>Percentage</b>
<b>Referred for action by ASIC</b>	<b>10%</b>	<b>11%</b>
Referred for compliance, investigation or surveillance	10%	11%
<b>Analysed and assessed for no further action</b>	<b>90%</b>	<b>89%</b>
No further action	87%	77%
Awaiting update	3%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>

For more information on 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 registered liquidators

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.

We received 4,313 initial reports from external administrators. Of these reports, 3,767 related to suspected offences by

company officers. The remainder were lodged because the return to unsecured creditors may be less than 50 cents in the dollar. Of the 3,767 that reported misconduct, we requested supplementary reports from the external administrators in 593 cases.

These supplementary reports typically set out the results of the external administrator's inquiries and the evidence to support the alleged offences. We referred 20% of supplementary reports assessed in 2021–22 for compliance, investigation or surveillance action, compared to 18% in 2020–21.

Table 7.2.4 provides details of the statutory reports we assessed in 2021–22 and 2020–21 by type and outcome.

**Table 7.2.4 Statutory reports from registered liquidators, 2021–22 and 2020–21**

	2021–22	2020–21
<b>Type</b>	<b>Number</b>	<b>Number</b>
<b>Initial reports from registered liquidators<sup>1</sup></b>	<b>4,313</b>	<b>4,566</b>
Reports alleging misconduct	3,767	3,810
Reports not alleging misconduct	546	756
<b>Supplementary reports finalised</b>	<b>332</b>	<b>517</b>
<b>Total statutory reports finalised (initial and supplementary)</b>	<b>4,645</b>	<b>5,083</b>
<b>Outcome</b>	<b>Percentage</b>	<b>Percentage</b>
<b>Supplementary report analysed and assessed, no further information required<sup>2</sup></b>	<b>80%</b>	<b>82%</b>
<b>Supplementary reports referred</b>	<b>20%</b>	<b>18%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>

- 1 We requested a further report (Supplementary Report) from the external administrator in 16% of cases.
- 2 There was insufficient evidence to warrant commencing a formal investigation in 80% 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.

## Whistleblowing

ASIC’s Office of the Whistleblower ensures that we record and assess the disclosures we receive from whistleblowers and that we communicate with whistleblowers as we undertake our inquiries. We also engage with stakeholders about implementing Australia’s corporate sector whistleblower protection regime. This year, we dealt with 774 disclosures by whistleblowers, a decrease compared to the previous year. Around 71% of these disclosures related to corporations and corporate governance, including internal company disputes. We also dealt with matters relating to credit and financial services and the conduct of licensees (23%), markets (4%) and other issues (2%). ASIC is unable to comment on

our assessment of, or investigation into, whistleblower disclosures, considering the strong confidentiality protections for whistleblowers. Following our preliminary inquiries, we assessed approximately 91% of disclosures as requiring no further action by ASIC due to insufficient evidence, no actionable breach being disclosed, or the breach being in the jurisdiction or remit of other regulators. In a number of cases, we referred the matter to another agency, law enforcement body, or third party (such as a liquidator) that was better placed to deal with the issue or was already taking action.

