

ANNUAL REPORT
2023–24



ASIC
Australian Securities &
Investments Commission

ACKNOWLEDGEMENT OF COUNTRY

ASIC acknowledges the Traditional Owners and custodians of the lands and waters across Australia, including the locations on which ASIC's offices sit. ASIC also pays respect to the Elders of First Nations communities nationally – past and present – as the custodians of the world's oldest continuing cultures.

ABOUT THIS REPORT

This report describes the performance of the agency for the year ending 30 June 2024. It addresses our annual reporting obligations under:

The Australian Securities and Investments Commission Act 2001

The Public Governance, Performance and Accountability Act 2013

The Public Governance, Performance and Accountability Rule 2014

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ASIC
Australian Securities &
Investments Commission

**Australian Securities
and Investments Commission**

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Chair

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8 OCTOBER 2024

The Hon Jim Chalmers MP
Treasurer
Parliament House
Canberra ACT 2600

Dear Treasurer,

I am pleased to present the annual report of the Australian Securities and Investments Commission for the year ended 30 June 2024.

The report has been prepared in accordance with section 136 of the *Australian Securities and Investments Commission Act 2001*, section 46 of the *Public Governance, Performance and Accountability Act 2013*, the Public Governance, Performance and Accountability Rule 2014, Resource Management Guide No. 135 *Annual reports for non-corporate Commonwealth entities* and Resource Management Guide No. 128 *Regulator performance*, published by the Department of Finance.

Yours faithfully,

Joseph Longo
Chair

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CHAPTER 01

YEAR IN REVIEW

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- > Chair's report
- > Our work in action
- > Our business transformation
- > Financial summary

The year at a glance

SURVEILLANCE

690

surveillances completed

INVESTIGATIONS

168

formal investigations commenced

SCAM TAKEDOWNS

7,300+

investment scams and phishing websites taken down

ENFORCEMENT OUTCOMES

Criminal

23

individuals prosecuted on criminal charges by the Commonwealth Director of Public Prosecutions following ASIC referral

18

criminal convictions

8

custodial sentences

186

individuals prosecuted by ASIC for strict liability offences, resulting in \$1.1 million in fines

6

people imprisoned

10

non-custodial sentences

Civil

32

civil proceedings commenced, involving actions against 69 defendants

\$90.8m

in civil penalties imposed by the courts

Bannings

64

individuals or companies removed or restricted from providing financial services

11

individuals or companies removed from the credit industry

Infringement notices and court enforceable undertakings

26

infringement notices issued

\$7.2m

infringement penalties issued

7

court enforceable undertakings

35

people disqualified or removed from directing companies

54

actions taken against auditors and liquidators

CONSUMER EDUCATION

11.8m

user visits to ASIC's Moneysmart website

6.2m

users of Moneysmart online tools

INDUSTRY REPORTS

18

industry reports published

REGULATORY RELIEF

886

relief applications approved

Chair's report

ASIC is undergoing a transformation designed to meet the economic challenges and technological shifts that are reshaping our operating environment.

I am pleased to present ASIC's Annual Report for 2023–24.

As Australia's financial services and corporate regulator, ASIC has continued its transformation to meet the challenges and opportunities brought by rapidly evolving domestic and global markets. These include increased market volatility, advances in artificial intelligence, data and cyber risks, and the flow of capital from public to private markets.

Over the past year, ASIC has continued to deliver on its vision for a fair, strong and efficient financial system for all Australians. Our work has promoted confident and informed participation in financial markets and protected consumers and investors from harm. We have used the full suite of our regulatory tools to promote compliance and accountability, and enforce the law. We achieved a number of regulatory firsts, such as the first court-imposed penalty for greenwashing, the first stop order on a life insurance product, and the first infringement notice issued to a market operator, the ASX.

Strong compliance and enforcement outcomes

In 2023–24, we commenced around 170 formal investigations, an increase of about 25% on the previous year. We also filed 32 new civil proceedings in the Federal Court (against 69 defendants), representing an increase of 23% in civil proceedings on the previous year. Our civil actions resulted in over \$90 million in court ordered penalties. Our investigations led to 18 criminal convictions and a total of \$936,000 in fines ordered by the courts. They also saw a further 23 individuals charged by the Commonwealth Director of Public Prosecutions for criminal offences.

'Each and every person at ASIC plays an important role in upholding the integrity of Australia's financial system. We are deeply committed to helping all Australians.'

Joseph Longo

We are actively disrupting and preventing inappropriate targeting of consumers and the use of harmful credit models, including in First Nations communities.

Through our work, we aim to maintain a level playing field across the financial sector and to deter future wrongdoing. Our enforcement work is integral to ensuring that the consequences of breaking the law are clear and impactful.

Consumer and investor protection and education

Our focus on consumer and investor protection and education continued to deliver strong outcomes. More than 7,300 investment scam and phishing websites were taken down. Our ASIC Moneysmart Investor Alert List warned people of over 700 potentially fraudulent or unlicensed investment schemes and scams. The ASIC Moneysmart website was used by over 11 million Australians, with more than 6 million making use of the free tools and calculators to help them manage their finances.

Our report [Hardship, hard to get help](https://download.asic.gov.au/media/ud5mhogp/rep783-published-20-may-2024.pdf)¹ highlighted shortcomings in the way banks and lenders provide financial hardship support and set clear expectations for them to do better. The supporting consumer awareness campaign helped Australians better understand their right to ask for help from their lender. Our strategic focus on retirement outcomes included a [cross-sector project to expose and deter high-pressure cold-calling tactics](https://asic.gov.au/about-asic/news-centre/news-items/exposing-high-pressure-cold-calling-tactics-and-social-media-click-bait-leading-to-superannuation-switching/)² used in superannuation switching business models.

We continued to address emerging regulatory challenges, including in sustainable finance, crypto assets, and AI. An AI symposium we convened in May 2024 brought together experts from academia, business, industry and government for a critical conversation about how AI is affecting regulation and how Australian regulators can respond, drawing on international perspectives.

Engagement with key stakeholders

We are committed to working constructively and transparently with industry and the broader community. Commissioners and senior leaders across the organisation engage regularly with a wide range of stakeholders to exchange information and gather insights into emerging and complex issues in the financial sector, and to enable us to make informed and effective regulatory decisions. These engagements also allow us to signal our expectations to industry.

We continue to engage with the Australian Government – in particular, with Treasury – in a range of ways. We participate in consultations and inquiries, and provide input on legislative reforms in the sectors we regulate. This year, areas of focus have included scams, sustainable finance, AI, financial advice, the buy now pay later sector and managed investment schemes. In addition to three Senate Estimates hearings and four oversight hearings of the Parliamentary Joint Committee on Corporations and Financial Services, we engaged with 16 inquiries and attended nine hearings. These inquiries covered such topics as insurers' responses to the 2022 major floods claims, greenwashing, and the adoption of AI.

1 <https://download.asic.gov.au/media/ud5mhogp/rep783-published-20-may-2024.pdf>

2 <https://asic.gov.au/about-asic/news-centre/news-items/exposing-high-pressure-cold-calling-tactics-and-social-media-click-bait-leading-to-superannuation-switching/>

This year, we enhanced our approach to regulatory guidance to focus on setting clear expectations of industry. We also published the core principles for developing and implementing regulatory guidance.

Our Indigenous Outreach Program continued to assist First Nations consumers, including through our dedicated Indigenous Help Line and remote outreach across the country, to progress the long-term outcomes set out in ASIC's Indigenous Financial Services Framework. During the year, we hosted three virtual workshops about the opportunities for industry to address key challenges experienced by First Nations peoples when engaging with the financial system.

Strengthening our capabilities

This year, ASIC had a dedicated focus on growth and transformation. The commitment I made when I was appointed as Chair was for ASIC to be an ambitious, confident and modern regulator, and that's what we are doing.

ASIC's transformation over the past three years has been carefully considered, from determining what was needed and designing how it would work, to assessing the benefits the changes are intended to realise.

Most recently, the largest organisational redesign the agency has seen in 15 years has enhanced collaboration and decision-making across our teams. An example of this is our new regulatory triage process, which has enabled us to streamline our decision-making, improve the quality of those decisions and reduce time taken for matters to be progressed for enforcement and compliance action.

To support our regulatory, compliance and enforcement outcomes, we focused on enhancing our data analytics and surveillance capabilities. We embedded the triaging of real-time alerts as part of an inter-agency fight against scams, and strengthened our data and surveillance capabilities to protect consumers. This is part of our long-term approach to becoming a leading, digitally enabled and data-informed regulator, supported by and dependent on the funding and investment available to us.

This year, responsibility for companies, licences, business names and professional registers returned to ASIC from the Australian Taxation Office (ATO). We are working on the transition of these responsibilities and relevant staff members to ASIC and the stabilisation of existing registers.

Looking ahead

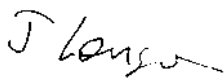
ASIC is ready and well equipped to continue its important work. We will remain agile in our approach; continue to strengthen our surveillance, supervision and enforcement capabilities; and invest in our people, systems and technology to achieve smarter and more effective outcomes.

Acknowledgement

Finally, I would like to extend my gratitude to everyone involved in supporting ASIC to deliver on its vision.

Each and every person at ASIC plays an important role in upholding the integrity of Australia's financial system. We are deeply committed to helping all Australians.

We have outstanding people throughout the organisation to drive the next phase of ASIC's transformation. Together, we will continue to address future challenges and uphold the commitment to excellence that defines our work.



Joseph Longo

Chair



Our work in action



Protecting consumers from scams

ASIC took down more than 7,300 investment scams and phishing websites, protecting Australians from fake investment platforms, crypto asset scams, and websites posing as legitimate financial services businesses.

[SEE SPOTLIGHT 1 ON PAGE 35.](#)



Acting on inadequate disclosures relating to sustainable finance

ASIC succeeded in a court action against a superannuation fund, sending a strong message to entities making sustainable investment claims that they must ensure their environmental, social and governance representations are not misleading.

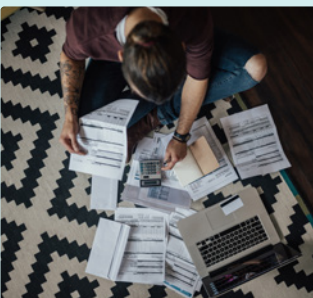
[SEE SPOTLIGHT 2 ON PAGE 37.](#)



Preventing inappropriate targeting of consumers that could lead to financial harm

ASIC stopped retailer Urban Rampage from targeting First Nations consumers with inappropriate credit arrangements that led to financial hardship.

[SEE SPOTLIGHT 3 ON PAGE 40.](#)



Helping Australians in financial hardship

ASIC released findings of review highlighting banks' and lenders' inadequate focus on customers facing hardship and set expectations for lenders to take action.

[SEE SPOTLIGHT 4 ON PAGE 44.](#)



Regulation of the use of artificial intelligence

ASIC convened a meeting of experts to discuss the approach to effective regulation of artificial intelligence (AI) and ensure its safe and responsible use in Australia.

SEE SPOTLIGHT 5 ON PAGE 46.



Disrupting harmful credit business models

ASIC's action over many years continued to disrupt Cigno and BSF Solutions, which use evolving credit business models to evade regulation and target vulnerable consumers.

SEE SPOTLIGHT 6 ON PAGE 59.



Holding large financial institutions to account

ASIC's case against Macquarie Bank for failing to have effective controls to prevent and detect unauthorised transactions by third parties led to the Federal Court ordering the payment of a penalty of \$10 million.

SEE SPOTLIGHT 7 ON PAGE 61.



Taking tough action on insider trading and market manipulation

ASIC's success in two recent market trading cases reflects our commitment to protecting the integrity of Australia's markets by holding market operators and participants to the highest standards.

SEE SPOTLIGHT 8 ON PAGE 75.

Our business transformation

The past three years have been a period of transformation for ASIC, to ensure we adapt and respond to new challenges and opportunities in our external environment and are fit for the future.

This year was a critical juncture in this transformation, cementing the foundations of change and paving the way for further enhancements to our culture, systems, processes and technology.

This is part of an ambitious, long-term journey ASIC is making to remain effective, responsive and assertive in a fast-changing regulatory landscape.

01

A new structure to enable more timely, effective and collaborative decisions

Our new organisational structure is the result of the most significant structural redesign in 15 years. We brought compliance and enforcement work closer together and established whole-of-organisation mechanisms to enable more timely, effective and collaborative decision making.

(See Transformation callout on page 84.)

02

Uplifting our digital and data capabilities

Our commitment to bolstering our technology continues to strengthen our digital and data capabilities.

(See Transformation callout on page 42.)

03

Meaningful engagement with external stakeholders

We are actively engaging with external stakeholders to listen to their perspectives and set clear expectations of those we regulate.

(See Transformation callout on page 89.)

04

Supporting and empowering our people

We are gaining new perspectives on our organisational culture and devising new ways to empower our people.

(See Transformation callout on page 119.)

Financial summary

Outcomes

ASIC operates under one outcome statement:

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

ASIC's funding structure

Since the financial year 2017–18, ASIC's operating costs have been paid through an industry funding model. Approximately 99% of ASIC's operating costs are recovered from the industries ASIC regulates. Around 70% of these costs are funded through the industry funding model and the remaining 29% through fees and charges collected by ASIC. Details of how ASIC's costs are recovered can be found in the Cost Recovery Implementation Statement (CRIS),³ published by ASIC around June each year. The CRIS provides information on how we implement the industry funding model and recover costs from industry subsectors, and also the fees we charge for transactions and services.

ASIC also collects revenue on behalf of the Australian Government under the *Corporations Act 2001* (Corporations Act) and the *National Consumer Credit Protection Act 2009* (National Credit Act), in addition to the funding from industries ASIC regulates and fees paid for services provided, details of which are outlined in the financial statements. This year, \$2.1 billion was collected by ASIC, including \$316 million through the industry funding model.

All funds collected go to consolidated revenue and are not available to ASIC.

Revenue for the Commonwealth

In 2023–24, ASIC collected \$2,062 million on behalf of the Commonwealth in fees, charges and supervisory cost recovery levies, an increase of 12% on 2022–23. This revenue collected is passed on to the Commonwealth and is not kept by ASIC.

³ <https://asic.gov.au/about-asic/what-we-do/how-we-operate/asic-industry-funding/cost-recovery-implementation-statement/>

Operational result

In 2023–24, ASIC reported a surplus of \$31 million, which was the result of several factors, including:

- ◆ project delays relating to the time to scope and recruit for new measures that were approved by government in the 2023–24 Mid-Year Economic and Fiscal Outlook (\$23 million)
- ◆ the receipt of court cost recovery revenue of \$13 million, mainly within the Enforcement Special Account

- ◆ appropriation revenue of \$12 million for capital projects, with expenditure reflected on the balance sheet.

These items are offset in part by write-downs and impairments of \$17 million, mainly relating to Modernising Business Registers program assets, which were reclassified as operational in nature following the outcomes of the government's independent review.

Table 1—Revenue, appropriations and expenditure

	2023–24 (\$'000)	2022–23 (\$'000)	CHANGE (\$'000)	PERCENTAGE CHANGE
Revenue from government (including Enforcement Special Account)	513,558	426,323	87,235	20
Own-source revenue	31,406	32,366	(960)	(3)
Total revenue	544,964	458,689	86,275	19
Total expenses (including depreciation and amortisation, net of gains)	513,988	542,340	(28,352)	(5)
Surplus/(deficit)	30,976	(83,651)	114,627	137

Table 2—ASIC's use of taxpayers' money for outcomes approved by Parliament

	2023–24	2022–23
Operating expenses (incl. depreciation and amortisation, net of gains)		
Total expenses (net of gains) (\$'000)	513,988	542,340
Annual change on previous year (%)	(5)	10
Fees and charges (incl. industry funding) raised for the Commonwealth		
Total (\$'000)	2,061,834	1,834,550
Annual change on previous year (%)	12	9



CHAPTER 02

AGENCY OVERVIEW

IN THIS CHAPTER

- > Who we are and what we do
- > Our Commission
- > Our role and responsibilities
- > Our organisation

Who we are and what we do

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

OUR VISION

A fair, strong and efficient financial system for all Australians

Our purpose is to monitor and promote market integrity and consumer protection in the Australian financial system

STATUTORY OBJECTIVES

Maintain, facilitate and improve the performance of the financial system and entities in it

Promote confident and informed participation in the financial system

Administer the law effectively and with minimal procedural requirements

Take whatever action we can, and which is necessary, to enforce and give effect to the law

Store, process and make available information we receive about companies and other bodies

We achieve this through our regulatory functions

REGULATORY ACTIVITIES

1

Pursue enforcement and compliance

2

Undertake supervision and surveillance

3

Provide guidance to industry

4

Assess licence and registration applications

5

Provide regulatory relief where appropriate

6

Engage with key stakeholders

7

Educate consumers

8

Maintain accessible registers

This work is underpinned by our people and technology

PEOPLE

Develop our people and capabilities

TECH

Invest in and develop technology to ensure ASIC is digitally enabled and data-informed

Our Commission



Joseph Longo
Chair

Commenced as ASIC Chair on 1 June 2021.



Sarah Court
Deputy Chair

Commenced as ASIC Deputy Chair on 1 June 2021.



Simone Constant
Commissioner

Commenced as an ASIC Commissioner on 20 November 2023.



Alan Kirkland
Commissioner

Commenced as an ASIC Commissioner on 20 November 2023.



Kate O'Rourke
Commissioner

Commenced as an ASIC Commissioner on 11 September 2023.



Karen Chester

Ceased as ASIC Deputy Chair on 27 January 2024.

Commenced as ASIC Deputy Chair on 28 January 2019.



Danielle Press

Ceased as an ASIC Commissioner on 16 September 2023.

Commenced as an ASIC Commissioner on 17 September 2018.

The role of the Chair and the Commission

As the Accountable Authority under the *Public Governance, Performance and Accountability Act 2013*, the ASIC Chair governs ASIC and has sole executive management responsibility. Our Chair 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 they consider that 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.

Several committees assist with the effective and efficient performance of the Commission's regulatory and governance roles. Commission meetings are held weekly and may be convened more regularly as required.

The Accountable Authority 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 *Australian Securities and Investments Commission Act 2001* (ASIC Act). The Remuneration Tribunal sets Commissioners' remuneration, which is not linked to their performance. Under the ASIC Act, Commissioners are required to disclose to the Minister any direct or indirect pecuniary interests in corporations carrying on business or businesses in Australia; interests regulated by ASIC; or expectations, understandings, arrangements or agreements for future business relationships.

ASIC's Legal Services, 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.

See further information on ASIC's governance in Chapter 4 and Appendix 2.

Our role and responsibilities

ASIC was established under the ASIC Act 2001.

Our vision

Our vision is for a fair, strong and efficient financial system for all Australians.

Our regulatory purpose

Our purpose is to monitor and promote market integrity and consumer protection in the Australian financial system.

Our legislative responsibilities

The ASIC Act states that ASIC has the function of monitoring and promoting market integrity and consumer protection in relation to the Australian financial system and the payments system. It requires that ASIC must strive to:

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

ASIC also has the function of monitoring and promoting market integrity and consumer protection in the payments system by promoting:

- ◆ the adoption of approved industry standards and codes of practice
- ◆ the protection of consumer interests
- ◆ community awareness of payments system issues
- ◆ sound customer–banker relationships.

We enforce the law and regulate companies, financial markets and financial services under the following key legislation:

- ◆ ASIC Act
- ◆ *Business Names Registration Act 2011*
- ◆ Corporations Act
- ◆ *Financial Accountability Regime Act 2023*
- ◆ *Insurance Contracts Act 1984*
- ◆ National Credit Act.

We also administer parts of the following legislation:

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

Our regulatory approach

A fair, strong and efficient financial system is fundamental for every individual and business in Australia, and for Australia's reputation as a safe and attractive place to invest. ASIC has a crucial role in maintaining Australia's position as having one of the most stable and successful financial systems in the world.

We take a targeted, risk-based and flexible approach to our regulation and supervision role. This includes setting strategic priorities aimed at changing behaviours to drive good consumer and investor outcomes, and promoting the development of a strong and innovative financial system.

Our regulation and supervision functions detect, deter and act against misconduct with the aim of maintaining Australians' trust in the integrity of the financial system. These functions are closely related to the work of our enforcement and compliance teams.

We use a broad enforcement toolkit in a targeted and proportionate way to address misconduct, punish wrongdoers, and, importantly, reduce the risk of misconduct in the markets and sectors we regulate.

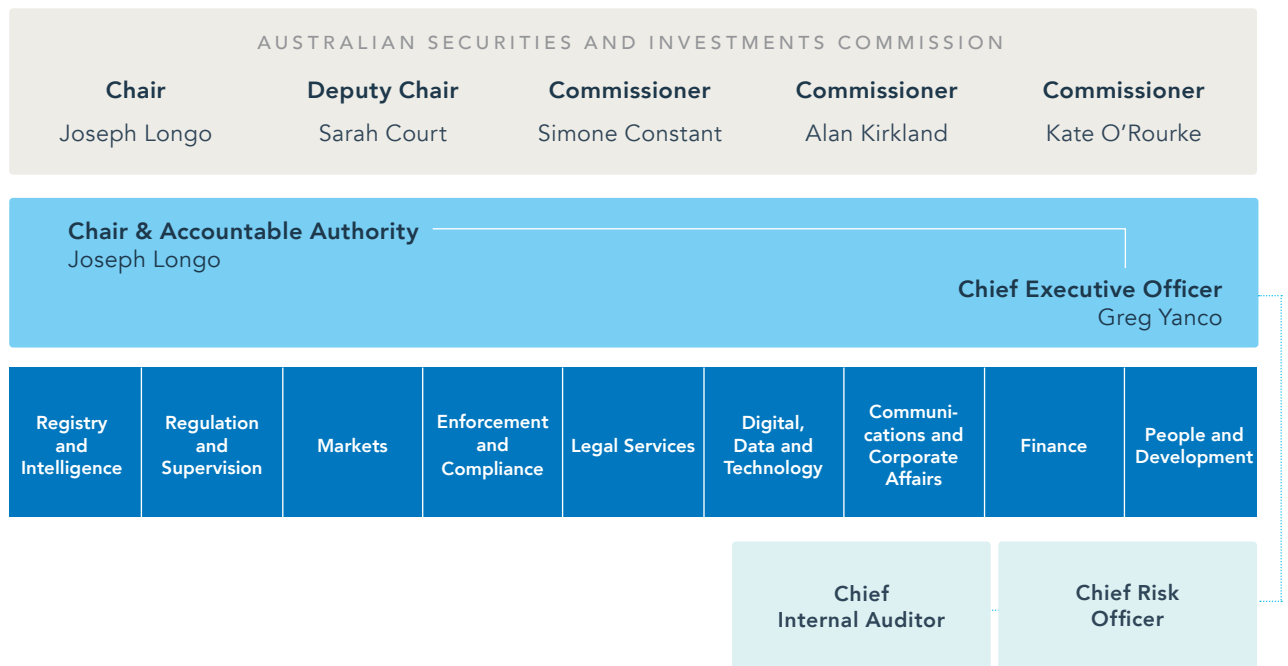
Our aim is to be an intelligence-led regulator, leveraging data and insights to inform our decision making and ensure we make the best use of our resources to target the behaviours and conduct that pose the highest risk. We will do this increasingly through the use of data analytics and by gathering insights from information we obtain from various sources, including reports of alleged misconduct from the public. This includes sharing intelligence with domestic and international peers to achieve positive regulatory outcomes.

Our work as a regulator is focused on ensuring our financial markets work well for individuals and businesses, promote innovation and support the Australian economy.

Our organisation

ASIC's new structure came into effect on 3 July 2023, marking the most significant organisational redesign in 15 years. The new structure aims to improve the timeliness of decision making, and improve our operational capabilities to address emerging risks and harms in the financial system and markets.

Figure 1—ASIC structure



For a more detailed organisational chart, please see page 117.

CHAPTER 03

ANNUAL PERFORMANCE STATEMENT

IN THIS CHAPTER

- > Statement of preparation
- > Performance objectives
- > What we set out to do in 2023–24
- > Activity overview
- > Core strategic projects
- > Strategic work across our regulated sectors
- > Outcomes across our regulatory functions
- > ASIC Service Charter results
- > Unclaimed money
- > Principles of regulator best practice

Statement of preparation

I, Joseph Longo, as the Accountable Authority of ASIC, present the 2023–24 annual performance statement of ASIC, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, the annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.

Performance objectives

ASIC's performance reporting in 2023–24 was guided by the Corporate Plan and our 2023–24 Portfolio Budget Statement, which set out our objectives and activities related to improving investor and consumer trust and confidence, facilitating fair and efficient markets, and delivering efficient registry systems.

For annual reports prepared for the 2023–24 reporting period, ASIC is required to reconcile performance outcomes in its Annual Performance Statement with reference to best practice principles (see page 109).

What we set out to do in 2023–24

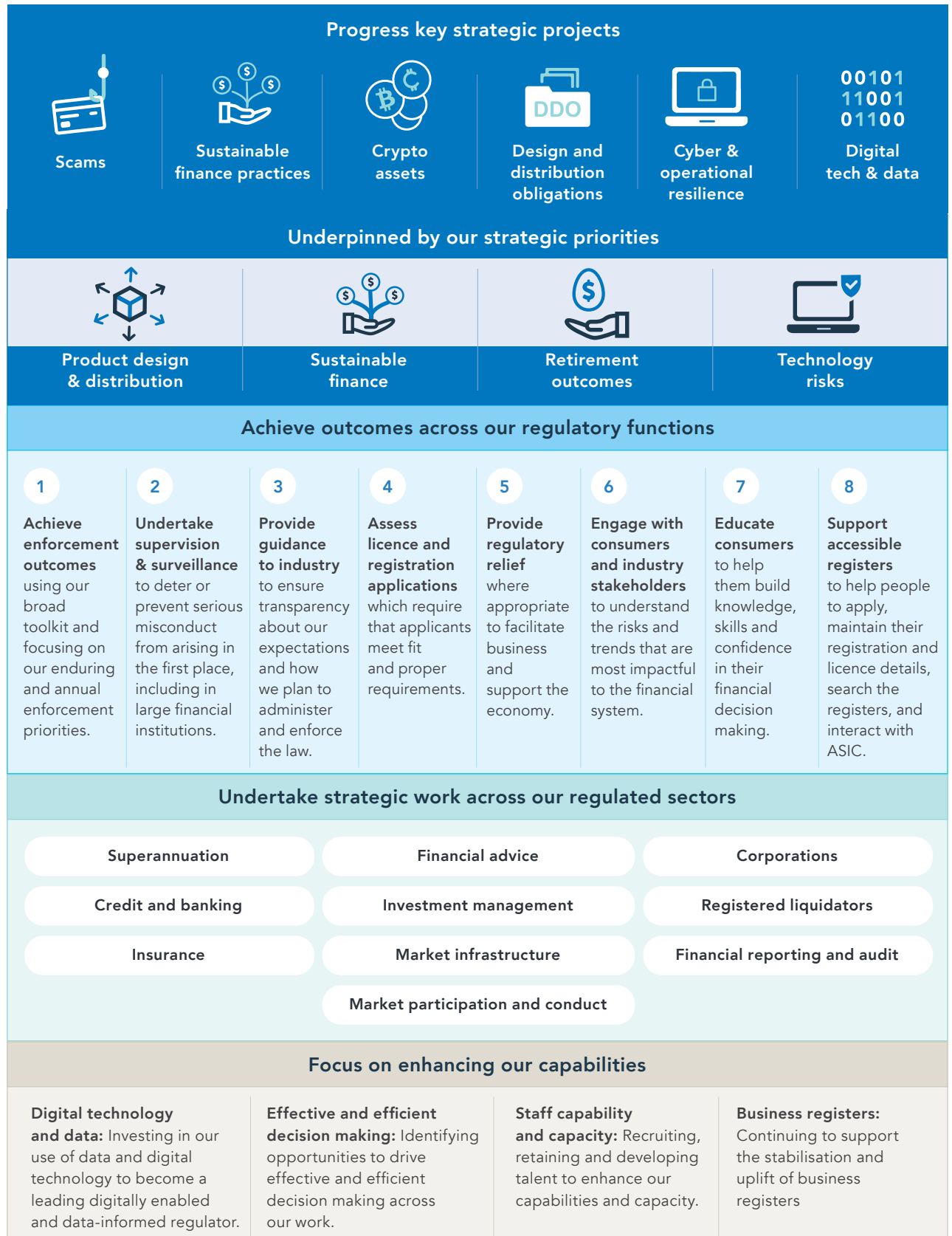
Our Corporate Plan outlines ASIC’s strategic priorities and how we aimed to achieve those priorities in 2023–24.

To determine our strategic priorities and projects, we applied the regulator best practice principles to identify key trends in our regulatory environment and target our surveillance and enforcement actions.

In this chapter, we set out our key results for 2023–24, as delivered through the work outlined in the Corporate Plan (summarised in Figure 2). We used a broad range of regulatory tools to achieve outcomes for consumers and investors.



Figure 2—Key activities in 2023–24



Measuring our performance

As ASIC is a law enforcement agency, the volume and results of our surveillance and enforcement activities remain an important measure of our performance. Table 3 (pages 30–33) outlines our key activity metrics.

In evaluating our work, we also combine quantitative and qualitative indicators to provide a narrative about our approach and the outcomes we achieved. Our activities and outcomes in relation to the work outlined in our Corporate Plan are detailed in the following sections: 'Core strategic projects' (page 34), 'Strategic work across our regulated sectors' (page 43), 'Outcomes across our regulatory functions' (page 84), and 'Service Charter' (page 104).

Activity overview

We have achieved strong outcomes across our regulatory activities in 2023–24.

Table 3 provides an overview of our key activity metrics for 2023–24. The number of supervisory, surveillance and enforcement actions we undertake, the value of fines and penalties, and the number of convictions vary from year to year. The variations depend on factors such as the severity of breaches of the law and the complexity of the investigations we undertake.

Following the announcement of our new organisational design on 3 July 2023, a key priority in the first half of this financial year was ensuring a smooth and timely transition to the new structure. While we saw an initial slowing in some activity metrics, the new structure brought improvements in the second half of the year, with further benefits expected to be achieved over the long term.

Our new structure means we have changed our approach to surveillance and enforcement work. We have moved towards a more streamlined, whole-of-agency process to determine the best action to take against matters.

This year, our improved triage process enabled us to make faster decisions and reduce time taken for matters to be elevated for a decision on further enforcement and compliance action. This has led to an increase in the number of investigations.

As a result of the new structure, some activities cannot be directly compared with last year.

Table 3—Key activity metrics

OUTCOME	TOTAL 2023–24	TOTAL 2022–23
Enforcement and compliance		
Surveillance		
Surveillances completed ¹	690 ²	1,301 ³
Instances of potentially misleading or deceptive promotional material withdrawn or amended	22	57
Interim stop orders and final stop orders on disclosure documents ⁴	5	21
Stop orders under design and distribution obligations ⁵	7	78
Scam disruption website takedowns		
Investment scam and phishing website takedowns ⁶	Over 7,300	-
Investigations		
Preliminary investigations commenced	284 ⁷	N/A
Formal investigations commenced ⁸	168	134
Criminal actions		
Criminal litigation completed	24	44
Criminal litigation completed successfully (as a percentage)	90	90
New criminal litigation commenced	23	32
Average time to complete an investigation (in months)	25	23
Average time to a criminal court decision (in months)	26	21
Average total time to complete an investigation and reach a court decision (in months) ⁹	56	60

- 1 The number of surveillances completed is a measure of surveillance activity or activities by entity or related entities (such as companies, partnerships, licensed or unlicensed entities, and individuals), by disclosure documents (prepared by an entity or entities) or by transactions (by an entity or entities). These surveillance activities can be initiated on a reactive basis (e.g. in response to a report of misconduct or industry intelligence) or proactively as part of a larger surveillance project examining a thematic or industry-wide issue (i.e. a project may comprise a number of surveillances).
- 2 In line with our new structure, this year we have changed the way we report a portion of this work, which is now undertaken in the Enforcement and Compliance group and recorded as preliminary investigations. On a like-for-like basis, the equivalent metric for surveillances as they were reported in last year's annual report would be 974.
- 3 The overall number of surveillances completed was higher in 2022–23 due to a number of planned surveillance projects, including a compliance program in relation to the requirement for self-managed superannuation fund (SMSF) auditors to lodge auditor annual statements.
- 4 These stop orders were issued to prevent offers being made under disclosure documents containing misleading or deceptive statements, and omissions of information required under relevant legislation. In June 2024, ASIC issued the first crowd-sourced funding regime stop order.
- 5 These stop orders were issued under ASIC's design and distribution obligation powers, which came into effect in October 2021 following a transitional period. The number of stop orders in 2022–23 reflects our approach to quickly address problematic target market determinations (TMDs) soon after the introduction of the regime. This was to uplift standards and set clear expectations for the market under the new laws. This enabled us to shift our focus in 2023–24 to a more specific obligation under laws that require issuers to take reasonable steps that will, or are reasonably likely to, result in distribution being consistent with the TMD. While this resulted in fewer stop orders, it was an important initiative in line with our strategic approach.
- 6 ASIC's scam website takedown capability was launched in July 2023. Facilitated by a third party specialising in cybercrime detection and disruption, it eliminates or limits exposure of Australian investors to investment scam and phishing websites.
- 7 This figure reflects the preliminary investigation work undertaken under our new structure by the Enforcement and Compliance group.
- 8 Investigations for these purposes meet the definition in section 13 of the ASIC Act and section 247 of the National Credit Act.
- 9 The time to complete criminal investigations is measured from the date an investigation commences to the date a referral is made to the Commonwealth Director of Public Prosecutions (CDPP). The time to reach a criminal court decision is measured from the date charges are laid by the CDPP to the date a sentence is handed down. The time involved in achieving enforcement outcomes can vary, depending on many factors, such as the time a matter is with the CDPP for assessment or the time a matter is before the courts.

OUTCOME	TOTAL 2023-24	TOTAL 2022-23
Criminal outcomes		
Number of people/companies convicted ¹⁰	18	35
Custodial sentences (including fully suspended)	8	21
Non-custodial sentences/fines	10	14
Total dollar value of fines ¹¹	\$936,000	\$189,640
Total dollar value of pecuniary penalties	-	\$28,883
Civil action		
Civil litigation completed	39	52
Civil litigation completed successfully (as a percentage)	82	94
New civil litigation commenced	69	62
Average time to complete an investigation (in months)	15	15
Average time to reach a civil court decision (in months)	27	22
Average total time to complete an investigation and reach a court decision (in months) ¹²	46	42
Civil outcomes		
Total dollar value of civil penalties	\$90.8m	\$185.4m ¹³
Administrative actions and outcomes¹⁴		
Actions taken against auditors	52	468 ¹⁵
Actions taken against liquidators	2	2
People disqualified or removed from directing companies	35 ¹⁶	32
People/companies removed, restricted or banned from providing financial services	64 ¹⁷	77
People/companies removed, restricted or banned from providing credit services	11 ¹⁸	28
Public warning notice	-	1
Financial Services and Credit Panel outcomes		
Directions issued	6	3
Reprimands issued	4	-

10 This includes three successful criminal actions without a conviction recorded.

11 The increase in fines arising from criminal actions in 2023-24 is attributed to a fine of \$820,000 imposed on Members Equity Bank Limited. The bank was convicted and penalised after pleading guilty to criminal charges of making false and misleading representations and failing to provide required written notices regarding home loans.

12 The time to complete civil investigations is measured from the date an investigation commences to the date initiating proceedings are filed by ASIC. The time to civil court decisions is measured from the date initiating proceedings are filed to the date a judgment is handed down. There are occasions when a judgment is reserved, which affects the overall time to reach a court decision.

13 Civil penalties in 2022-23 were higher due to several record penalties awarded by the court.

14 This includes all disqualifications, suspensions, cancellations and bannings resulting from surveillance and enforcement activities.

15 The number of actions against auditors was unusually high in 2022-23 due to a compliance program in which ASIC communicated to more than 1,400 SMSF auditors that they had outstanding annual statements. Most of these auditors subsequently lodged their statements. Those SMSF auditors with outstanding annual statements were advised on 3 August 2022 that ASIC was considering cancelling their registration. Notice of cancellation was sent to these auditors on 23 January 2023, following their continued non-compliance.

16 This includes four disqualifications arising from civil proceedings, where the court ordered that the defendant be disqualified from directing companies.

17 This includes one instance where the court imposed permanent injunctions on an individual, restraining them from carrying on a financial services business in Australia in contravention of the Corporations Act, and one instance where an individual was removed from providing financial services under the terms of a court enforceable undertaking.

18 This includes four instances where the court made orders restraining individuals from engaging in credit activity.

OUTCOME	TOTAL 2023-24	TOTAL 2022-23
Warnings issued	1	-
Registration Prohibition Orders issued	2	-
Court enforceable undertakings		
Court enforceable undertakings accepted	7	3
Infringement notices¹⁹		
Total number of infringement notices issued	26	20
Total dollar value of infringement notices	\$7.2m	\$6.7m
Summary prosecutions		
Summary prosecutions for strict liability offences	186	210
Total value of fines and costs	\$1.1m	\$1.6m
Guidance		
Industry reports published	18	37
New or revised regulatory guides published	30	34
New or revised information sheets	34	29
Legislative instruments made, amended and repealed	88	56
Licensing and professional registration activities		
Administrative decisions		
Licensing and registration applications received	1,531	1,497
Licensing and registration applications approved	1,116	1,287
Licensing and registration applications refused or withdrawn	385	413
Licensing and registration applications in progress	626	612
Australian financial services (AFS) licences, including limited AFS licences (new and variations)		
Applications approved	679	841
Applications refused/withdrawn	195	215
Licences cancelled/suspended	269	329
Applications in progress	457	417
Australian credit licences (new and variations)		
Applications approved	239	263
Applications refused/withdrawn	133	145
Licences cancelled/suspended	204	212
Applications in progress	113	135

19 These notices were issued for infringements related to the market integrity rules and the ASIC Act. Compliance with infringement notices is not an admission of guilt or liability and these entities are not taken to have contravened the law. The figure includes infringement notices issued by ASIC and infringement notices issued by the Markets Disciplinary Panel (MDP).

