

How the industry funding model works



ASIC
Australian Securities &
Investments Commission

This infographic provides an overview of ASIC's industry funding model which is prescribed in acts and regulations. It aims to help our stakeholders better understand how the model works.

Please note each section of this infographic should be read in conjunction with underlying explanations linked below on this page.

ASIC's regulatory costs



ASIC's budget is determined by the Australian Government.

This budget covers our regulatory costs, and is recovered through **industry funding levies** and **fees for service** activities (such as licensing and registration).

There are exemptions, such as costs relating to registered charities and not-for-profits.

Industry funding levies



Allocating regulatory costs to subsectors

Costs for each subsector are calculated at the end of each financial year, and form the basis of industry levies charged to regulated subsectors.

Industry funding levies comprise of direct costs and indirect costs.

Direct costs are determined by ASIC team structure and outputs, supported by timesheet data.

Indirect costs are generally allocated to teams in proportion to the internal support they receive.

Adjustments can be made to allocations (e.g., court-awarded costs are deducted from subsector's costs).

Calculating levies

Once costs are allocated to each subsector, the actual levy payable by an entity is worked out using a flat levy formula or graduated formula.

For a **flat levy**, regulatory costs are divided equally between entities in a subsector. Where there is a business activity metric, the levy will be divided by each entity's share of the business activity.

For a **graduated levy**, there is a minimum amount plus a 'graduated' amount dependent on the metric used for the subsector.

Fees for service



Fees for service are **user initiated** that is, they are charged when stakeholders lodge certain regulatory forms and requests with ASIC.

The amounts are set in the Cost Recovery Levy Regulations. The amounts are calculated by attributing direct and indirect costs for the business processes for each type of service.

Some fees are tiered that is, we will charge a different fee depending on the complexity of the application.



Stakeholder engagement

Estimated costs and levies are released in our cost recovery implementation statement (CRIS). Substantive consultation on the industry funding model will occur every five years.