## 7.3 Appendices relating to statements required by law

### Portfolio Budget Statement outcomes

Table 7.3.1 Agency resource statement 2021–22

	Actual available appropriation for 2021–22 \$'000	Payments made 2021–22 \$'000	Balance remaining 2021–22 \$'000
	(a)	(b)	(a)–(b)
<b>Departmental</b>			
Annual appropriations – ordinary annual services <sup>1,4</sup>	612,973	478,722	134,251
Annual appropriations – other services – non-operating <sup>2</sup>	7,891	5,518	2,373
<b>Total departmental annual appropriations</b>	<b>620,864</b>	<b>484,240</b>	<b>136,624</b>
Special accounts <sup>3</sup>	130,628	59,491	71,137
<b>Total special accounts</b>	<b>130,628</b>	<b>59,491</b>	<b>71,137</b>
<i>less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	(64,811)		
<b>Total departmental resourcing</b>	<b>686,681</b>	<b>543,731</b>	<b>207,761</b>
<b>Administered</b>			
Annual appropriations – ordinary annual services <sup>1</sup>	22,174	6,833	15,341
<b>Total administered annual appropriations</b>	<b>22,174</b>	<b>6,833</b>	<b>15,341</b>
Administered special appropriations <sup>3</sup>	152,286	113,606	
<b>Total administered special appropriations</b>	<b>152,286</b>	<b>113,606</b>	
<b>Total administered resourcing</b>	<b>174,460</b>	<b>120,440</b>	<b>15,341</b>
<b>Total resourcing and payments for ASIC</b>	<b>861,141</b>	<b>664,171</b>	<b>223,102</b>

1 Appropriation Act (No. 1) 2021–22, Appropriation Act (No. 3) 2021–22, prior year appropriation and section 74 relevant agency receipts.

2 Appropriation Act (No. 2) 2021–22 and Appropriation Act (No. 4) 2021–22.

3 Excludes trust money held in the SOETM and other special accounts.

4 Includes \$25.544m for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.



**Table 7.3.2 Expenses by outcome**

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.	Budget* 2021–22 \$'000	Actual expenses 2021–22 \$'000	Variance \$'000
	(a)	(b)	(a)–(b)
Program 1.1: Australian Securities and Investments Commission			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act 1)	7,691	5,766	1,925
Expenses not requiring appropriation in the Budget year <sup>2</sup>	64,051	62,392	1,659
<b>Administered total</b>	<b>71,742</b>	<b>68,158</b>	<b>3,584</b>
<b>Departmental expenses</b>			
Ordinary annual services (Appropriation Act 1 and Act 3)	395,596	333,198	62,398
s74 External revenue <sup>1</sup>	16,906	67,873	(50,967)
Expenses not requiring appropriation in the Budget year <sup>3</sup>	66,580	64,689	1,891
<b>Departmental total</b>	<b>479,082</b>	<b>465,760</b>	<b>13,322</b>
<b>Total expenses for Program 1.1</b>	<b>550,824</b>	<b>533,918</b>	<b>16,906</b>
Program 1.2: <i>Banking Act 1959, Life Insurance Act 1995</i> , unclaimed monies and special accounts			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act 1)	2,128	1,145	983
Special appropriations	137,679	76,362	61,317
<b>Administered total</b>	<b>139,807</b>	<b>77,507</b>	<b>62,300</b>
<b>Total expenses for Program 1.2</b>	<b>139,807</b>	<b>77,507</b>	<b>62,300</b>

<b>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.</b>	<b>Budget* 2021–22 \$'000</b>	<b>Actual expenses 2021–22 \$'000</b>	<b>Variance \$'000</b>
	(a)	(b)	(a)–(b)
Outcome 1 totals by appropriation type			
<b>Administered expenses</b>			
Ordinary annual services (Appropriation Act 1)	9,819	6,911	2,908
Expenses not requiring appropriation in the Budget year <sup>2</sup>	64,051	62,392	1,659
Special appropriations	137,679	76,362	61,317
<b>Administered total</b>	211,549	145,665	65,884
<b>Departmental expenses</b>			
Ordinary annual services (Appropriation Act 1 and Act 3)	395,596	333,198	62,398
s74 External revenue <sup>1</sup>	16,906	67,873	(50,967)
Expenses not requiring appropriation in the Budget year <sup>3</sup>	66,580	64,689	1,891
<b>Total Departmental Expenses</b>	479,082	465,760	13,322
<b>Total expenses for Outcome 1</b>	<b>690,631</b>	<b>611,425</b>	<b>79,206</b>
<b>Average staffing level (number)</b>	1,885	1,947	(62)

\* Full year budget, including any subsequent adjustments made to the 2021–22 budget at Additional Estimates.

1 Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

2 Expenses not requiring appropriation in the budget year are made up of doubtful debts.

3 Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses.