OUTCOME	TOTAL 2023-24	TOTAL 2022-23
Registered auditors – registered company auditors, authorised audit company and self-managed superannuation fund (SMSF) auditors		
Applications approved	198	183
Applications refused/withdrawn	57	53
Licences cancelled/suspended	560	1,019 ²⁰
Applications in progress	56	60
Registered liquidators		
Liquidators registered by ASIC	17	29
Registration committees convened during the year	24	36
Outcome of Liquidator Registration Committee convened during the year		
Applications for registration approved by committee ²¹	15	28
Applications for registration refused by committee	1	3
Committee matters in progress – registration applications yet to be determined	8	5
Engagement		
Consultation papers published	14	7
Meetings with industry groups and other stakeholders	Over 1,200	Over 1,600
Regulatory relief		
Applications for relief from the Corporations Act		
Relief applications received	1,085	1,154
Relief applications approved	886	887
Relief applications refused or withdrawn	135	301
Relief applications in progress	39	59
Education		
Users visiting ASIC's Moneysmart website	11.8m	11.1m
Number of users who have used a Moneysmart online tool	6.2m	5.6m

20 The unusually high number of licences cancelled or suspended in 2022-23 was underpinned by the compliance program relating to 1,400 SMSF auditors who had outstanding annual statements. See Footnote 15.

21 A breakdown of the applications approved by the Liquidator Registration Committee, with or without conditions, can be found in Table 11 on page 198.

Core strategic projects

In 2023–24, we undertook six core strategic projects underpinned by four strategic priorities.

Our Corporate Plan outlines our regulatory priorities and the actions we plan to take over the following four years.

These are based on monitoring and analysis of our operating environment, the identification of threats and behaviours that lead to harm, and the prioritisation of harms that need to be addressed.

In 2023–24, our key strategic projects were:

- ◆ scams
- ◆ sustainable finance practices
- ◆ crypto assets
- ◆ design and distribution obligations (DDOs)
- ◆ cyber and operational resilience
- ◆ digital technology and data.

As set out in Figure 2 on page 27, these projects were underpinned by the strategic priorities for 2023–24, as outlined in our Corporate Plan:

- ◆ **Product design and distribution:** Reduce the risk of harm to consumers of financial, investment, credit and credit-like products, caused by poor product design, distribution and marketing, especially by driving compliance with DDOs.
- ◆ **Sustainable finance:** Support market integrity and efficiency through supervision and enforcement of current governance and disclosure standards to reduce harms from greenwashing, while engaging closely on climate-related financial disclosure requirements.

- ◆ **Retirement decision making:** Protect consumers, especially as they plan and make decisions for retirement, with a focus on superannuation products, managed investments and financial advice.
- ◆ **Technology risks:** Focus on the impacts of technology in financial markets and services, drive cyber and operational resilience practices, including within companies and financial market infrastructure, and act to address digitally enabled misconduct.

Scams

This year, ASIC continued to combat scams designed to trick Australians into believing they are making genuine investments. Our investment scam and phishing website takedown capability is part of the whole-of-government Fighting Scams initiative. The initiative supports the work of the National Anti-Scams Centre (NASC), which commenced operations on 1 July 2023. We remain committed to disrupting scams and influencing our regulated population to uplift their anti-scam practices.

See Spotlight 1 on page 35.

ASIC is an active member of the International Organization of Securities Commissions (IOSCO), which is working to combat scams and online fraud at a global and regional level. IOSCO's Asia Pacific Regional Committee shares information and focuses on ways to enhance cooperation to combat scams.

SPOTLIGHT 1

Protecting consumers from scams

This year, ASIC took down more than 7,300 investment scam and phishing websites, protecting Australians from fake investment platforms, crypto asset scams, and websites posing as legitimate financial service businesses.

The scams taken down included fake investment platform websites, news articles, celebrity endorsement websites, cryptocurrency and investment comparison websites, as well as bank scams, crypto asset investment scam websites, and impersonation and phishing scams.

The websites came to ASIC's attention from reports to ASIC or to the Australian Competition and Consumer Commission's (ACCC's) Scamwatch, or by proactive identification by ASIC's takedown provider. ASIC's takedown service, provided by a private company specialising in cybercrime detection and disruption, removed or limited access to investment scam and phishing websites, working with organisations hosting the sites to achieve this.

ASIC co-led the NASC's Fusion Cell (a taskforce that brought together expertise from government and the private sector) to disrupt investment scams. The Fusion Cell operated from August 2023 to February 2024. Suspected scam websites were referred to ASIC for takedown evaluation, and in the six months of the Fusion Cell's operation, these referrals resulted in 220 takedowns.

ASIC has listed some of the websites taken down through this initiative on the Moneysmart Investor Alert List, launched in November 2023. Over 700 new listings have been added to this list since its launch, receiving 150,000 page views this year and protecting consumers from potential harm. For instance, one consumer avoided investing \$230,000 in an entity impersonating a legitimate business after checking the list and finding a match.

If you think you've been scammed, take these steps:

1. Do not send any more money.
2. Report it to your financial institution.
3. Contact [IDCARE](https://www.idcare.org).²²
4. Be wary of follow-up scams.
5. Report it to [Scamwatch](https://www.scamwatch.gov.au/report-a-scam).²³
6. Warn your family and friends.

Visit the [ASIC website](https://www.asic.gov.au) for more information.²⁴

²² <https://www.idcare.org>

²³ <https://www.scamwatch.gov.au/report-a-scam>

²⁴ <https://asic.gov.au/about-asic/news-centre/news-items/scam-alert-scammers-are-changing-the-way-they-impersonate-financial-services-businesses-in-sophisticated-bond-and-term-deposit-scams/>

Sustainable finance practices

Promoting sound, sustainable finance practices continues to be a strategic priority for ASIC. Our work this year included:

- ◆ close engagement on law reform relating to the introduction of Australia’s mandatory climate-related financial disclosure regime for large businesses and financial institutions
- ◆ continued engagement with international and domestic peers through the IOSCO Sustainable Finance Taskforce and the Australian Council of Financial Regulators Climate Working Group
- ◆ ongoing surveillance and enforcement activity focused on preventing harms from greenwashing by ensuring that sustainable finance-related products, services and practices comply with existing laws.

In ASIC’s first greenwashing civil penalty action, following a liability and penalty hearing in December 2023, the Federal Court in August 2024 ordered Mercer Superannuation (Australia) Limited to pay an \$11.3 million penalty after it admitted it made misleading statements about the sustainable nature and characteristics of some of its superannuation investment options.²⁵

ASIC also succeeded in court action alleging misleading and deceptive conduct against Vanguard Investments Australia. The Federal Court found Vanguard contravened the law by making misleading claims about certain environmental, social and governance exclusionary screens applied to investments in a Vanguard index fund.²⁶

This year, ASIC issued an additional seven infringement notices totalling \$110,520 for greenwashing conduct (to Morningstar, Northern Trust Asset Management, Melbourne Securities Corporation Limited and Fertoz Limited). ASIC also obtained 34 sustainable finance-related corrective disclosure outcomes across sectors such as superannuation, managed investment schemes and listed companies.

Looking ahead, we expect our work will continue to scale up. We will have a significant role supporting the introduction, administration and enforcement of mandatory climate-related financial disclosure obligations. We will continue to engage closely on ongoing policy development in the sustainable finance area, as contemplated by the Australian Government’s sustainable finance roadmap, published on 19 June 2024.

See Spotlight 2 on page 37 for an example of our work in the sustainable finance space.

²⁵ <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-173mr-asic-s-first-greenwashing-case-results-in-landmark-11-3-million-penalty-for-mercero/>

²⁶ <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-061mr-asic-wins-first-greenwashing-civil-penalty-action-against-vanguard/>

SPOTLIGHT 2

Acting on inadequate disclosures relating to sustainable finance

ASIC continues to focus on surveillance and enforcement work targeting greenwashing.

In August 2023, ASIC commenced civil penalty proceedings against LGSS Pty Ltd as trustee for Local Government Super (Active Super), alleging that Active Super exposed its members to investments it claimed to restrict or eliminate. The action against Active Super was the third greenwashing matter filed by ASIC in the Federal Court.

We were concerned about Active Super misleading its members in some of the representations made about its investment approach. Between 2021 and 2023, Active Super published statements online and in reports and disclosure documents stating that investments in gambling, coal mining, Russian entities and oil tar sands entities were eliminated or restricted through the use of environmental, social and governance investment screens. However, from 1 February 2021 to 30 June 2023, Active Super invested in various securities that it had claimed were eliminated or restricted. These securities were held by Active Super directly and indirectly (via managed funds or exchange traded funds).

On 5 June 2024, the Federal Court found that certain of these representations were misleading and deceptive. Justice O'Callaghan found that the use of terms such as 'not invest', 'No Way' and 'eliminate' were unequivocal and not the subject of any potential qualifications by Active Super's Sustainable and Responsible Investment Policy.

In relation to representations made about gambling investments, Justice O'Callaghan considered that no reasonable person would construe these as mere 'guiding principles' because the critical language used in them was unequivocal.

'This is a significant outcome which shows our commitment to taking on misleading marketing and greenwashing claims made by companies in the financial services industry,' said ASIC Deputy Chair Sarah Court. 'ASIC took this case because it sends a strong message to companies making sustainable investment claims that they need to reflect their true position.'

Crypto assets

ASIC's continued focus on crypto assets reflects our concerns in relation to a range of emerging asset types that are risky, inherently volatile and complex, with the potential to give rise to consumer harm and threaten market integrity.

Many of these assets fall within the existing financial services regulatory regime. This year, we continued to support industry in understanding the regulatory considerations involved in the use of digital assets, blockchain and distributed ledger technology. We increased our industry engagements, assessed licence applications, and supported innovative firms through our Innovation Hub and the regulatory sandbox. We have seen a number of new crypto asset-related managed funds, including exchange traded funds, entering our market this year, and will continue to closely monitor developments.

We also achieved a number of important enforcement outcomes in relation to crypto asset-related businesses. We took these actions to clarify what is a regulated product and when a provider needs a licence. Matters included BPS Financial, Block Earner, Finder Wallet, and Bobbob Pty Ltd. We also disrupted scams relating to crypto assets.

We continued to assist the Australian Government with the development of its proposed digital asset platform framework, announced in October 2023. We held discussions on crypto assets with the Council of Financial Regulators and participated in projects to set international standards in this area, including IOSCO projects on crypto assets, decentralised finance and tokenisation.

CASE STUDY 1:

BPS Financial Pty Ltd

From January 2020, BPS Financial Pty Ltd (BPS) promoted a cryptocurrency called Qoin tokens, traded via a Qoin Wallet, to retail consumers and business owners (termed 'Qoin Merchants') as a means of paying for goods and services. Up to 30 September 2022, 93,000 customers had opened a Qoin Wallet, and BPS received more than \$40 million from the sale of Qoin tokens.

In May 2024, following proceedings brought by ASIC, the Federal Court found BPS engaged in unlicensed conduct when offering the Qoin Wallet, which was found to be a non-cash payment facility.

The Court also found BPS had engaged in misleading or deceptive conduct and had made false or misleading representations concerning the Qoin Wallet, including that:

- ◆ the Qoin Wallet was officially registered or officially approved when it was not

- ◆ the Qoin Wallet could be used to purchase goods and services from an increasing number of Qoin merchants when, in fact, the number was declining
- ◆ consumers who purchased Qoin tokens could be confident that they would be able to exchange tokens for other crypto assets, or currency such as Australian dollars, through independent exchanges.

This result sends a strong message to organisations in the crypto industry that their products will be scrutinised by ASIC and that they must comply with their regulatory obligations to ensure consumers are protected. This action was one of several enforcement actions ASIC took against crypto asset businesses to clarify what is a regulated product and when a provider needs a licence.

Design and distribution obligations

During the year, ASIC focused on reducing potential harm to retail consumers from poor product design and distribution practices, including by enforcing and uplifting compliance with DDOs.

We made seven stop orders in the period ending 30 June 2024, in relation to deficient target market determinations (TMDs) and contraventions of the 'reasonable steps' obligation. This included the first stop order to be issued on a life insurance product. We made one final stop order preventing Coral Coast Distributors (Cairns) Pty Ltd (CCD) from having customers at its Urban Rampage retail stores enter agreements to pay for goods on credit through Centrepay deductions.

We also accepted an enforceable undertaking from buy now pay later provider Elepay.

We commenced two civil proceedings during the year. One was against online investment platform, eToro Aus Capital Limited, relating to reasonable steps taken to distribute a contract for difference product and the appropriateness of the target market of the product. The other was against Bit Trade Pty Ltd, a provider of the Kraken crypto exchange to Australian customers.

See Spotlight 3 for details of the final stop order in relation to Urban Rampage.

SPOTLIGHT 3

Preventing inappropriate targeting of consumers

ASIC stops retail stores from targeting consumers with inappropriate credit arrangements tied to Centrelink payments.

Coral Coast Distributors (Cairns) Pty Ltd (CCD), trading as Urban Rampage, operates 10 stores in regional and remote locations in Queensland, the Northern Territory and Western Australia. It sells clothing and household goods primarily to First Nations consumers, offering credit via a deferred debt arrangement involving Centrepay.

Centrepay is a facility that allows consumers to pay for goods and services from registered businesses by deducting amounts from their Centrelink payments before the benefit is paid to the consumer.

On 24 April 2024, ASIC issued a final stop order on CCD, prohibiting it from signing up customers into Centrepay credit arrangements in its stores.

ASIC investigated and took action against Urban Rampage after concerns were raised by First Nations advocates and financial counsellors that consumers were experiencing financial hardship and seeking emergency relief after entering Centrepay deduction arrangements.

ASIC's stop order was based on breaches of DDOs relating to CCD's published and proposed Target Market Determination. ASIC found that the arrangements were unsuitable for consumers

in CCD's target market because they were unlikely to be consistent with the consumers' financial situation and placed them at risk of financial hardship.

Urban Rampage applied to the Administrative Appeals Tribunal for a review of ASIC's decision and a stay of the stop order pending review. On 12 June, the tribunal dismissed Urban Rampage's stay application. The review is ongoing.

See [Media Release 24-084](#)²⁷ 'ASIC orders end to Centrepay credit arrangements in Urban Rampage stores', 26 April 2024.

'Addressing harm impacting First Nations Australians is a key priority for ASIC and we continue to work closely with financial counsellors and advocates in regional and remote communities to understand the challenges those communities face. Where ASIC sees conduct that places First Nations consumers at risk of financial harm, we will act to stop it.'

Alan Kirkland, ASIC Commissioner.

²⁷ <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-084mr-asic-orders-end-to-centrepay-credit-arrangements-in-urban-rampage-stores/>

Cyber and operational resilience

In 2023–24, we continued to focus on robust cyber-risk management and operational resilience among the entities we regulate, working closely with other agencies, regulated entities and the government to address these critical issues.

We supported the whole-of-government response to cyber incidents, including through the National Coordination Mechanism's Financial

Services Working Group. We also contributed to government policy initiatives, including the implementation of the 2023–2030 Australian Cyber Security Strategy, and provided input to proposals by the Council of Financial Regulators. We continued to actively participate in joint initiatives and incident responses with the Council of Financial Regulators' Cyber and Operational Resilience Working Group.

CASE STUDY 2:

Cyber Pulse Survey

A string of high-profile cyber incidents that began in late 2022 highlighted the need for all businesses operating in Australia's financial system to have robust cyber capabilities.

In 2023–24, ASIC launched the ASIC Cyber Pulse Survey, the largest survey on corporate Australia's cyber resilience. The survey measured participants' ability to:

- ◆ govern and manage organisation-wide cyber risks
- ◆ identify and protect information assets that support critical services
- ◆ detect, respond to, and recover from cyber security incidents.

In addition to providing individual feedback reports to participants, which benchmarked them against their peers, ASIC published [Report 776¹ *Spotlight on cyber: Findings and insights from the cyber pulse survey 2023*](#). The report called on organisations to prioritise their cyber security after the survey identified significant gaps in cyber risk management capabilities. It summarised important trends, identified areas for improvement, and highlighted better practices with practical examples designed to support behavioural change among entities operating in Australia's financial system.

The findings from the survey have also informed a cyber awareness strategy designed to improve entities' cyber resilience capabilities.

1 www.asic.gov.au/regulatory-resources/find-a-document/reports/rep-776-spotlight-on-cyber-findings-and-insights-from-the-cyber-pulse-survey-2023/

Digital technology and data

In 2023–24, we made important progress in bolstering our capabilities in technology and data.

TRANSFORMATION CALLOUT

Real and tangible uplifts in digital and data capabilities

As new threats and disruptions arise in the ever-changing financial environment, it is critical that we continue to evolve and that our technological tools are fit for purpose. This enables us to act effectively where we see risks and harms. Through our multi-year strategy to strengthen our digital and technology capabilities, we aim to be a leading, digitally enabled and data-informed regulator by 2030, supported by and dependent on the funding and investment available to us.

In 2023–24, we were able to build significant momentum towards this goal, with important uplifts in our digital and technology capabilities. This improved not only our ability to effectively mitigate risks in our environment but also the way we interact with our stakeholders and support the integrity of the financial system.

Key examples included:

- ◆ implementing new voice-to-text transcription technology to support our enforcement work, significantly reducing the time taken to transcribe verbal evidence and retrieve insights from external data sources. The technology further supports a more efficient and secure process for transferring audio and video files
- ◆ digitising key forms, which allows data to be extracted in a structured way that enables in-depth analysis and supports our risk-based approach to surveillance

- ◆ introducing a Fight Scams Network between the ACCC, ASIC and an external takedown service partner to enable real-time scam alerts to be triaged and easily shared between agencies
- ◆ publishing the beta version of the new Professional Register Search function (aimed at replacing the current Connect Online service) with a user-centred design that makes it easier for consumers and other users to quickly find information
- ◆ modernising the look and feel of the ASIC website homepage to improve the user experience, with further enhancements to follow
- ◆ launching further enhancements to the ASIC Newsroom, focusing on audience segmentation and personalisation. ASIC news alert subscribers can now customise the topics and frequency of the ASIC news they wish to receive.

We also strengthened infrastructure and operational capabilities to collect, store and process data. For instance, under the new internal dispute resolution (IDR) reporting framework, we were able to receive, in early 2024, IDR data on an expanded basis, with the coverage increasing from an initial 344 entities to approximately 8,600 entities. Our collection and subsequent publication of this data will provide greater public visibility of where consumers are having difficulties, and support better IDR practices by the firms we regulate.

Strategic work across our regulated sectors

Strategic work with cross-sectoral impact

Protecting consumers facing financial hardship

In 2023–24, we worked actively to ensure banks and lenders provided adequate support for consumers experiencing financial hardship, and that those consumers knew how to seek help.

See Spotlight 4 for more details.



SPOTLIGHT 4

Helping Australians in financial hardship

With cost-of-living pressures on the rise, ASIC is actively working with lenders to ensure customers facing hardship get the support they need.

In August 2023, ASIC issued an [open letter to the CEOs of all lenders](#)²⁸ advising of our heightened focus on financial hardship and our expectations of lenders. We issued the letter in response to evidence suggesting that increasing numbers of consumers were experiencing financial hardship due to cost-of-living pressures.

We then collected data from 30 large lenders. We reviewed 10 of these lenders in more detail and, in May 2024, published our findings in [Report 782](#)²⁹ *Hardship, hard to get help: Findings and actions to support customers in financial hardship*. Our findings highlighted that lenders were not doing enough to support their customers experiencing financial hardship. For instance, 35% of customers who submitted a hardship notice dropped out of the process on at least one occasion. In about 40% of cases where payments were reduced or deferred, customers fell into arrears right after the assistance period ended. In the worst cases, lenders ignored hardship notices, effectively abandoning customers who needed their support.

We provided individual written feedback to the lenders we reviewed and asked them to prepare an action plan outlining how they intended to respond to the issues identified. We will follow up with the lenders to monitor their progress, and are considering further regulatory action in relation to certain issues we identified.

Following the release of Report 782, ASIC launched [a consumer awareness campaign](#)³⁰ on Moneysmart to inform Australians of their rights to seek financial hardship assistance.

'ASIC has made this a priority focus area, and where appropriate, we will not hesitate to take enforcement action to protect consumers.'

Joseph Longo, ASIC Chair

28 <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-235mr-as-cost-of-living-persistent-asic-calls-on-lenders-to-support-customers-in-financial-hardship/>

29 <https://asic.gov.au/regulatory-resources/find-a-document/reports/rep-782-hardship-hard-to-get-help-findings-and-actions-to-support-customers-in-financial-hardship/>

30 <https://moneysmart.gov.au/just-ask-your-lender-for-help>

Implementing the Financial Accountability Regime

During the year, ASIC continued to work closely with the Australian Prudential Regulation Authority (APRA) to implement the Financial Accountability Regime (FAR), which imposes a strengthened responsibility and accountability framework for entities in the banking, insurance and superannuation industries and their directors and senior executives.

CASE STUDY 3:

Implementing the Financial Accountability Regime

FAR commenced for banks on 15 March 2024, with ASIC and APRA providing the banking industry with additional time (up to 30 June 2024) to submit applications for the registration of new accountable persons and comply with notification obligations.

This year ASIC and APRA also released further materials to help the financial services industry meet the new FAR requirements. This included a supporting legislative instrument directed at the insurance and superannuation industries, and guidance for all sectors.

ASIC and APRA have also engaged with regulated entities to help them prepare for the implementation of FAR. This engagement is ongoing as we move toward the 15 March 2025 commencement date for the superannuation and insurance industries.

Both agencies continue to engage closely with each other on aligning their supervisory and enforcement approaches.

Promoting the responsible and safe use of consumer data and artificial intelligence

We continue to be vigilant in relation to potential harms stemming from the misuse of consumer data, algorithms and artificial intelligence (AI) in financial services, and we have led the discussion on a sound regulatory approach.

See Spotlight 5 on our AI symposium.

SPOTLIGHT 5

Regulation of the use of AI

ASIC convened a symposium of experts to discuss approaches to the effective regulation of AI and ways to ensure its safe and responsible use in Australia.

AI is evolving at a rapid pace internationally and domestically, and ASIC is actively engaging in the public dialogue in relation to its use. We are working to inform our regulated entities about existing obligations when using AI, improve awareness of the key risks AI poses to consumers and markets, and build understanding in how industry is using AI.

In May 2024, ASIC partnered with the University of Technology Sydney Human Technology Institute to stage a symposium of experts from academia, business, industry and government to discuss how AI is changing regulation, and how regulators can respond, drawing on lessons from leading international approaches. Much of the current narrative about AI stems from tech businesses or major users of the technology. The symposium was designed to include the perspectives of those on whom AI is used.

The symposium included an AI thought leaders' roundtable with 40 leading experts in AI governance and regulation, with discussions on emerging AI use cases and what can be learnt from international regulatory approaches to AI. ASIC Chair Joseph Longo noted that governments and regulators must have a hand in shaping how AI technology is designed and deployed.

The symposium included a keynote address by the Hon Stephen Jones MP, Assistant Treasurer and Minister for Financial Services, and a panel discussion between Mr Longo, ACCC Commissioner Liza Carver, Privacy Commissioner Carly Kind, and eSafety Commissioner Julie Inman Grant. The evening session, open to the public, attracted 200 attendees.

While ASIC has been leading conversations on this topic for some time, the symposium was another opportunity to engage with those at the forefront of the use and regulation of AI in Australia. ASIC will continue working with industry, government and others to balance innovation with the responsible and safe use of emerging technologies.

'We should avoid ... the notion that AI is too complex to be knowable. Like all technology, AI is the product of human ingenuity and can therefore, by definition, be understood. Moreover, it is the job of government and regulators to ensure that these systems are explainable and transparent.'

Joseph Longo, Opening remarks to the ASIC UTS AI Regulators Symposium

Deterring cold calling in superannuation switching business models

In 2023–24, we took action on cold-calling practices that induced inappropriate superannuation switching that eroded superannuation balances. This included a decision against financial adviser Mr A by the Financial Services and Credit Panel, which found that the relevant provider did not adequately consider 2 clients' objectives, needs and financial situation or base all judgements on their relevant circumstances. The clients had been referred to the provider by a third-party superannuation switching cold-calling operator who made an unsolicited telemarketing call to them offering a superannuation review.

CASE STUDY 4:

Deterring cold calling in superannuation switching business models

ASIC took action to deter cold-calling practices amid evidence of adverse consumer outcomes arising from unsuitable financial advice that came about as a result of an unsolicited call from a high-pressure cold-calling operator.

Our work included:

- ◆ a review of cold-calling operators who contact consumers to encourage superannuation switching
- ◆ a project in relation to superannuation trustees' oversight of advice fee deductions
- ◆ liaison with superannuation trustees to identify cold-calling switching models
- ◆ a consumer and industry education campaign
- ◆ commencing investigations in relation to certain cold-calling operators.

In late April 2024, ASIC launched a consumer awareness campaign on Moneysmart, urging consumers to 'just hang up' on cold callers and 'just scroll past' social media clickbait leading to inappropriate superannuation switching advice. In just over a month, the Moneysmart [social media campaign](#)¹ reached millions of Australians, including people in the accumulation phase of their superannuation journey (who were most impacted by cold-calling business models). The consumer campaign laid the groundwork for targeted industry messaging, and ramped up public pressure on unscrupulous operators benefiting from cold-calling business models.

Shortly after launching the campaign, we revealed the findings of our cross-sector work to deter cold-calling business models and issued a warning to unscrupulous operators using high-pressure sales tactics to lure consumers into receiving inappropriate superannuation switching advice. Given this type of advice had caused considerable volumes of superannuation fund movement into high-risk property investments, with significant payments to cold-calling operators, we reminded superannuation trustees, advice licensees and advisers of their responsibilities to members and clients. More broadly, we called on the advice and superannuation sectors to assist in preventing cold calling for super switching business models, including by reporting it to ASIC if and when they become aware of it.

We published [Report 781](#)² *Review of superannuation trustee practices*, calling on superannuation trustees to renew efforts to protect members from harmful advice fee deductions, including from advice originated by cold-calling businesses; and [Information Sheet 282](#)³ *Unsolicited contact leading to financial advice*, outlining how financial services laws apply to unlicensed entities referring consumers to a third party for the provision of financial advice.

ASIC has also begun investigations into a range of entities identified as participating in cold calling for superannuation switching business models.

1 www.facebook.com/MoneySmartAu/posts/psfbid02YYqP1ThNdvB8W1VKz2fStohsee4rhQBVJA3KnsUc3PUy7bEjUdBfXtCpKvGv86tCl
 2 www.asic.gov.au/regulatory-resources/find-a-document/reports/rep-781-review-of-superannuation-trustee-practices-protecting-members-from-harmful-advice-charges/
 3 www.asic.gov.au/regulatory-resources/financial-services/giving-financial-product-advice/unsolicited-contact-leading-to-financial-advice/

Acting against inadequate internal and external dispute resolution arrangements

ASIC continued to promote sound internal and external dispute resolution arrangements for consumer complaints. This included commencing civil penalty proceedings against Telstra Super on 3 November 2023, alleging that 40% of Telstra Super's responses to complainants between October 2021 and January 2023 did not comply with its own IDR procedures. This was ASIC's first case alleging a failure to comply with IDR requirements since certain provisions of ASIC's [Regulatory Guide 271](#)³¹ *Internal dispute resolution* became enforceable in October 2021. This litigation is ongoing.

CASE STUDY 5:

Internal dispute resolution data collection

In March 2024, ASIC completed the first collection of IDR data from over 8,600 financial services firms. Around 87% of financial services firms successfully submitted an IDR data report to ASIC.

The IDR data reporting framework is the culmination of many years of work with industry to record, improve and standardise the quality of dispute resolution data. Collecting, and ultimately publishing, IDR data will improve the transparency and accountability of financial services firms' responses to consumer complaints and their approach to IDR. The framework provides ASIC with an important data set to assist with regulatory decision making, and will drive firms to improve IDR practices.

Since 5 October 2021, financial services firms have been required to record all complaints received and have an effective system for recording information about complaints (see Regulatory Guide 271).

The successful data collection from all firms in March was the result of many years of investment in new technologies and systems that enable us to store and process data at the required scale.

This new data, especially when combined with existing ASIC data, will be a powerful tool that ASIC can use to identify threats and prevent or address harms. We published our first regulatory application of the data in May, when calling on superannuation trustees to urgently consider their arrangements for dealing with death benefits claims.¹

¹ www.asic.gov.au/about-asic/news-centre/news-items/improving-superannuation-member-services-dealing-with-death-benefit-claims/

³¹ www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-271-internal-dispute-resolution/

Acting against misconduct that impacts small business

Our enforcement action targeting misconduct and predatory practices by financial services and credit providers helps to prevent unfair outcomes for small businesses who engage with these providers. Where necessary, we also take action against companies, directors and other officeholders who fail in their duties.

This year we disqualified 27 people from managing corporations due to their role in the collapse of multiple small proprietary companies. Some of the directors who received the maximum allowable disqualification of five years had also engaged in illegal phoenix activity and used company funds to make payments to related parties for no commercial reason. The failure of company directors to pay the ATO, employee entitlements or other creditors puts them at an unfair competitive advantage over other small proprietary companies.

On 6 September 2023, ASIC commenced proceedings against PayPal Australia, alleging that its standard form contracts with small business customers contain an unfair contract term. On 5 July 2024, the Federal Court declared a term used by PayPal Australia in its standard form contracts with small businesses to be unfair. The Court found that the term was unfair because its effect was to allow PayPal to retain fees that it had erroneously charged if the small business failed to notify PayPal of the error within 60 days of the fee appearing on its account statement.

We continue to target misconduct related to company failures and illegal phoenix activity resulting in outstanding debts, which can be very harmful to other small businesses. Together with other federal, state and territory agencies, ASIC is a member of the ATO-led Phoenix Taskforce, which aims to detect, deter and disrupt illegal phoenix activity. Taskforce members share information and use data-matching tools to identify those promoting or engaging in phoenix activity. We work together to disrupt phoenix operators' business models and make them financially unviable, removing their ability to operate, applying financial penalties and prosecuting the worst offenders.

Acting against unfair contract terms

We have taken enforcement action against misconduct involving unfair contract terms.

CASE STUDY 6:

Auto & General

In April 2024, ASIC appealed the Federal Court's decision to dismiss ASIC's proceedings against Auto & General Insurance Company Limited (Auto & General) regarding an alleged unfair contract term under the ASIC Act.

The alleged unfair contract term was contained in Auto & General's home and contents policies in the period between 5 April 2021 and 4 May 2023. It required policyholders to notify Auto & General if 'anything' changes about their home and contents, and stated that if policyholders did not provide the notifications, then Auto & General may reduce or refuse to pay claims, or may cancel or not offer to renew their contracts.

ASIC has appealed the decision of the Federal Court that the term is not unfair. ASIC remains concerned that the term imposes an unclear obligation on policyholders regarding what they need to disclose to the insurer, and that the term could mislead or confuse policyholders as to their true rights and obligations under the contract by suggesting that the insurer has broader rights to refuse claims than is otherwise available under the Insurance Contracts Act.

This is ASIC's first matter concerning alleged unfair contract terms in insurance contracts since the unfair contract term protections in the ASIC Act were expanded to include insurance contracts with consumers and small businesses. These changes were aimed at ensuring customers receive the same protections from unfair terms in insurance contracts as they do with contracts for other financial services, and to encourage insurers to improve the level of clarity and transparency in their contracts and remove potentially unfair terms.

See [Media Release 24-079](#)¹ 'ASIC appeals Federal Court findings relating to unfair contract term in insurance contracts by Auto & General', 19 April 2024.

1 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-079mr-asic-appeals-federal-court-findings-relating-to-unfair-contract-term-in-insurance-contracts-by-auto-general/?altTemplate=betanewsroom

Targeting high-risk property schemes

We have continued to act on high-risk property schemes that expose investors to significant losses. Following are outcomes of enforcement actions taken by ASIC during the year:

- ◆ On 3 April 2023, the Federal Court found that current and former directors of Linchpin Capital Group Limited and Endeavour Securities (Australia) Ltd had breached their duties as officers of a responsible entity of a registered managed investment scheme (MIS). On 10 January 2024, the court ordered the directors to pay \$390,000 in pecuniary penalties and be banned from managing corporations for a period ranging from three to five years. This decision has been appealed.
- ◆ On 20 December 2023, Mudasir Mohammed Naseeruddin was sentenced to four years and four months imprisonment after pleading guilty to two charges of dishonest conduct, and two charges under s184 of the Corporations Act, in relation to dishonestly obtaining superannuation funds from investors based on false representations, including representations that the funds would be invested in property development.

Acting against non-lodgement of financial reports

ASIC prosecuted 12 companies for failing to lodge 56 annual financial reports. They were fined a total of approximately \$414,000.

On 24 April 2024, Australian financial services licensee Odyssey Equity Finance Pty Ltd (Odyssey) was sentenced in the Dandenong Magistrates' Court for failing to lodge financial reports with ASIC for each of the financial years ending 30 June 2020, 2021 and 2022. While the court acknowledged some mitigating factors, Odyssey was discharged without conviction on giving security, by entering into a recognisance in the sum of \$2,500 to be of good behaviour for a period of 12 months. A special condition of the bond is that Odyssey is required to comply with outstanding reporting obligations within the period of the bond.

Superannuation

ASIC is responsible for regulating conduct in the superannuation industry, including the conduct and disclosure obligations of trustees of registrable superannuation entities. Our work is focused on trustee conduct that affects superannuation fund members. During 2023–24, we focused on improving the delivery of retirement outcomes and member services by superannuation funds.

CASE STUDY 7:

Retirement outcomes

Superannuation trustees play a pivotal role in improving the retirement outcomes of Australians. The introduction of the retirement income covenant on 1 July 2022 created an obligation on trustees to identify and meet their members' retirement income needs.

In July 2023, ASIC and APRA jointly released [Report 766](#)¹ *Implementation of the retirement income covenant: Findings from the APRA and ASIC thematic review*. The review found there was a lack of progress and insufficient urgency from trustees in implementing the covenant and improving members' retirement outcomes. ASIC also reviewed trustees' compliance with DDOs involving longevity risk retirement products. Due to their complexity and barriers to exit, there are increased member risks with these products. We observed that the TMDs for these products generally contained appropriate distribution conditions (i.e. conditions and restrictions on how the product is distributed to consumers), but often defined the target market and review triggers too broadly to enable the trustee to determine when the product or the TMD was no longer appropriate for the target market. We engaged with four trustees to ensure they improved their TMDs and distribution monitoring processes, as appropriate. Following the review, all trustees updated their TMDs to address our concerns.

As member service offerings continue to be a focus for many trustees, we reviewed a number of superannuation calculators offered by trustees, to assess compliance with the ASIC (Superannuation Calculators and Retirement Estimates) Instrument 2022/603. The review identified that:

- ◆ Two trustees had not adopted the default settings prescribed in the instrument for inflation assumptions and drawdown periods.
- ◆ Two trustees claimed that their calculator assumptions aligned with ASIC's Moneysmart tools when they did not.

Following the review, trustees updated their superannuation calculators to address our concerns.

In November 2023, ASIC and APRA issued an industry survey to understand trustees' progress with addressing the recommendations in Report 766. In July 2024, ASIC and APRA jointly released [Report 784](#)² *Industry Update: Pulse check on retirement income covenant implementation*, outlining the results of the self-assessment survey. This found that while some trustees had made progress, results varied widely across the sector and some trustees showed a lack of urgency.

1 www.asic.gov.au/regulatory-resources/find-a-document/reports/rep-766-implementation-of-the-retirement-income-covenant-findings-from-the-apra-and-asic-thematic-review/

2 www.asic.gov.au/regulatory-resources/find-a-document/reports/rep-784-industry-update-pulse-check-on-retirement-income-covenant-implementation/

CASE STUDY 8:**Member services review**

The way superannuation trustees interact with members can have a significant impact on people's lives, especially in times of emotional and financial stress. As the conduct regulator of superannuation trustees, ASIC focuses on improving the quality of these interactions. In 2023–24, ASIC began a multi-year review into industry practices and compliance with laws involving trustee administration and member services. The first phase of the review focused on how trustees handle death benefit claims. We analysed IDR data reported to ASIC by trustees, and external dispute resolution (EDR) data collected by the Australian Financial Complaints Authority (AFCA).

Between 2021 and 2023, there was a steep increase in the number of death benefits complaints to AFCA. Growth in complaints about service-related issues doubled over this period, but complaints about delays in death benefit claims handling saw a disproportionate increase, surging from 2.5% of service-related complaints to AFCA in 2021 to 8.5% in 2023. Our analysis of IDR data, which covers complaints made directly to trustees, identified that service issues were the focus of more than

half of all such complaints in 2023. Complaints specifically about delays in handling death benefit claims increased in the first quarter of 2023 and have remained high.

We also reviewed how 22 trustees, who collectively account for two-thirds of the \$2.7 trillion pool of APRA-regulated superannuation assets, communicate with their members about making death benefit nominations and claims on their websites. ASIC called on trustees to urgently consider improvements after our review found the quality of information provided by trustees was often poor.

We published our interim observations on [our website](#).¹ We are continuing to review detailed information from trustees about their processes, to identify whether they are meeting their obligations and where improvements need to be made to deliver better member outcomes. We will publish our findings in the coming year.

1 www.asic.gov.au/about-asic/news-centre/news-items/improving-superannuation-member-services-dealing-with-death-benefit-claims/

Member services failures remained an ASIC enforcement priority in 2023–24.

CASE STUDY 9:

Enforcement activity on superannuation member services

In November 2023, ASIC commenced a civil penalty proceeding against Telstra Super, alleging it failed to respond to more than 200 member complaints in a timely and adequate manner. ASIC alleges that 40% of Telstra Super's responses to complainants between October 2021 and January 2023 did not comply with its own IDR procedures. This is ASIC's first case alleging a failure to comply with internal dispute resolution requirements since certain provisions of ASIC's Regulatory Guide 271 became enforceable from October 2021. See [Media Release 23-295](#)¹ 'ASIC takes civil penalty action against Telstra Super in Australian-first case', 6 November 2023. This litigation is ongoing.