## Reports required under statute and other reporting requirements

### ASIC Act

As required by subsection 136(1)(a), ASIC reports that we did not provide relief under Part 29 of the SIS Act or Part 15 of the *Retirement Savings Account Act 1997*.

As required by subsection 136(1)(c), ASIC reports that during 2021–22 we conducted two joint inspections with the US Public Company Accounting Oversight Board under the terms of an agreement between the two organisations.

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 relevant provisions of the ASIC Act during 2021–22.

As required by subsection 136(1)(cb), ASIC reports that there were no instances during the period where ASIC failed to consult before making a product intervention order, as required by section 1023F of the Corporations Act or section 301F of the National Credit Act.

### 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, considering the nature of ASIC's activities.

ASIC conducts fraud risk assessments as part of our enterprise risk management protocols for each business unit. Results are contained in the operations risk registers.

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

### Auditor-General reports

This financial year, there was one report by the Auditor-General on ASIC's operations.

On 14 December 2021, the Auditor-General released a report on the ASIC 2020–21 financial statements audit. During the audit, no new or unresolved findings were identified by the Australian National Audit Office.

### Commonwealth Ombudsman reports

ASIC was examined in the report on the Commonwealth Ombudsman's monitoring of agency access to stored communications and telecommunications data under Chapters 3 and 4 of the *Telecommunications (Interception and Access) Act 1979*, released in February 2022.

### Other reports

In October 2021, the Senate Economics References Committee released its final report on matters relating to the collapse of the Sterling Income Trust, including ASIC's oversight of the Trust. ASIC is now considering the findings and recommendations, in particular the two directed at ASIC.

In March 2022, a report by the PJC inquiring into ASIC's governance framework concluded that ASIC's current framework is adequate and fit for purpose.

In 2021–22, there were no:

- › instances of fraud reported to the Minister
- › capability reviews of ASIC.

## Freedom of Information Act 1982

Members of the public have the right to apply to ASIC for access to documents in our possession under the FOI Act.

Applications must be in writing, state that they are made under the FOI Act, provide such information as is reasonably necessary 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](mailto:foirequest@asic.gov.au)

or you may lodge a mail request to:  
Senior Manager  
Freedom of Information Team  
GPO Box 9827  
Brisbane QLD 4001

For further information on how to apply, visit our website at [www.asic.gov.au](http://www.asic.gov.au).

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.

And, 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 employee 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.

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 must publish information for the public as part of the Information Publication Scheme. 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 scheme requirements, can be found at

<https://asic.gov.au/about-asic/freedom-of-information-foi/information-publication-scheme/>.

### ASIC’s use of 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 2021–22, with comparative data for 2020–21.

**Table 7.3.3 Use of significant compulsory information-gathering powers**

		Number of notices 2021–22	Number of notices 2020–21
<b>Appear for examination</b>			
s19 ASIC Act <sup>1</sup>	Requirement to appear for examination	895	975
s58 ASIC Act	Power to summons a witness and take evidence	0	0
s253 National Credit Act <sup>1</sup>	Requirement to provide reasonable assistance	73	74
<b>Give reasonable assistance</b>			
s1317R Corporations Act	Power to require assistance in prosecutions	19	3
s49(3) ASIC Act	Power to require reasonable assistance in proceedings and prosecutions	45	39
s51 National Credit Act	Requirement to provide reasonable assistance	0	0

		Number of notices 2021–22	Number of notices 2020–21
s601FF Corporations Act	Power to conduct surveillance/monitor managed investment scheme	0	1
s274(4) National Credit Act	Requirement to provide reasonable assistance	0	0
s912E Corporations Act	Power to require assistance and disclosure of books and information from an AFS licensee	71	170
<b>Produce documents</b>			
s266 National Credit Act	Requirement to produce books (credit activities)	70	75
s267 National Credit Act	Requirement to produce books	79	135
s30 ASIC Act	Notice to produce books about affairs of body corporate or registered scheme	761	862
s31 ASIC Act	Notice to produce books about financial products	34	10
s32A ASIC Act	Notice to produce books about financial services	0	3
s33 ASIC Act	Notice to produce books in person's possession	1,930	1,969
s1213P Corporations Act	Power to provide a register of members of a foreign passport fund	0	0
<b>Provide access</b>			
s29 ASIC Act	Power to inspect books	0	0
s821D Corporations Act	Power to require access to a CS facility	0	0

		Number of notices 2021–22	Number of notices 2020–21
<b>Provide information</b>			
s12GY(2) ASIC Act	ASIC to require claims to be substantiated	0	0
s37(9)(a) ASIC Act	Power requiring explanation of books	0	0
s601HD Corporations Act	Power to request information about compliance plan of a registered scheme	0	0
s49(1) National Credit Act	Requirement to provide information (statement)	46	46
s912C Corporations Act	Power to require information from an AFS licensee	431	667
Item 17 Sch 2 National Credit Act	Power to require information (obtain statement or audit report)	0	0
s672A Corporations Act	Power to require disclosure of relevant interests	3	15
s672B Corporations Act	Power to require disclosure of relevant interests	0	0
s37(4) National Credit Act	Power to request information or audit report from licence applicant	0	0
s792D Corporations Act	Power to require reasonable assistance from a market licensee	11	41
s1226C Corporations Act	Power to request information about a compliance plan of a retail corporate collective investment vehicle (CCIV)	0	0
<b>Provide information and produce books</b>			
s30A ASIC Act	Notice to auditors requiring information or books	65	58
s30B ASIC Act	Notice to registered liquidators requiring information or books	5	9

		Number of notices 2021–22	Number of notices 2020–21
<b>Search warrants</b>			
s3E <i>Crimes Act 1914</i>	Warrants to search premises/conveyance or person	0	0
s36 ASIC Act	Warrant to search premises/conveyance or person	79	70 <sup>2</sup>

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

2 Last year, we reported that 30 s36 ASIC Act search warrants were executed. This number has been corrected to include an additional 40 search warrants that were omitted due to delays in record keeping.

**Table 7.3.4 Use of other powers**

		Number of notices 2021–22	Number of notices 2020–21
<b>Use of other powers</b>			
<b>Obligations of carriers and carriage service providers</b>			
s313 <i>Telecommunications Act 1997</i>	Request for help as is reasonably necessary for enforcing the criminal law and laws imposing pecuniary penalties	0	0
<b>Provide documents, information or evidence</b>			
s10(2) <i>Mutual Assistance in Business Regulation Act 1992</i>	Requirement to produce documents, to give information or to appear to give evidence and produce documents	24	62



## Grants programs

The Assetless Administration Fund (AA Fund) is a grant scheme established by the Government and administered by ASIC to address illegal phoenix activity or other serious misconduct. The scheme may fund the following types of activities:

- › further investigations and reports by liquidators into the failure of companies with few or no assets, where it appears that a director may be banned, or other enforcement action may result from the investigations and reports
- › liquidator recovery actions to undertake legal action to recover assets when misconduct has occurred which resulted in the dissipation of company assets
- › the appointment of reviewing liquidators to companies under external administration where ASIC suspects misconduct of either the director, the adviser or the registered liquidator
- › the appointment of liquidators to abandoned companies pursuant to Part 5.4C of the Corporations Act.

On 1 July 2021, ASIC was allocated \$7.116 million, which, together with an amount of \$8.284 million rolled over from the previous financial year, resulted in total available funds of \$15.400 million. ASIC paid and committed the amount of \$9.028 million to liquidators in 2021–22. Applications in progress and grants approved have substantially committed the balance of the funding allocation.

The 2021–22 year saw an approximate 21% increase in liquidations and a decrease of 39% in AA Fund applications, as compared to the 2020–21 financial year. The 475 applications for funding comprised:

- › 377 director banning reports (38% decrease)
- › 54 matters other than section 206F director banning reports (49.5% decrease)
- › 44 funding liquidator actions to recover assets (29% decrease).