We also commenced civil penalty proceedings against the trustee of AustralianSuper over an alleged failure to have adequate policies and procedures in place for consolidating members' accounts. ASIC alleges that for almost 10 years, AustralianSuper failed to have adequate policies and procedures to identify members who held multiple AustralianSuper

accounts and to merge those accounts, where merger was in a member's best interests. AustralianSuper then continued to charge multiple sets of fees and insurance premiums to these members. See [Media Release 23-249](#)² 'ASIC sues AustralianSuper over multiple superannuation accounts', 8 September 2023. This litigation is ongoing.

In November 2023, Superannuation trustee OnePath Custodians Pty Ltd (OnePath) was ordered to pay a \$5 million penalty for making false or misleading representations about its right to continue charging fees, and for failing to provide services to members efficiently, honestly and fairly due to its misleading conduct and by deducting fees when not entitled to do so. See [Media Release 23-320](#)³ 'OnePath Custodians penalised \$5 million for fees for no service misconduct', 29 November 2023.

1 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-295mr-asic-takes-civil-penalty-action-against-telstra-super-in-australian-first-case#!page=1&search=23-295MR

2 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-249mr-asic-sues-australiansuper-over-multiple-superannuation-accounts/

3 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-320mr-onepath-custodians-penalised-5-million-for-fees-for-no-service-misconduct

Credit and banking

The credit and banking sector includes authorised deposit takers (banks and credit unions), credit providers and lessors, credit intermediaries (including mortgage and finance brokers), payment providers, traditional trustee companies and debt management firms. ASIC's work in this sector in 2023–24 included reviewing credit card outcomes for consumers, and reducing harm to low-income First Nations consumers from high-fee transaction accounts. We also continued to focus on compliance with DDOs, and ensuring compliance with the new provisions applying to small amount credit contracts and consumer leases.

CASE STUDY 10:

Better Banking for Indigenous Consumers Project

ASIC's Better Banking for Indigenous Consumers Project has focused on reducing fee harm to low-income First Nations consumers experiencing excessive fees from high-fee transaction accounts. We reviewed the practices of four banks, but we consider that the findings apply across the banking sector.

We reviewed data from low-income First Nations consumers in discrete geographic locations and those receiving ABSTUDY payments nationwide to quantify the harm experienced from excessive fees. We identified over 150,000 customers in high-fee accounts while eligible for low-fee accounts, with these customers experiencing \$6 million in fees over a 12-month period. We also reviewed bank processes and products to identify improvements that could result in better consumer outcomes.

ASIC provided participating banks with the review findings and a range of recommendations for improvement. Banks then committed to actions and improvements including:

- ◆ remediation of over \$28 million for low-income customers, with approximately \$24.5 million to customers identified from ASIC's review

- ◆ devising better processes for account migration to low-fee accounts, including embracing opt-out migration for specific customer cohorts and tailored opt-in migration, and reducing customer burden overall, such as by removing the requirement to attend a bank branch
- ◆ revising and expanding eligibility criteria and the distribution of low-fee accounts to low-income customers, as well as reviewing product offerings to remove fees and create new lower-fee products
- ◆ enhancing communication channels and content for effective communications with First Nations customers
- ◆ considering providing targeted Indigenous services such as call lines and in-person outreach.

ASIC's expectation is that all banks could take similar steps to review and consider their customers' experiences of fee harm by proactively reviewing their data and through process improvements focusing on effectiveness and reducing customer burden. While we have focused on low-income First Nations consumers, this is indicative of harm experienced by low-income customers more broadly. See [Media Release 23-183](#)¹ 'ASIC acts to ensure better banking outcomes for Indigenous consumers', 5 July 2023.

1 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-183mr-asic-acts-to-ensure-better-banking-outcomes-for-indigenous-consumers/

Our enforcement actions in this sector continued to focus on misleading and unconscionable conduct, charging of prohibited fees, and products being targeted at inappropriate markets.

We had strong court-based enforcement outcomes in relation to lenders and banks. In January 2024, the Commonwealth Director of Public Prosecutions was successful in a criminal action on a matter referred by ASIC against Members Equity Bank Limited (ME Bank). ME Bank was penalised \$820,000 after pleading guilty to criminal charges of making false and misleading representations and failing to provide required written notices regarding home loans (see Case study 11). Following are other notable court outcomes during the year.

- ◆ Ferratum Australia Pty Ltd (in liquidation) was found to have charged prohibited fees and overcharged customers on small amount credit contracts, as well as having inadequate systems for calculating, recording and monitoring early payout amounts.³² Ferratum was ordered to pay a total of \$16 million in penalties in relation to its numerous breaches of the National Credit Act and National Credit Code.
- ◆ Sunshine Loans was found to have charged customers prohibited fees.³³
- ◆ ANZ was penalised \$15 million for misleading customers about available funds (see Case study 12).

- ◆ NAB was penalised \$2.1 million for unconscionable conduct over account fees.³⁴
- ◆ Cigno Australia and BSF Solutions were found to have engaged in credit activity without an Australian Credit licence and charged consumers prohibited fees. This outcome follows our persistent regulatory and enforcement work on an entity that has used multiple business models to evade regulation and consumer protection requirements.

See Spotlight 6.

- ◆ Macquarie Bank Limited was ordered to pay a penalty of \$10 million for failing to have effective controls to prevent and detect unauthorised fee transactions conducted by third parties, such as financial advisers, on customer cash management accounts using Macquarie's bulk transacting facility.

See Spotlight 7.

³² www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-248mr-court-finds-ferratum-australia-charged-prohibited-fees-and-overcharged-customers/

³³ www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-074mr-court-finds-sunshine-loans-charged-customers-prohibited-fees

³⁴ www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-258mr-nab-penalised-2-1-million-for-unconscionable-conduct-over-account-fees/

We have also commenced proceedings against Westpac for failing to respond to hardship notices.³⁵ We took our first action in relation to debt management, alleging that vulnerable customers who engaged the firm Solve My Debt Now were left worse off.³⁶

DDOs are an important new tool in our regulatory toolkit. We are focused on making sure financial products meet the needs of consumers they are

intended for and are distributed in an appropriate way for the intended target market. The first final stop order was issued in the Urban Rampage matter referred to in Spotlight 3, and we accepted a court enforceable undertaking from buy now pay later provider Elevare Pay Easy Pty Ltd, after it admitted it did not have TMDs for seven credit products it distributed to consumers.³⁷

CASE STUDY 11:

ME Bank fined \$820,000 after pleading guilty to criminal charges

Following an ASIC investigation and referral to the CDPP, in January 2024, the Federal Court ordered Members Equity Bank Limited (ME Bank) to pay a penalty of \$820,000 after the bank pleaded guilty to criminal charges of making false and misleading misrepresentations and failing to provide required written notices to its home loan customers. The relevant conduct was compulsorily self-reported, and ME Bank admitted to the charges at an early stage. The offending conduct occurred between December 2016 and September 2018. The first count concerned letters to customers that misstated the minimum amount they had to repay following the expiry of a fixed-rate

or interest-only period on their home loan. The remaining counts concerned failures to send letters to customers whose repayment arrangements were due to expire, and who were not advised of resultant changes to their interest rate and minimum repayment amounts.

ASIC took this action to highlight the importance of banks properly notifying and updating their customers, who are entitled under the law to receive accurate information about changes to their loans, and that failure to do so can result in criminal convictions.

See [Media Release 24-005](#)¹ 'ME Bank sentenced after pleading guilty to criminal charges', 19 January 2024.

1 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-005mr-me-bank-sentenced-after-pleading-guilty-to-criminal-charges/

35 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-242mr-asic-sues-westpac-for-failing-to-respond-to-hardship-notices/

36 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-212mr-asic-sues-debt-management-firm-solve-my-debt-now-and-its-director/

37 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-012mr-asic-accepts-court-enforceable-undertaking-from-buy-now-pay-later-provider-elepay/

CASE STUDY 12:**ANZ ordered to pay \$15 million for misleading customers about available funds**

Action by ASIC resulted in Australia and New Zealand Banking Group Limited (ANZ) being ordered to pay a \$15 million penalty in September 2023.

ANZ made representations to its customers via ANZ internet banking, the ANZ app, ATMs, in-person communications and telephone banking that cash and cheque deposits, transfers and merchant refunds were available immediately for withdrawal using certain ANZ credit and travel cards as cash advances without incurring a fee, when in fact they were not. Customers who relied on these representations and drew on uncleared funds as cash were charged fees and interest.

ASIC's investigation led to court findings that, by the above conduct, ANZ made false or misleading representations on the key ANZ channels with respect to the price of cash

advances from 27 May 2016 to April 2021.

The court also found that between April 2018 and September 2021, in circumstances where there was a risk that customers would misapprehend the circumstances in which fees and interest were charged, ANZ did not act efficiently, honestly and fairly because it failed to take timely action to address the problem. ASIC's action also resulted in ANZ remediating approximately \$8.3 million to 186,000 accounts for fees and interest charged on cash advances, and establishing a new remediation program to remediate customers charged a cash advance fee between November 2018 and September 2021.

See [Media Release 23-260](#)¹ 'ANZ penalised \$15 million for misleading customers about available funds', 26 September 2023.

1 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-260mr-anz-penalised-15-million-for-misleading-customers-about-available-funds/

SPOTLIGHT 6

Disrupting harmful credit business models

ASIC took action over many years to disrupt Cigno and BSF Solutions, which used evolving business models to evade regulation and target vulnerable consumers.

We frequently receive complaints about harm caused by unlicensed short-term and continuing credit contracts. Providers of these products often charge significant fees and target vulnerable consumers who are in financial difficulty, have previously applied for and been declined regulated credit and/or require loans for basic living expenses. This is particularly concerning in the context of the rising cost of living.

Our experience is that some of these providers design business models deliberately intended to avoid the required consumer protections. Some incorporate new entities and change business models when we commence action to address misconduct.

As early as 2016, we began receiving reports relating to Cigno Pty Ltd (Cigno) and its role in managing loans for a short-term credit provider. After the introduction of new powers in 2019, we made an industry-wide credit product intervention order that effectively banned entities from charging fees in excess of a permitted short-term exemption. Despite this, Cigno began operating under a new high-cost business model, which our Federal Court action in June 2022 succeeded in stopping.

After becoming aware that the entity and its related parties had adopted yet another new business model, we investigated further and commenced civil penalty proceedings in October 2023 against Cigno Australia, its director, Mark Swanepoel, and BSF Solutions and its director, Brenton James Harrison. The fees charged as a result of the unlicensed conduct total over \$70 million.

On 24 May 2024, the Federal Court found Cigno Australia and BSF Solutions engaged in credit activity without an Australian Credit licence and charged consumers prohibited fees. It also found that Mr Swanepoel and Mr Harrison were involved in the unlicensed activity and other National Credit Act breaches. The Court made orders restraining Cigno Australia and BSF Solutions from recovering any further fees, charges or other amounts (including late payment fees and amounts of principal), and will later determine whether Cigno Australia, Mr Swanepoel, BSF Solutions and Mr Harrison should pay a pecuniary penalty in respect of this conduct and be restrained from carrying on a business engaging in credit activity.

'ASIC has taken regulatory and enforcement action over many years to respond to various business models used by entities connected to Cigno Australia, BSF Solutions, Mr Swanepoel and Mr Harrison.

'We took this action because we were concerned that the Cigno Australia and BSF Solutions' "No Upfront Charge Loan Model" provided short-term loans totalling over \$34 million and charged over \$70 million in fees to more than 100,000 consumers between July 2022 and December 2022.'

Sarah Court
ASIC Deputy Chair



SPOTLIGHT 7

Holding large financial institutions to account

ASIC's case against Macquarie Bank for failing to have effective controls to prevent and detect unauthorised transactions by third parties led to a penalty of \$10 million.

In April 2024, following proceedings brought by ASIC, Macquarie Bank Limited was ordered by the Federal Court to pay a pecuniary penalty of \$10 million for contravening its obligation to provide financial services efficiently, honestly and fairly. While Macquarie initially defended the proceeding, it later admitted that it failed to have effective controls to prevent or detect unauthorised fee transactions conducted by third parties, such as financial advisers, on customer cash management accounts using Macquarie's bulk transacting facility.

Between 1 May 2016 and 15 January 2020, Macquarie enabled customers to give third parties varying levels of authority to transact on their accounts, including a limited authority to withdraw the third party's fees. Macquarie also made available to third parties a bulk transaction facility that enabled multiple withdrawals from multiple customer cash management accounts to be made simultaneously. Despite being aware of the inherent risk, Macquarie failed to implement effective controls to prevent or detect bulk transactions involving fees that would be outside the scope of the limited fee authority.

In addition to the penalty imposed by the Court, Macquarie agreed to remediate the clients of financial adviser Ross Hopkins, who was able to fraudulently withdraw around \$2.9 million from his customers' accounts without being detected by Macquarie.

This case also sends an important message to financial institutions and other financial services licensees that fraud controls are increasingly important, and appropriate controls must be in place.

'ASIC expects financial institutions to prioritise and invest in systems that protect their customers. Macquarie fell short of its obligation to do all things necessary to provide its financial services efficiently, honestly and fairly, and as a result, it has become liable for a substantial penalty.'

Joseph Longo
ASIC Chair

Insurance

The insurance sector comprises life and general insurance, including insurance product providers (including friendly societies), insurance product distributors, risk management product providers and claims handling and settling services providers. This year, ASIC's work focused on investigating general insurance claims handling practices, and working with industry to improve practices. We also reviewed past premium increases for life insurance products, and disclosure and marketing materials around premiums, to ensure life companies were meeting their obligations as well as consumer expectations.

CASE STUDY 13:

General Insurance claims handling and floods inquiry

In June 2022, ASIC reviewed claims handling practices for home insurance claims from the start of the new regime (effective 1 January 2022) requiring insurers to provide claims handling and settling services efficiently, honestly and fairly.

We observed good and poor practices across all six participating insurers in our review. Our thematic findings are set out in [Report 768¹](#) *Navigating the storm: ASIC's review of home insurance claims*, published in August 2023.

Insurers must be able to meet their obligations across all claims, particularly when claims volumes are heightened following a severe weather event. We identified five key areas for improvement:

- ◆ better communications with consumers
- ◆ better project management
- ◆ better handling of complaints
- ◆ better treatment of vulnerability
- ◆ better resourcing of claims handling and dispute resolution functions.

ASIC acted on these findings by calling on insurers to improve their claims handling and resourcing. ASIC also addressed the Insurance Council of Australia 2023 Annual Conference and called on insurers across the industry to get the basics right for insurance pricing promises, product design and distribution, and claims handling.² ASIC further made a submission to the House of Representatives

Standing Committee on Economics inquiry into insurers' responses to major floods claims in 2022, and we appeared as a witness and gave evidence to the inquiry on 2 February 2024.

Following evidence given by insurers at the inquiry, ASIC wrote to the chairs and CEOs of general insurance companies, reminding them of their obligations as AFS licensees when handling claims, and setting our expectation to see an increased focus by insurers on resolving any outstanding claims related to flood events that occurred in 2022. We have sought additional information from some insurers on outstanding claims from those events.

ASIC is actively monitoring claims handling practices and has commenced several investigations. Claims handling misconduct, with a particular focus on home insurance, remains a key enforcement priority for ASIC.

Our interventions will improve consumer outcomes as:

- ◆ Consumers will be less likely to have a poor claims experience due to insurers improving their practices in respect of claims handling.
- ◆ Best practice claims handling conduct will allow insurers to focus on other challenges facing consumers in the insurance market, such as insurance access and affordability.

1 <https://download.asic.gov.au/media/tgrozota/rep768-published-16-august-2023.pdf>

2 www.asic.gov.au/about-asic/news-centre/speeches/the-princess-and-the-pea-getting-the-basics-right-in-insurance/

CASE STUDY 14:**Life insurance premium increases**

Life insurance plays an important role in safeguarding the financial wellbeing of Australians. In recent years, significant premium increases have raised concerns about the accessibility and sustainability of life insurance products. ASIC and APRA are checking the progress of life companies in meeting regulatory, consumer and community expectations in relation to premium increases. ASIC and APRA issued a public letter in December 2022 to put life company CEOs on notice of regulator concerns, and asked them to review past premium increases, and disclosure and marketing materials around premiums. We sent a separate letter to the Council of Australian Life Insurers (CALI) asking what steps could be taken at an industry level to address our concerns with product labelling practices.

We reviewed responses from 16 life companies, and further engaged with seven, which collectively accounted for 98% of the retail life insurance market by annual premiums and covered approximately 3.9 million lives at the time of the review. As a result of our work:

- ◆ By December 2024, life companies will, supported by CALI guidance, adopt a new set of premium labels for new retail policies that more accurately reflect premium experience.
- ◆ Four life companies amended the product disclosure statements (PDSs) of flagship on-sale products to provide clear reasons for premium changes, in addition to the two life companies that had already been doing so.

- ◆ Marketing and disclosure of when, how and why premiums may change was improved across the industry.
- ◆ Three insurers that increased premiums without a clear contractual right to do so instituted remediation programs, expecting to return approximately \$22 million into the hands of policyholders.

During this work we identified that life companies need to focus particularly on:

- ◆ having sound risk management and compliance assurance around premium adjustments, and ensure that contract terms allowing for increases are transparent and not unfair
- ◆ explaining clearly how premiums are calculated and may change over the life of the policy
- ◆ designing and pricing life insurance products factoring in consumers' need for premium stability.

ASIC and APRA issued a second joint letter to life company CEOs to emphasise these expectations. We will continue to monitor the progress of life companies in relation to the three key issues we identified during the year. We expect to see more improvements from life companies, including stronger governance of the premium review process and an uplift in consumer understanding of life insurance premiums.

Our enforcement action resulted in significant penalties for misleading statements made in product disclosure statements (see Case study 15), and for mis-selling and unconscionable conduct in the sale of insurance products (see Case study 16).

CASE STUDY 15:**RACQ Insurance Pty Ltd is penalised \$10 million for potentially misleading statements**

ASIC's actions resulted in RACQ Insurance Limited (RACQ) being ordered to pay a \$10 million penalty by the Federal Court in November 2023 for potentially misleading customers in its PDSs about the pricing discounts available for certain types of insurance cover. RACQ self-reported the pricing failure after ASIC called on general insurers to review their pricing practices in October 2021.

The PDSs for RACQ's Motor, Home, Caravan & Trailer and Unique Vehicle insurance policies included statements that certain discounts would be applied to customers' insurance premiums. The Court found that these statements were potentially misleading

because the discounts were only applied by RACQ to the base insurance premium, not to additional premiums paid for certain optional extras.

ASIC's investigation led to Court findings that RACQ sent out the misleading PDSs on at least 5 million occasions between March 2017 and March 2022. Some 458,746 customers missed out on approximately \$86.5 million in discounts they should have received.

RACQ's PDSs have since been updated and it has committed to a remediation program for a range of pricing promise failures, not limited to those failures relating to this action. RACQ reported the total cost of the remediation could reach \$220 million.

CASE STUDY 16:**Select AFSL and others penalised \$13.6 million for mis-selling insurance**

In July 2023, following proceedings brought by ASIC, the Federal Court imposed combined penalties of \$13.5 million on Select AFSL (Select), BlueInc Services Pty Ltd (BlueInc) and Insurance Marketing Services Pty Ltd for engaging in unconscionable conduct and other contraventions of financial services law when selling life, funeral and accidental injury insurance under the brand names Let's Insure and FlexiSure.

The Court ordered Mr Russell Howden, the sole director of each of the companies, to pay \$100,000 and disqualified him from managing corporations for five years. ASIC's case concerned the mis-selling of insurance over the phone to consumers, including First Nations consumers from remote communities. English was not the first language of many of these consumers.

The Court observed that misrepresentations were made, high-pressure tactics applied, sales tactics used to overbear the free will of consumers, and that having made sales, retention agents ignored the express wishes of consumers to cancel policies and acted so as to wear them down.

The Court also penalised Select and BlueInc for conflicted remuneration contraventions, which included sales agents being given a cruise to the Gold Coast, a Vespa scooter and trips to Las Vegas and Hawaii.

ASIC considered this was a clear case of consumers not having the opportunity to understand and consider the features of the insurance product they had been offered, resulting in poor consumer outcomes.

ASIC took this action to deter misconduct relating to financial products and reduce the risk of harm to consumers, particularly those who are vulnerable.

Financial advice

The financial advice sector covers AFS licensees and their representatives that provide personal advice to retail clients on financial products, general advice, and personal advice to wholesale clients. ASIC's work in this sector during 2023–24 included facilitating the registration of relevant providers (financial advisers), and completing a review of the roles of advisers and advice licensees in relation to Choice superannuation products. We also provided guidance and infrastructure to enable notification for financial advisers relying on the experienced provider pathway.

See Case study 4 for details of our work in deterring cold-calling superannuation switching business models.

ASIC's enforcement action in this sector led to a number of significant court outcomes and penalties. Following are two notable court outcomes:

- ◆ R M Capital Pty Ltd was found to have failed to take reasonable steps to ensure that its authorised representative, the SMSF Club Pty Ltd (SMSF Club), did not accept conflicted remuneration (see Case study 17).
- ◆ Mercer Financial Advice (Australia) Pty Ltd was ordered to pay a \$12 million penalty after being found to have failed in its fee disclosure obligations and for charging fees to customers it was not entitled to charge.³⁸

³⁸ <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-314mr-merc-er-to-pay-12-million-penalty-for-misleading-representations-and-fee-disclosure-failures/>

CASE STUDY 17:**ASIC succeeds in conflicted remuneration case against financial advice licensee**

On 29 February 2024, the Federal Court found that R M Capital Pty Ltd (RM Capital) failed to take reasonable steps to ensure that its authorised representative, the SMSF Club Pty Ltd (SMSF Club), did not accept conflicted remuneration.

ASIC's case alleged that SMSF Club advised its clients to set up SMSFs to buy real property marketed by real estate agent Positive RealEstate Pty Ltd. ASIC alleged that pursuant to referral agreements, Positive RealEstate paid SMSF Club around \$5,000 each time a client bought a property through it using their SMSF. It was alleged that the payments could reasonably be expected to have influenced financial product advice given by SMSF Club to its clients, and so constituted prohibited conflicted remuneration under the Corporations Act.

ASIC contended that SMSF Club contravened s963G of the Corporations Act by accepting payments from Positive RealEstate, and RM Capital contravened s963F of the Corporations Act by failing to take reasonable steps to ensure SMSF Club did not accept the payments.

A hearing as to penalty and other relief against RM Capital has been set down for 12 December 2024. Judgement has been reserved in relation to ASIC's allegations against SMSF Club.

See [Media Release 24-038](#)¹ 'ASIC succeeds in conflicted remuneration case against financial advice licensee', 4 March 2024.

1 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-038mr-asic-succeeds-in-conflicted-remuneration-case-against-financial-advice-licensee

Investment management

The investment management sector includes responsible entities, wholesale trustees, operators of notified foreign passport funds, custodians, investor directed portfolio service operators, managed discretionary account providers, traditional trustee company service providers, corporate collective investment vehicles and crowdsourced funding intermediaries. In 2023–24, we focused on sustainability-related disclosure and governance practices across issuers of investment products, as well as surveillance of issuers of investment products, focusing on the 'reasonable steps' obligations.

In a significant signal on the importance of directors' duties, our enforcement action against current and former directors of Linchpin Capital Group Limited and Endeavour Securities (Australia) Ltd resulted in an order to pay \$390,000 in penalties for breaching their duties as officers of a responsible entity of a registered managed investment scheme. They were also banned from managing corporations for a period of three to five years. While this decision has been appealed, it is a reminder to directors of entities that operate managed investment funds that they must act in the best interests of members.

Our first 'licensee for hire' case resulted in wholesale licensee Lanterne Fund Services Pty Ltd (Lanterne) being ordered to pay a \$1.25 million penalty after it failed to comply with obligations of Australian financial services (AFS) licence holders (see Case study 18).

Our enforcement work in the sector also resulted in two significant criminal outcomes in matters referred by ASIC to the Commonwealth Director of Public Prosecutions:

- ◆ In March 2024, David Sipina became the third person to plead guilty to criminal charges relating to Courtenay House in a matter referred by ASIC. The Courtenay House group offered returns to investors based on representations that their funds would be traded in the Forex and Futures markets. ASIC alleges that approximately 585 investors contributed over \$180 million to the scheme but only a fraction of the funds were actually traded. Instead, the majority of new investor funds were used to repay earlier investors, a fraudulent arrangement known as a Ponzi scheme. In addition to conducting the criminal investigation into the matter, ASIC had previously taken civil action to freeze assets and assisted liquidators.
- ◆ In December 2023, Mudasir Mohammed Naseeruddin was sentenced to four years and four months imprisonment after pleading guilty to two charges of dishonest conduct, and two charges in relation to dishonestly obtaining superannuation funds from investors based on false representations, including representations that the funds would be invested in property development (see Case study 19).

CASE STUDY 18:**Licensee for hire business ordered to pay \$1.25 million for failing to comply with obligations under AFSL**

Lanterne operated a 'licensee for hire' business model through which it authorised over 60 corporate authorised representatives (CARs) and under them, 205 authorised representatives (ARs) who together had up to \$1.685 billion in funds under management. In return for authorisation, Lanterne charged an upfront fee of \$5,000 per CAR and up to \$3,000 per month in ongoing fees. Despite the scale of Lanterne's CARs, Lanterne had only one full-time employee, its CEO and sole director, Peter Cozens.

In April 2024, following proceedings brought by ASIC, the Federal Court ordered Lanterne to pay a \$1.25 million penalty for its failure to comply with six of the general obligations of AFS licence holders.

Lanterne admitted that it:

- ◆ did not have a formal or documented risk management system or any systems of processes in place to identify, assess or mitigate risks
- ◆ relied on CARs self-reporting any exceptions to compliance with their obligations and had no formal or documented review or audit process to assess whether a representative complied with financial services laws
- ◆ conducted no discernible due diligence on the CARs and only limited background checks on the individuals involved with them
- ◆ did not have enough appropriately qualified responsible managers with sufficient time to undertake their roles
- ◆ did not offer or provide training to its CARs or ARs, did not require evidence or information about training, and did not maintain any records of training
- ◆ had insufficient human resources to enable it to monitor and supervise its representatives

- ◆ did not have an adequate IT infrastructure, IT resources plan, security management plan, IT back-up protocol or disaster recovery plan, and maintained its records using a paper filing system until September 2020.

The Court found Lanterne breached its AFS licence obligations between March 2019 and October 2021 when it failed to:

- ◆ have adequate risk management systems
- ◆ have adequate technological and human resources to provide the services covered by its AFS licence
- ◆ ensure that its representatives were adequately trained
- ◆ maintain the competence to provide financial services covered by its AFS licence
- ◆ take reasonable steps to ensure that its representatives complied with Australian financial services laws
- ◆ do all things necessary to ensure that the financial services covered by the licence were provided efficiently, honestly and fairly.

The Court also ordered that an independent expert be appointed to review and report on Lanterne's systems, processes and controls, and that Lanterne must implement the recommendations made by the independent expert once the report is received.

ASIC took this action because Lanterne's arrangements were woefully inadequate for a business of its scale, posing a significant risk to investors. ASIC wanted to send a message to licensees that it is vital they take their compliance obligations seriously to protect consumers and investors.

See [Media Release 24-071](#)¹ 'ASIC action results in \$1.25 million Court imposed penalty against AFSL 'licensee for hire' firm', 11 April 2024.

¹ www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-071mr-asic-action-results-in-1-25-million-court-imposed-penalty-against-afsl-licensee-for-hire-firm

CASE STUDY 19:**Melbourne Property Developer jailed for dishonest conduct**

On 20 December 2023, Mudasir Mohammed Naseeruddin was sentenced to a total prison sentence of four years and four months for dishonest conduct in the course of carrying on a financial services business and for failing to exercise powers and discharge duties in good faith in the best interests of a corporation.

Mr Naseeruddin encouraged investors to roll over their superannuation monies into newly created SMSFs and to lend those funds to his two companies, Secure Investments Pty Ltd and Aquila Group Pty Ltd. Mr Naseeruddin was a director of both companies. He told victims that the funds would be invested in property developments, but only a small portion of their funds were invested this way.

The court found that between 13 May 2015 and 6 January 2020, Mr Naseeruddin dishonestly obtained more than \$520,000 from six investors, including three First Nations investors from rural New South Wales. The court also found that between 14 July 2016 and 23 December 2019, Mr Naseeruddin dishonestly used his position as a director of Secure Investments Pty Ltd to withdraw over \$550,000 from the company to purchase shares in a security company for his own benefit.

This result aligns with ASIC's enduring priorities to take action against governance and directors duties failures relating to high-risk property schemes that expose investors to significant loss, and misconduct impacting First Nations people.

Market infrastructure

The market infrastructure sector includes Australian financial market infrastructure licensees, various types of market operators, benchmark administrators, clearing and settlement facility operators, derivative trade repository operators and credit rating agencies.

ASIC's work in this sector during 2023–24 continued to focus on stakeholder engagement and providers' compliance with their obligations under the financial services laws. This helps to ensure good consumer and investor outcomes and to maintain trust and integrity in Australia's financial markets.

CASE STUDY 20:**ASX and CHES replacement**

We have maintained high-intensity supervision of Australian Securities Exchange (ASX), reflecting the critical nature of ASX's services to the Australian financial system. Following ASX's decision in November 2022 to pause the replacement of its cash equity clearing and settlement system (CHES), ASIC and the Reserve Bank of Australia (RBA) have been closely monitoring ASX's governance arrangements for the CHES Replacement program.

ASIC required ASX to prepare and have independently audited three special reports under notice, with the final special report on ASX's Portfolio, Program and Project Management Frameworks being released in November 2023. Using the reports, ASIC has continued to closely monitor what regulatory actions are needed to ensure that ASX's project delivery meets the highest standards required in the replacement of this critical national infrastructure.

ASIC has also been closely monitoring ASX's continued maintenance and investment in existing CHES, to ensure it continues to meet ongoing resilience, reliability, integrity and security requirements. This will be a continued focus for ASIC and the RBA.

At ASIC's request, in August 2023, ASX established a new Cash Equities Clearing and Settlement Advisory Group. This is a small group of recognised industry leaders with deep expertise in clearing, settlement, custody, technology, registry services and markets. The Advisory Group provided valuable advice and recommendations on the CHES replacement solution design decision, and is also expected to be a key advisory body for the decision on a move to T+1 settlement (settlement of a trade within 1 business day of the transaction) in Australia.

ASIC for the first time issued an infringement notice to a market operator (see Case study 21).

CASE STUDY 21:**ASX fined \$1,050,000 for order information transparency failure**

On 8 February 2024, ASIC fined ASX Limited \$1,050,000 for failing to make pre-trade information available on 8,417 occasions between 4 April 2019 and 22 December 2022.

Under the market integrity rules, market operators are required to make certain information such as the volume and price of orders available on its trading system. Pre-trade information is fundamental to fair and transparent markets because it assists with price formation, aids liquidity, and enables investors to assess investment opportunities and value listed companies.

ASIC found that ASX's failure was a result of an incorrect system configuration. ASIC considered ASX's conduct was serious and that the circumstances giving rise to the system configuration issue was indicative of carelessness by ASX. The incorrect

configuration went undetected until drawn to ASX's attention by a market participant. ASIC found that on at least two occasions before 22 December 2022, ASX could have, but did not, identify the system configuration issue.

This result was the first time that ASIC had issued an infringement notice to a market operator. This aligns with ASIC's enforcement priority focusing on technology and operational resilience for market operators and market participants.

See [Media Release 24-039](#)¹ 'ASX pays \$1,050,000 penalty for order information transparency failure', 7 March 2024.

¹ www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-039mr-asx-pays-1-050-000-penalty-for-order-information-transparency-failure/

Market participation and conduct

ASIC promotes trust and confidence in markets through our surveillance of trading on Australia's securities, futures and over-the-counter (OTC) markets, and our supervision of market intermediaries, including investment banks, securities dealers and issuers of OTC products. In 2023–24, our focus areas included:

- ◆ actions to promote fair and orderly financial markets, such as the development and use of new tools to enhance our detection of complex and novel market abuse matters
- ◆ initiatives to enhance cyber, technology and operational resilience
- ◆ risk-based surveillance of complex product issuers to identify and disrupt conduct contravening DDOs and misconduct relating to crypto assets within our remit
- ◆ proactive supervision and enforcement of governance, transparency and disclosure standards
- ◆ promoting the development of international standards and better practices through participation in IOSCO working groups and liaising with other local and international regulators.

During the year, ASIC provided limited class relief to wholesale market intermediaries from compliance with unfair contract terms obligations for International Swaps Derivatives Association agreements and other professional financial market contract types entered into with certain sophisticated financial market participants. We granted relief to enable Australian institutional investors and counterparties to continue to rely on industry standard form contracts to participate in global wholesale financial markets, and to maintain the efficiency and integrity of those markets while not excluding genuine small businesses from unfair contract terms protections.

We achieved a significant court-based outcome that helps clarify expectations for pre-hedging relating to disclosure and consent. Westpac was ordered to pay a maximum penalty amount for engaging in unconscionable conduct when it engaged in pre-hedging ahead of an interest rate swap transaction with a consortium comprising AustralianSuper and IFM entities. The interest rate swap related to managing interest rate risk associated with the consortium's purchase from the NSW Government of a majority stake in electricity provider Ausgrid (see Case study 23).

CASE STUDY 22:

Setting standards for pre-hedging practices

ASIC observed a wide range of pre-hedging practices in the Australian market, with some falling significantly short of our expectations. On 1 February 2024, ASIC published an open letter to the CEOs of market intermediaries setting out our guidance regarding pre-hedging practices. The guidance covered eight key areas for market intermediaries to consider when undertaking pre-hedging.

The purpose of the letter was to:

- ◆ raise and harmonise minimum standards of conduct related to pre-hedging
- ◆ improve transparency so that clients are better informed when making investment decisions
- ◆ promote informed markets and a level playing field between market intermediaries
- ◆ uphold integrity and investor confidence in the Australian financial markets.

We will consider supplementing the letter with further guidance as international standard setting progresses.

CASE STUDY 23:**Westpac ordered to pay the maximum penalty for engaging in unconscionable conduct in large interest rate swap**

An ASIC investigation led to the Federal Court of Australia in January 2024 declaring that Westpac Banking Corporation (Westpac) engaged in unconscionable conduct in October 2016 when executing a \$12 billion interest rate swap transaction, the largest of its kind in Australian financial market history.

The Court declared Westpac's conduct was unconscionable due to the following factors:

- ◆ Westpac was aware of its client's concern about trading prior to the swap transaction (pre-hedging) that had the potential to adversely affect the price of the swap transaction to their detriment. Every basis point increase to the price of the swap transaction would involve a cost to its client of about \$4.7 million.
- ◆ Despite being aware of its client's concerns, Westpac acted on an internal plan to pre-hedge up to 50% of the interest rate risk by trading in significant volumes of interest rate derivatives in the market before the swap transaction was executed.
- ◆ Westpac failed to obtain client consent or give clear and full disclosure about the extent of its planned pre-hedging.

- ◆ Once Westpac began on-market pre-hedging trading, the client could not protect itself against the risk that Westpac's trading would increase the price of the swap transaction to the client.

Appropriate conduct for pre-hedging is an issue of global significance. In this case, Westpac's behaviour was unconscionable and exposed its client to significant risk. Westpac's conduct was also in stark contrast with that of several other banks. If pre-hedging is not carried out in an appropriate manner, it can be unfair, unconscionable and result in poor client outcomes.

Westpac was ordered to pay the maximum penalty of \$1.8 million. Had Westpac engaged in similar conduct today, the maximum available penalty would have been significantly higher.

The Court also declared that Westpac contravened sections 912A(1)(a) (obligation to provide financial services efficiently, honestly and fairly) and 912A(1)(aa) (obligation to have adequate arrangements to manage conflicts of interest) of the Corporations Act.

Our commitment to ensuring the integrity and cleanliness of Australia's financial markets is reflected in our continuing enforcement activity on market manipulation and insider trading, as well as breaches of continuous disclosure obligations. Some notable outcomes include:

- ◆ Mr Cameron Waugh being sentenced for insider trading, and Mr Henry Eng Chye Heng being sentenced for market manipulation and creating a false or misleading appearance of active trading

See Spotlight 8.

- ◆ Influencer Mr Adam Blumenthal being ordered to pay a penalty of \$850,000 and being disqualified from managing corporations for five years for market rigging and breaches of directors' duties³⁹

- ◆ Holista Colltech Ltd being ordered to pay a \$1.8 million penalty for breaching continuous disclosure obligations.⁴⁰

A significant penalty outcome was also achieved in our case relating to suspected manipulation in commodities derivatives markets (see Case study 24).

CASE STUDY 24:

J.P. Morgan Securities Australia Limited gets \$775,000 penalty for market gatekeeper failure

On 10 April 2024, following an ASIC investigation, the Markets Disciplinary Panel (MDP) fined J.P. Morgan Securities Australia Limited (JPMSAL) \$775,000 for permitting suspicious client orders to be placed on the ASX 24 futures market.

The MDP found JPMSAL should have suspected 36 orders placed by a client between 11 January 2022 and 3 March 2022 were submitted with the intention of creating a false or misleading appearance with respect to the market for, or the price of, the Eastern Australia Wheat futures January 2023 (WMF3) contracts.

The MDP considered that JPMSAL's failure to identify its client's trading as suspicious was 'careless', that JPMSAL should have detected the conduct, and should have acted more expeditiously when alerted to the order activity by ASIC.

The MDP's decision emphasises that market participants cannot solely rely on automated trading monitoring systems to detect potential misconduct, should ensure that staff have appropriate knowledge of the products they and their clients trade in, and be able to detect and respond to any suspicious behaviour. Further, market participants should ensure clients for which they permit direct market access to, remain competent and aware of their obligations.

This result aligns with ASIC's enduring enforcement priority to take action for misconduct damaging market integrity and ASIC's 2023 enforcement priority to address manipulation in energy and commodities derivatives markets.

See [Media Release 24-093](#)¹ 'J.P. Morgan Securities \$775,000 penalty for market gatekeeper failure', 9 May 2024.