ASIC approved grant funding for:

- › 144 director banning reports
- › 48 matters other than director banning reports
- › 18 asset recovery actions.

An additional 14 variations for increased funding were approved.

ASIC also funded the appointment by ASIC of one reviewing liquidator and liquidators to seven abandoned companies.

The AA Fund assisted in:

- › 51 director bannings, representing 88% of the total of 58 directors banned – the average banning period for funded matters was 46 months
- › 1 criminal conviction/prosecution.

There have also been in-principle approvals across several matters for liquidators to undertake public examinations of an estimated 60 parties.

Information on grants by ASIC under the AA Fund can be found at **Assetless Administration Fund | ASIC – Australian Securities and Investments Commission**.

## 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 are treated like any other unclaimed money for which ASIC is responsible.

In 2021–22, the number of new cases received decreased to 1,648 and the number of cases finalised increased to 1,701.

Table 7.3.5 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 generally only deal with vested property once an application is made by a third party for us to exercise powers under section 601AE or section 601AF 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 7.3.5 Vested properties of deregistered companies (by number of cases)**

Claims by type	2021–22	2020–21
Total new cases	1,648	1,737
Total finalised cases	1,701	1,683
<b>Property disposals</b>		
Transferred	53	46
Sold	5	13
No longer vested <sup>1</sup>	768	769
Other <sup>2</sup>	61	43
<b>Total property disposals</b>	<b>887</b>	<b>871</b>

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.

## Ecologically sustainable development

ASIC continues to focus on our environmental performance in accordance with Government policy. In 2021–22, we continued to mitigate our impact on the environment through the initiatives discussed below, which were consistent with the *Environmental Protection and Biodiversity Conservation Act 1999* principles of ecologically sustainable development. The progress and results of these initiatives are reported and reviewed by our Executive on a twice-yearly basis.

## Energy efficiency

We are managing our offices and using data to minimise our electricity consumption, with the closure of spaces in our offices to reflect staffing numbers in the hybrid working model. This space efficiency is complemented by ongoing energy minimisation initiatives, including programmable motion sensor-controlled lighting, LED lighting and default power saving modes for equipment. These approaches ensure reduction of associated environmental impacts and we continue to review and report on our energy consumption results against the Energy Efficiency in Government Operations Policy targets.

**Table 7.3.6 Consumption of office energy**

Indicator	2021–22	2020–21
Light and power – ASIC tenancies (kWh)	1,355,863	2,124,313
MJ per person	5,942	2,864
Light and power – ASIC computer centres (kWh)	518,565	620,355
MJ per m <sup>2</sup>	5,942	5,120
Greenhouse gas emissions (tonnes CO <sub>2</sub> -e) – attributed to all light and power	1,646	2,138

## Resource efficiency and waste

We have continued our strategy of using Australian-made copy paper and using consumables supplied from state-based warehouses to minimise the environmental impacts of freight shipping. We continue to engage with our landlords on extending waste streams to minimise the amount of waste going to landfill. We have implemented a rechargeable battery trial across multiple sites to limit the

environmental impact of toxic chemicals from disposed batteries entering our waterways.

A desk booking system has been implemented which identifies which desks have been used so we can target our end-of-day cleaning, helping to reduce the use of chemicals and the associated environmental impact. We have continued with our zero IT waste policy.

**Table 7.3.7 Resource efficiency and waste**

Indicator	2021–22	2020–21
Office paper purchased by FTE (A4 reams/FTE)	<b>0.1*</b>	1.1
Percentage of office paper purchased with recycled content	<b>100%</b>	100%
Toner cartridges recycled (kgs)	<b>27.78</b>	140.92
IT equipment recycled or re-used (tonnes)	<b>11.45</b>	13.88

\* Government target 4.5.