1 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-093mr-j-p-morgan-securities-775-000-penalty-for-market-gatekeeper-failure/

39 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-076mr-adam-blumenthal-ordered-to-pay-850-000-and-disqualified-for-five-years-for-market-rigging-and-directors-duties-breaches/

40 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-053mr-holista-colltech-to-pay-1-8-million-penalty-for-breaching-continuous-disclosure-obligations-over-the-sale-of-its-covid-product

SPOTLIGHT 8

Taking tough action on insider trading and market manipulation

ASIC's success in two recent market trading cases reflects our commitment to protecting the integrity of Australia's markets by holding market operators and participants to the highest standard.

In March 2022, following ASIC's market surveillance, ASIC began an investigation into suspected insider trading of shares in Genesis Minerals Limited (Genesis). ASIC alleged that Mr Cameron Waugh came into possession of inside information in his role at Omnia Company Pty Ltd (Omnia), where he was advising on a proposed share placement and board restructure for Genesis.

At the time of ASIC's investigation, Mr Waugh was living overseas. Once he returned to Australia, ASIC's investigation was expedited and an arrest warrant was executed in December 2022 before Mr Waugh could leave the country.

On 24 January 2024, Mr Waugh pleaded guilty to insider trading in shares of Genesis between 14 and 21 September 2021, profiting by \$57,256.

In sentencing Mr Waugh, the judge attributed Mr Waugh's actions to greed, stating: 'You wanted something you did not have and wanted to portray yourself as something you were not ...

you believed money and the trappings of wealth would validate you...It seems the good will of those supporting you was overridden by your desire for success.'

On 26 March 2024, the Supreme Court of Western Australia sentenced Mr Waugh to two years' imprisonment with a non-parole period of nine months.

Mr Waugh is the first person to be sentenced and serve time in jail in Western Australia under the new penalty provisions for insider trading. As a result of his conviction, Mr Waugh was automatically disqualified from managing corporations for five years.

ASIC took further action to protect the integrity of Australia's markets when it referred a criminal brief to the CDPP in relation to the founder of listed bottled water producer Eneco Refresh, Henry Eng Chye Heng. Mr Heng was sentenced to 18 months' imprisonment for market manipulation and creating a false or misleading appearance of active trading following a hearing in the Perth District Court on the 19 April 2024. The court ordered Mr Heng be released forthwith on recognisance on the condition that he be of good behaviour for a period of 12 months.

Mr Heng was sentenced for using share trading accounts held in the names of his family to manipulate the share price of Eneco on 24 occasions between 18 December 2020 and 15 December 2021. Mr Heng also used share trading accounts held in the names of his family to conduct trades that created a false or misleading appearance of active trading in Eneco on 30 April 2021 and 30 November 2021.

On 3 May 2024, Mr Heng also pleaded guilty and was convicted of nine counts of failing as a director to notify the market operator of a change in his relevant interests in breach of section 205G(10) of the Corporations Act. The court ordered Mr Heng be released on his own recognisance with a \$10,000 personal surety and upon the condition that he be of good behaviour for a period of 12 months.

'A clean market that is fair, orderly and transparent is critical to an efficient economy. It facilitates Australian businesses to raise capital and manage risk, and gives investors confidence to participate.'

As part of our efforts to keep Australia's markets clean, ASIC has been actively targeting insider trading through our new award-winning system, which automatically hunts for and detects suspected market misconduct.'

Joseph Longo
ASIC Chair



Corporations

In 2023–24, we continued to supervise the corporate sector, including overseeing fundraising and merger and acquisition transactions, monitoring corporate governance conduct and disclosure practices, reviewing disclosures on related party transactions, and considering associated applications for relief. We updated ASIC's legislative instruments relating

to takeovers and associated regulatory guidance. We reviewed the use of virtual-only meetings of company members for compliance with recent law reforms. We also conducted work to promote cyber and operational resilience, including publishing the Cyber Pulse Survey in November 2023 (see Case study 2).

CASE STUDY 25:

Corporate finance transactions

Market integrity impacts all Australians through their direct investment holdings or indirect exposure via superannuation. Corporate transactions, including IPOs, secondary raisings, and merger and acquisition activity, are all indicators of healthy capital markets. ASIC's work in monitoring and acting where concerns are identified enhances the ability of all Australians to confidently participate in financial markets.

In 2023–24, ASIC received 76 schemes of arrangement and 29 takeover bids with an implied value of more than \$103 billion. ASIC regularly provides submissions in takeover disputes brought before the Australian Takeovers Panel, where parties are seeking declarations of 'unacceptable circumstances'. In 2023–24, 23 applications were received by the Takeovers Panel, and ASIC took an active

role in numerous proceedings involving novel issues relating to deal protection devices, equity derivatives, and the general jurisdiction of Chapter 6 of the Corporations Act over contractual promises among others.

In addition, ASIC continued to review fundraising documents to enable informed investor participation, including assessing compliance with DDOs. In 2023–24, we received more than 500 original prospectuses that were collectively seeking to raise more than \$8 billion.

Our work in this area continues to ensure that corporate control transactions in Australia are carried out in a fair and competitive manner. This is pivotal to the integrity of our financial markets, supporting Australia's status as a sound place to invest.

CASE STUDY 26:**Upholding the quality of independent expert reports**

Investors rely on independent expert reports when making decisions on approving or rejecting corporate transactions, including, for example, takeover bids, corporate schemes of arrangement, corporate restructures and related party transactions.

In 2023–24, we took action over concerns that PKF Melbourne Corporate Pty Ltd, which produced independent expert reports, did not have sufficient internal policies and procedures, and that this was impacting the preparation of their reports.

Following our investigation, PKF Melbourne Corporate Pty Ltd admitted its conduct did not ensure the financial services covered by its licence were provided efficiently, honestly and fairly, and that it did not have adequate arrangements for the management of conflicts of interest. It agreed to a court enforceable undertaking to cease providing independent expert reports until an independent expert completes a review of its policies and procedures and the licensee implements all recommendations.

Our enforcement work resulted in court-based enforcement outcomes that emphasise the seriousness of obligations on directors and the consequences of engaging in fraudulent activity and providing false information (see Case study 27).

CASE STUDY 27:**Sentencing of Continental Coal Directors and Company Secretary**

In August 2020, following ASIC's investigation, the Commonwealth Director of Public Prosecutions charged former directors of Continental Coal Limited, Peter Neil Landau and Dr Ashley Paul D'Sylva, and company secretary Jane Rosemary Flegg with breaching their duties as officers of the company.

The charges included using their positions dishonestly to transfer a total of \$3,047,000 to Celtic Capital Pty Ltd and OKAP Ventures Pty Ltd from Continental Coal's account, giving false information to the ASX, and lodging a false document with ASIC.

Two of the officers, Mr Landau and Ms Flegg, were also charged with 63 counts of stealing, forgery and uttering offences under the Criminal Code (WA) relating to another ASX-listed company, Citation Resources Limited, of which Mr Landau was a former director. The charges alleged they stole over \$2.2 million from Citation and forged and uttered a bank statement to conceal the theft.

Dr D'Sylva was also charged with one count of breaching his duties as a director of Continental Coal.

All three officers pleaded guilty to their respective charges and were sentenced to terms of imprisonment and good behaviour bonds by Courts of Western Australia.

Mr Landau was sentenced in the District Court to five years and two months' imprisonment with a non-parole period of three years and two months for five stealing offences and one offence of forging and uttering. Mr Landau was also sentenced to a further 12 months' imprisonment for two Corporations Act

offences. Mr Landau was separately sentenced in the Magistrates Court to two months' imprisonment for one count of breaching s722 of the Corporations Act for failing to hold \$1,032,00 of investor application monies on trust. The earliest release date for Mr Landau is 8 October 2027.

In sentencing Mr Landau, Justice McGrath remarked that Mr Landau's conduct involved extended breaches of trust and went against the fundamental responsibilities of a company director.

Justice McGrath observed that the benefits of being in the corporate world were great but so too were the responsibilities and stated, 'it is at the time of pressure arising from financial difficulties that a director must most diligently adhere to the proper performance of their duties'.

Dr D'Sylva was sentenced to 8 months' imprisonment to be released immediately on entering into a recognisance release order in an amount of \$5,000 and to be of good behaviour for 18 months, for one count of breaching s184(1)(a) of the Corporations Act.

Ms Flegg was sentenced to three years, six months' imprisonment with a non-parole period of 21 months. Ms Flegg was also sentenced to a further eight months' imprisonment for giving false information to the ASX.

This matter serves as a reminder of the fundamental duties of company directors to act in the best interests of the company and the consequences of failing to do so.

CASE STUDY 28:

Prison term for obtaining financial advantage by deception

William O'Dwyer, former managing director of property developer Ralan Group, was sentenced to immediate imprisonment after pleading guilty to six criminal offences of obtaining a financial advantage by deception. The conduct included loaning deposits paid by purchasers to the development company as working capital. Unsecured creditors were owed around \$232 million when the entity went into liquidation in 2019.

In his sentencing remarks, District Court Judge Anderson observed that the financial advantage was 'enormous' and that the conduct was 'ongoing and deliberate, and a calculated fraud'.

'Today's penalty is significant and emphasises the seriousness of fraudulent activities, together with ASIC's commitment to investigate and prosecute such cases, and the importance of holding those responsible accountable for their actions.'

Sarah Court, ASIC Deputy Chair

See [Media Release 24-013](#)¹ 'Former Ralan Group managing director sentenced to four years in prison', 2 February 2024.

1 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-013mr-former-ralan-group-managing-director-sentenced-to-four-years-in-prison

Registered liquidators

ASIC regulates 642 registered liquidators who were appointed external administrators to over 11,000 failed companies during the year. Our work in 2023–24 focused on:

- ◆ thematic surveillance to improve compliance and inform regulatory guidance
- ◆ improving data available to the public through our insolvency statistics
- ◆ engaging with a range of domestic and international stakeholders
- ◆ updating Regulatory Guides and the Assetless Administration Fund grant guidelines and managing the Reviewing Liquidator Panel and Abandoned Company Panel.

ASIC publishes, on our website, important insolvency data collected in forms lodged with us.

During the year, we consulted on updates to three Regulatory Guides, including Regulatory Guide 217⁴¹ *Duty to prevent insolvent trading: Guide for directors*, Regulatory Guide 258⁴² *Registered liquidators: Registration, disciplinary actions and insurance requirements*, and Regulatory Guide 16⁴³ *External administrators and controllers: Reporting of possible offences and misconduct*. We are considering all submissions before releasing the updated guides.

41 <https://download.asic.gov.au/media/5772721/rq217-published-31-august-2020.pdf>

42 <https://download.asic.gov.au/media/4166077/rq258-published-1-march-2017.pdf>

43 <https://download.asic.gov.au/media/vi5fxk0s/rq16-published-5-september-2024.pdf>

Criminal charges were brought by the Commonwealth Director of Public Prosecutions as a result of ASIC referrals of investigations in the sector:

- ◆ Peter Andrew Amos was charged in December 2023 with six counts of dishonestly using his position as an officer of a company to gain an advantage for his business and himself. This investigation was a collaboration between ASIC and the ATO under the Serious Financial Crime Taskforce (SFCT).⁴⁴
- ◆ Ronald Lester Cardwell (who was not a registered liquidator) was convicted in March 2024 and sentenced to a term of 24 months' imprisonment, to be served by way of intensive correction order, for dishonestly using his position as an appointed liquidator to withdraw company funds.⁴⁵

Outcomes from the liquidator disciplinary committee included:

- ◆ the cancellation in June 2023 of Richard Ernst Auricht's registration as a liquidator⁴⁶
- ◆ the imposition of conditions in December 2023 on Steven Naidenov, a registered liquidator, requiring that over the next two years Mr Naidenov arrange for a peer review of six external administrations conducted by him, to be selected by ASIC.⁴⁷

Financial reporting and audit

Quality financial reports provide important information for investors and other stakeholders, and auditors play an important part in maintaining investor trust and confidence in the quality of the reports.

ASIC is improving and evolving our strategic regulatory approach to financial reporting and audit. This year, we commenced work on a review of the six largest audit firms. As part of this, we evaluated their implementation of quality management systems. We found several areas of concern and put industry on notice of these concerns in May 2024. This will inform work that we will be undertaking in 2024–25 to ensure compliance by auditors with their independence and ethics obligations.

This builds on the changes ASIC made last financial year to adopt a new and more comprehensive approach to financial reporting and audit surveillances, which results in a better overview of the financial reporting chain. In addition to auditors, it highlights the role of other stakeholders (such as audit committees and those preparing financial reports) in ensuring the quality of the financial report and audit.

⁴⁴ www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-347mr-former-registered-liquidator-pleads-guilty-to-dishonest-conduct

⁴⁵ www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-042mr-members-voluntary-liquidator-sentenced-for-dishonestly-using-his-position-to-withdraw-company-funds

⁴⁶ www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-187mr-liquidator-disciplinary-committee-cancels-registration-of-richard-ernst-auricht/

⁴⁷ www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-004mr-liquidator-disciplinary-committee-imposes-conditions-on-registration-of-steven-naidenov

In October 2023, we issued our first integrated [Report 774](#)⁴⁸ *Annual financial reporting and audit surveillance report 2022–23*. This highlighted findings from our work in 2022–23 and explained how the quality of financial reports and audits can be improved. In addition, we reported our audit findings directly to the directors of companies, audit committees and audit firms.

In 2023–24, we continued to proactively review financial reports of listed entities and other public interest entities and, for the first time, included large proprietary companies that were previously exempt from lodging. As part of our integrated approach, which recognises the strong link between issues identified in the financial report and the quality of the audit, we conducted audit surveillances on higher-risk financial reports identified through our financial reporting surveillance program.

Our financial reporting surveillance work resulted in:

- ◆ Link Group restating its 2023 financial results after ASIC raised concerns of material misstatements in the carrying value of certain business assets, provisions and expenses in relation to a settlement with the UK Financial Conduct Authority
- ◆ LPI (Australia) restating its 2021–22 comparative figures in its 2022–23 financial report in response to ASIC’s concerns that it had failed to consolidate substantial assets, liabilities and income from a wholly owned subsidiary.

Our auditor compliance program identified 20 instances where registered company auditors (RCAs) had failed to lodge their annual statements. ASIC’s engagement with these RCAs

resulted in eight complying with their obligation to lodge annual statements, six choosing to voluntarily cancel their registration, and ASIC cancelling the registration of six RCAs.

Our enforcement work in the financial reporting and audit sector includes securing payment of infringement notices, making applications for administrative outcomes to the Companies Auditors Disciplinary Board (CADB), considering possible criminal enforcement outcomes and negotiating compliance by way of court enforceable undertakings. The work also includes consideration of emerging issues and suspected misconduct of individuals working within the broader cultural system in which auditors operate. In the past year, for example, we gave significant consideration to individuals involved in the breaches of confidentiality concerning PwC and the ATO. This included engagement with and the review of extensive materials held by the Tax Practitioners Board; work undertaken to ban Peter Collins from providing financial services; engagement with the ATO, the AFP and overseas regulators; and inquiries into PwC’s licenced entities to understand risks associated with conflicts of interest in PwC.

Our enforcement work resulted in significant outcomes, including fines and penalties and licence cancellations. For example:

- ◆ Three infringement notices totalling \$20,625 were paid by Nicholas Benbow, director of William Buck Audit (Vic) Pty Ltd. This was the first time ASIC had issued infringement notices under the Corporations Act for an alleged breach of audit rotation requirements. The infringement notices were issued because ASIC had reasonable grounds to believe that Mr Benbow failed to conduct each of the three listed company reviews in

⁴⁸ www.asic.gov.au/regulatory-resources/find-a-document/reports/rep-774-annual-financial-reporting-and-audit-surveillance-report-2022-23/

accordance with the auditing standards. The auditing standards require auditors to comply with important requirements pertaining to independence.⁴⁹

- ◆ Mining exploration company Condor Blanco Mines Limited was fined \$100,000 for failing to lodge five annual financial reports with ASIC.⁵⁰
- ◆ ASIC cancelled the AFS licence of Everest Asset Management Pty Ltd (Everest) due to

failure to prepare and lodge the required financial statements and auditor opinions with ASIC. ASIC also found that Everest was likely to contravene its obligations as an AFS licensee in the future.⁵¹

An ASIC investigation also resulted in the CADB finding that an audit partner of BDO East Coast Partnership failed to meet the minimum standard under the Australian Auditing Standards (see Case study 29).

CASE STUDY 29:

Companies Auditors Disciplinary Board finds BDO audit partner failed to meet minimum standards.

On 30 August 2023, the CADB found that James Mooney, an audit partner of BDO East Coast Partnership (BDO), had failed to meet the minimum standard under the Australian Auditing Standards when he did not obtain reasonable assurance during his audit of Engage:BDR Limited (Engage) that its 2018 financial statements were free from the risk of material misstatement. Engage is an ASX-listed technology company.

Mr Mooney's failings were identified by ASIC during its proactive audit surveillance process, which led to an investigation and application by ASIC to the CADB.

The most serious breach of the auditing standards involved Mr Mooney's failure to obtain adequate evidence and perform adequate testing of Engage's revenue recognitions.

The CADB ordered that Mr Mooney undertake to ASIC not to perform the duties of a registered company auditor until 31 December 2023. The CADB's decision followed Mr Mooney voluntarily undertaking to ASIC not to act as a registered company auditor between 1 June 2023 and 31 December 2023. Mr Mooney also undertook to engage another registered company auditor to review his first three company audits from 1 January 2024 and complete 20 additional hours of professional development. Mr Mooney was also ordered to pay ASIC's costs of \$175,000.

The CADB acknowledged Mr Mooney's cooperation with ASIC during the proceedings and that his conduct was on the lower end of the scale of seriousness, involving no allegations of dishonesty or impropriety.

The action emphasises that failures to comply with the auditing standards in relation to significant disclosure matters, such as revenue, potentially impact and undermine confidence in the integrity of Australia's capital markets.

49 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-066mr-head-of-audit-at-william-buck-victoria-pays-20-625-penalty-for-audit-rotation-issues/

50 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-274mr-condor-blanco-mines-limited-fined-100-000-for-financial-report-failures

51 www.asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-106mr-asic-cancels-everest-asset-management-s-afs-licence

Outcomes across our regulatory functions

Enforcement and compliance

Enforcement action is one of the key regulatory tools available to us to help achieve a fair, strong and efficient financial system for all Australians.

Our enforcement actions focus on preventing and addressing significant harm to consumers, markets and our financial system.

TRANSFORMATION CALLOUT

More timely, effective and collaborative decisions

ASIC's new organisational structure came into effect on 3 July 2023. A core objective of the redesign was to improve the timeliness and effectiveness of our decisions through greater collaboration and coordination.

As many of the threats we must address in the financial environment require a multi-faceted, cross-agency response, the ability to harness our collective knowledge and expertise is key to our success in tackling these threats. By breaking down the structural silos within the organisation, we have been able to better align our regulatory, supervisory and enforcement functions. This has led to better information sharing, problem solving and decision making – which ultimately leads to beneficial outcomes for consumers and markets.

One way we achieved this was through the establishment of a new regulatory triage system, which simplified the pathway to reaching decisions on reports of misconduct by consolidating nine different referral processes into one. This centralised, whole-of-organisation approach brings together senior leaders and experts across our regulatory and enforcement functions at an early point in the assessment process, to make joint decisions and coordinate actions, promoting greater consistency in decisions and reducing duplication of effort. This has meant that more reports of misconduct can be assessed in a more timely way, and be dealt with more effectively. Importantly, it has allowed compliance and enforcement actions to be taken faster on certain cases of egregious conduct and, in doing so, protect the Australian community from serious harm.

Criminal convictions

In 2023–24, our investigations resulted in 18 people being convicted of criminal offences, with eight receiving custodial sentences (including fully suspended sentences). The total value of fines ordered was \$936,000.

Civil actions

In 2023–24, we completed civil actions against 39 defendants, covering issues such as breaches of directors' duties and continuous disclosure obligations, deficient systems and failures to have effective controls, unconscionable conduct in overcharging customers periodic payment fees, misleading representations in fee disclosure obligations and misleading customers about available funds in credit card accounts.

The total value of penalties for these civil court cases was \$90.8 million.

Protective actions

We banned, removed or restricted 64 people or companies from providing financial services, and 11 people or companies from providing credit services.

We disqualified or removed 35 people from directing companies.

We took action against 52 company and SMSF auditors, and against two registered liquidators.

We issued instruments, reprimands or warnings to five financial advisers through the Financial Services and Credit Panel.

Corrective actions

We took action where credit licensees, superannuation trustees or responsible entities made misleading statements to consumers or investors. In 22 instances, potentially misleading or deceptive promotional material was withdrawn or amended in 2023–24.

Infringement notices

In 2023–24, ASIC issued 26 infringement notices.

There were 22 infringement notices issued to entities, and we received \$1,336,305 in related payments. We issued infringement notices against the following parties:

- ◆ Bobbob Pty Ltd (\$53,280)
- ◆ H.E.S.T. Australia Ltd (\$48,600)
- ◆ Morningstar Investment Management Australia Limited (\$29,820)
- ◆ Northern Trust Asset Management Australia Pty Ltd (\$29,820)
- ◆ Melbourne Securities Corporation Limited (\$13,320)
- ◆ ASX Limited (\$1,050,000)
- ◆ Nicholas Scott Benbow (\$20,625)
- ◆ Penta Capital Pty Ltd (\$53,280)
- ◆ Fertoz Limited (\$37,560).

The Markets Disciplinary Panel (MDP) issued four infringement notices to four market participants, with a total of \$5.38 million in penalties for alleged breaches of the market integrity rules.

Court enforceable undertakings

Court enforceable undertakings are a flexible tool that ASIC can use to improve compliance with the law and encourage a culture of compliance.

We accepted seven court enforceable undertakings in 2023–24.

We monitor all active court enforceable undertakings to ensure all obligations are met. Currently, we are monitoring 15 such undertakings, and our work indicates that all parties are complying.

Compliance activity

Enforcement action cannot be taken in every instance and ASIC's extensive compliance work is designed to have maximum impact across as many sectors and matters as possible. ASIC uses a wide range of data and analytics to highlight non-compliance and to take appropriate and proportionate action.

ASIC undertakes a range of activities to facilitate compliance with the law and regulations.

This can include reactive surveillances from specific reports of alleged misconduct and proactive surveillances based on thematic reviews and trends, themes or issues we have identified.

We also assist external administrators under our External Administrator Assistance Program, in obtaining a Report on Company Activities and Property (ROCAP) or company books and records in possession of officers and third parties. ASIC may contact company officers or third parties to ensure their statutory obligations to assist liquidators and administrators when companies enter external administration are actioned. Where compliance is not achieved, and

failure to assist the liquidator or administrators persists, we may commence criminal proceedings against the company officers or third parties. In 2023–24, ASIC received 1,423 requests for assistance from external administrators.

Enforcement examples

As ASIC is a law enforcement agency, the volume and results of our enforcement activities provide an important measure of our performance. Table 3 on pages 30–33 provides data on our enforcement activities, but we also use case studies in our reporting to better illustrate the impact of our actions.

We regulate all financial services and consumer credit, and authorised financial markets operating in Australia. This role covers many thousands of entities, individuals and transactions, making our remit one of the broadest of any comparable regulator in Australia or the world. Consequently, over the course of a year, we take more actions than we can report on in detail in our annual report. In choosing case studies for this annual report, we prioritised those that most clearly relate to the priorities and core projects identified in our Corporate Plan, and the priorities identified in our enforcement priorities for 2024.

Guided by this approach, the case studies referenced throughout this report provide a snapshot of the enforcement actions we took over 2023–24.

Supervision and surveillance

ASIC's supervision and surveillance work is core to our statutory mandate to monitor and promote market integrity and consumer protection in the Australian financial system. Through our work, we seek to influence behavioural change and prevent harm resulting from poor corporate systems and conduct. We also seek to ensure that entities and individuals are acting in the best interest of consumers and investors, and that financial services providers have resources, competence and systems in place to operate efficiently, honestly and fairly.

We conduct targeted, risk-based surveillance across our regulated populations to maximise the impact and benefit of our work. This includes surveillance of corporate transactions, market activities and financial reporting and audit quality.

Supervision of large financial institutions

Our institutional supervision focuses on those financial institutions that have the greatest potential impact on consumers due to market share or other factors. This focused supervision seeks to proactively minimise misconduct and consumer harm by improving organisation-wide factors, including governance, accountability, systems and culture. In 2023–24, the four major banks (ANZ, Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation) were subject to institutional supervision.

Misconduct reports by the public

Our analysis of reports of alleged misconduct received from the public is critical to informing our regulatory work.

We encourage members of the public to report concerns about corporate and financial services to us. We use this information to direct our regulatory activities to identify and address harms to investors and consumers.

For more information on reports of misconduct, see Appendix 5.

Guidance to industry

Through regulatory guides, consultation papers and information sheets, we provide guidance to industry on how we will administer the law. We do this to enhance industry participants' understanding of legal obligations and how to comply. Our feedback reports provide transparency about ASIC's response to consultation.

In 2023–24, we published 14 consultation papers, 30 new or revised regulatory guides and 34 new or revised information sheets. For a complete list of the publications issued, see our website at www.asic.gov.au/regulatory-resources.

Licensing and registration

ASIC assesses applications for AFS licences, credit licences, audit companies, registered companies and SMSF auditors. We also support the committee that assesses the registration of liquidator applications. Aligned with the principles of regulator best practice, we use a risk-based approach to assessment, devoting more of our resources to complex and high-risk applications to ensure that only suitable persons and organisations are licensed or registered.

In 2023–24, ASIC finalised 1,719 AFS licences and credit licence applications, including cancellations and suspensions.

We approved 679 AFS licences and 239 credit licences. We cancelled or suspended 269 AFS licences and 204 credit licences, the majority of which were licensees voluntarily applying for licence suspension or cancellation.

During the year, 328 AFS licence and credit licence applications were withdrawn, rejected for lodgement or refused. Of these, 187 were withdrawn, mostly after we completed our assessment and informed applicants that they were unlikely to meet the statutory requirements to obtain a new or varied licence. We refused to accept 140 applications for lodgement, mainly due to material deficiencies in the information provided. One application was refused in 2023–24.

We assessed 819 applications relating to RCAs, authorised audit companies and SMSF auditors. Of these, 164 were approved, 45 were withdrawn and 560 were cancelled or suspended.

CASE STUDY 30:

Importance of verifying the accuracy of information in a licence application

An entity applied for a licence to become an AFS licensee. The applicant nominated a single responsible manager and stated that it was not aware of any prior history of the proposed responsible manager that might raise probity concerns or concerns about whether the applicant would comply with financial services laws if a licence was granted.

ASIC became aware of prior conduct relating to the responsible manager that raised concerns

and we used our compulsory notice powers to obtain documents from a third party to ascertain the facts relating to that conduct. As it was unclear whether the applicant was aware of the conduct, ASIC shared the document with the applicant.

When ASIC's concerns were raised with the applicant, the applicant withdrew the licence application.

Regulatory relief

Where appropriate, we continued to provide relief to participants in capital markets and the financial services industry, with the aim of facilitating business, promoting innovation and supporting the Australian economy. During the year, we received 1,085 applications for relief from requirements of the Corporations Act, with 886 granted.

Engagement with key stakeholders

TRANSFORMATION CALLOUT

Meaningful engagement with external stakeholders

We are committed to working constructively and transparently with industry and the broader community, to build our understanding of complex issues, make the right regulatory decisions, and set clear expectations for those we regulate. We are always mindful of the role we should play to support the economy and innovation, and reduce the regulatory burden on businesses.

In 2023–24, we have continued to deepen our relationships with stakeholders in our everyday work.

Our commissioners and senior leaders held a range of public speaking engagements across a variety of platforms and media, to highlight our strategic direction and clarify our regulatory and enforcement stance. We further held formal and informal listening engagements to gather and consider the views of the community. Shortly after they joined ASIC in late 2023, our three new Commissioners also wrote to key stakeholders in their areas of regulatory focus, inviting them to meet and give feedback on their experiences with and expectations of ASIC.

A number of initiatives aimed at strengthening our engagement with stakeholders were carried out in 2023–24. We enhanced our approach to providing regulatory guidance, by improving the clarity and timeliness of consultations with stakeholders. We published our [core principles for developing and implementing regulatory guidance](#)¹ in August 2023. We also published an updated Information Sheet 151 to embed early engagement meetings in our investigations process where appropriate.

In addition, we developed a research and measurement strategy to better gauge external sentiment toward ASIC, and to track and measure stakeholder perceptions. This has helped us to better understand how the public perceives our actions and to identify opportunities for improvement.

¹ www.asic.gov.au/regulatory-resources/find-a-document/regulatory-document-updates/regulatory-developments-timetable/asic-s-core-principles-for-developing-and-implementing-regulatory-guidance/

First Nations engagement

Our Indigenous Outreach Program is an established and specialist team working across ASIC. It provides advice, insights and support to ensure our engagement with First Nations people is culturally appropriate and sensitive. It also aims to ensure that we are a trusted source of information and resources for First Nations consumers and communities through our communications channels.

The program works with industry, service providers and other government agencies to influence system change and support positive financial outcomes for First Nations people. We undertake various engagement and outreach activities throughout the year to build and leverage relationships with stakeholder groups, support ASIC's Enforcement outcomes and increase our awareness of the range of experiences of First Nations people and communities. This year, we:

- ◆ responded to 158 enquiries (as at 30 June 2024) from First Nations consumers and their advocates, and stakeholders working with First Nations communities through our dedicated Indigenous Help Line and email channel
- ◆ undertook regional and remote outreach work in locations such as Palm Island, Yarrabah and Wujal Wujal in Queensland; Darwin, Nhulunbuy and Banyala in the Northern Territory; Perth and Kalgoorlie in Western Australia; and the Hunter Region in New South Wales

- ◆ participated in events such as the First Nations Foundation's Indigenous Super Summit, Anglicare NT's Financial Inclusion Forum, Financial Counselling Australia's National Conference, the National Indigenous Legal Conference, Financial Counselling Australia's Goldfields Forum, and the NSW Community Voice Networks' Community Worker Forum
- ◆ continued to participate in activities as part of the National Indigenous Consumer Strategy (NICS), and through the work of ASIC's Indigenous Advisory Group, ASIC's Cross-Government Engagement Group, and various industry engagements.

ASIC's Indigenous Financial Services Framework

ASIC continues to progress the long-term outcomes in [ASIC's Indigenous Financial Services Framework](#),⁵² including through the establishment of the following dedicated engagement streams.

- ◆ ASIC Indigenous Advisory Group – This dedicated forum comprises First Nations peoples from various locations and with a range of personal and professional experience (see Panels section for more details on this group).
- ◆ ASIC's Cross-Government Engagement Group – The functions and responsibilities of this network of federal agencies are aligned to the Framework outcomes. The aim of this group is to identify opportunities for agencies represented to collaborate on key challenges for Indigenous consumers, information sharing of insights, data and opportunities for joint engagement and outreach to communities.

⁵² www ASIC.gov.au/about-asic/what-we-do/how-we-operate/stakeholder-liason/asic-s-indigenous-outreach-program/asic-s-indigenous-financial-services-framework/

- ◆ Financial services industry engagement
 - In 2023–24, we facilitated three [virtual workshops](#)⁵³ with a range of financial services industry representatives on opportunities to address key challenges experienced by First Nations peoples when engaging with the financial system. Workshop topics included:
 - challenges with identification verification for First Nations peoples
 - identification of, and assistance for, First Nations peoples experiencing or at risk of financial abuse
 - providing services to First Nations communities that focus on culture, community and best practice engagement.

ASIC – National Indigenous Consumer Strategy project

As part of our role in the National Indigenous Consumer Strategy (NICS) Reference Group, ASIC led the delivery of the 2023–24 NICS national project: the creation of online learning modules for *A guide to enforcement: Indigenous consumer matters*. The modules aimed to update an existing guide and increase NICS agencies' capacity to undertake culturally appropriate investigations when misconduct impacts First Nations consumers.

The modules feature staff from across NICS member agencies, drawing on their experiences working in First Nations communities, as well as their lived experience as First Nations people.

Engagement with the Australian Government: Law reform and inquiries

ASIC provides advice to the Australian Government on the operational implications of policy initiatives and legislative change to support its law reform agenda. We implement reforms once they are passed by Parliament, including by issuing regulatory guidance and using our regulatory and enforcement tools. We identify opportunities and risks that affect our ability to implement the law as intended by Parliament and advise on law reform to improve financial system performance.

In 2023–24, we participated in a range of reviews and reform processes, including:

- ◆ a scams mandatory industry codes consultation
- ◆ the Select Committee on Adopting Artificial Intelligence inquiry
- ◆ the Australian Law Reform Commission's Review of the Legislative Framework for Corporations and Financial Services Regulation
- ◆ ongoing work on the Quality of Advice Review
- ◆ implementation of the Financial Accountability Regime (FAR)
- ◆ Treasury consultations on:
 - buy now pay later reforms
 - the regulatory framework for managed investment schemes
 - licensing exemptions for foreign financial service providers

⁵³ www.asic.gov.au/about-asic/what-we-do/how-we-operate/stakeholder-liaison/asic-s-indigenous-outreach-program/asic-s-indigenous-financial-services-framework/financial-services-industry-engagement/

- the Regulation Impact Statement for the proposed unfair trading practices prohibition
- licensing and regulation of payment service providers
- law reform to regulate crypto asset service providers and payment stablecoins.

Engagement with Parliament and accountability mechanisms

ASIC remains committed to engaging with and responding to parliamentary and other oversight and accountability bodies. Staff members from a range of teams across ASIC make substantial contribution to this work, in particular by preparing supporting materials for appearances at hearings, and written responses to Questions on Notice.

In 2023–24, we responded to 348 sets of Questions on Notice (around 1100 individual questions) from parliamentarians. Questions on Notice cover topics across all of ASIC's remit, work and governance.

This year ASIC engaged with 18 separate parliamentary inquiries across the Senate, House of Representatives and Joint Committees. ASIC attended 16 hearings and made 23 submissions.

Detailed information on external oversight of ASIC, and ASIC's engagement with Parliament and other oversight mechanisms, is provided in Appendix 2: ASIC's governance and operations.

Panels

We take a consultative approach to addressing harms and emerging developments in Australia's financial system. ASIC hosts the following consultative committees and forums:

- ◆ ASIC Consultative Panel (ACP)
- ◆ ASIC Consumer Consultative Panel
- ◆ Corporate Governance Consultative Panel
- ◆ Cyber Consultative Panel
- ◆ Digital Finance Advisory Panel
- ◆ Fixed Income, Currencies and Commodities (FICC) Markets Consultative Panel
- ◆ Financial Advisers Consultative Panel
- ◆ Markets Consultative Panel
- ◆ Indigenous Advisory Group
- ◆ Registry Business Advisory Group.

ASIC Consultative Panel

The ACP is our strategic consultative body. It assists ASIC to identify and assess potential threats and harms in the sectors we regulate; consults on proposed regulatory changes and market conditions; and provides input into our strategic and forward planning. Panel members are pre-eminent representatives of the academic, consumer, industry, legal and regulatory sectors, and are appointed in their personal capacity.

We held two ACP plenary meetings in 2023–24 to consider changing market conditions, review a range of threats and harms as input for ASIC's strategic planning for 2024–25, and discuss topics such as AI and superannuation member services. We also met with targeted groups of members with expertise in such

areas as payments reforms, financial regulation and enforcement, and market and economic developments. Members were also consulted on a range of specific issues and spoke at ASIC events to share their expertise, including the ASIC Annual Forum and the ASIC Leadership Forum.

ASIC Consumer Consultative Panel

The ASIC Consumer Consultative Panel was established in November 1998 after we assumed regulatory responsibility for consumer protection in financial services. A key role of the panel is to provide ASIC with information and intelligence on current and emerging consumer issues affecting consumers of the financial products and services ASIC regulates. The panel met in person three times in 2023–24, including in a joint session with the ACCC's equivalent consumer panel, the Consumer Consultative Committee. The panel members' priority focus areas included:

- ◆ consumer credit and cost-of-living issues, including financial hardship and credit reporting
- ◆ emerging issues in high-cost lending and industry responses to recent reforms
- ◆ general insurance issues, including claims handling and pricing failures
- ◆ financial services issues facing First Nations people and communities, including in relation to banking, superannuation and funeral insurance
- ◆ a joint focus with the ACCC's consumer panel on disrupting scams.

Corporate Governance Consultative Panel

The Corporate Governance Consultative Panel continued to meet during 2023–24. The panel was established in 2020 to enable ASIC to gain a deeper understanding of ongoing and emerging issues in corporate governance practices. Panel members include listed company directors, industry association representatives, institutional investors and academics. The panel met twice in 2023–24. It discussed climate change-related disclosure, companies' use of AI and advanced data analytics, corporate governance best practices, and the cyber resilience of companies.

Cyber Consultative Panel

The Cyber Consultative Panel is an independent group that advises ASIC on our supervisory approach to building the cyber resilience of financial services and markets, and shares views on intelligence, trends and emerging threats. The panel met twice this year, in November and June, in accordance with its terms of reference. We engaged with this panel on the publication of ASIC's findings from our Cyber Pulse Survey, our forward workplan, ASIC's approach to cyber awareness and capability uplift of regulated entities, and the Australian Government's 2023–2030 Cyber Security Strategy. To help understand how Australian businesses are addressing cyber security at the board and leadership level, the panel invited guest participation from directors and industry representatives at its June meeting.

Digital Finance Advisory Panel

The Digital Finance Advisory Panel was established in 2015 to help inform ASIC's financial technology (fintech) and regulatory technology (regtech) approach, and to maintain engagement with the sector. Panel members are

drawn from a cross-section of the fintech and regtech communities, academia and industry associations. The panel also includes active observers from government and regulatory agencies, who facilitate dialogue between industry and the public sector. The panel provides a network for domestic departments and agencies dealing with innovative businesses, promoting a coordinated approach to financial innovation and regtech. It informs ASIC's engagement with the fintech and regtech sectors. During 2023–24, it explored such topics as operating challenges facing fintechs and regtechs, crypto assets, payments reforms, the Consumer Data Right, central bank digital currencies and developments in AI use.