## Travel

This year, there has been a periodic requirement for staff to work from home due to COVID-19 restrictions. This has led to a significant reduction in business travel and a reduction in the associated carbon emissions compared to the pre-COVID period. We have continued to utilise alternative communication tools, such as Microsoft Teams, to facilitate internal and external meetings, reducing the need for travel.

**Table 7.3.8 Type and amount of travel undertaken by ASIC employees**

Indicator	2021–22	2020–21
<b>Air travel</b>		
Total distance of air flights (kms)	<b>1,374,195</b>	575,445
Total greenhouse emissions of flights (tonnes CO <sub>2</sub> -e)	<b>145</b>	153

## Information and engagement

We have continued our engagement with key stakeholders in relation to sustainability initiatives and are always seeking to trial and implement new initiatives. We continue to participate in activities such as Earth Hour and encourage our staff to be mindful of their environmental impact. We encourage staff to utilise the different waste streams available in each of our offices. We make available our environmental reporting to staff on our intranet page and have moved to increasing environmental reporting to a quarterly basis.

## Consultancies and expenditure on advertising

During 2021–22, ASIC conducted the advertising campaigns set out in Table 7.3.9.

Further information on ASIC’s advertising campaigns is available on our website at [www.asic.gov.au](http://www.asic.gov.au). 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](http://www.finance.gov.au).

**Table 7.3.9 Expenditure on advertising agency services, 2021–22<sup>1</sup>**

Agency	Expenditure (\$)	Purpose
Mediabrand Australia Pty Ltd	41,109.75	Seek advert packs FY 21–22
Mediabrand Australia Pty Ltd	18,172.84	Advertising for CFO role
Mediabrand Australia Pty Ltd	75,885.91	LinkedIn FY 21–22
Mediabrand Australia Pty Ltd	180,000.00	Moneysmart advertising
Mediabrand Australia Pty Ltd	198,000.00	Moneysmart advertising
Mediabrand Australia Pty Ltd	137,500.00	Moneysmart advertising
Mediabrand Australia Pty Ltd	45,220.73	Seek advert pack FY 22–23
<b>Total</b>	<b>695,889.23</b>	

<sup>1</sup> Data contained in this table reflects the reported contract commitment value, and not the amount spent in the reporting period.

### Procurement

ASIC’s use of Commonwealth resources and expenditure of public money is primarily governed by the 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 advisers who:

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

- › advise on all procurement activities.

Our procurement framework aims to facilitate compliance with the core principles and policies of the CPRs to achieve 'value for money' by 'encouraging competition', 'efficient, effective, ethical and economical use of resources', 'accountability and transparency', and 'appropriate engagement with risk' through a process that is 'commensurate with the scale and scope of the business requirement'.

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 2020–21 contained provisions, as required, allowing the Auditor-General access to information held by contractors relating to contract performance.

## Using AusTender

This annual report contains information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available through the AusTender website, [www.tenders.gov.au](http://www.tenders.gov.au).

During 2021–22, ASIC awarded 615 procurement activities (each valued at \$10,000 or more reported on AusTender) for a total value of \$127.576 million. Of these procurements, 231 were valued in excess of \$80,000 for a total value of \$113.437 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 2021 and was updated as required during the year.

No contracts were exempt from the contract reporting requirements.

**Table 7.3.10 Expenditure on non-consultancy contracts**

Business data	2021–22
Number of new non-consultancy contracts	577
Expenditure on new non-consultancy contracts (\$ millions)	48,472
Number of ongoing non-consultancy contracts	974
Expenditure on ongoing non-consultancy contracts (\$ millions)	88.910

Note: The above figures are GST inclusive. Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.

**Table 7.3.11 Additional information – Reportable non-consultancy contracts**

Organisations receiving a share of reportable non-consultancy contract expenditure 2021–22	Expenditure (\$)
Australian Government Solicitor	8,243,931.34
Holding Redlich	5,515,512.56
Ventia Property Pty Ltd	5,448,544.01
Nuix Pty Ltd	4,676,858.71
Deloitte Touche Tohmatsu	4,584,137.61

Note: The above figures are GST inclusive and include the names of the organisations that received the five largest shares of ASIC’s total expenditure on such contracts during the 2021–22 financial year, and the total amounts they received.

### Consultancy contracts

During 2021–22, ASIC entered into 38 new consultancy contracts, involving total expenditure of around \$8.970 million. In addition, 42 ongoing consultancy contracts were active during the year, involving total expenditure of \$3.888 million.

**Table 7.3.12 Consultancy trend data**

Business data	2021–22	2020–21
Number of new consultancies	38	39
Expenditure on new consultancies (\$ millions)	8.970	4.539
Number of ongoing consultancies	42	35
Expenditure on ongoing consultancies (\$ millions)	3.888	5.073

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](http://www.tenders.gov.au).

**Table 7.3.13 Additional information – Reportable consultancy contracts**

Organisations receiving a share of reportable consultancy contract expenditure 2021–22	Expenditure (\$)
ARQ Group Enterprise Pty Ltd	3,511,212.65
Cybercx Pty Ltd	2,104,594.60
State of Matter Consulting Pty Ltd	1,142,985.36
Avanade Australia Pty Ltd	772,869.63
Decision Inc Australia Pty Ltd	750,942.50

Note: The above figures are GST inclusive and include the names of the organisations that received the five largest shares of ASIC’s total expenditure on such contracts during the 2021–22 financial year, and the total amounts they received.

**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 must 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 38 consultants that ASIC engaged during 2021–22:

- › 35 were for specialised or professional skills
- › 1 was for skills currently unavailable within the agency
- › 2 were for independent research or assessment.

The method of procurement used was open tender for 32 engagements (including engagements from panels) and limited tender for 6 engagements.

The consultants were engaged for the following main service categories:

- › information technology consultation services
- › management advisory services
- › strategic planning consultation services
- › internal audits
- › human resources services
- › organisational structure consultation
- › management advisory services
- › strategic planning consultation services.



## Procurement initiatives to support small business

ASIC supports small business participation in the Australian Government procurement market. Small to medium-sized enterprise (SME) and small enterprise participation statistics are available on the Department of Finance website, [www.finance.gov.au](http://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 the Treasury website, [www.treasury.gov.au](http://www.treasury.gov.au).

ASIC's procurement practices support small businesses by:

- › use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000, where applicable
- › encouraging use of the SME exemption under the Commonwealth Procurement Rules
- › using the Digital Transformation Agency's digital marketplace, which is accessible to SMEs and clearly identifies their SME status.

## Australian Financial Complaints Authority

ASIC has oversight of AFCA. AFCA is a single external dispute resolution (EDR) scheme for financial services that aims to resolve complaints that a financial firm could not resolve by internal dispute resolution (IDR).

Financial firms must have a dispute resolution system that consists of IDR procedures that meet the standards or requirements made or approved by ASIC, and membership of AFCA.

AFCA deals with financial services, credit and superannuation complaints made by consumers, small businesses and primary producers that a firm has not resolved at IDR.

In 2021–22, AFCA received 72,358 complaints and secured \$207.73 million in compensation for consumers and small businesses, an increase of 3% on the previous year. Flood and storm disasters also impacted on the numbers of general insurance complaints lodged with AFCA, almost double on the previous year.

As an authorised EDR scheme, AFCA is governed by an independent board responsible for ensuring the scheme's ongoing compliance with the authorisation requirements, ministerial conditions, and ASIC regulatory requirements.

Under the legislative requirements, AFCA reported 67 systemic issues and 23 serious contraventions to ASIC in 2021–22. AFCA's systemic issues work resulted in the remediation of over 163,000 consumers and more than \$18 million in refunds.

In November 2021, the Government published the Final Report of the inaugural Independent Review of AFCA which commenced on 1 November 2018. The overall finding of the Review was that AFCA is performing well in a difficult operating environment and a changing regulatory landscape.