Fixed Income, Currencies and Commodities Markets Consultative Panel

The Fixed Income, Currencies and Commodities (FICC) Markets Consultative Panel is an independent group of senior members from the financial services industry who advise ASIC on its approach to fulfilling its responsibilities for supervision and surveillance of Australian FICC markets, and on broader market developments. During 2023–24, the FICC Markets Consultative Panel met twice. Issues discussed included pre-hedging practices, use cases for artificial intelligence, cyber resilience and data governance, barriers and challenges to market integrity and scaling of carbon markets, price discovery in illiquid securities, and proposed changes to OTC derivative reporting rules.

Financial Advisers Consultative Panel

The Financial Advisers Consultative Panel contributes to ASIC's understanding and capacity to identify and respond to emerging trends in the financial advice industry. The panel met three times in 2023–24 with a mix of in-person and remote attendees. Discussion topics included cold-calling operators, SMSF advice and services, and internal dispute resolution processes. The panel also discussed ASIC's [Report 779](#)⁵⁴ *Superannuation and choice products: What focus is there on performance?*, the Quality of Advice Review, and client preferences in relation to sustainable investments and crypto assets.

Markets Consultative Panel

The Markets Consultative Panel is an independent group of senior members from the financial services industry focusing on exchange markets. It advises ASIC on its approach to its responsibilities for the day-to-day supervision of the Australian market and on broader market developments. The panel met five times in 2023–24. Issues discussed included market conditions and challenges, pre-hedging practices, transition to T+1 settlement, regulating digital platforms, market outages, competition in corporate listings, competition in clearing and settlement, risks and trends in public and private markets, market cleanliness and information leakage, and potential changes to ASIC's market integrity rules.

⁵⁴ www.asic.gov.au/regulatory-resources/find-a-document/reports/rep-779-superannuation-and-choice-products-what-focus-is-there-on-performance/

Indigenous Advisory Group

The Indigenous Advisory Group comprises First Nations peoples from various locations and a range of personal and professional experience. The group ensures ASIC continues to build our understanding of the diverse needs, experiences and priorities of First Nations consumers when engaging with the financial system. Members provide advice, guidance and insights on key challenges, emerging themes and community priorities for First Nations consumers and communities, consistent with ASIC's statutory mandate, and with a focus on activities and stakeholders regulated by ASIC. This enables ASIC to prioritise, elevate and position First Nations peoples' views and experiences as part of our regulatory role, strategic priorities, and operational activities.

In 2023–24, this group met three times. It discussed longstanding challenges for First Nations consumers such as banking accessibility, identification verification, the impacts of high-cost centre products and low-value insurance products, and the barriers to First Nations consumers' effective engagement with superannuation funds and associated products.

Registry Business Advisory Group

As part of the return of the registry business to ASIC from the ATO, ASIC established an external advisory body, the Registry Business Advisory Group (RBAG), in March 2024. The RBAG facilitates direct consultation and engagement with users of ASIC's registry services to provide strategic insight and guide the development of future proposals to stabilise and uplift the ASIC business registers.

The RBAG met twice this year and discussed strategic issues relating to future work.

Improving stakeholder engagement through better regulatory efficiency

ASIC's regulated population spends significant time and resources interacting with ASIC. We therefore seek to identify ways to make it easier and more efficient for them to engage with ASIC. In the past year, we have embedded change in practices relating to the development of ASIC's regulatory guidance materials, early engagement with businesses in an investigation, and changes to ASIC's licensing processes.

We also conducted a second round of structured engagement with stakeholders to identify opportunities for new initiatives, which we have begun implementing. These include supporting the implementation of the government's cross-agency Regulatory Initiatives Grid.

ASIC's regional engagement program

Our regional engagement program is active in all states and territories, providing a platform for ASIC to liaise with stakeholders across Australia and gather valuable insights into current and emerging issues.

Led by our Regional Commissioners, this engagement is mainly facilitated through regular meetings of Regional Liaison Committees, attended by ASIC Commissioners and by a range of industry and consumer representatives in each location.

In 2023–24, 16 face-to-face liaison meetings were held across Australia. Regional Commissioners also met twice with regional liaison leaders at the Reserve Bank of Australia, to share knowledge and observations from stakeholders. These meetings help inform broader ASIC activities.

During the year, themes and issues discussed included hardship and cost of living pressures, particularly due to rising interest rates, as well as

predatory lending practices, inflation and energy costs – which affect businesses and consumers alike. Issues relating to insurance – including availability, affordability and claims handling – continue to be important for those communities affected by extreme weather events. Discussions also focused on climate-related disclosure and the challenges for companies and advisers in implementing upcoming mandatory reporting standards.

Small businesses and their representatives cited payment systems and solvency concerns, and regional bank closures as impacting their operations, as well as an ongoing focus on director identification (ID) and business register developments. Cyber security and resilience continue to be key areas of concern, compounded by an increase in the prevalence and sophistication of scams and digitally enabled misconduct. An ongoing focus was ASIC's work in relation to cyber security, including how businesses can improve their cyber resilience, and combat scams.

Our regional engagement program also includes direct engagement with community organisations and businesses. For example, in the Northern Territory, Mr Longo spoke at the Australian Institute of Company Directors' Northern Territory Annual Dinner, about our regional collaboration and cooperation; ASIC also liaises regularly with representatives of First Nations businesses, government agencies, non-government organisations and financial counsellors who work with First Nations communities. Highlights this year included two event partnerships to explore the challenges faced by First Nations consumers, communities, and businesses – a regulator roadshow with the ACCC in July, and the 'Djama Rrambangi' (Working Together) Financial Inclusion Forum with Anglicare NT in March. In South Australia,

ASIC participated in the 'Gov to You' event at the Small Business Expo, helping connect small businesses with the government agencies and industry associations they need.

We also continued to promote ASIC's Moneysmart tools and resources to regional communities to encourage consumer financial capability. In March, we delivered 3 Moneysmart workshops to members of the Australian Army with the Australian Defence Force's Financial Services Consumer Centre.

Our regional engagement program continues to be an important part of our stakeholder interactions, informing our business planning and prioritisation of work.

See our results against our Service Charter on page 104.

International engagement

ASIC engages closely with international regulators and agencies to advance global regulatory policy, facilitate cooperation and influence standards. Through our international engagement, ASIC captures vital intelligence that enables us to identify trends and emerging risks in financial markets, and enhances our ability to regulate effectively.

In 2023–24, we made 249 international cooperation requests and received 350 in relation to activities such as surveillance, supervision, enforcement, research and licensing. This included 199 international requests for assistance in enforcement matters, of which 34 requests (including supplementary requests) sought ASIC's assistance to compel materials from third parties under the *Mutual Assistance in Business Regulation Act 1992*.

We participated in a range of international forums. For example, ASIC is a board member of IOSCO and is represented on its policy committees and taskforces, including those examining issues around financial stability, sustainable finance, asset management, crypto assets, technology, market fragmentation, enforcement, consumer protection, emerging risks and standards implementation.

As part of IOSCO, ASIC:

- ◆ is Chair of the Committee on Regulation of Market Intermediaries
- ◆ is a member of the Fintech Task Force
- ◆ is a member of the Sustainable Finance Task Force
- ◆ actively participates in the Asia Pacific Regional Committee including leading regional initiatives.

ASIC is also a member of:

- ◆ the International Association of Insurance Supervisors' Market Conduct Working Group
- ◆ the International Financial Consumer Protection Organisation, and participates in the G20/Organisation for Economic Co-operation and Development (OECD)'s Financial Consumer Protection Task Force initiatives
- ◆ the Global Financial Innovation Network, which is committed to supporting financial innovation and providing a more efficient way for innovative fintech and regtech firms to interact with regulators
- ◆ the Council of Financial Regulators' International Coordination Group, which meets regularly to coordinate a cohesive approach to major international regulatory risks and issues.

ASIC negotiates memorandums of understanding (MOUs) with international regulatory agencies to foster coordination, cooperation and information sharing, and reflect agencies' intentions to maintain proactive, open and collaborative relationships. In 2023–24, ASIC:

- ◆ signed an MOU with Banca d'Italia
- ◆ signed an MOU with the UK Financial Reporting Council on arrangements for the recognition of audit qualifications
- ◆ concluded an MOU with India's International Financial Services Centres Authority that is awaiting signature
- ◆ concluded an MOU with the Vietnam State Securities Commission (SSC) that is expected to be signed in August 2024.

Throughout 2023–24, ASIC continued to support the Department of Foreign Affairs and Trade (DFAT) in negotiations for free trade agreements with multiple countries.

CASE STUDY 31:**ASIC–Vietnam State Securities Commission capacity-building program**

In March 2022, ASIC signed an agreement with DFAT to work in partnership with the Vietnam State Securities Commission (SSC) to deliver a capacity-building program. The program aims to strengthen the SSC's capability to regulate effectively and support the development of policy to improve Vietnam's market integrity. ASIC is providing expertise across such areas as equity market surveillance, fintech, corporate governance, risk management, sustainable finance and scams. The program is being delivered via face-to-face training, webinars and delegation visits, and has substantially enhanced regulatory cooperation and strengthened Australian–Vietnamese relationships. ASIC and the Vietnam SSC will enter into an MOU to support ongoing cooperation in the second half of 2024.

Interactive webinar – fintech and robo-advice

On 2 August 2023, ASIC delivered an interactive Fintech and Robo-advice webinar in partnership with the SSC and DFAT (Hanoi). ASIC's Innovation Hub staff presented on fintech and regtech innovation, Australia's regulatory sandbox, crypto assets and regulating the provision of robo-advice.

Equity Market Surveillance Workshop

On 6–10 November 2023, two senior ASIC staff members delivered the two-day Equity Market Surveillance Workshop, hosted at the SSC office in Hanoi and supported by DFAT. The workshop focused on how ASIC undertakes real-time market surveillance, as well as our approach to enforcement, insider trading and market manipulation.

Senior SSC delegation to ASIC's annual forum and side meetings

ASIC arranged a visit for a delegation of 6 senior SSC staff members to the ASIC Annual Forum on 21–22 November 2023 in Melbourne. The delegates gained insights into how regulators can respond effectively to disruption drivers such as geopolitical and economic change, AI and cyber. The key objective was to further develop partnerships between the SSC and senior ASIC staff. ASIC also facilitated side meetings with representatives of APRA, Treasury and the Royal Melbourne Institute of Technology to discuss issues related to policy development, market supervision and regulation.

Interactive webinar – Good governance and internal risk management

On 15 April 2024, ASIC delivered an interactive webinar titled 'Good Governance and Risk Management' in partnership with the SSC and DFAT (Hanoi). ASIC staff presented on directors' duties and reporting obligations, and internal governance including staff training at ASIC.

Innovation Hub

As part of our approach to supporting responsible innovation, we established our Innovation Hub in 2015, to help innovative Australian fintech and regtech businesses navigate the regulatory framework. The hub also provides a platform for domestic and international engagement on fintech and regtech developments.

Informal assistance and guidance

In 2023–24, ASIC staff met with representatives of 64 innovative businesses to help them understand how the regulatory framework may apply to their intended business models. Some proposed business models involved payments, credit, services related to crypto assets, regtech, and services that use a range of different technologies.

During the financial year, ASIC granted four licences to new innovative businesses, which included those offering services in payments and crypto assets. Fintech businesses that received informal assistance from our Innovation Hub before submitting their licence applications were consistently approved faster than those that did not seek assistance.

Enhanced regulatory sandbox

The enhanced regulatory sandbox (ERS) administered by the Innovation Hub and the Licensing team enables eligible businesses to test certain innovative financial services or credit activities for up to 24 months without first obtaining an AFS or credit licence. The ERS allows ASIC to facilitate innovation while ensuring consumer and investor protection.

In 2023–24, eight entities actively tested their business model in the ERS, with four of those entities reaching the end of their exemption period. The business models tested included a green loan provider and several payment facilities, many of which use blockchain technology. At the end of their exemption period, businesses that lodged voluntary reports with ASIC said they had a positive experience with the ERS. Two entities that completed testing in the ERS have since become corporate authorised representatives of AFS licensees.

Domestic and international engagement

In 2023–24, the Innovation Hub hosted 4 Digital Finance Advisory Panel (DFAP) meetings, and two Regtech Liaison Forums. The latter provides a forum for the regtech sector to engage with ASIC on developments within and challenges facing the sector, and to discuss regulatory changes that may present potential opportunities for regtechs.

ASIC is one of 10 coordination group members of the Global Financial Innovation Network, which has over 70 members, including regulators, government bodies and international organisations.

ASIC is also a member of the steering group for the IOSCO Fintech Task Force, and a member of the IOSCO working groups on Artificial Intelligence (AI), Asset Tokenisation, and the implementation of IOSCO's Crypto and Digital Assets (CDA) and Decentralised Finance (DeFi) report recommendations.

Business Research and Innovation Initiative – Regtech Round

Sponsored by the Department of Industry, Science and Resources, the Business Research and Innovation Initiative (BRII) is an Australian Government program that provides funding for small to medium-sized regtech businesses to develop innovative solutions to regulatory challenges in government.

We were selected as one of four government agencies to participate in the BRII RegTech Round, which assesses the potential of regtech to solve challenges across government agencies and departments.

Our challenge explores the potential of using technology to help identify and assess poor market disclosure by listed companies. This is an important initiative that forms part of our digital and data agenda.

In the first stage of the program, in 2022–23, five regtech entities were awarded grants of up to \$100,000 to conduct a three-month feasibility study of their proposed solutions. Eastern Analytica Pty Ltd (trading as DHIAI PTY LTD) provided a successful solution that took it to the next stage of the program. It has received another grant (of up to \$1 million) to develop a proof of concept over 15 months. ASIC worked closely with the company in 2023–24 with a view to testing a minimal viable product in 2024–25.

Small business engagement

As part of our commitment to small business, our organisational redesign created a Companies and Small Business team, to strengthen regulation and supervision, and stakeholder engagement, in the sector. ASIC's enforcement priorities have an explicit focus on conduct and

issues affecting small business, with dedicated enforcement staff.

As our largest group of stakeholders, ASIC is highly committed to supporting small businesses and protecting their interests. This includes:

- ◆ ensuring ASIC understands the issues and opportunities for small business, and can take action to address those that fall within our regulatory remit
- ◆ ensuring small businesses understand their rights and responsibilities.

To meet these commitments, we provide a range of resources and regular communication through our website, news articles, social media and newsletters. This includes regulatory guidance on starting, running and closing a business and on specific issues such as the responsibilities of company directors and how to prevent insolvent trading.

We know many small businesses are interested to understand more about ASIC's approach to greenwashing and the planned changes to climate reporting. Therefore, after consultation with our stakeholders, we published guidance on our website in March 2024, in a news article titled [*Climate reporting and greenwashing: What small businesses need to know*](#).⁵⁵

We took part in over 100 small business events and meetings in 2023–24, engaging regularly with other government agencies, industry associations, and small business advisory and counselling services. We also directly engaged with small business owners. ASIC has collaborated with other regulators on breaking down barriers for small business, and sharing our small business resources.

55 www.asic.gov.au/about-asic/news-centre/articles/climate-reporting-and-greenwashing-what-small-businesses-need-to-know/

ASIC is a member of the ATO-led Phoenix Taskforce. For more information on the taskforce, see page 49.

Educating consumers

ASIC's Moneysmart program helps Australian investors and consumers by providing free and independent financial information and tools. Moneysmart is a trusted source of independent information for Australians in the current economic climate, with more than 11 million visitors to the Moneysmart website this year.

Educating investors

In October, ASIC launched the 'Don't get burnt by hype – invest in facts' consumer awareness campaign to raise awareness of the risk associated with investment hype. The campaign coincided with the Australian release of Dumb Money, a film about a short squeeze on stocks of video game seller GameStop in 2021. The campaign, which urged retail investors to carefully research online investment opportunities, included a cinema advertisement that aired nationally at screenings of the film. The campaign was awarded first place in the Best Government Sponsored Campaign category at the [Mumbrella CommsCon Awards](#).



Building awareness about scams

Scams are a strategic priority for ASIC and in response to the growing number of investment scams, ASIC strengthened its scam prevention tools to support consumers with the publication of a new [investor alert list](#).⁵⁶ ASIC also updated its investor checklist and created a scams hub on Moneysmart to help Australians avoid, identify and report scams.

This year, Moneysmart's scam-related content received around 500,000 page views. Its investor alert list was the most popular, receiving 150,000 page views since its launch on November 8.

ASIC's investor alert list is part of the government's Fighting Scams initiative to address scams and online fraud and protect Australians from financial harm. The initiative also supports the work of the National Anti-Scams Centre (NASC), which began operations on 1 July 2023.

Helping young Australians facing cost of living pressures

In November, Moneysmart launched the 'In the time it takes' consumer awareness campaign. This campaign was targeted at Australia's Gen Z (young people aged between 18 and 26) to demonstrate how quick it can be to learn simple money tips and build positive financial habits to set them up for their future. The campaign was informed by nationwide research that showed Gen Z is more concerned about finances than any other generation in Australia. Encouragingly, the research also showed Gen Z has a strong desire to boost their money skills.

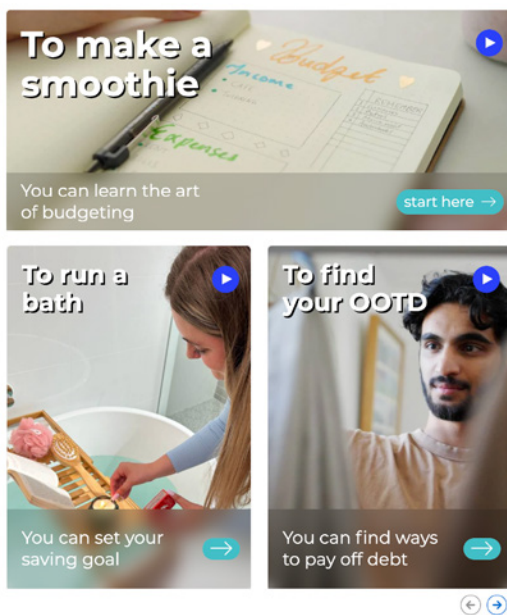
⁵⁶ <https://moneysmart.gov.au/check-and-report-scams/investor-alert-list>

The campaign:

- ◆ reached more than 11 million Australians through more than 187 stories across earned media
- ◆ secured over 2.2 million impressions across Facebook, Instagram, LinkedIn and X, and more than 1.2 million impressions on YouTube
- ◆ increased views of Moneysmart budgeting content by 47%, while total visits to Moneysmart.gov.au lifted from 1.5 million unique visits to over 1.8 million during the campaign period (when compared to the same period the previous year).



In the time it takes...



Just ask! Hardship help is available campaign

As a growing number of Australians face financial stress due to increases in the cost of living, Moneysmart launched a consumer awareness campaign in June to reach and engage Australians about their rights to seek financial hardship assistance.

The campaign included:

- ◆ a Moneysmart page with information to help address barriers by busting myths about financial hardship assistance
- ◆ a video addressing the questions and barriers that stop people seeking help, promoted through YouTube and other social media
- ◆ case studies with real consumers who shared their experiences about asking their lenders for hardship assistance.

The campaign was covered nationally across radio, TV, online and print, with a projected audience reach of more than 16 million Australians. It followed the release of ASIC's report, *'Hardship, hard to get help: Lenders fall short in financial hardship support'*, which found that most lenders should be doing more to support customers experiencing financial hardship.

Moneysmart social media

ASIC engages with consumers and investors via social media channels, encouraging Australians to have conversations about money and to use Moneysmart's tools and content when facing financial decisions.

In the past year, we engaged with more than 1.5 million Australian social media users across Facebook, X and Instagram. The most popular topics were managing super and practical tips to deal with the increased cost of living, including budgeting and finding ways to save.

Supporting accessible registers

Business registers are a critical part of Australia's economic infrastructure and enable businesses to operate with transparency and accountability. Comprising over 30 different registers, the ASIC business registers are the official source of information about business names, companies, and other professionals registered or licensed to operate in the Australian economy.

The two largest registers – the companies and business names registers – contain the details of more than 3.4 million companies and 2.8 million business names. In the past year, there were more than 343 million searches of ASIC registers and 3.1 million updates processed.

Effective 23 May 2024, responsibility for the ASIC business registers and related services returned from the ATO to ASIC under a Machinery of Government change. This was an administrative change, but the ways in which people register, search the business registers, and interact with ASIC remain the same. The ATO will continue to operate the Australian Business Register and director ID register. ASIC remains responsible for enforcing director ID offences.

We will aim to ensure that the ASIC business registers are efficient and accessible, and make it easier to do business. As part of this, ASIC will collect fees and charges that are expected to contribute around \$1.4 billion to Commonwealth revenue annually.

Performance overview

We helped facilitate 690,000 new registrations, comprising 304,000 companies and 386,000 business names. In total, 99.9% of applications to register a company or business name were made online. The cost of registering a business name is \$44 for one year and \$102 for three years.

We received almost 3.1 million lodgements during 2023–24. The most common lodgement made was 'Change to company details' (Form 484), with 1 million received. More than 94.8% of the 3.1 million lodgements received were submitted online.

Our Customer Contact Centre provides front-line support for regulated entities, people seeking to start up a business, financial consumers, digital service providers, ASIC registered agents, business owners, directors and secretaries. It answered 435,000 enquiries this year.

RegistryConnect program

ASIC has established the RegistryConnect program to lead development of proposals for the stabilisation and targeted uplift of its business registers. The program aims to provide a reliable, secure, and trusted registry platform that supports economic growth. The program's strategic objectives are to stabilise the business registers technology to increase the security and reliability of infrastructure, modernise and uplift the public and government registry technology interfaces, and provide high-integrity business information, including the possible linking of key data sets such as director ID numbers to the company register.

ASIC Service Charter results

The ASIC Service Charter covers the most common interactions between ASIC and our stakeholders, and sets performance targets for how quickly we will respond. This includes a number of interactions through services provided by the ATO and Australian Business Registry Services on behalf of ASIC.

As part of our efforts to maintain and enhance business registers, we are working to enhance the services we provide in the future and will review the service charter in the coming year. Table 4 sets out our performance against the key measures outlined in the Service Charter for 2023–24.

Table 4—ASIC Service Charter performance 2023–24

SERVICE	MEASURE	TARGET (%)	RESULT (%)
When you contact us			
General telephone queries	We aim to answer telephone queries on the spot	80	89.6
General email queries	We aim to reply to email queries within three business days	90	98.2
Give reasonable assistance			
Searching company, business name or other data online	We aim to ensure that our online search service is available between 8.30 am and 7.00 pm AEST Monday to Friday, excluding public holidays	99.5	99.9
Lodging company, business name or other data online	We aim to ensure that you can lodge registration forms and other information online between 8.30 am and 7.00 pm AEST Monday to Friday, excluding public holidays	99.5	99.9
When you do business with us			
Registering a company or business name online	We aim to register the company or business name within one business day of receiving a complete application	90	99.9

SERVICE	MEASURE	TARGET (%)	RESULT (%)
Registering a company via paper application	We aim to register the company within two business days of receiving a complete application	90	94.8
Registering a business name via paper application	For paper applications lodged by mail – complete applications for business name registrations within seven business days	90	100
Updating company, business name or other ASIC register information online	For applications lodged online – enter critical information and status changes to company or business name registers within one business day	90	99.8
Updating company, business name or other ASIC register information via paper application	For paper applications lodged by mail enter critical information and status changes to company or business name registers within five business days	90	92.9
Registering as a registered company auditor or self-managed superannuation fund auditor	We aim to decide whether to register an auditor within 28 days of receiving a complete application	80	82
Registering a managed investment scheme	By law, we must register a managed investment scheme within 14 days of receiving a complete application, except in certain circumstances	100	100
Applying for or varying an AFS licence	We aim to decide whether to grant or vary an AFS licence within 150 days	70	Granted: 80 Varied: 75
	We aim to decide whether to grant or vary an AFS licence within 240 days	90	Granted: 90 Varied: 89

SERVICE	MEASURE	TARGET (%)	RESULT (%)
Applying for or varying a credit licence	We aim to decide whether to grant or vary a credit licence within 150 days	70	Granted: 95 Varied: 95
	We aim to decide whether to grant or vary a credit licence within 240 days	90	Granted: 99 Varied: 96
Applying for relief	We aim to give an inprinciple decision within 28 days of receiving all necessary information and fees for applications for relief from the Corporations Act	70	74
	We aim to give an inprinciple decision within 90 days of receiving all necessary information and fees for applications for relief from the Corporations Act	90	92
When you have complaints about us			
About ASIC officers, services or actions	We aim to resolve a complaint within 28 days	70	97

Unclaimed money

ASIC is responsible for the administration of unclaimed money in bank accounts and life insurance policies that has not been touched or claimed for a certain amount of time. The unclaimed money can come from authorised deposit taking institutions, under section 69 of the *Banking Act 1959* (Banking Act); life insurance companies and friendly societies under section 216 of the *Life Insurance Act 1995* (Life Insurance Act); and companies with

unclaimed money, under various sections of the Corporations Act. As at 30 June 2024, \$2.3 billion of unclaimed money vested with the Commonwealth.

During 2023–24, ASIC received \$480.8 million in unclaimed money compared to the \$341.8 million received in 2022–23. The funds are transferred to the Official Public Account (OPA).

Table 5—Unclaimed money received by type

LODGEMENTS BY TYPE	2023–24 (\$)			2022–23 (\$)
	Principal	Interest	Total	
Company	141,524,351	N/A	141,524,351	112,910,890
Banking	294,447,871	N/A	294,447,871	217,383,109
Life insurance	44,795,856	N/A	44,795,856	11,546,951
Total	480,768,078	N/A	480,768,078	341,840,950

Unlike the above three lodgement types, deregistered company trust money is not transferred to the OPA. These funds are trust funds held and managed by ASIC under a special account for the purposes of dealing with funds received by ASIC under the provisions of section

601(1A) of the Corporations Act. During 2023–24, ASIC received \$27.8 million, and earned \$1.98 million in interest. This money remains in trust and is not available to ASIC to fund its operations.

Table 6—Amount received and held by ASIC Trust account

LODGEMENTS BY TYPE	2023–24 (\$)			2022–23 (\$)
	Principal	Interest	Total	
Deregistered company trust money	27,803,087	1,979,085	29,782,172	23,983,079

ASIC's register of unclaimed money is publicly available. In February 2024, ASIC updated the target claim processing time from 28 days to 60 days to reflect the increase in lodgements and complex claims. These complex claims take longer to process and have been increasing over time, which resulted in ASIC taking longer than 28 days to process them. Since February 2024, ASIC has been meeting the revised target of 60 days.

Interest applied on unclaimed money is based on the March-to-March CPI, which is disclosed on the ASIC Moneysmart website. From 1 July 2013, with the exception of claims paid under the deregistered company trust money, ASC paid claims and interest across all claim types, totalling \$174.7 million in 2023–24, compared with \$130.0 million in the previous year.

Table 7—Amount paid to owners of unclaimed money from the Official Public Account

CLAIMS BY TYPE	2023–24 (\$)			2022–23 (\$)
	Principal	Interest	Total	
Company	48,156,669	3,509,248	51,665,917	33,809,048
Banking	99,116,617	6,664,987	105,781,604	77,564,155
Life insurance	8,361,242	995,862	9,357,104	12,953,839
Total	155,634,528	11,170,097	166,804,625	124,327,042

Table 8—Amount paid to owners of unclaimed money from ASIC Trust account

CLAIMS BY TYPE	2023–24 (\$)			2022–23 (\$)
	Principal	Interest	Total	
Deregistered company trust money	7,890,311	N/A	7,890,311	5,701,908

Principles of regulator best practice

PRINCIPLES OF REGULATOR BEST PRACTICE

EXAMPLES OF HOW THESE PRINCIPLES HAVE BEEN DELIVERED

Continuous improvement and building trust: regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings.

ASIC recognises the need to keep pace with changes in our external environment and we continuously improve our capabilities (including those of our people, processes and systems) to achieve our statutory objectives. This is demonstrated throughout this report. See, for example, Digital technology and data (page 42), ASIC's people strategy in Chapter 5, and our approaches to regulation and enforcement (pages 29–89), engagement (pages 89–101) and education (pages 101–102).

Risk-based and data-driven: regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leveraging data and digital technology to support those they regulate to comply and grow.

ASIC uses a risk-based and data-driven approach to determine the greatest threats and harms in our regulatory environment. We seek to balance investor and consumer education with strong administrative compliance and enforcement activities to achieve our regulatory objectives. See, for example, Digital technology and data (page 42), and our activities outlined on pages 29–87.

Collaboration and engagement: regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way.

We are committed to working constructively and transparently with industry and the broader community, so that we can understand complex issues in their fullness, arrive at the right regulatory decisions, and set clear expectations for those we regulate. We are always mindful of the role we should play to support the economy, encourage innovation and reduce the regulatory burden on businesses. See, for example, our engagement with key stakeholders (pages 89–101), and our collaboration with APRA in Appendix 1.

CHAPTER 04

ASIC'S STRUCTURE AND MANAGEMENT

IN THIS CHAPTER

- > Our governance
- > Our organisational structure

Our governance

ASIC's governance and accountability structures are consistent with ASIC being an independent Commonwealth agency that is a statutory body corporate. They reflect the legislative framework within which ASIC operates.

ASIC's Chair, Joseph Longo, is the Accountable Authority under section 9A of the ASIC Act and has held this position since 1 June 2021. During the reporting period, Mr Longo was the accountable person on all dates except for periods of absence, during which Sarah Court was the acting ASIC Chair and Accountable Authority.¹

On operational matters, ASIC's Chair has sole executive management responsibility. As the Accountable Authority, the Chair relies on and uses ASIC's key senior executives to carry out day-to-day management activities and deal with operational issues. The Chair delegates functions where they consider this will benefit ASIC's executive management.

ASIC's Commission acts as a strategic non-executive body focusing on significant and strategic regulatory and statutory decision making and stakeholder management. It provides support to the Chair on organisational oversight.

ASIC's Chief Executive Officer (CEO) is responsible for non-regulatory decision making and the operational performance of ASIC. The CEO enhances ASIC's governance by enabling the Commission to focus on strategic matters, external engagement and communication. Until 30 June 2023, the CEO's title was Chief Operating Officer.

Further information about ASIC's governance is set out in Appendix 2.

¹ Periods during which Sarah Court was the acting ASIC Chair and Accountable Authority were 23 September–15 October, 23–28 October and 5–6 December in 2023, and 2–12 January, 22–26 January, 26–29 February and 25 May–2 June 2024.

ASIC Executive Committee as at 30 June 2024



Joseph Longo
Chair
Commission



Greg Yanco
Chief Executive Officer



Chris Savundra
General Counsel



Joanne Harper
Executive Director
Digital, Data and Technology



Tim Mullaly
Executive Director
Enforcement and Compliance



Calissa Aldridge
Executive Director
Markets



Diana Steicke
Executive Director
Registry and Intelligence



Kate Metz
Acting Executive Director
Regulation and Supervision



Peter Dunlop
Chief Financial Officer



Zoe Viellaris
Chief Communications Officer



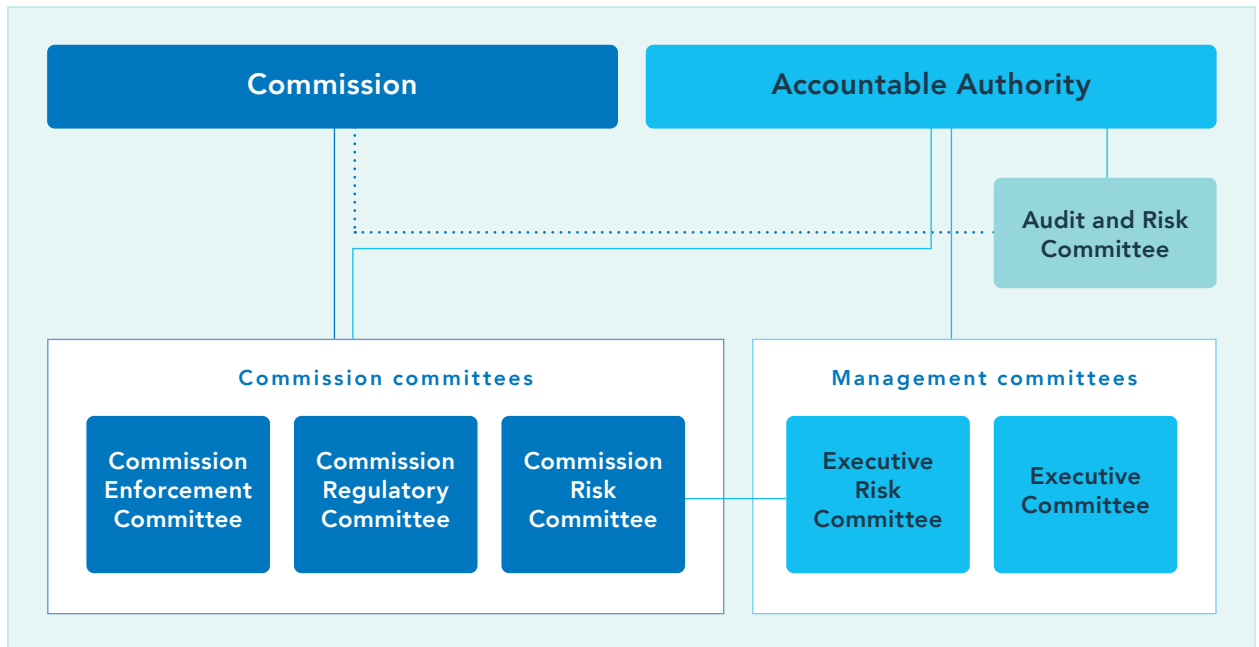
Zack Gurdon
Chief Risk Officer

Kate Metz commenced as a member on 1 June 2024. Joanne Harper commenced on 22 February 2024. Diana Steicke commenced on 30 May 2024.

Warren Day ceased to be a member on 31 May 2024. Zak Hammer ceased to be a member on 22 February 2024.

Peter Dunlop, Zoe Viellaris and Zack Gurdon are standing attendees.

ASIC governance structure



Commission meetings

Commission meetings are convened by ASIC's Chair under section 103 of the ASIC Act. They generally take place weekly, or as required. In 2023–24, the Commission held 48 meetings.

Commission committees

The Commission has established several committees to assist it with the effective and efficient performance of its regulatory and governance role. Commission committees are decision-making committees and comprise the full Commission and other standing attendees.

- ◆ **Commission Enforcement Committee:** makes strategic and/or significant enforcement decisions relating to the conduct, strategy and focus of major matters and enforcement policies, and oversees ASIC's enforcement and litigation work. In 2023–24, this committee met 43 times.
- ◆ **Commission Regulatory Committee:** makes strategic and/or significant decisions relating to regulatory policy, law reform, applications for relief, and policy frameworks and reports, and oversees ASIC's regulatory activities and functions. In 2023–24, this committee met 22 times.

- ◆ **Commission Risk Committee:** considers all types of risk of a strategic and/or significant nature that affect ASIC, our regulated population, Australia's financial system and Australian consumers. This committee is responsible for setting and monitoring ASIC's risk management framework and risk appetite. It monitors ASIC's risks by reviewing and challenging whether material risks have been identified, ensuring that risk remediation plans are in place, and challenging whether adequate resources have been deployed to appropriately manage risks. In 2023–24, this committee met four times.

Management committees

The management committees are executive-level committees responsible for undertaking and overseeing the day-to-day management of ASIC. There are two management committees:

- ◆ **Executive Committee:** assists the Accountable Authority, Commission and CEO to manage ASIC and our budget, and deliver our business plans in alignment with our strategic priorities and regulatory objectives.
- ◆ **Executive Risk Committee:** identifies and monitors significant risks to ASIC, maintains our risk management and compliance frameworks and policies, manages risks in line with those frameworks and policies, and implements and oversees audit/assurance processes and risk mitigation strategies. It reports to the Accountable Authority and the Commission Risk Committee.

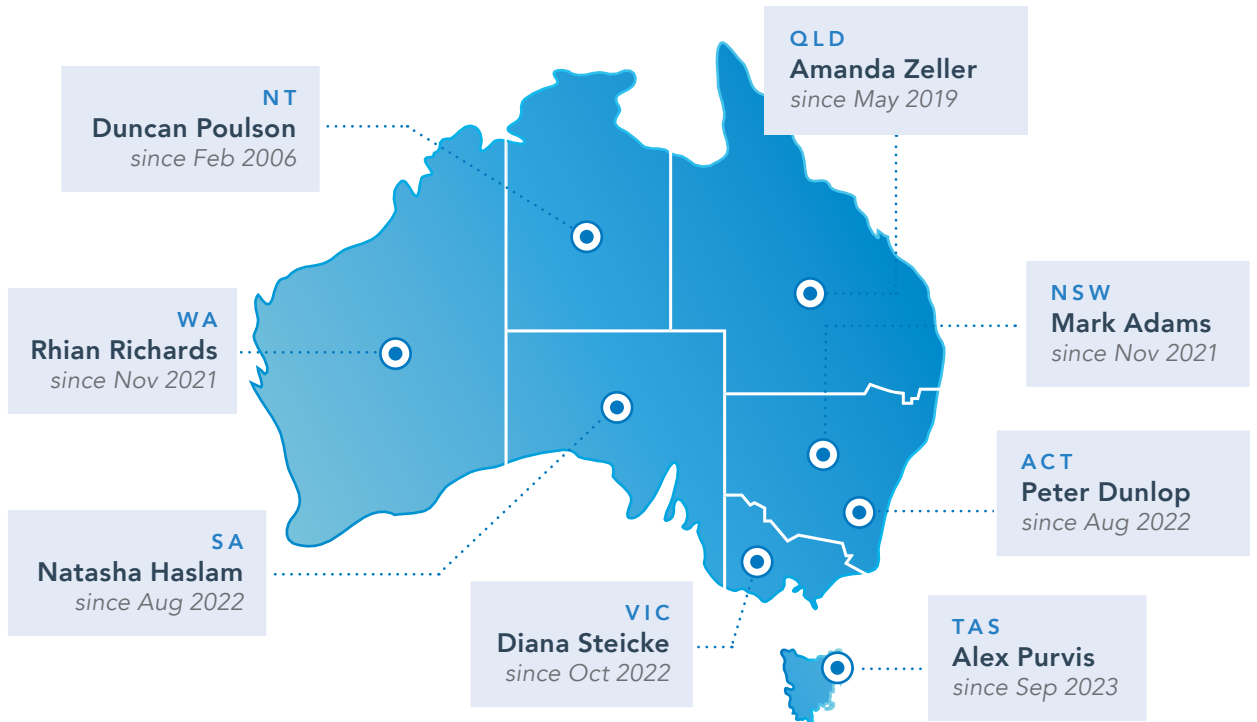
Governance committees

Governance committees assist the Commission and the Accountable Authority in undertaking their governance roles. There are two governance committees:

- ◆ **Commission Risk Committee:** (as set out above).
- ◆ **Audit and Risk Committee:** operates independently of management and plays a key role in assisting the Chair to discharge their responsibilities for the efficient, effective, economical and ethical use of Commonwealth resources. This committee provides independent assurance to the ASIC Chair and Commission on ASIC's financial and performance reporting responsibilities, risk oversight and management, and system of internal control. See Appendix 2 for further details about the Audit and Risk Committee.

Regional Commissioners as at 30 June 2024

ASIC's Regional Commissioners are our local ambassadors, promoting ASIC initiatives and engaging with regional communities through regular liaison.



Our organisational structure

This year marked our first full year operating under our new organisational design. This has positioned ASIC to meet future needs as we continue our work to support Australia's strong financial system and markets.

As with any organisational change, our people have had to adapt to new ways of working to achieve the benefits of such a significant transformation. The design principles that continue to underpin our new structure are flexibility, accountability, minimising duplication, enabling quicker decision making, and bringing complementary functions together.

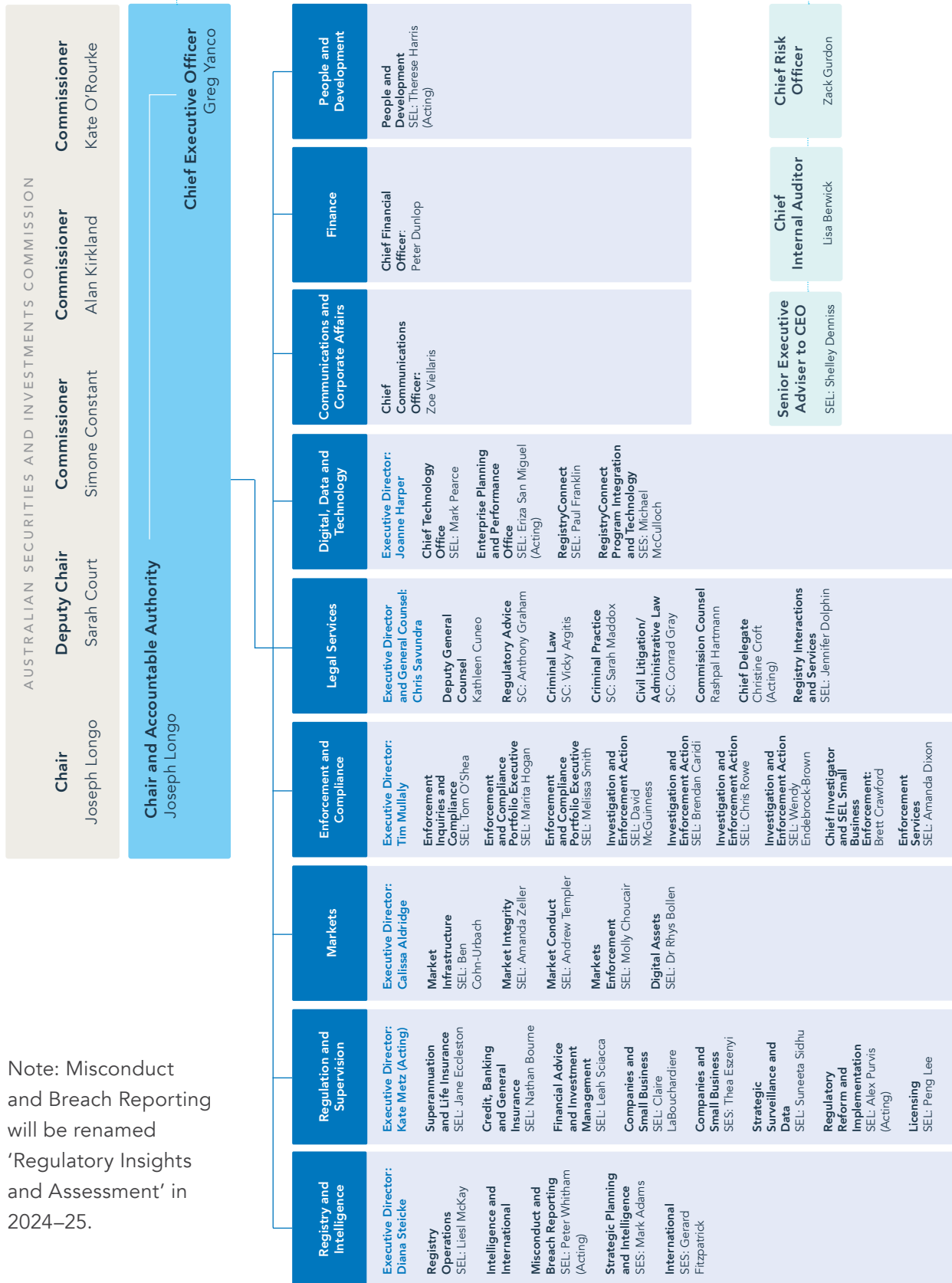
New organisational controls were also implemented to help sustain an optimal workforce and ensure investments in new positions were aligned to deliver business plan priorities and appropriately designed.

We would like to acknowledge the contributions of valued colleagues who left ASIC during the year, including executive team members Warren Day (CEO), Zak Hammer (Executive Direct Operations), Greg Kirk (Executive Director Strategy) and Louise Macaulay (Chief of Staff).

In February 2024, in recognition of the size and significance of the return of responsibilities for business registers to ASIC, we announced the establishment of a new Registry and Intelligence group. The group will combine the current Intelligence and International teams with the returning Registry operations.

A further refinement to our structure saw the formation of the Digital, Data and Technology Group. This group reflects our focus on digital transformation and the significant role data and technology play at ASIC, including our work to stabilise and uplift the Registry systems.

Figure 3—Our management team



CHAPTER 05

ASIC'S PEOPLE

IN THIS CHAPTER

- > Our people strategy
- > Diversity, inclusion and belonging

Our people strategy

ASIC's people strategy reflects that our people are, and always will be, our greatest asset.

In 2023–24, we undertook initiatives to effectively manage and develop our people. Our focus was to create and maintain an environment to inspire and empower our people to make confident decisions, achieve ambitious regulatory outcomes, and feel valued as individuals. As always, we aim to support our people as they strive to achieve our regulatory purpose.

With the return of registry services to ASIC, we commenced preparations to welcome more than 200 Registry Operations team members to ASIC in 2024–25. Our key focus is to provide a seamless onboarding experience and ensure we have the necessary resources, support and systems in place.

TRANSFORMATION CALLOUT

Empowering our people through a constructive culture

The past few years have been a period of significant change for our organisation. With that comes a continual need to understand how our culture is evolving. We want to ensure that our people continue to embrace change in a positive way. The work of promoting a collaborative, respectful and supportive organisational culture will remain a key priority for ASIC.

In 2023–24, we undertook the inaugural Culture+ Survey, a comprehensive culture diagnostic exercise to gather learnings about our collective identity. The survey was opened to staff in October 2023, with a 61% response

rate. The information gathered gave us a measure of ASIC's current culture and insights into the actions we can take to enhance it – and help us achieve our vision and meet our strategic priorities.

More than 700 team members participated in action planning workshops between April and June, to devise ways to build a constructive culture underpinned by a workplace of respect and diversity. We will continue to support our people in being vocal and curious, to empower them to take necessary and strategic risks and make sound decisions, and to recognise and applaud their achievements.

Employment at ASIC

All employees are employed by the Chair of ASIC under section 120 of the ASIC Act. The Chair also determines their terms and conditions of engagement.

This year, ASIC voted on a new Enterprise Agreement, and from 25 March 2024 most staff members were covered by the ASIC Enterprise Agreement 2024–2026 (Agreement). ASIC's new Agreement was voted in on 20 February, with 86.55% of eligible staff members casting a vote and 85.19% of them voting 'yes'. Under the Transitional Arrangements put in place by the Australian Public Service Commission (APSC), wage increases were paid from 27 October 2023.

Reflecting our strong commitment to workplace flexibility, ASIC's standard hybrid working arrangement, which enables employees to work outside the office up to 50% of the time, was enshrined in the new Agreement and our supporting Hybrid Working Policy was launched in April 2024.

Staff benefits

ASIC also continued to provide a range of employee benefits, including:

- ◆ professional development opportunities
- ◆ up to 15.4% in superannuation contributions
- ◆ individual and team recognition and awards
- ◆ study assistance.

People systems and technology

Technology was in sharp focus this year as work ramped up on the human resources (HR) stream of ASIC's new Enterprise Resource Planning system, which will support us long into the future. Focal points this year were planning for a new payroll and other core HR functions, as well as the mapping and design of HR processes across the employee life cycle, to provide better support to our people.

An employer of choice

ASIC has continued to be an attractive organisation for talented people to want to join, and in which to progress their careers. Despite the labour market being very competitive in many disciplines, we had a strong response to all our advertised jobs throughout the year.

We hired 275 new employees with a broad set of capabilities from a wide variety of disciplines, including law, finance, analytics, regulation, business and accounting, information technology, communications and HR.

Emerging talent

This year, ASIC continued to invest in new employees who were looking to begin an exciting career through ASIC's Graduate program. This program not only lets those starting their career experience working at a regulator but also offers individuals opportunities to have long and rewarding careers, with potential to develop into future leaders at ASIC.

This well-recognised two-year program attracted a diverse set of candidates for the 2024 intake. It offered participants professional development, including developing their interpersonal skills, with opportunities to work across four ASIC teams to gain a broad cross-section of experience.

This year, ASIC continued the success of our internship program, providing participants with relevant work experience to complement their studies and contribute to career pathways after graduation. The program was recognised as one of the top 10 most popular internship programs by GradConnection. We were pleased to also announce that five of ASIC's interns progressed through to our graduate program on completion of their studies.

This year, we:

- ◆ employed 17 graduates and 12 interns
- ◆ finalised ongoing employment for 15 graduates completing the program
- ◆ continued to support the development of an additional seven current graduates.

Mentoring

ASIC people are provided with opportunities to participate in a range of mentoring programs, including the following:

- ◆ **ASIC mentoring program:** This program supported the professional development of 38 mentees and 33 mentors across ASIC.
- ◆ **Women in Banking and Finance:** Conducted externally, this program supported five female team members, preparing them for senior leadership roles, and two male and female senior executives as mentors.
- ◆ **Women in Law Enforcement Strategy:** Conducted externally, this 10-month program seeks to address the under-representation of women in law enforcement agencies, particularly at senior levels. This year, three team members participated as mentees and three senior executives as mentors.

Leadership and learning

At ASIC, we develop team member capabilities through formal and on-the-job learning activities. These activities are aligned to the capabilities identified in our Organisational Capability Framework and our professional and technical capability sets, which focus on building and maintaining capability in regulatory practice, enforcement, law and data analytics. This year, we delivered 274 face-to-face learning activities, resulting in 15,125 completions, and 3,272 digital learning resources were accessed by team members.

ASIC continues to sponsor, guide, develop and deliver capability-building activities by working in partnership with our Professional and Technical Learning Advisory Panels and Networks.

Having effective leaders continues to be a focus for ASIC. This year, we continued to deliver our Existing Leaders and Emerging Leaders programs, and our Technical Experts Leadership Program. During 2023–24, 179 ASIC People Leaders participated in our leadership programs.

ASIC's Study Assistance Program continues to support our people in developing capability and maintaining currency. Throughout the year, 55 ASIC team members began studies in disciplines including law, accounting and finance, information technology and analytics, corporate governance and law.

Work health and safety

ASIC continues to prioritise the health, safety and wellbeing of its people. This year, we marked RU OK Day on 14 September with staff get-togethers across our offices.

Legislative changes relating to psychosocial hazards were a key focal point this year, with a session for senior leaders held in August to create awareness of our new obligations. We conducted a comprehensive review of relevant policies in light of the changes.

ASIC provides a strong early intervention program that is highly proactive in the management of injuries and illnesses. This year, there were no notifiable incidents reportable to Comcare.

In December, after a tendering process, ASIC signed an agreement to remain with Employee Assistance Program provider TELUS Health (formerly Benestar).

Regional Workplace Health and Safety Committees continued to meet regularly and our Health and Safety Representatives, First Aid Officers, and Harassment Contact Officer had training to support their roles. In addition, the Harassment Contact Officer role is being reviewed in line with changes to the positive duty obligations on employers under the *Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022*.

Diversity, inclusion and belonging

Diversity, inclusion and belonging is a key pillar of our people strategy. This year, we continued to deliver against our Diversity, Inclusion and Belonging Strategy 2023–25, which aims to increase ASIC's momentum as an inclusive employer.

ASIC has maintained a gender-balanced leadership cohort this year, with women comprising 55% of Executive Level 1 roles, 52% of Executive Level 2 roles and 57% of Senior Executive Service positions.

This year, we also demonstrated our commitment to diversity, inclusion and belonging by:

- ◆ refreshing the leadership team of our diversity committees and networks
- ◆ continuing to deliver Diversity, Inclusion and Belonging workshops on such topics as Recruiting for Diverse Perspectives, White Ribbon, Respect at Work, and Introduction to Auslan
- ◆ marking International Day of Persons with Disabilities with guest speaker, comedian, writer, and disability and inclusion advocate Wayne Herbert
- ◆ celebrating National Families Week with Australia's eSafety Commissioner and the Executive Officer of Rainbow Families

- ◆ being deemed compliant with the *Workplace Gender Equality Act 2012* for the 2022–23 reporting period, with an average gender pay gap of 6.1% compared to the Australian average of 21.7%
- ◆ being welcomed to the Financial Services Institute of Australia's Diversity Advisory Council.



An ASIC–APRA Diversity Panel event, 20 February 2024, with (left to right) Commissioner Alan Kirkland, Commissioner Simone Constant, Suneeta Sidhu (SEL Strategic Surveillance and Data), Commissioner Kate O'Rourke and CEO Greg Yanco.

First Nations employment and learning initiatives at ASIC

This year, ASIC continued its goal and commitment to attract and invest in First Nations peoples and ensure that through all our jobs we actively match opportunities with talented individuals.

ASIC continued to participate in external employment initiatives, including the Australian Government's Indigenous Apprenticeships Program and Indigenous Graduate Pathway. Our partnership with the CareerTrackers Indigenous Internship Program creates the opportunity for two First Nations students to undertake an ASIC internship and broadens ASIC's exposure to First Nations tertiary student cohorts. One intern from this program subsequently joined ASIC's National Graduate program in 2024.

Supporting ASIC's commitment to Reconciliation, nine training workshops were offered to all ASIC employees to build cultural awareness and safety. The training aimed to empower ASIC leaders to promote the inclusion of our First Nations team members and stakeholders through encouraging allies, advocacy and support. ASIC also undertook a training workshop in partnership with APRA to support APRA's National Reconciliation Week activities, and participated in the Jawun Secondment Program (which offers secondments from the corporate and public sectors to a range of Aboriginal and Torres Strait Islander partner organisations), with one secondee relocating for six weeks.

Equitable gender briefing

In 2023–24, ASIC exceeded all targets for both junior and senior female barristers. For junior female barristers, for which the target is 30%, we achieved 47% based on the value of briefs, and 58% based on the number of briefs. For senior female barristers, for which the target is 25%, ASIC achieved 29% based on the value of briefs, and 39% based on the number of briefs. We continue to work to ensure that female barristers, especially those in senior roles, are equitably briefed alongside their male counterparts.

Accessibility

ASIC supports an inclusive culture where our people can reach their full potential and have equal access to development, promotion, services and opportunities. Our refreshed Accessibility Action Plan 2024–2026 focuses on improving accessibility to empower our people, our stakeholders and the community to fully participate in our workplace without barriers.

Our website aims to meet Level AA success criteria in the [W3C Web Content Accessibility Guidelines \(WCAG\) Version 2.1](#).¹

Some accessibility considerations include:

- ◆ designing webpages that are easily read using screen readers and other assistive technologies
- ◆ providing a 'skip to content' link at the top of the page, which allows screen readers to skip navigational elements and go straight to the content
- ◆ ensuring our content (where possible) is adaptable and can be viewed in all browsers and on all devices
- ◆ providing text equivalents (alt text and/or transcripts) for images containing text, such as flowcharts and diagrams

- ◆ providing transcripts and captions for videos, and transcripts for audio files
- ◆ designing regulatory documents in PDF with accessibility in mind, ensuring they pass accessibility checks
- ◆ providing an avenue for feedback, to help us continually improve our website and services.

We continue to work actively to address known issues that may impact accessibility.

For further information on our approach, see our [Accessibility](#) webpage.²

1 <https://www.w3.org/TR/WCAG21/>

2 www.asic.gov.au/about-asic/dealing-with-asic/accessibility/

CHAPTER 06

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Treasurer

Opinion

In my opinion, the financial statements of the Australian Securities and Investments Commission (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to

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going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial

Executive Director

Delegate of the Auditor-General

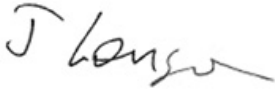
Canberra

15 August 2024

Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Securities and Investments Commission will be able to pay its debts as and when they fall due.



J.P. Longo

Chair

15 August 2024



P.J. Dunlop

Chief Financial Officer

15 August 2024

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	293,454	313,333	296,521
Suppliers	1.1B	161,541	144,837	137,823
Depreciation and amortisation	3.2	40,875	77,323	62,839
Finance costs	1.1C	1,535	1,703	1,472
Impairment loss on financial instruments		2,799	486	-
Write-down and impairment of other assets	3.2	13,784	4,728	-
Total expenses		513,988	542,410	498,655
OWN-SOURCE INCOME				
Own-source revenue				
Court cost recoveries		20,935	8,097	3,230
Sale of goods and rendering of services		1,956	2,343	2,330
Revenue from other Australian Government entities	1.2A	4,874	18,321	17,800
Other revenue	1.2B	3,641	3,605	519
Total own-source revenue		31,406	32,366	23,879
Gains				
Reversal of write-downs and impairment		-	70	-
Total gains		-	70	-
Net (cost) of services		(482,582)	(509,974)	(474,776)
Revenue from Government		513,558	426,323	433,678
Surplus/(Deficit)		30,976	(83,651)	(41,098)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassifications to net cost of services				
Movement in makegood provision	3.5	128	(383)	-
Total comprehensive income/(loss)		31,104	(84,034)	(41,098)

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	90,470	80,866	72,743
Trade and other receivables	3.1B	151,529	130,047	134,220
Total financial assets		241,999	210,913	206,963
Non-financial assets				
Buildings	3.2	151,323	169,242	138,984
Plant and equipment	3.2	18,582	15,957	13,389
Computer software	3.2	9,786	29,896	130,643
Prepayments		23,090	17,369	14,332
Total non-financial assets		202,781	232,464	297,348
Total assets		444,780	443,377	504,311
LIABILITIES				
Payables				
Suppliers	3.3A	36,261	20,768	28,851
Other payables	3.3B	19,729	46,381	35,345
Total payables		55,990	67,149	64,196
Interest bearing liabilities				
Leases	3.4	151,444	168,823	142,366
Total interest bearing liabilities		151,444	168,823	142,366
Provisions				
Employee provisions	6.1	73,267	73,816	77,490
Other provisions	3.5	10,971	10,654	5,176
Total provisions		84,238	84,470	82,666
Total liabilities		291,672	320,442	289,228
Net assets		153,108	122,935	215,083
EQUITY				
Contributed equity		551,038	551,969	575,942
Reserves		25,925	25,797	26,180
Accumulated deficit		(423,855)	(454,831)	(387,039)
Total equity		153,108	122,935	215,083

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
CONTRIBUTED EQUITY				
Opening balance		551,969	525,368	552,250
Transactions with owners				
Distributions to owners				
Returns of capital				
Return of equity	5.1B	(2,881)	(281)	-
Contributions by owners				
Equity injections - appropriations		-	5,824	3,866
Departmental capital budget		365	21,058	19,826
Restructuring	8.2	1,585	-	-
Total transactions with owners		(931)	26,601	23,692
Closing balance as at 30 June		551,038	551,969	575,942
RETAINED EARNINGS				
Opening balance		(454,831)	(371,180)	(345,941)
Comprehensive income				
Surplus/(Deficit) for the period		30,976	(83,651)	(41,098)
Total comprehensive income/(loss)		30,976	(83,651)	(41,098)
Closing balance as at 30 June		(423,855)	(454,831)	(387,039)
ASSET REVALUATION RESERVE				
Opening balance		25,797	26,180	26,180
Comprehensive income				
Other comprehensive income		128	(383)	-
Total comprehensive income		128	(383)	-
Closing balance as at 30 June		25,925	25,797	26,180

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
TOTAL EQUITY				
Opening balance		122,935	180,368	232,489
Comprehensive income				
Surplus/(Deficit) for the period		30,976	(83,651)	(41,098)
Other comprehensive income		128	(383)	-
Total comprehensive income/(loss)		31,104	(84,034)	(41,098)
Transactions with owners				
Distributions to owners				
Returns of capital				
Return of equity	5.1B	(2,881)	(281)	-
Contributions by owners				
Equity injections - appropriations		-	5,824	3,866
Departmental capital budget		365	21,058	19,826
Restructuring	8.2	1,585	-	-
Total transactions with owners		(931)	26,601	23,692
Closing balance as at 30 June		153,108	122,935	215,083

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		488,403	487,437	433,985
Operating cash received		1,956	2,343	3,140
Net GST received		14,513	17,621	14,743
Cost recoveries		20,935	8,097	21,195
Other		3,093	26,423	-
Total cash received		528,900	541,921	473,063
Cash used				
Employees		318,060	306,654	296,511
Suppliers		167,669	165,053	152,549
Interest payments on lease liabilities		1,423	1,621	1,452
Section 74 receipts transferred to the Official Public Account (OPA)		8,779	30,135	-
Total cash used		495,931	503,463	450,512
Net cash from operating activities		32,969	38,458	22,551
INVESTING ACTIVITIES				
Cash used				
Purchase of leasehold improvements, plant and equipment and intangibles		12,448	11,767	24,502
Net cash used by investing activities		(12,448)	(11,767)	(24,502)
FINANCING ACTIVITIES				
Cash received				
Appropriations - contributed equity		11,098	2,336	23,692
Total cash received		11,098	2,336	23,692
Cash used				
Principal payments of lease liabilities		22,015	20,904	21,741
Total cash used		22,015	20,904	21,741
Net cash used by financing activities		(10,917)	(18,568)	1,951
Net increase/(decrease) in cash held		9,604	8,123	-
Cash and cash equivalents at the beginning of the reporting period		80,866	72,743	72,743
Cash and cash equivalents at the end of the reporting period	3.1A	90,470	80,866	72,743

The above statement should be read in conjunction with the accompanying notes.

Departmental Budget Variance Commentary

FOR THE YEAR ENDED 30 JUNE 2024

The following tables compare the budget as presented in the 2023–24 Portfolio Budget Statements with the 2023–24 final outcome, in accordance with Australian Accounting Standards. The budget is not audited. Explanations are provided for variances of +/- 10% and +/- \$10 million for all items, representing approximately 2% of the value of expenses.

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		
	\$'000	%	AFFECTED LINE ITEMS
Expenses			
The increase in Suppliers is mainly due to the timing of expenditure for new measures and variations approved in the 2023–24 MidYear Economic and Fiscal Outlook (MYEFO). This includes the new measure for the RegistryConnect Program and the reclassification of capital appropriation to operating appropriation to fund technology projects that support ASIC's move to cloud-based software as a service, and the associated change in the accounting treatment.	23,718	17%	Statement of Comprehensive Income, Suppliers
The decrease in Depreciation and amortisation is mainly due to a reduction in software depreciation following a review of assets in 2022–23 which resulted in a significant shift in expenditure to subscription-based services. This was not included in the 2023–24 Budget due to the timing of the Budget and completion of the asset review.	(21,964)	(35%)	Statement of Comprehensive Income, Depreciation and amortisation
The increase in Write-down and impairment of other assets is mainly due to impairment of the Modernising Business Registers (MBR) program. This was due to the Government's decision to cease the program by 31 October 2023.	13,784	100%	Statement of Comprehensive Income, Write-down and impairment of other assets

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
Own-source revenue			
The increase in Court cost recoveries is due to higher-than-budgeted court cost recoveries for the Enforcement Special Account (ESA) and ASIC's core enforcement activities. These recoveries are unpredictable and vary from year to year depending on the outcome of litigation and investigations.	17,705	548%	Statement of Comprehensive Income, Court cost recoveries
The decrease in Revenue from other Australian Government entities is mainly due to the reduction in revenue received from the Australian Taxation Office (ATO) to fund work for the MBR program following the Government's decision on 28 August 2023 to stop this program.	(12,926)	(73%)	Statement of Comprehensive Income, Revenue from other Australian Government entities
Revenue from Government			
The increase in Revenue from Government is mainly due to receiving the funding after the Budget was set. This funding was provided to ASIC as part of the 2023–24 MYEFO for new measures such as the RegistryConnect Program. The reclassification of capital to operating appropriation and the transfer of appropriation from the ATO following the return of the Registry functions to ASIC are also reasons for the increase.	79,880	18%	Statement of Comprehensive Income, Revenue from Government
Surplus/(Deficit)			
The primary drivers for the turnaround in the result since the Budget include the timing of expenditure for new programs announced in the 2023–24 MYEFO, higher court cost recoveries, lower depreciation and operating revenue received and set-aside to fund capital projects.	72,074	175%	Statement of Comprehensive Income, Surplus/(Deficit)

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
Financial assets			
The increase in Cash and cash equivalents is mainly due to higher than budgeted court cost recoveries received during the year, some of which are retained in the ESA.	17,727	24%	Statement of Financial Position, Cash and cash equivalents
The increase in Trade and other receivables is mainly due to the operating surplus resulting in less cash being drawn down from the OPA.	17,309	13%	Statement of Financial Position, Trade and other receivables
The difference in the budgeted surplus / (deficit) from the total movement in financial assets takes into account the movement of non-cash expense items such as depreciation and write down in assets.			
Non-financial assets			
The decrease in Computer software is mainly due to the asset and work-in-progress review that was finalised in late 2022–23. This was not included in the 2023–24 Budget due to the timing the Budget's publication. The impairment of the MBR Program in 2023–24 also contributes to the decrease.	(120,857)	(93%)	Statement of Financial Position, Computer software
Payables			
The decrease in Other payables is mainly due to a reduction in bonuses payable following changes to bonus arrangements under ASIC's new Enterprise Agreement (EA). At the time the Budget was set, the EA had not been negotiated and ASIC budgeted a payable for bonuses consistent with prior years.	(15,616)	(44%)	Statement of Financial Position, Other payables

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
Statement of Changes in Equity			
The decrease in Departmental capital budget is due to amounts being withheld under s51 of the PGPA Act. The funds were transferred to operating and were reappropriated through <i>Appropriation Act (No. 3) 2023-2024</i> .	(19,461)	(98%)	<i>Statement of Changes in Equity</i> Departmental capital budget
Financing Activities – Cash received			
The decrease in Appropriations – contributed equity is mainly due to amounts being withheld under s51 of the PGPA Act. The funds were transferred to operating and were reappropriated through <i>Appropriation Act (No.3) 2023-2024</i> . This has been partially offset by expenditure of prior years' capital budget appropriations.	(12,594)	(53%)	<i>Cash Flow Statement</i> Appropriations – contributed equity

Administered Schedule of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
NET COST OF SERVICES				
Expenses				
Grants - insolvency practitioners		5,578	4,880	5,084
Impairment loss allowance on other assets	2.1A	129,299	91,967	75,972
Claims for unclaimed money	2.1B	266,498	184,337	149,553
Promotional costs for Moneysmart initiatives		595	583	600
Suppliers - other administered		1,203	645	390
Total expenses		403,173	282,412	231,599
LESS:				
Own-source revenue				
Taxation revenue				
Fees		1,138,917	1,014,253	1,085,895
Compensation scheme of last resort (CSLR) levies		240,858	-	-
Supervisory cost recovery levies		67,654	61,483	126,667
Total taxation revenue		1,447,429	1,075,736	1,212,562
Non-taxation revenue				
Supervisory cost recovery levies		248,456	298,735	280,303
Fees and fines	2.2A	365,949	460,079	279,377
Unclaimed money lodgements	2.2B	480,768	341,841	252,288
Total non-taxation revenue		1,095,173	1,100,655	811,968
Total revenue		2,542,602	2,176,391	2,024,530
Net contribution by services		2,139,429	1,893,979	1,792,931

The above statement should be read in conjunction with the accompanying notes.

Administered Schedule of Assets and Liabilities

AS AT 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000	ORIGINAL BUDGET \$'000
ASSETS				
Financial assets				
Cash and cash equivalents		1,525	1,646	1,380
Supervisory cost recovery levies receivable	4.1A	323,469	359,977	408,266
CSLR levies receivable	4.1B	81,670	-	-
Other taxation receivables	4.1C	216,641	239,098	133,108
Trade and other receivables	4.1D	10,938	10,427	11,130
Total assets administered on behalf of the Government		634,243	611,148	553,884
LIABILITIES				
Payables and provisions				
Suppliers and other payables	4.2A	60,542	53,270	51,099
Unclaimed money provisions	4.2B	618,656	518,963	530,613
Total liabilities administered on behalf of the Government		679,198	572,233	581,712
Net assets/(liabilities)		(44,955)	38,915	(27,828)

The above statement should be read in conjunction with the accompanying notes.

Administered Reconciliation Schedule

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 \$'000	2023 \$'000
Opening assets less liabilities as at 1 July		38,915	(29,923)
Net contribution by services			
Administered income		2,542,602	2,176,391
Administered expenses		(403,173)	(282,412)
Transfers (to)/from the Australian Government			
Appropriation transfers from the OPA:			
Special (unlimited) and ordinary appropriations			
Appropriation Act (No. 1)		10,367	8,621
Banking Act unclaimed money		105,773	77,517
Life Insurance Act unclaimed money		9,357	12,954
s77 PGPA Act		53,598	36,940
Total appropriation transfers from the OPA		179,095	136,032
Administered transfers to the OPA		(2,402,394)	(1,961,173)
Closing assets less liabilities as at 30 June		(44,955)	38,915

The above statement should be read in conjunction with the accompanying notes.

Administered Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$'000	2023 \$'000
OPERATING ACTIVITIES		
Cash received		
Fees, fines, and supervisory cost recovery levies	1,757,114	1,620,850
CSLR levies	159,188	-
Banking Act unclaimed money	294,447	217,383
Corporations Act unclaimed money	141,525	112,911
Life Insurance Act unclaimed money	44,796	11,547
Net GST received	-	55
Total cash received	2,397,070	1,962,746
Cash used		
Refunds paid to:		
Company shareholders	51,666	33,809
Deposit-taking institution account holders	105,781	77,564
Life insurance policy holders	9,358	12,954
Grants	5,130	5,759
Promotion expenses for Moneysmart initiatives	680	702
Suppliers	1,203	6,551
Net GST paid	74	-
Total cash used	173,892	137,339
Net cash from operating activities	2,223,178	1,825,407
Cash from OPA for:		
Appropriations	179,095	136,032
Less: Cash to OPA for:		
Fees, fines, and supervisory cost recovery levies	1,762,437	1,619,332
CSLR levies	159,188	-
Corporations Act unclaimed money	141,525	112,911
Banking Act unclaimed money	294,448	217,383
Life Insurance Act unclaimed money	44,796	11,547
Total cash to the OPA	2,402,394	1,961,173
Net increase/(decrease) in cash held	(121)	266
Cash and cash equivalents at the beginning of the reporting period	1,646	1,380
Cash and cash equivalents at the end of the reporting period	1,525	1,646

The above statement should be read in conjunction with the accompanying notes.

Administered Budget Variance Commentary

FOR THE YEAR ENDED 30 JUNE 2024

The following tables compare the budget as presented in the 2023–24 Portfolio Budget Statements with the 2023–24 final outcome, in accordance with Australian Accounting Standards. The budget is not audited. Explanations are provided for variances of +/- 10% and +/- \$40 million for own-source revenue, \$5 million for expenses and \$10 million for assets and liabilities, representing approximately 2% of the value of each relevant sub-total.

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
Expenses			
The increase in the Impairment loss allowance on other assets is due to additional court penalties and late payment fees that are unlikely to be received.	53,327	70%	Statement of Comprehensive Income, Impairment loss allowance on other assets
The increase in Claims for unclaimed money is due to the revaluation of the unclaimed money provisions, based on the 2023–24 actuarial valuation. The main driver for the provision increase is the large lodgements made across all portfolios.	116,945	78%	Statement of Comprehensive Income, Claims for unclaimed money
Own-source revenue – Taxation revenue			
The increase in CSLR levies is due to a one-off levy for compensation claims under s11 of the <i>Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023</i> . This was not included in the 2023–24 Budget as it came into force on 20 October 2023.	240,858	100%	Statement of Comprehensive Income, CSLR levies
The decrease in Supervisory cost recovery levies is due to the decrease in Departmental expenses and ASICs reported surplus position for 2023–24, as shown in the Departmental Statement of Comprehensive Income.	(59,013)	(47%)	Statement of Comprehensive Income, Supervisory cost recovery levies
Own-source revenue – Non-taxation revenue			
The increase in Fees and fines is due to fee indexation, growth in the Company Register and an increase in late payment fees. Fines revenue also includes court awarded costs that are unbudgeted as they are highly unpredictable, cross multiple financial years and are subject to appeal.	86,572	31%	Statement of Comprehensive Income, Fees and fines

EXPLANATIONS OF MAJOR VARIANCES	VARIANCE TO BUDGET		AFFECTED LINE ITEMS
	\$'000	%	
The increase in Unclaimed money lodgements is due to a large amount of unanticipated lodgements in the Life Act \$29.80 million, Banking Act \$179.45 million and Corporations Act \$19.24 million.	228,480	91%	<i>Statement of Comprehensive Income,</i> Unclaimed money lodgements
Financial assets			
The decrease in Supervisory cost recovery levies receivables is mainly due to the 2023–24 surplus on ASICs departmental results and \$48.03 million relating to the CSLR first levy period notices, were not issued due to changes to the legislation.	(84,773)	(21%)	<i>Statement of Financial Position,</i> Supervisory cost recovery levies receivables
The increase in CSLR levies receivable is due to a one-off levy for compensation claims under s11 of the <i>Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023</i> . This was not included in the 2023–24 Budget as it came into force on 20 October 2023.	81,670	100%	<i>Statement of Financial Position,</i> CSLR levies receivable
The increase in Other taxation receivables is due to growth in the Company Register, fee indexation, unbudgeted court penalties and an increase in late payment fees as a result of extensions to the company deregistration process in 2022–23.	83,533	63%	<i>Statement of Financial Position,</i> Other taxation receivable
Payables and provisions			
The increase in Unclaimed money provisions is mainly due to the 2023–24 actuarial valuation of the provisions. These are inherently unpredictable. Refer to the Accounting Policy under Note 4.2B.	88,043	17%	<i>Statement of Financial Position,</i> Unclaimed money provisions

Notes to and forming part of the financial statements

FOR THE YEAR ENDED 30 JUNE 2024

Overview

Objectives of the Australian Securities and Investments Commission

ASIC is an independent Australian Government body operating under the *Australian Securities and Investments Commission Act 2001* (ASIC Act) to administer the *Corporations Act 2001*, and other legislation, throughout Australia.

ASIC collects and administers revenue under the *Corporations Act 2001* and the *National Consumer Credit Protection Act 2009* and prescribed fees set by the *Corporations (Fees) Act 2001*, the *Corporations (Review Fees) Act 2003*, the *National Consumer Credit Protection Act 2009*, the *Business Names Registration (Fees) Regulations 2010* and the *Superannuation Industry (Supervision) Act 1993*. In addition, ASIC collects revenue under the *ASIC Supervisory Cost Recovery Levy Act 2017*, the *ASIC Supervisory Cost Recovery Levy Regulations 2017*, the *Financial Services Compensation Scheme of Last Resort Levy Act 2023*, and the *Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023*. This revenue is not available to ASIC and is remitted to the OPA. Transactions and balances relating to these fees are reported as administered items. Administered items are distinguished by shading in these financial statements.

ASIC is structured to deliver a single outcome:

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

ASIC's continued existence in its present form and with its present programs depends on Australian Government policy and on continued funding from Parliament for ASIC's administration and programs.

The basis of preparation

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

- (a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR);
- (b) Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Taxation

ASIC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Administered Schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and use the same policies as departmental items, including the application of Australian Accounting Standards.

Events after the reporting period

No events occurred after the balance date that would affect the balances in the financial statements.

Note 1. Departmental financial performance

This section analyses ASIC's financial performance for the year ended 30 June 2024.

1.1 Expenses

	2024 \$'000	2023 \$'000
1.1A: Employee benefits		
Wages and salaries	229,364	232,333
Superannuation		
Defined benefit plans	9,719	10,324
Defined contribution plans	27,571	28,382
Leave and other entitlements	23,782	28,504
Separation and redundancies	3,018	13,790
Total employee benefits	293,454	313,333
1.1B: Suppliers		
Goods and services supplied or rendered		
Office computer and software expenses	46,620	37,529
Legal and forensic costs	43,544	44,726
Contractors and secondees ¹	30,897	30,776
Property-related outgoings	9,609	9,323
Other goods and services	6,482	4,190
Travel	4,858	3,173
Bank fees	4,027	3,376
Learning and development	4,016	1,676
Information costs	4,008	3,421
Communications	2,488	2,755
Security	1,346	1,054
Consultancies ¹	998	1,407
Recruitment	772	404
Postage and freight	548	205
Audit fees	360	388
Total goods and services supplied or rendered	160,573	144,403
Goods supplied	868	673
Services rendered	159,705	143,730
Total goods and services supplied or rendered	160,573	144,403

¹ The prior year category of consultants and specialist services has been disaggregated to provide additional information.