The Review made 14 recommendations, most of which focus on enhancements to improve AFCA's operating effectiveness. AFCA has commenced a program of work to implement the Review recommendations and consulted on and introduced a new funding model which took effect from 1 July 2022. ASIC will continue to work closely with AFCA on its implementation of the Independent Review recommendations, noting interactions with ASIC's work on IDR data reporting, remediation, and breach reporting reforms.

Other areas of shared priority and focus in 2021–22 included:

- › responding to flood and disaster events affecting consumers and small businesses across south-east Queensland and New South Wales
- › updating AFCA's processes to support the effective introduction of updated IDR requirements in Regulatory Guide 271, which commenced on 5 October 2021
- › responding to Treasury consultation ahead of the introduction of legislation to the previous Parliament in October 2021 to establish a Compensation Scheme of Last Resort
- › ASIC enforcement action responding to licensees who fail to cooperate with AFCA processes or comply with AFCA determinations.

## 7.4 Five-year summary of key stakeholder data

Table 7.4.1 Five-year summary of key business and stakeholder data, 2017–22

Business data	2021–22	2020–21	2019–20	2018–19	2017–18
<b>Registry services</b>					
Companies (total)	3.1m	2.9m	2.8m	2.7m	2.6m
New companies registered	292,166	279,853	222,048	223,661	244,510
Business names (total)	2.5m	2.4m	2.3m	2.3m	2.2m
New business names registered	421,607	460,409	387,827	375,052	366,181
% company data lodged on time	95.0%	94%	93%	95%	95%
Total searches of ASIC databases	265.8m	219.2m	243.7m	142.6m	122.5m
<b>Regulated entities</b>					
AFS licensees	6,288	6,179	6,127	6,159	6,170
Credit licensees	4,720	4,777	4,930	5,188	5,503
Authorised market infrastructure providers	72	67	64	64	65
Registered SMSF auditors	5,173	5,540	5,699	5,919	6,039
Registered company auditors	3,441	3,553	3,781	3,962	4,226
Registered liquidators	646	649	633	651	663
Registered managed investment schemes	3,656	3,612	3,650	3,712	3,726

Business data	2021–22	2020–21	2019–20	2018–19	2017–18
<b>Fundraising and takeovers</b>					
Fundraising documents lodged	908	884	711	794	898
Fundraising where ASIC required additional disclosure	\$4.6bn	\$3.8bn	\$2.3bn	\$3.2bn	\$3.5bn
Control transactions – schemes and bids	77	85	55	73	60
Control transactions – schemes and bids implied target size	\$120.96bn	\$40.5bn	\$23.5bn	\$34.3bn	\$32bn
<b>Enforcement outcomes</b>					
Criminal and civil litigation completed <sup>1</sup>	98	75	72	108	127
% successful criminal and civil litigations <sup>2</sup>	95%	97%	93%	94%	99%
Criminals imprisoned <sup>3</sup>	6	7	7	10	6
Recoveries, costs, compensation or fines <sup>4</sup>	\$3.1m	\$10.2m	\$1.5m	\$77.7m	\$437.8m
<b>Reports of misconduct</b>					
Reports of crime or misconduct finalised	8,688	10,711	12,355	10,249	9,567
<b>Other key statistics</b>					
Fees and charges collected for the Commonwealth	1,676m	\$1,513m	\$1,358m	\$1,273m	\$1,227m
Staff (average FTEs) <sup>5</sup>	1,947	2,008	1,940	1,701	1,656

1 This excludes summary prosecutions for strict liability offences.

2 This excludes summary prosecutions for strict liability offences.

3 This excludes custodial sentences served by way of an Intensive Correction Order or where the defendant is released on recognisance to be of good behaviour.

4 Compensation or remediation programs monitored by ASIC are not included in this statistic. The amount includes compensation or remediation agreed in court enforceable undertakings accepted by ASIC, fines and costs ordered by the Courts and infringement notices paid. The decrease compared to previous years is attributed to fewer court enforceable undertaking being accepted by ASIC, where there is a component of compensation or remediation.

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