	2024 \$'000	2023 \$'000
Other suppliers		
Short-term leases	40	47
Workers' compensation expenses	833	341
Fringe benefits tax	95	46
Total other suppliers	968	434
Total suppliers	161,541	144,837
1.1C: Finance costs		
Unwinding of restoration provision	112	82
Interest on lease liability	1,423	1,621
Total finance costs	1,535	1,703
1.2 Own-source revenue		
1.2A: Revenue from other Australian Government entities¹		
ATO ²	4,843	17,609
Department of Home Affairs	-	682
Australian National Audit Office	31	30
Total revenue from other Australian Government entities	4,874	18,321
1.2B: Other revenue		
Resources received free of charge		
Remuneration of auditors	360	388
Committee fees	51	49
Other ³	3,230	3,168
Total other revenue	3,641	3,605

1 Relates to operating and capital expenditure ASIC incurred on government programs funded directly by other Australian Government entities.

2 Funding from the ATO has been reduced due to the Government's decision to cease the MBR program.

3 In the 2022-23 financial statements, other revenue included amounts ASIC recovered for court costs, investigations, professional fees, legal costs and prosecution disbursements. These are now disclosed separately in the Statement of Comprehensive Income as court cost recoveries.

Accounting Policy

Rendering of services

Revenue from rendering of services is recognised when the resources have been purchased. Revenue is recognised when the:

- ◆ amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- ◆ probable economic benefits associated with the transaction will flow to ASIC.

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, the fair value can be reliably determined, and the services would have been purchased had they not been donated. Use of these resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains, depending on their nature.

Note 2. Income and expenses administered on behalf of the Government

This section analyses the activities ASIC does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1 Administered – expenses

	2024 \$'000	2023 \$'000
2.1A: Impairment loss allowance on other assets		
Impairment of receivables	126,107	88,088
Waiver of fees and charges owing	3,192	3,879
Total impairment on other assets	129,299	91,967
2.1B: Claims for unclaimed money		
Claims - Bank and deposit-taking institution account holders	105,781	77,564
Claims - Company shareholders	51,666	33,809
Claims - Life Insurance policy holders	9,358	12,954
Adjustments to provisions ¹	99,693	60,010
Total	266,498	184,337

1 Refer to Accounting Policy under Note 4.2B

Accounting Policy

Refer to Note 4.1 for the policy on impairment of receivables and fee waivers.

In determining whether a fee should be wholly or partly waived, ASIC considers the extent to which the company's officers or representatives contributed to the circumstances of the matter, in accordance with Part 7 of the Finance Minister's Delegation under s63 of the PGPA Act, and s18 of the *Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023*.

Administered expenses for refunds of unclaimed money under the *Banking Act 1959*, *Life Insurance Act 1995* and *Corporations Act 2001* are recognised by estimating the value of claims likely to be repaid in respect of unclaimed money ASIC collected as at the balance date. Estimation techniques bring an inherent risk of error and rely on assumptions about economic conditions such as the Consumer Price Index (CPI), claimants' behaviour and recent historic information. At the reporting date the amounts disclosed represent a best estimate of expense incurred in the period. The methodology used to determine the value of probable claims is determined by an independent actuary. Successful claims are paid out of the provision account.

2.2 Administered – income

	2024 \$'000	2023 \$'000
Non-taxation revenue		
2.2A: Fees and fines		
Fines	267,211	372,403
Searches and information brokers' fees	84,402	74,279
Fees for service	14,336	13,397
Total fees and fines	365,949	460,079
2.2B: Unclaimed money lodgements		
<i>Corporations Act 2001</i> unclaimed money	141,525	112,911
<i>Banking Act 1959</i> unclaimed money	294,447	217,383
<i>Life Insurance Act 1995</i> unclaimed money	44,796	11,547
Total unclaimed money lodgements	480,768	341,841

Accounting Policy

All administered revenues are revenues relating to the course of ordinary activities ASIC managed on behalf of the Government.

Administered revenue is generated from fees and fines under the following legislation:

- ◆ *Corporations (Fees) Act 2001*
- ◆ *Corporations (Review Fees) Act 2003*
- ◆ National Consumer Credit Protection (Fees) Regulations 2010
- ◆ Business Names Registration (Fees) Regulation 2012
- ◆ *Superannuation Industry (Supervision) Act 1993*.

Administered fee revenue is recognised on an accruals basis when:

- ◆ the client or the client group can be identified in a reliable manner
- ◆ an amount of prescribed fee or other statutory charge is payable by the client or client group under legislative provisions
- ◆ the amount of the prescribed fee or other statutory charge payable by the client or the client group can be reliably measured.

Administered taxation revenue is recognised at its nominal amount due and an expense is recognised for impaired debts.

ASIC collects certain levies on behalf of the Government. These comprise levies under the:

- ◆ *ASIC Supervisory Cost Recovery Levy Act 2017*
- ◆ *ASIC Supervisory Cost Recovery Levy Regulations 2017*
- ◆ *Financial Services Compensation Scheme of Last Resort Levy Act 2023*
- ◆ *Financial Services Compensation Scheme of Last Resort Levy (Collection) Act 2023*.

Administered revenue arising from levies is recognised on an accrual basis.

ASIC also receives non-taxation revenue from search fees, fines (including late fees, court fines, penalties and infringement notices) and unclaimed money. Unclaimed money revenue recognition is based on the annual amount of unclaimed money ASIC received by ASIC (inflows), less an estimate of future outflows. Unclaimed money revenue relates to lost money received under the *Banking Act 1959*, *Life Insurance Act 1995* and *Corporations Act 2001*. This revenue is not available to ASIC and is transferred to the OPA.

The collectability of debts is reviewed at the balance date. Provisions are made when collection of the debt is judged to be less, rather than more, likely.

Note 3. Departmental financial position

This section analyses ASIC's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in Note 6.

3.1 Financial assets

	2024 \$'000	2023 \$'000
3.1A: Cash and cash equivalents		
Cash in special accounts	88,677	78,625
Cash at bank	1,793	2,241
Total cash and cash equivalents	90,470	80,866

The closing balance of Cash in special accounts does not include amounts held in trust (\$60.111 million in 2024 and \$38.096 million in 2023). See Note 5.2 for more information.

3.1B: Trade and other receivables

Goods and services receivables:

Goods and services	6,260	3,800
Total goods and services receivables (gross)	6,260	3,800
Less expected credit loss allowance	(3,486)	(686)
Total goods and services receivables (net)	2,774	3,114

Appropriation receivables:

Appropriation receivable	143,955	123,635
Total appropriation receivables	143,955	123,635

Other receivables:

Tax receivables from the ATO	4,800	3,298
Total other receivables	4,800	3,298
Total trade and other receivables (net)	151,529	130,047

Credit terms for goods and services were within 20 days (2023: 20 days).

Accounting Policy

Receivables

Trade receivables and other receivables are classified as 'loans and receivables' and recorded at face value less any impairment. Trade receivables are recognised where ASIC becomes party to a contract and has a legal right to receive cash. Trade receivables are derecognised on payment.

Financial assets are assessed for impairment at the end of each reporting period. Allowances are made when collectability of the debt is no longer probable.

3.2 Non-financial assets

Reconciliation of the opening and closing balances of property, plant and equipment, and intangibles

	BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000	COMPUTER SOFTWARE \$'000	TOTAL \$'000
As at 1 July 2023				
Gross book value	267,141	52,213	127,384	446,738
Accumulated depreciation and impairment	(97,899)	(36,256)	(97,488)	(231,643)
Total as at 1 July 2023	169,242	15,957	29,896	215,095
Additions:				
By purchase or internally developed	2,201	8,098	2,204	12,503
Acquisition of entities or operations (including restructuring)	2,070	242	-	2,312
Right-of-use (ROU) assets	4,440	-	-	4,440
Total additions	8,711	8,340	2,204	19,255
Depreciation and amortisation	(5,535)	(5,634)	(8,611)	(19,780)
Depreciation on ROU assets	(21,095)	-	-	(21,095)
Total depreciation and amortisation	(26,630)	(5,634)	(8,611)	(40,875)
Other movements:				
Impairments recognised in net cost of services	-	-	(13,664)	(13,664)
Disposals:				
Other	-	(81)	(39)	(120)
Total as at 30 June 2024	151,323	18,582	9,786	179,691
Total as at 30 June 2024 represented by:				
Gross book value	275,207	53,159	101,298	429,664
Accumulated depreciation/amortisation and impairment	(123,884)	(34,577)	(91,512)	(249,973)
Total as at 30 June 2024	151,323	18,582	9,786	179,691
Carrying amount of ROU assets	121,131	-	-	121,131

Accounting Policy

Assets are recorded at the cost of acquisition, except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it was located. This is particularly relevant to make good provisions taken up by ASIC where an obligation exists to restore the premises to their original condition at the conclusion of the lease. These costs are included in the value of ASIC's property expenses with a corresponding provision for the make good recognised.

Lease ROU assets

Lease ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount less any lease incentives received. Lease ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, leasehold improvements, and plant and equipment (excluding ROU assets) are carried at the latest revaluation, less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends on the volatility of movements in market values for the relevant assets. An independent valuation of ASIC's assets was undertaken as at 30 June 2022.

Revaluation adjustments are made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date was eliminated against the gross carrying amount of the asset and the asset was restated to the revalued amount.

Depreciation

All depreciable leasehold improvements, and plant and equipment assets are written down to their estimated residual values over their estimated useful lives to ASIC, using the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future, reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2024	2023
Leasehold improvements	Residual lease term	Residual lease term
Plant and equipment	2 to 80 years	2 to 80 years

Impairment

All assets were assessed for impairment as at 30 June 2024. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its current replacement cost.

Derecognition

An item of property, or plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

ASIC's intangibles comprise software either purchased or internally developed for internal use. ASIC does not recognise an intangible asset when it does not control the software being configured or customised and these configurations or customisations do not create a resource controlled by ASIC that can be reliably measured.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of ASIC's software is 2 to 10 years (2023: 2 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2024.

Accounting judgements and estimates

In the process of applying the accounting policies listed in this note, ASIC made assumptions or estimates in the following areas that have the most significant impact on the amounts recorded in the financial statements:

- ◆ The fair value of leasehold improvements, property, and plant and equipment (excluding ROU assets) is assessed at market value or current replacement cost as determined by an independent valuer and is subject to management assessment between formal valuations
- ◆ ASIC reviews of future economic benefits of assets annually and updates the useful life accordingly.
- ◆ During the 2023–24 financial year, the Government decision to stop the MBR program (effective August 2023) and a change in scope for the Professional Registers program resulted in a write-down recognised in net cost of services for computer software.

3.3 Payables

	2024 \$'000	2023 \$'000
3.3A: Suppliers		
Trade creditors and accruals	36,261	20,768
Total suppliers	36,261	20,768

Supplier payables are settled in accordance with the terms of the purchase order or contract and are expected to be settled within 12 months.

3.3B: Other payables

Prepayments received/unearned revenue	10,284	12,836
Salaries and bonuses	8,696	24,448
Separations and redundancies	283	8,587
Other	466	510
Total other payables	19,729	46,381

3.4 Interest-bearing liabilities

	2024 \$'000	2023 \$'000
Lease liabilities	151,444	168,823
Total leases	151,444	168,823

Total cash outflow for leases for the period ended 30 June 2024 was \$23.438 million (2023: \$22.526 million).

Maturity analysis - contractual undiscounted cash flows

Within one year	28,218	23,182
Between one to five years	106,239	107,209
More than five years	24,049	47,944
Total leases	158,506	178,335

Accounting Policy

For all new contracts entered into, ASIC considers whether the contract is, or contains, a lease. A lease as defined in AASB 16 Leases is a contract, or part of a contract, that 'conveys the right to control the use of an identified asset for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains, a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or at the Department of Finance's incremental borrowing rate.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the ROU asset, or profit and loss, depending on the nature of the reassessment or modification.

3.5 Other provisions

	PROVISION FOR RESTRUCTURING \$'000	PROVISION FOR RESTORATION COSTS \$'000	PROVISION FOR SETTLEMENT COSTS \$'000	TOTAL OTHER PROVISIONS \$'000
As at 1 July 2023	339	2,830	7,485	10,654
Additional provisions made	-	531	2,736	3,267
Amounts used	(120)	-	(1,500)	(1,620)
Amounts reversed	(219)	-	(1,095)	(1,314)
Amounts revalued	-	(128)	-	(128)
Unwinding of restoration provision discount	-	112	-	112
Total as at 30 June 2024	-	3,345	7,626	10,971

Accounting Policy

Restoration costs

ASIC currently has two lease agreements (2023: one) for the leasing of premises that have provisions requiring ASIC to restore the premises to their original condition at the conclusion of the lease. The provision reflects the current best estimate of these future restoration costs, discounted to reflect the present value of the future payments.

Settlement costs

ASIC recognises a provision for the estimated costs that will be paid on settlement of current legal proceedings, based on its history of settlement costs.

Note 4. Assets and liabilities administered on behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result of activities ASIC does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those for departmental reporting.

4.1 Administered – financial assets

	2024 \$'000	2023 \$'000
4.1A: Supervisory cost recovery levies receivable		
Supervisory cost recovery levies receivable - taxation	67,654	61,483
Supervisory cost recovery levies receivable - non-taxation	264,504	305,859
Total supervisory cost recovery levies receivables (gross)	332,158	367,342
Less expected credit loss allowance		
Supervisory cost recovery levies	8,689	7,365
Total supervisory cost recovery levies receivables (net)	323,469	359,977
4.1B: CSLR levies receivable		
CSLR levies receivable	81,670	-
Total CSLR levies receivable (net)	81,670	-
4.1C: Other taxation receivables		
Fees and fines receivable	408,992	372,596
Total other taxation receivables (gross)	408,992	372,596
Less expected credit loss allowance		
Fees and fines	192,351	133,498
Total other taxation receivables (net)	216,641	239,098
Taxation receivables are due from entities that are not part of the Australian Government.		
Credit terms for goods and services were within 30 days (2023: 30 days).		

	2024 \$'000	2023 \$'000
4.1D: Trade and other receivables		
Information brokers' fees	10,471	10,034
GST receivable	467	393
Total trade and other receivables (gross)	10,938	10,427

Taxation receivables are due from entities that are not part of the Australian Government.

Credit terms for goods and services were within 30 days (2023: 30 days).

Accounting Policy

Receivables

Administered receivables are recognised at their nominal value less an impairment allowance. Statutory receivables are not financial instruments and accordingly ASIC has assessed administered receivables for impairment under AASB 136 *Impairment of Assets* (FRR 26.3).

The impairment allowance is raised against receivables for any doubtful debts and any probable credit amendments and is based on a review of outstanding debts at the balance date. This includes an examination of individual large debts and disputed amounts with reference to historic collection patterns.

The impairment allowance expense is calculated using estimation techniques to determine an estimate of current receivables that are unlikely to be collected in the future.

Administered receivables that are irrecoverable at law or are uneconomic to pursue are written off under Rule 11 of the PGPA Act.

4.2 Administered – payables

	2024 \$'000	2023 \$'000
4.2A: Suppliers and other payables		
Supplier payables	55	-
Refund of fees payable	34,665	30,568
Unallocated money ¹	13,563	11,142
Grants payable ²	3,766	3,318
Other non-current payables ³	8,493	8,242
Total payables	60,542	53,270

All payables are for entities that are not part of the Australian Government.

All payables, with the exception of other non-current payables, are expected to be settled within 12 months. Settlement is usually made within 30 days.

- 1 Unallocated money is credits on debtor accounts less than 120 days old. The credits are either allocated or refunded.
- 2 Settlement is made according to the terms and conditions of each grant. This is usually within 30 days of performance and eligibility.
- 3 Other non-current payables are over payments of fees where payments were made to ASIC in error. The settlement period is expected to be greater than 12 months as these are unidentified payments.

Accounting Policy

ASIC administers payments to registered insolvency practitioners to undertake preliminary investigations of suspected breaches of directors' duties and fraudulent conduct and to report the outcome of their findings to ASIC for further action as appropriate.

Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants and services, but services have not been performed or criteria satisfied, this is considered a commitment.

	2024 \$'000	2023 \$'000
4.2B: Unclaimed money provisions		
<i>Banking Act 1959</i> claims	327,057	266,198
<i>Corporations Act 2001</i> claims	236,643	219,497
<i>Life Insurance Act 1995</i> claims	54,956	33,268
Total other provisions	618,656	518,963

Accounting Policy

Provisions

The provisions recognised in the Administered Schedule of Assets and Liabilities are the estimated claims payable from collections of unclaimed money ASIC administered as at the balance date. ASIC adopts a provision for future claims based on an independent valuation as at 30 June annually, calculated by an independent actuary, under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Accounting judgements and estimates

The provision is estimated based on the unclaimed lodgements as at the balance date, using the historic claims pattern since 2002, March to March CPI rate of 3.62% (2023: 7.02%) and discount rate (10 year government bond rate) of 4.51% (2023: 4.2%).

The historical claims pattern for the *Banking Act 1959* of 58.2% (2023: 64.9%), *Corporations Act 2001* of 51.8% (2023: 57.1%), and *Life Insurance Act 1995* of 51.3% (2023: 56.9%) is applied to the outstanding unclaimed money balance as at 30 June 2024.

From 1 July 2013, compounding interest is applied to claims payments. The rates are based on actual legislated interest rates linked to movements in the CPI, using the March to March CPI from the previous year. This is applied from 1 July in the current year. Estimated future claims interest rates are based on economist expectations for inflation in the medium to long term.

The present value of estimated future claims over time has been discounted to a risk-free rate of interest based on government bond rates with similar terms to the expected claims. This is consistent with standard actuarial practice and required under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Note 5. Funding

This section identifies ASIC's funding structure.

5.1 Appropriations

	2024 \$'000	2023 \$'000
5.1A: Annual appropriations ('Recoverable GST exclusive')		
Departmental		
Ordinary annual services ¹	510,833	426,323
Capital budget ²	19,826	21,058
Equity Injections ³	3,866	5,824
Annual appropriation	534,525	453,205
Adjustments to appropriation ^{4,5}	11,504	30,135
Total appropriation	546,029	483,340
Appropriation applied		
Ordinary annual services	488,848	486,802
Capital budget	11,100	-
Equity Injections	-	2,358
Total appropriation applied	499,948	489,160
Variance⁶	46,081	(5,820)
Administered		
Ordinary annual services	11,367	7,925
Total appropriation	11,367	7,925
Appropriation applied		
Ordinary annual services	10,521	8,403
Total appropriation applied	10,521	8,403
Variance	846	(478)

1 Includes \$56.504 million (2023: \$55.246 million) credited to the ESA. A special account is a limited special appropriation that notionally sets aside an amount that can be expended for a particular purpose. The ESA was established to fund the costs arising from the investigation and litigation of matters of significant public interest. For further information, refer to the Accounting Policy below.

2 Departmental capital budgets are appropriated through Supply Acts (Nos. 1, 3 and 5) and Appropriation Acts (Nos. 1, 3 and 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts. This includes \$19.461 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to operating and were reappropriated through *Appropriation Act (No.3) 2023-2024*.

3 Includes \$3.866 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to operating and were reappropriated through *Appropriation Act (No.3) 2023-2024*.

4 Includes 74 receipts totalling \$8.779 million.

5 Includes s75 receipts totalling \$2.725 million (see Note 8.2).

6 The variance in appropriation applied is due to i) the timing of expenditure for new programs announced in the 2023-24 MYEFO and ii) expenditure of prior years' capital budget appropriations.

Accounting Policy

Revenue from Government

Amounts appropriated for departmental appropriations for the period (adjusted for any formal additions and reductions) are recognised as revenue from Government when ASIC gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

Amounts notionally set aside for a special account are debited against departmental appropriations and credited to that special account annually under Appropriation Act (No. 1).

Equity injections

Amounts appropriated that are designated as 'equity injections' for a year (less any formal reductions) and departmental capital budgets (DCBs) are recognised directly in contributed equity in that year.

	2024 \$'000	2023 \$'000
5.1B: Unspent annual appropriations ('Recoverable GST exclusive')		
Departmental		
<i>Appropriation Act (No. 2) 2020–2021¹</i>	-	71
<i>Supply Act (No. 2) 2020–2021²</i>	-	211
<i>Appropriation Act (No. 1) 2021–2022³</i>	4,669	4,669
<i>Appropriation Act (No. 1) DCB 2021–2022</i>	-	22
<i>Appropriation Act (No. 3) DCB 2021–2022⁴</i>	1,101	2,392
<i>Appropriation Act (No. 4) 2021–2022⁵</i>	1,778	1,778
<i>Supply Act (No. 3) 2022–2023</i>	-	96,846
<i>Supply Act (No. 1) DCB 2022–2023</i>	1,300	8,774
<i>Supply Act (No. 3) DCB 2022–2023</i>	9,970	12,284
<i>Appropriation Act (No. 2) 2022–2023</i>	2,578	2,578
<i>Supply Act (No. 2) 2022–2023</i>	501	501
<i>Supply Act (No. 4) 2022–2023</i>	701	701
<i>Appropriation Act (No. 1) 2023–2024</i>	61,278	-
<i>Appropriation Act (No. 1) DCB 2023–2024⁶</i>	19,826	-
<i>Appropriation Act (No. 2) 2023–2024⁷</i>	3,866	-
<i>Appropriation Act (No. 3) 2023–2024</i>	69,055	-
Total Departmental	176,623	130,827

Unspent departmental appropriations include cash balances of \$1.793 million (2023: \$2.241 million).

- \$0.071 million unspent appropriation lapsed on 1 July 2023.
- \$0.211 million unspent appropriation lapsed on 1 July 2023.
- Includes \$4.669 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to capital and were reappropriated through *Appropriation Act (No.3) 2021-2022*. This appropriation lapsed on 1 July 2024.
- \$1.101 million unspent appropriation lapsed on 1 July 2024.
- \$1.778 million unspent appropriation lapsed on 1 July 2024.
- Includes \$19.461 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to operating and were reappropriated through *Appropriation Act (No.3) 2023-2024*.
- Includes \$3.866 million withheld under s51 of the PGPA Act or quarantined for administrative reasons. The funds were transferred to operating and were reappropriated through *Appropriation Act (No.3) 2023-2024*.

	2024 \$'000	2023 \$'000
Administered		
<i>Appropriation Act (No. 1) 2020–2021¹</i>	-	527
<i>Appropriation Act (No. 1) 2021–2022²</i>	1,103	5,358
<i>Appropriation Act (No. 1) 2022–2023</i>	-	379
<i>Supply Act (No. 1) 2022–2023</i>	1,110	2,327
<i>Supply Act (No. 3) 2022–2023</i>	3,663	3,663
<i>Appropriation Act (No. 1) 2023–2024</i>	6,391	-
<i>Appropriation Act (No. 3) 2023–2024</i>	305	-
Total Administered	12,572	12,254

Unspent administered appropriations include cash balances of \$0.227 million (2023: \$0.382 million). These amounts exclude special appropriation cash balances held at year end.

1 \$0.527 million unspent appropriation lapsed on 1 July 2023.

2 \$1.103 million unspent appropriation lapsed on 1 July 2024.

5.1C: Special appropriations ('recoverable GST exclusive')

AUTHORITY	TYPE	PURPOSE	APPROPRIATION APPLIED	
			2024 \$'000	2023 \$'000
<i>s69 Banking Act 1959, Administered</i>	Unlimited	ASIC has responsibility for administering unclaimed money from banking and deposit taking institutions. ASIC receives special appropriations from the OPA (<i>s69 Banking Act 1959</i>) to refund amounts to banking and deposit-taking institution account holders.	105,773	77,517
<i>s216 Life Insurance Act 1995, Administered</i>	Unlimited	ASIC has responsibility for administering unclaimed money from life insurance institutions and friendly societies. ASIC receives special appropriations from the OPA (<i>s216 Life Insurance Act 1995</i>) to refund amounts to life insurance policy holders.	9,357	12,954
<i>s77 PGPA Act, Corporations Act 2001, National Consumer Credit Protection Act 2009, Business Names Registration (Fees) Regulations 2010 and Superannuation Industry (Supervision) Act 1993. (Refunds of overpaid Corporations Act fees and charges), Administered</i>	Unlimited	ASIC has responsibility for administering and collecting Corporations Act fees and charges. All fees and charges are deposited into the OPA as received. Refunds of overpayments are appropriated under s 77 of the PGPA Act.	5,400	4,558
<i>s77 PGPA Act, Corporations Act 2001 (Refunds of unclaimed money held under s1341 of the Corporations Act 2001), Administered</i>	Unlimited	ASIC has responsibility for administering unclaimed money under s1341 of the <i>Corporations Act 2001</i> .	48,198	32,382
Total			168,728	127,411

5.2 Special accounts

[RECOVERABLE GST EXCLUSIVE]	ENFORCEMENT SPECIAL ACCOUNT ¹		ASIC TRUST AND OTHER MONEYS SPECIAL ACCOUNT 2018 ²	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance brought forward from the previous period	78,625	71,137	38,096	19,897
Increases				
Appropriation for the reporting period	56,504	55,246	-	-
Other increases	17,205	6,727	29,843	23,994
Available for payments	152,334	133,110	67,939	43,891
Decreases				
Departmental				
Cash payments from the Special Account	(63,657)	(54,485)	-	-
Total departmental	(63,657)	(54,485)	-	-
Administered				
Cash payments from the Special Account	-	-	(7,828)	(5,795)
Total administered	-	-	(7,828)	(5,795)
Balance carried forward to the next period	88,677	78,625	60,111	38,096
Balance represented by:				
Cash held in entity bank accounts	-	-	60,111	38,096
Cash held in the OPA	88,677	78,625	-	-
	88,677	78,625	60,111	38,096

1 Appropriation: s78 of the PGPA Act.

Establishing instrument: s78 of the PGPA Act.

Purpose: the ESA is a departmental special account that was established by a determination of the Finance Minister on 23 August 2016 to fund ASIC's costs arising from the investigation and litigation of matters of significant public interest.

2 Appropriation: s78 of the PGPA Act.

Establishing instrument: s78 of the PGPA Act.

Purpose: the ASIC Trust and Other Moneys Special Account was established by a determination of the Finance Minister dated 23 February 2018, and commencing on 31 March 2018,

- (a) to perform duties or exercise powers for and on behalf of the Commonwealth in relation to money and other property vested in or held on behalf of the Commonwealth as a trustee, including:
- (i) by making payments in relation to deregistered companies and property vested in the Commonwealth under Part 5A.1 of the Corporations Act
 - (ii) by making payments in relation to liabilities imposed on property vested in the Commonwealth under Part 5A.1 of the Corporations Act, or
 - (iii) by making payments in relation to expenses incurred by or on behalf of the Commonwealth as a trustee.

- (b) to perform functions or exercise powers in relation to money or other property held on behalf of or for the benefit of a person other than the Commonwealth, including:
 - (i) in relation to money or other property held temporarily by ASIC as a consequence of investigations conducted by ASIC, legal proceedings to which ASIC is a party, deeds of settlement to which ASIC is a party, enforceable undertakings accepted by ASIC and court orders referring to ASIC
 - (ii) by making payments to or for the benefit of a person for whose benefit the money was held by ASIC
 - (iii) making payments of amounts required or contemplated to be paid by ASIC in the course of an investigation
 - (iv) making payments to give effect to court orders, enforceable undertakings, settlements, transfers of assets, or other disbursements of money held by ASIC on behalf of a person other than the Commonwealth, or
 - (v) making payments in relation to expenses incurred in relation to holding and realising third party assets, or locating and identifying any person for whose benefit an amount is held
- (c) to perform functions and to exercise powers in relation to security bonds and security deposits lodged by registered liquidators, licensed securities dealers, licensed investment advisers and financial services licensees, including security bonds and security deposits lodged under s912B of the Corporations Act, and regulations 7.6.02AAA and 7.6.02AA of the Corporations Regulations, including by:
 - (i) discharging, returning or releasing a security bond or security deposit lodged with ASIC in whole or in part, or
 - (ii) making payments from security bonds or security deposits to compensate a person other than the Commonwealth who has suffered a pecuniary loss
- (d) to repay an amount where a court order, Act or other law requires or permits the repayment of an amount received under clause 7, or
- (e) to reduce the balance of the special account (and, therefore, the available appropriation for the special account) without making a real or notional payment.

ASIC also has a Services for Other Entities and Trust Moneys (SOETM) special account – Australian Securities and Investments Commission SOETM Special Account 2022. This account was established under s78 of the PGPA Act. The SOETM account enables ASIC to continue to hold and expend amounts on behalf of persons or entities other than the Commonwealth. The SOETM will typically be used to accommodate small amounts of miscellaneous money, for example, amounts received in connection with services performed for or on behalf of any persons or entities that are not agencies as prescribed under the PGPA Act, such as other governments. For the year ended 30 June 2024, the account had a nil balance and there were no transactions debited or credited to it during the current or prior reporting periods.

The closing balance of the ASIC Trust and Other Moneys Special Account 2018 includes amounts held in trust of \$60.111 million (2023: \$38.096 million).

5.3 Regulatory charging summary

	2024 \$'000	2023 \$'000
Amounts applied		
Departmental		
Appropriation applied	338,440	368,499
Total amounts applied	338,440	368,499
Expenses		
Departmental		
Total expenses	338,440	368,499
Expenses		
Administered		
Fees for services	11,960	11,498
ASIC Supervisory Cost Recovery Levy	326,480	357,001
Total external revenue	338,440	368,499

Regulatory charging activities

On 20 April 2016, the Australian Government announced the introduction of an industry funding model for ASIC. Under this model, ASIC's regulatory costs are partially recovered from the industry sectors it regulates, through a combination of:

- (a) general industry levies (cost recovery levies)
- (b) statutory industry levies
- (c) cost recovery fees (fees for service) for user-initiated, transaction-based activities where it provides a specific service to individual entities.

ASIC's costs associated with regulatory activities are recovered from industry as outlined in its Cost Recovery Implementation Statement. Activities include:

- ◆ supervision and surveillance
- ◆ enforcement
- ◆ stakeholder engagement
- ◆ education
- ◆ guidance
- ◆ policy advice.

The most recent cost recovery implementation statement for the above activities is available at:

[Cost recovery implementation statement | ASIC¹](#)

¹ <https://asic.gov.au/about-asic/what-we-do/how-we-operate/asic-industry-funding/cost-recovery-implementation-statement/>

5.4 Net cash appropriation arrangements

	2024 \$'000	2023 \$'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	31,104	(84,034)
<i>Plus:</i> depreciation/amortisation of assets funded through appropriations (DCB funding and/or equity injections) ¹	19,780	56,525
<i>Plus:</i> depreciation of ROU assets ²	21,095	20,798
<i>Less:</i> lease principal repayments ²	(22,015)	(20,904)
Net Cash Operating Surplus/(Deficit)	49,964	(27,615)

- 1 From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.
- 2 The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

Note 6. People and relationships

This section describes a range of employment and post-employment benefits provided to ASIC's people, and its relationships with other key people.

6.1 Employee provisions

	2024 \$'000	2023 \$'000
Annual leave entitlement	26,057	25,421
Long service leave entitlement	46,126	46,181
Separation and redundancy provision	217	2,214
Other	867	-
Total employee provisions	73,267	73,816

Accounting Policy

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within 12 months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligations at the end of the reporting period minus the fair value at the reporting period of the plan assets (if any) from which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time leave is taken. This includes ASIC's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an independent actuary dated 7 June 2022. Actuarial reviews of long service leave are undertaken at least every five years. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. ASIC recognises a provision for termination when it develops a detailed formal plan for terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

ASIC employees are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap) or other superannuation funds held outside the Australian Government, including state based superannuation schemes.

The CSS, PSS and state based schemes are defined-benefit schemes. The PSSap is a defined-contribution scheme.

The liability for CSS and PSS defined benefits is recognised in the Australian Government's financial and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedule and notes.

ASIC makes employer contributions to its employees' defined-benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. ASIC accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Restructuring

ASIC recognises a provision for restructuring when strategic and operational priorities change or when the Government announces a funding measure that will result in a future reduction in functions, resources and staff, and the costs associated with these future reductions can be reliably estimated.

Accounting judgements and estimates

In the process of applying the accounting policies listed in this note, ASIC made assumptions or estimates in the following areas that have the most significant impact on the amounts recorded in the financial statements:

- ◆ Leave provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rate.

6.2 Key management personnel remuneration

Key management personnel (KMP) are those people who have direct or indirect authority and responsibility for planning, directing and controlling the activities of ASIC. ASIC determined the KMP to be commission members, the Chief Executive Officer, the Acting Chief Executive Officer, the Portfolio Minister and the Minister for Financial Services.

KMP remuneration is reported in the following table.

	2024 \$'000	2023 \$'000
Short-term employee benefits	3,333	3,182
Post-employment benefits	342	334
Other long-term benefits	-	70
Total KMP remuneration expenses¹	3,675	3,586

The total number of KMP included in the above table is nine (2023: six).

¹ The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by ASIC.

6.3 Related party disclosures

Related party relationships

ASIC is an Australian Government controlled entity. Related parties to ASIC are KMP who are responsible for planning, directing and controlling ASIC's resources.

Transactions with related parties

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

ASIC transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including payment of workers' compensation and insurance premiums, subleasing office space and payment of superannuation contributions. These are not considered individually significant to warrant separate disclosure as related party transactions.

Note 7. Managing uncertainties

This section describes how ASIC manages financial risks within its operating environment.

7.1 Contingent assets and liabilities

	2024 \$'000	2023 \$'000
7.1A: Departmental contingent assets and liabilities		
Continent assets		
Balance from previous period	5,310	7,858
New contingent assets	9,477	2,821
Re-measurement	1,878	(1,770)
Assets realised	(5,855)	(2,189)
Assets relinquished	(135)	(1,410)
Total contingent assets	10,675	5,310
Contingent liabilities		
Balance from previous period	(400)	(150)
New contingent liabilities	(1,800)	-
Re-measurement	62	(250)
Liabilities realised	338	-
Total contingent liabilities	(1,800)	(400)
Net contingent assets	8,875	4,910

Quantifiable contingencies (ASIC Departmental)

The above table contains 16 matters (2023: 20 matters) where a contingent asset is disclosed in respect of cases where ASIC has received an award of costs in its favour; however, agreement with respect to the quantum payable to ASIC has not been reached. ASIC has estimated that these matters represent a combined receivable of \$10.675 million (2023: \$5.310 million), which is disclosed as a contingent asset because realisation of this debt is not virtually certain.

The above table contains three matters (2023: one matter) where a contingent liability is disclosed in respect of a case where ASIC had costs awarded against it; however, agreement with respect to the quantum payable by ASIC has not been reached. ASIC has estimated that this matter represents a payable of \$1.800 million (2023: \$0.400 million), which is disclosed as a contingent liability because realisation of this payable is not virtually certain.

Unquantifiable contingencies (ASIC Departmental)

ASIC is party to many civil litigation matters arising out of its statutory duty to administer and enforce laws for which it is responsible.

Like any organisation, ASIC may, from time to time, be the subject of legal proceedings for damages brought against it or may receive notice indicating that such proceedings may be brought. In either case, ASIC, like any other party to civil litigation, may be required to pay the other party's costs if it is unsuccessful.

Civil litigation brought, or threatened to be brought, against ASIC as a defendant

There are, at the date of this report, eight matters (2023: five matters) of this type where proceedings are current. Comcover has provided cover in respect of five of these claims and it is more likely than not that ASIC will:

- ◆ successfully defend the actions instituted; and
- ◆ not be required to pay any damages.

One further matter is covered by Comcare and Comcover has been notified of another. The extent of liability has not been quantified in either of these matters.

The final matter is not covered by Comcare and the plaintiffs have a meaningful prospect of establishing ASIC's liability. A provision of \$2.061 million has been included in Note 3.5.

Conversely, ASIC, like any other party to civil litigation, may be entitled to recover costs arising out of such litigation if it is successful. In addition to the matters specifically referred to in this note, ASIC has legal action pending in a number of other matters; however, due to the uncertainty over the outcome of outstanding and pending court cases, the duration of court cases and the legal costs of the opposing party, ASIC is unable to reliably estimate its potential payments to, or potential cost recoveries from, opposing litigants. There may also be other matters where ASIC has received an award of costs in its favour; however, no contingent asset has been disclosed as recovery of the debt is not probable. There may also be other matters where no contingency has been quantified because the costs awarded for or against ASIC are estimated to be less than \$20,000 each.

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in this note. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than unlikely.

	2024 \$'000	2023 \$'000
7.1B: Administered contingent liabilities		
<i>Banking Act 1959</i>	905,431	778,341
<i>Corporations Act 2001</i>	629,900	560,240
<i>Life Insurance Act 1995</i>	138,733	124,330
Total unclaimed money lodgements	1,674,064	1,462,911

Quantifiable administered contingencies - Banking Act, Life Insurance Act and Corporations Act administration

An actuarial assessment of the number of claims likely to be lodged with ASIC in respect of unclaimed money was conducted by an independent actuary. ASIC adopted the actuary's calculation for the likely claims payable, reported in Note 4.2B.

The contingent liability represents an estimate of the principal unclaimed money lodged with ASIC but where the likelihood of a successful claim is regarded as unlikely. No allowance has been made for the compounding interest, which is payable for a successful claim lodged from 1 July 2013 in accordance with legislated interest rates. The contingent liability is the difference between total unclaimed balances and the undiscounted future claim, excluding interest.

Unquantifiable administered contingencies

There are no unquantifiable administered contingent liabilities.

Accounting Policy

Administered contingent liabilities represent a repayment estimate of unclaimed money that is considered unlikely to be paid. There are no administered contingent assets as at 30 June 2024 (2023: nil).

7.2 Financial instruments

ASIC's financial assets consist of cash and goods and services receivable. Financial assets are recognised when ASIC becomes party to a contract and has a legal right to receive cash. Financial assets are derecognised when the contractual rights to cash flows expire or are transferred. ASIC classifies its financial assets as 'financial assets at amortised cost' with income recognised using the effective interest rate method.

Financial liabilities, consisting of trade payables, are initially measured at fair value net of transaction costs. Trade payables are recognised to the extent the goods and services have been received. Financial liabilities are derecognised upon payment.

Accounting Policy

Financial assets

In accordance with AASB 9 *Financial Instruments*, ASIC classifies its financial assets in the following categories:

- ◆ cash and cash equivalents measured at nominal amounts
- ◆ trade receivables measured at amortised cost.

The classification depends on both ASIC's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive, or a legal obligation to pay, cash. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon the trade date.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held to collect the contractual cash flows
2. the cash flows are solely payments of principal and interest on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on the simplified approach.

The simplified approach for trade debtors is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where it directly reduces the gross carrying amount of the financial asset.

Financial liabilities at amortised cost

Supplier payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Note 8. Other Information

8.1 Current/Non-current Distinction for Assets and Liabilities

	2024 \$'000	2023 \$'000
8.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash	90,470	80,866
Trade and other receivables	151,529	130,047
Prepayments	23,090	17,369
Total no more than 12 months	265,089	228,282
More than 12 months		
Buildings	151,323	169,242
Plant and equipment	18,582	15,957
Computer software	9,786	29,896
Total more than 12 months	179,691	215,095
Total assets	444,780	443,377
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	36,261	20,768
Other payables	19,729	46,381
Leases	26,760	25,586
Employee provisions	22,276	22,306
Other provisions	7,626	7,485
Total no more than 12 months	112,652	122,526
More than 12 months		
Leases	124,684	143,237
Employee provisions	50,991	51,510
Other provisions	3,345	3,169
Total more than 12 months	179,020	197,916
Total liabilities	291,672	320,442

	2024 \$'000	2023 \$'000
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8.1B: Current/non-current distinction for assets and liabilities

Assets expected to be recovered in:

No more than 12 months

Cash and cash equivalents	1,525	1,646
Supervisory cost recovery levies receivable	323,469	359,977
CSLR levies receivable	81,670	-
Fees and fines receivable	216,641	239,098
Trade and other receivables	10,938	10,427
Total no more than 12 months	634,243	611,148
Total assets	634,243	611,148

Liabilities expected to be settled in:

No more than 12 months

Suppliers and other payables	52,049	45,028
Unclaimed money provisions	154,448	118,741
Total no more than 12 months	206,497	163,769

More than 12 months

Suppliers and other payables	8,493	8,242
Unclaimed money provisions	464,208	400,222
Total more than 12 months	472,701	408,464
Total liabilities	679,198	572,233

8.2 Restructuring

2024
MODERNISING BUSINESS
REGISTERS¹
ATO
\$'000

FUNCTIONS ASSUMED

Assets recognised

Buildings - ROU assets	4,440
Buildings - leasehold improvements	2,070
Plant and equipment	242
Total assets recognised	6,752

Liabilities recognised

Lease liabilities	4,636
Provision for restoration obligations - leased premises	531
Total liabilities recognised	5,167

Net assets recognised³

1,585

Income assumed

Appropriation income recognised by the receiving entity ²	2,725
Appropriation income recognised by the losing entity	22,775
Total income assumed	25,500

Expenses assumed

Recognised by the receiving entity	1,987
Recognised by the losing entity	22,775
Total expenses assumed	24,762

1 On 28 August 2023, the Government announced the cessation of the MBR program following an independent review. On 21 November 2023, the Government determined to transfer responsibility for relevant registers from the ATO to ASIC.

2 \$2.725 million was transferred to ASIC under s75 of the PGPA Act.

3 In respect of functions assumed, the net book values of assets and liabilities were transferred to ASIC for no consideration.

8.3 Expenditure relating to statutory board

	2024 \$'000	2023 \$'000
Companies Auditors Disciplinary Board ¹	446	206

1 2023 expenditure includes a \$0.250 million reversal of costs recorded for employee provisions (superannuation) in previous years, which are no longer payable.

Accounting Policy

ASIC is required to support the Companies Auditors Disciplinary Board. Employee and administrative expenditure incurred on behalf of the board and the tribunal are included in ASIC's Statement of Comprehensive Income.

8.4 Identified assets of deregistered companies vesting in ASIC

Section 601AD of the *Corporations Act 2001* provides that, on deregistration of a company, all the company's property vests in ASIC. ASIC takes a proactive approach to administering vested property and accounts for any proceeds on realisation of those assets in accordance with its statutory duties.

Vested assets are not available to ASIC and are not recognised in the financial statements. The table below represents only those known assets that have been identified.

	2024 QUANTITY	2023 QUANTITY
Class of asset		
Land	558	554
Shares	203	208
Other	198	179
Closing balance	959	941

Land comprises real property as described in the relevant Land Titles Registry. Shares comprise parcels of shares in both private and publicly listed companies and include those parcels held by the company as trustee. Other assets include property such as intellectual property (e.g. trademarks) and mortgages.

8.5 Security deposits from dealers, investment advisers and liquidators

The *Corporations Act 2001* and the *Corporations Regulations 2001* require applicants for a dealer's or investment adviser's licence, and applicants for registration as a liquidator, to lodge a security deposit with ASIC. These deposits, stock, bonds or guarantees are not available to ASIC and are not recognised in the financial statements.

	2024 \$'000	2023 \$'000
Security deposits under <i>Corporations Regulations 2001</i> regulation 7.6.02AA (dealers and investment advisers)		
Cash (at bank)	83	83
Inscribed stock	20	20
Bank guarantees	8,260	8,410
Closing balance	8,363	8,513
Security deposits under the <i>Corporations Act 2001</i> s1284(1) (liquidators)		
Insurance bond	1,800	1,800
Closing balance	1,800	1,800

APPENDICES

IN THIS SECTION

- > Appendix 1: ASIC–APRA Engagement
- > Appendix 2: ASIC’s governance and operations
- > Appendix 3: Entity resource statement and expenses by outcome
- > Appendix 4: Staffing
- > Appendix 5: Information relating to assessments of misconduct and other reports
- > Appendix 6: Statements required by law
- > Appendix 7: Ecologically sustainable development
- > Appendix 8: Procurement, contracts and expenditure on advertising
- > Appendix 9: ASIC’s role in dispute resolution
- > Appendix 10: Five-year summary of key stakeholder data

Appendix 1: ASIC–APRA engagement

Public Statement on APRA–ASIC Engagement 2023–24

The APRA–ASIC annual statement of engagement provides us with an opportunity to highlight some of the key joint-work we have undertaken over the past 12 months and identify areas for future collaboration. Preparation of this statement is part of APRA and ASIC’s broader responsibility to be accountable to stakeholders for our activities and sits alongside other accountability mechanisms, including oversight by the parliament, the Australian National Audit Office, and the Financial Regulatory Assessment Authority.

At a high level, APRA and ASIC share a common goal of maintaining the resilience of the Australian financial system to support the Australian economy and protect the financial interests of all Australians.

We each contribute to that goal in different ways. APRA is a prudential regulator with a safety and stability focus, while ASIC is a market conduct regulator with a consumer protection and market integrity focus. While there is overlap in our work, particularly in addressing systemic misconduct, the twin peaks model of financial regulation recognises the distinct nature of these regulatory functions. By dividing responsibility between prudential and conduct regulation, our regulatory system aims to achieve a robust and balanced approach to financial oversight.

The APRA–ASIC Committee, comprising the APRA Members and ASIC Commissioners, supported by its sub-committees, provides a formal structure to support strategic cross-agency collaboration. Over the past 12 months, the Committee has discussed and shaped responses to a wide range of issues including proportionality and regulatory burden, scams and fraud, the federal government’s ‘Regulatory Initiatives Grid’, governance of superannuation funds, the growth of private finance, insurance affordability and accessibility, and developments in artificial intelligence.

This formal structure is supported by day-to-day interactions between staff at all levels. Across banking, insurance, and superannuation, this engagement has fostered a deeper understanding of each other’s roles and priorities, leading to more effective joint responses to key challenges.

Examples of key cooperation and collaboration activities across 2023–24 include:

- ◆ close collaboration and sharing of insights relating to financial hardship, including attendance by APRA at on-site reviews conducted by ASIC as part of its financial hardship project and proactive discussion of issues to support alignment between conduct and prudential regulation objectives

- ◆ co-hosting multiple superannuation trustee CEO roundtables, with a focus on sustainable finance disclosures and the retirement income covenant, and resilient and member-focused fund operations
- ◆ publishing the findings of a joint review into superannuation entity licensees' implementation of the retirement income covenant and performing a follow-up review via a self-assessment survey to assess licensees' progress
- ◆ conducting a joint review on premium issues in the life insurance industry to check on progress on concerns raised in the publication of a joint letter in December 2022. A new joint letter was issued to the life insurance industry in December 2023 on industry practices in relation to premium increases
- ◆ undertaking joint work to understand conduct and sustainability challenges in the general insurance industry stemming from an increasing incidence of severe weather events and natural disasters in a hardening global insurance market
- ◆ working together on initiatives coordinated through the Council of Financial Regulators, including contributing to the Government's Sustainable Finance roadmap and collaborating on the proposed climate disclosure regime
- ◆ working closely together in relation to joint administration of the Financial Accountability Regime (FAR). Final rules and guidance to support the banking industry in implementing the FAR were released in March 2024, with work continuing ahead of implementation for insurance and superannuation entities in March 2025

- ◆ regularly discussing enforcement strategy and engaging on enforcement investigations relating to dual-regulated entities.

Work to strengthen co-operation on regulatory issues that are interconnected will continue to be important over the next year. Building upon the strong the relationship between APRA and ASIC in the banking, insurance, and superannuation sectors, particularly in areas where legislation is administered jointly, we intend to strengthen collaboration in newer and more complex areas of financial services regulation. This includes areas such as artificial intelligence and private finance. By building on the foundations laid in recent years and addressing new and existing challenges, APRA and ASIC can continue to effectively protect the financial interests of Australians.

Appendix 2: ASIC's governance and operations

Parliamentary oversight

We continually engage with Parliament and other oversight and accountability bodies during the year. Staff from across ASIC prepared responses to around 1,100 Questions on Notice from 348 question sets in 2023–24. This was in addition to our attendance at 16 hearings and providing 23 written submissions as part of 18 parliamentary inquiries.

Responsible ministers

At 30 June 2024, the minister responsible for ASIC was the Treasurer, the Hon Jim Chalmers MP.

Parliamentary committees

We are 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.

In October 2022, the Senate referred an inquiry into the capacity and capability of ASIC to undertake proportionate investigation and enforcement action arising from reports of

alleged misconduct to the Senate Economics References Committee. As at 30 June 2024, the Committee had not tabled a report.

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 receiving it. In 2023–24, we responded to 153 letters and emails from members of Parliament. We responded to 67% of this correspondence within 14 days and 93% 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 2023–27 was published in August 2023.

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

External oversight of our agency

Financial Regulator Assessment Authority: First assessment of ASIC

The Financial Regulator Assessment Authority (FRAA), established under the *Financial Regulator Assessment Authority Act 2021*, adds to ASIC's governance mechanisms. Its role is to assess and report on the effectiveness and capability of ASIC and APRA.

In its report released in August 2022, the FRAA acknowledged our crucial contribution to Australia's financial system and found that ASIC is effective and capable in the areas reviewed. The FRAA made 4 recommendations relating to data and technology, stakeholder engagement, performance measurements and people. We have implemented a raft of initiatives that align with the FRAA's recommendations. In 2023–24, our key initiatives included:

- ◆ implementing multi-year data and digital strategies that focus on uplifting our technology systems and data capabilities to increase efficiency and effectiveness, support innovation and improve user experience for stakeholders; for example, we progressed work on the upgrade of the AFS licensing portal
- ◆ implementing a multi-year people strategy to help meet our organisational priorities, which includes defining ASIC's workforce strategy to identify future demands and build a future-ready workforce that is equipped with a broad skill set, such as skills to harness the benefits of our technology and data commitments

- ◆ implementing a range of initiatives to improve the clarity, consistency and transparency of our communications with stakeholders and our utilisation of stakeholder feedback across ASIC; for example, we developed [principles for regulatory guidance](https://asic.gov.au/regulatory-resources/find-a-document/regulatory-document-updates/regulatory-developments-timetable/asic-s-core-principles-for-developing-and-implementing-regulatory-guidance/)¹ that reinforce our commitment to regular consultation with stakeholders, continued to update our [regulatory developments timetable](https://asic.gov.au/regulatory-resources/find-a-document/regulatory-document-updates/regulatory-developments-timetable/)² every 6 months to support open, constructive and clear engagement and implemented new ways to provide better customer support to licence applicants to make it easier and more efficient for them to interact with ASIC
- ◆ taking steps to enhance how we measure and report on our effectiveness and capability; for example, we continued to enhance and embed our impact assessment framework into our business planning and project design practices to better measure the outcomes of surveillance regulatory interventions.

We will continue to implement the FRAA's recommendations in our future work.

Joint committees

During 2023–24, we provided written submissions and answers to Questions on Notice and testified before the following joint Parliamentary committees:

- ◆ Parliamentary Joint Committee on Corporations and Financial Services – Oversight of ASIC, the Takeovers Panel and the Corporations Legislation, including the inquiry into the CHES replacement project

1 <https://asic.gov.au/regulatory-resources/find-a-document/regulatory-document-updates/regulatory-developments-timetable/asic-s-core-principles-for-developing-and-implementing-regulatory-guidance/>

2 <https://asic.gov.au/regulatory-resources/find-a-document/regulatory-document-updates/regulatory-developments-timetable/>

- ◆ Joint Committee of Public Accounts and Audit – Inquiry into probity and ethics in the Australian Public Sector
- ◆ Parliamentary Joint Committee on Corporations and Financial Services – Inquiry into ethics and professional accountability: Structural challenges in the audit, assurance and consultancy industry
- ◆ Parliamentary Joint Committee on Corporations and Financial Services – Inquiry into the financial services regulatory framework in relation to financial abuse.

We provided written submissions to the following Joint Committee inquiries:

- ◆ Parliamentary Joint Committee on Corporations and Financial Services – Inquiry into wholesale investor and wholesale client tests
- ◆ Joint Committee of Public Accounts and Audit – Inquiry into Commonwealth Financial Statement 2022–2023
- ◆ Joint Committee on Law Enforcement – Inquiry into the capability of law enforcement to respond to cybercrime.

Senate committees

During 2023–24, ASIC testified before the following Senate committees and provided answers to Questions on Notice:

- ◆ Senate Economics Legislation Committee – Senate Estimates
- ◆ Senate Economics References Committee – Inquiry into Australian Securities and Investments Commission investigation and enforcement

- ◆ Senate Finance and Public Administration References Committee – Inquiry into management and assurance of integrity by consulting services
- ◆ Senate Select Committee on Adopting Artificial Intelligence.

During 2023–24, ASIC also testified before the following Senate committees:

- ◆ Senate Economics Legislation Committee – Inquiry into the Digital Assets (Market Regulation) Bill 2023
- ◆ Senate Committee on Rural and Regional Affairs and Transport – Inquiry into bank closures in regional Australia
- ◆ Senate Standing Committee on Environment and Communications – Inquiry into greenwashing.

We also provided written submissions to the following Senate committee inquiries:

- ◆ Senate Economics References Committee – Inquiry into Australian Securities and Investments Commission investigation and enforcement
- ◆ Senate Economics References Committee – Inquiry into improving consumer experiences, choice, and outcomes in Australia’s retirement system
- ◆ Senate Economics Legislation Committee – Inquiry into Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024.

House of Representatives committees

During 2023–24, we testified before the following House of Representatives Committee, provided answers to Questions on Notice and made a written submission:

- ◆ House of Representatives Standing Committee on Economics – Inquiry into insurer’s responses to 2022 major floods claims

Other external oversight

Until 30 June 2023, ASIC was subject to the jurisdiction of the Australian Commission for Law Enforcement Integrity (ACLEI). ACLEI was responsible for investigating corruption issues involving current and former staff members and engaged in ASIC’s law enforcement functions. On 1 July 2023, ACLEI was subsumed into the National Anti-Corruption Commission, under whose jurisdiction ASIC now falls, along with other Commonwealth entities.

In 2023–24, there were no judicial review decisions, administrative decisions or decisions by the Office of the Australian Information Commissioner that have had, or may have, a significant impact on our operations.

Corporate governance

Audit and Risk Committee and audit services

The Audit and Risk Committee operates independently of management, in accordance with the Charter approved by the Accountable Authority. The committee provides independent assurance to the ASIC Chair on our financial and performance reporting responsibilities, risk oversight and management, and system of internal control.

ASIC’s [Audit and Risk Committee Charter](#),³ which is available on our website, 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 2023–24 year. These comprised six regular meetings and one special meeting to consider ASIC’s financial statements. Table nine sets out details of the committee’s membership in 2023–24. Table 10 sets out the remuneration paid to committee members.

³ <https://download.asic.gov.au/media/piwk5vxx/audit-and-risk-committee-charter-published-15-july-2024.pdf>

Table 9—Membership of the Audit and Risk Committee, 2023–24

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 (ANU) and has been inducted into the ANU College of Business and Economics Hall of Fame. He was appointed a Member of the Order of Australia for significant service to public administration through his financial management and governance roles.</p> <p>His current roles include:</p> <ul style="list-style-type: none"> – NSW Productivity Commissioner, NSW Treasury – Chair – Bankstown Airport Limited – Chair – Audit and Risk Committee, Australian Taxation Office – Chair – Audit and Risk Committee, Department of Agriculture, Forestry and Fisheries – Independent member – Audit and Risk Committee, Australian Commission on Safety and Quality in Health Care – Director – Ashburner Partners. <p>His former roles include:</p> <ul style="list-style-type: none"> – NSW President – Australian Institute of Company Directors – Adjunct Professor – Graduate School of Government at the University of Sydney – Auditor-General of NSW – Chief Commissioner – State Revenue NSW. 	6	1

MEMBER	MEMBER EXPERIENCE	NO. OF REGULAR MEETINGS	NO. OF SPECIAL MEETINGS
Lisa Woolmer (Deputy Chair)	<p>Lisa holds a Bachelor of Economics and a 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. Prior to her career as an independent audit and risk committee member, Lisa had a career in chartered accounting for more than 20 years.</p> <p>Her current roles include:</p> <ul style="list-style-type: none"> – Independent member – Audit and Risk Committee, Whitehorse City Council – Independent Member – Audit and Risk Committee, Orygen – Director – Yarra Yarra Golf Club Ltd. <p>Her previous roles include:</p> <ul style="list-style-type: none"> – Independent Chair – Audit and Risk Committee, Adult, Community and Further Education Board – Independent Chair – Audit and Risk Committee, Glen Eira City Council – Independent Chair – Audit and Risk Committee, Mornington Peninsula Shire Council – Independent Chair and Member – Audit and Risk Committee, Bayside City Council – Independent Chair and Member – Audit and Risk Committee, Comcare. – Independent Member – Audit and Risk Committee, Office of Public Prosecutions (Victoria). 	6	1

MEMBER	MEMBER EXPERIENCE	NO. OF REGULAR MEETINGS	NO. OF SPECIAL MEETINGS
Jon Webster AM	<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:</p> <ul style="list-style-type: none"> – Partner – Allens (Mergers and Acquisitions) – Chairman – Corporations Committee of the Law Council of Australia – Director – Human Rights Law Centre – Member – ASX’s Listings Advisory Panel – Member – Australian Government’s Consultative Group to the Corporations Law Simplification Task Force – Independent Chair – Audit Committee of the Northern Land Council. <p>His current roles include:</p> <ul style="list-style-type: none"> – Director – Hillview Quarries Pty Ltd – Trustee – R E Ross Trust – Independent non-executive director – AMCIL Limited – Independent member – AMCIL Limited Audit Committee – Independent member – AMCIL Limited Investment Committee. <p>He was appointed a Member of the Order of Australia for his significant service to the law, education and the community.</p>	6	1
Jenny Telford	<p>Jenny holds a degree in information technology and business management from Southern Cross University. She is currently a member of the Senior Executive Service with the Australian Bureau of Statistics (ABS) and has over 20 years of experience in the public sector across a range of senior roles focused on technology, communications and data.</p> <p>Jenny has led large-scale digital transformation projects at the ABS, including the successful delivery of a range of new and innovative solutions designed to make it easier to produce, discover, access and use statistical data and information. In her current role as Program Manager, Data Sourcing Design, Jenny is responsible for the design and operation of a range of digital platforms supporting ABS survey operations and the acquisition of administrative data to provide insights into the Australian economy and population. Jenny serves on the ASIC Audit and Risk Committee under the terms and conditions of an MOU between the ABS and ASIC.</p>	6	1

Table 10—Remuneration of Audit and Risk Committee members, 2023–24

REMUNERATION (NET OF GST WHERE APPLICABLE) (\$)			
MEMBER	ARC MEETINGS	OTHER MEETINGS	TOTAL REMUNERATION
Peter Achterstraat AM	57,305	11,660	68,965
Lisa Woolmer	47,278	6,472	53,750
Jon Webster AM	41,931	–	41,931
Jenny Telford*	–	–	–

*Ms Telford's services were provided free of charge in accordance with an MOU between ASIC and the ABS.

Disciplinary or peer review panels

The following panels and committees have disciplinary or peer review functions and assist in our regulatory decision making:

- ◆ Markets Disciplinary Panel (more information is available on our [website](#)⁴)
- ◆ Financial Services and Credit Panel (more information is available on our [website](#)⁵)
- ◆ liquidator registration and disciplinary committees.

Markets Disciplinary Panel

The Markets Disciplinary Panel (MDP) is a peer review panel engaged by us to make decisions about whether infringement notices should be issued 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 us as an alternative to bringing civil proceedings.

The MDP issued 4 infringement notices to the following market participants during 2023–24:

- ◆ [Interactive Brokers Australia Pty Ltd](#)⁶ (Interactive Brokers) paid a penalty of \$832,500 to comply with an infringement notice. The MDP had reasonable grounds to believe that Interactive Brokers:
 - ought reasonably to have suspected that a client who placed orders in a particular security between 10 March and 5 November 2021 did so with the intention to increase the closing price of that security
 - did not maintain the necessary organisational and technical resources to ensure trading messages submitted by it did not interfere with the efficiency and integrity of the market and to ensure it complied with rules regarding manipulative trading.

⁴ <https://asic.gov.au/regulatory-resources/markets/markets-disciplinary-panel>

⁵ <https://asic.gov.au/regulatory-resources/financial-services/financial-advice/financial-services-and-credit-panel-fscp>

⁶ <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-255mr-interactive-brokers-pays-832-500-penalty-for-negligent-and-reckless-conduct/>

- ◆ [Instinet Australia Pty Ltd](#)⁷ (Instinet) paid a penalty of \$670,500 to comply with an infringement notice. The MDP had reasonable grounds to believe that Instinet:
 - failed to disclose certain information to clients between 10 February 2014 and 11 October 2022 regarding the operation of a non-public crossing system it operated
 - made 3,093 trades in the crossing system between 1 January 2021 and 11 October 2022 at prices it was not permitted to as the trades did not provide price improvement over the best available bid price and the best available offer price on the market
 - incorrectly reported 940 transactions between 1 January 2021 and 31 January 2023 as having been matched on the crossing system that were not matched on that system.
- ◆ [J.P. Morgan Securities Australia Limited](#)⁸ (J.P. Morgan) paid a penalty of \$775,000 to comply with an infringement notice. The MDP found that J.P. Morgan should have suspected that a client who placed 36 orders in a particular futures contract between 11 January and 3 March 2022 did so with the intention to create a false and misleading appearance with respect to the market for, or the price of, that futures contract.
- ◆ [Ascot Securities Pty Ltd](#)⁹ (Ascot) was issued with an infringement notice requiring it to pay a penalty of \$3.1 million and enter into an enforceable undertaking. The MDP had reasonable grounds to believe that Ascot:
 - did not have the necessary supervisory policies, procedures and organisational and technical resources to identify, prevent and report suspicious orders and suspicious trading
 - entered a particular client’s orders onto the ASX on 268 occasions over a four-month period in 2020 where they should have suspected the orders were likely to have the effect of creating an artificial price or a false or misleading appearance of active trading in those securities
 - failed to report suspicious trading to ASIC on 115 occasions from 15 January 2018 to 31 January 2020, despite its designated trading representatives raising concerns about the client’s trading.

Ascot elected not to comply with the infringement notice and applied to cancel its AFS licence on 22 December 2023. The licence was cancelled by ASIC on 19 January 2024. Ascot resigned as an ASX market participant (which the ASX approved effective 22 January 2024) and informed ASIC that it will be wound up.

The enforceable undertaking would have involved Ascot engaging an expert to review its supervisory policies and procedures and organisational and technical resources and make recommendations.

7 <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-328mr-instinet-pays-670-500-penalty-over-set-and-forget-compliance-culture/>

8 <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-093mr-j-p-morgan-securities-775-000-penalty-for-market-gatekeeper-failure/>

9 <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-130mr-mdp-issues-infringement-notice-to-ascot-securities-for-serious-failures/>

We have referred one additional matter to the MDP for which the outcome was pending as at 30 June 2024.

The infringement notices issued by the MDP are published on the [MDP Outcomes Register](#)¹⁰ on our website. The giving of an infringement notice is only an allegation that the recipient has contravened subsection 798H(1) of the Corporations Act and the recipient is not taken to have contravened subsection 798H(1). Compliance with an infringement notice is not an admission of guilt or liability, and the recipient is not taken to have contravened subsection 798H(1).

Financial Services and Credit Panel

The *Financial Sector Reform (Hayne Royal Commission Response – Better Advice) Act 2021* (Better Advice Act) expanded the operation of ASIC’s Financial Services and Credit Panel (FSCP). The FSCP acts separately from, but alongside, our own administrative decision-making processes and has a range of powers that enable it to consider and respond to a range of misconduct by financial advisers, including lower level misconduct. Each sitting panel of the FSCP comprises an ASIC staff member and at least two industry participants who are drawn from a pool of ministerial appointees.

We convened the first sitting panel of the FSCP in February 2023. As at 30 June 2024, a total of 25 panels had been convened and the FSCP had made 18 decisions, including three ‘no-action’ decisions. A summary of the concerns and the decision of the FSCP are published on the [FSCP Outcomes Register](#)¹¹ on ASIC’s website.

See Table 3 on pages 30–33 for FSCP outcomes in 2023–24. For more information about the principles and processes of the FSCP, please see [Regulatory Guide 263 Financial Services and Credit Panel \(RG 263\)](#).¹²

Warnings and reprimands

During 2023–24, no warnings were issued by ASIC to financial advisers under the Corporations Act. One reprimand was issued by ASIC.

More information on warnings and reprimands is available on our [website](#).¹³

Financial adviser examination

We have successfully administered the financial adviser exam since the transfer of functions relating to the Better Advice Act from the Financial Adviser Standards and Ethics Authority to the Minister and to ASIC in January 2022.

Passing the exam is a key education and training standard, as specified in section 921B of the Corporations Act. Financial advisers who are ‘existing providers’, or are new financial advisers, must pass the financial adviser exam in order to provide personal advice to retail clients on relevant financial products.

The [Australian Council for Educational Research](#) continues as our service provider to manage bookings and deliver the exam.

The format of the exam was changed in January 2024 to remove the short answer questions, as prescribed in the [Corporations \(Relevant Providers—Education and Training Standards\) Determination 2021](#).

¹⁰ www.asic.gov.au/regulatory-resources/markets/markets-disciplinary-panel/mdp-outcomes-register/

¹¹ www.asic.gov.au/regulatory-resources/financial-services/financial-advice/financial-services-and-credit-panel-fscp/fscp-outcomes-register/

¹² www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-263-financial-services-and-credit-panel/

¹³ www.asic.gov.au/regulatory-resources/financial-services/financial-advice/how-asic-regulates-financial-advice/warnings-and-reprimands/

We successfully administered four cycles of the exam from 1 July 2023 to 30 June 2024. The 22nd and 23rd cycles of the exam were held on 10 August and on 9 November 2023, respectively. The 24th and 25th cycles of the exam were held on 26 March and 6 June 2024, respectively.

We released the results of the August exam on 15 September 2023 and the results of the November exam on 14 December 2023.

We released the results of the March 2024 exam on 26 April 2024 and the results of the June 2024 exam on 5 July 2024.

The following statistics relate to the exams:

- ◆ A total 957 candidates sat the exam between 1 July 2023 and 30 June 2024: 205 sat the August 2023 exam, 219 sat the November 2023 exam, 298 sat the March 2024 exam and 235 sat the June exam.
- ◆ The pass rate was 73% in the August 2023 exam, 66% in the November 2023 exam, 70% in the March 2024 exam and 70% in the June 2024 exam.
- ◆ More than 21,000 candidates have sat the exam since it was first administered in June 2019.
- ◆ Of the candidates who have sat the exam since it was first administered in June 2019, approximately 92% have passed.

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 us.

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 Sch 2 of the Corporations Act.

During 2023–24, we convened 24 committees to consider applications for registration as a liquidator, and registered 17 liquidators (see Table 11).

Table 11—Committees convened, 2023–24

RESULTS OF COMMITTEES CONVENED IN 2023–24	CONVENED	REGISTERED
Applicants should be registered (no conditions)	14	11
Applicants should be registered (with conditions)	1	1
Applicants – not registered	1	–
Committee decision pending	8	–
Prior year convened committee registered during the year	–	5
Total	24	17

During 2023–24, we received six applications from liquidators to remove conditions attached to their registration. The applications were referred to committees convened by us for consideration. Of those applications, one application was refused by the committee and the outcome of two applications were pending at 30 June 2024. The other three committees decided to remove and or vary the conditions attached to the relevant liquidators' registrations.

During 2023–24, there were no disciplinary committees convened to consider matters referred by ASIC. A disciplinary committee convened in a prior year determined a registered liquidator's registration should be cancelled, and during 2023–24 the Administrative Appeals Tribunal set that decision aside and substituted a decision that the registration be reinstated subject to conditions.

Table 12—Registered liquidator outcomes, 2023–24

OUTCOME	TOTAL 2023–24	TOTAL 2022–23
Registered liquidators		
Liquidators registered by ASIC	17	29
Registration committees convened during the year	24	36
Outcome of registration committees convened during the year		
Applications for registration approved by committees	15	28
Applications for registration refused by committees	1	3
Committee matters in progress – registration application yet to be determined	8	5

Appendix 3: Entity resource statement and expenses by outcome

Portfolio Budget Statement outcomes

Table 13—Agency resource statement, 2023–24

	ACTUAL AVAILABLE APPROPRIATION FOR 2023–24 \$'000	PAYMENTS MADE 2023–24 \$'000	BALANCE REMAINING 2023–24 \$'000
	(a)	(b)	(a)-(b)
Departmental			
Annual appropriations – ordinary annual services ^{1,4}	643,017	499,948	143,069
Annual appropriations – other services – non-operating ^{2,5}	5,558	–	5,558
Total departmental annual appropriations	648,575	499,948	148,627
Special accounts ³	152,334	63,657	88,677
Total special accounts	152,334	63,657	88,677
<i>Less departmental appropriations drawn from annual appropriations and credited to special accounts</i>	(56,504)		
Total departmental resourcing	744,405	563,605	237,304

	ACTUAL AVAILABLE APPROPRIATION FOR 2023–24 \$'000	PAYMENTS MADE 2023–24 \$'000	BALANCE REMAINING 2023–24 \$'000
Administered			
Annual appropriations – ordinary annual services ¹	23,093	10,521	12,572
Total administered annual appropriations	23,093	10,521	12,572
Administered special appropriations ³	210,445	168,729	
Total administered special appropriations	210,445	168,729	
Total administered resourcing	233,538	179,250	12,572
Total resourcing and payments for ASIC	977,943	742,855	249,876

1. *Appropriation Act (No.1) 2023–2024, Appropriation Act (No. 3) 2023–2024*, prior year appropriation and section 74 relevant agency receipts.
2. *Appropriation Act (No.2) 2023–2024* and prior year appropriations.
3. Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts.
4. For accounting purposes this amount has been designated as 'contributions by owners'. This amount includes \$19.826 million for the Departmental Capital Budget, of which \$19.461 million has been withheld under section 51 of the PGPA Act. The funds were transferred to operating and were reappropriated through Appropriation Act (No. 3) 2023–2024.
5. Includes \$3.866 million withheld under section 51 of the PGPA Act. The funds were transferred to operating and were reappropriated through Appropriation Act (No. 3) 2023–2024.

Table 14—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 ¹ 2023–24 \$'000	ACTUAL EXPENSES 2023–24 \$'000	VARIANCE \$'000
	(a)	(b)	(a)–(b)
Program 1.1: Australian Securities and Investments Commission			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	6,813	7,376	(563)
Expenses not requiring appropriation in the budget year ²	75,972	129,299	(53,327)
Administered total	82,785	136,675	(53,890)
Departmental expenses			
Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	436,336	445,510	(9,174)
Special account	56,504	63,657	(7,153)
Section 74 external revenue ³	22,248	8,779	13,469
Expenses not requiring appropriation in the budget year ⁴	43,967	41,235	2,732
Departmental total	559,055	559,181	(126)
Total expenses for Program 1.1	641,840	695,856	(54,016)
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed money and special appropriations			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	4,554	3,509	1,045
Special appropriations	159,025	262,989	(103,964)
Administered total	163,579	266,498	(102,919)
Total expenses for Program 1.2	163,579	266,498	(102,919)
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	11,367	10,885	482
Expenses not requiring appropriation in the budget year ²	75,972	129,299	(53,327)
Special appropriations	159,025	262,989	(103,964)
Administered total	246,364	403,173	(156,809)

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.

	BUDGET¹ 2023–24 \$'000	ACTUAL EXPENSES 2023–24 \$'000	VARIANCE \$'000
Departmental expenses			
Ordinary annual services (Appropriation Act No. 1 and Act No. 3)	436,336	445,510	(9,174)
Special account	56,504	63,657	(7,153)
Section 74 external revenue ³	22,248	8,779	13,469
Expenses not requiring appropriation in the budget year ⁴	43,967	41,235	2,732
Departmental total	559,055	559,181	(126)
Total expenses for Outcome 1	805,419	962,354	(156,935)
Average staffing level (number)	1,752	1,676	76

1. Full year budget, including any subsequent adjustments made to the 2023–24 May budget at additional estimates.
2. Administered expenses not requiring appropriation in the budget year are made up of doubtful debts.
3. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
4. Departmental expenses not requiring appropriation in the budget year are made up of depreciation/amortisation expenses and audit fees.

Appendix 4: Staffing

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.

We had an average staffing level of 1,676 employees during 2023–24. Tables 15 and 16 show a breakdown by location for each role in 2023–24 and 2022–23, respectively. Tables 17 and 18 provide a detailed picture of the gender breakdown of our staff in 2023–24 and 2022–23, respectively.

Table 15—ASIC employees, by location, 2023–24^{1,2,3}

ROLE	VIC	NSW	QLD	WA	SA	TAS	ACT	NT	TOTAL
Chair	1	–	–	–	–	–	–	–	1
Deputy Chair	1	–	–	–	1	–	–	–	2
Member ⁴	–	3	–	–	–	–	–	–	3
SES	14	29	5	1	3	–	2	–	54
ELS	8	9	1	–	–	–	2	–	20
Exec 2	187	309	55	27	13	10	9	–	610
Exec 1	131	226	45	25	10	3	6	1	447
ASIC 4	114	159	32	14	8	4	3	–	334
ASIC 3	56	60	20	3	6	–	1	–	146
ASIC 2	28	14	7	4	–	–	–	–	53
ASIC 1	6	–	–	–	–	–	–	–	6
Total	546	809	165	74	41	17	23	1	1,676

1. Represents average staffing levels (ASL). The ASL averages full-time equivalent (FTE) staffing numbers over an annual period. It is not a point in time calculation.
2. No staff at the Companies Auditors Disciplinary Board.
3. Excludes secondments from other agencies and contractors.
4. These figures refer to the number of members as at 30 June 2024.

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

Table 16—ASIC employees, by location, 2022–23^{1,2,3}

ROLE	VIC	NSW	QLD	WA	SA	TAS	ACT	NT	TOTAL
Chair	1	–	–	–	–	–	–	–	1
Deputy Chair	1	–	–	–	1	–	–	–	2
Member	2	–	–	–	–	–	–	–	2
SES	21	30	2	1	2	–	1	–	57
ELS	5	8	1	–	–	–	1	–	15
Exec 2	216	338	62	30	13	15	9	–	683
Exec 1	134	243	45	28	13	2	4	1	470
ASIC 4	118	169	42	18	8	8	2	–	365
ASIC 3	75	69	20	4	5	1	1	–	175
ASIC 2	32	12	8	2	–	–	–	–	54
ASIC 1	7	–	–	–	–	–	–	–	7
Total	612	869	180	83	42	26	18	1	1,831

1. Represents average staffing levels (ASL). The ASL averages full-time equivalent (FTE) staffing numbers over an annual period. It is not a point in time calculation.
2. No staff at the Companies Auditors Disciplinary Board.
3. Excludes secondments from other agencies and contractors.

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

Table 17—Combined totals by gender and employment type, 2023–24^{1,2,3}

ROLE	PERMANENT						TEMPORARY						TOTAL
	FULL TIME			PART TIME			FULL TIME			PART TIME			
	FEMALE	MALE	NON-BINARY	FEMALE	MALE	NON-BINARY	FEMALE	MALE	NON-BINARY	FEMALE	MALE	NON-BINARY	
Chair	–	–	–	–	–	–	–	1	–	–	–	–	1
Deputy Chair	–	–	–	–	–	–	2	–	–	–	–	–	2
Member ⁴	–	–	–	–	–	–	2	1	–	–	–	–	3
SES	28	21	–	1	1	–	2	1	–	–	–	–	54
ELS	8	8	–	–	–	–	–	3	–	–	1	–	20
Exec 2	218	291	–	61	9	–	17	14	–	–	–	–	610
Exec 1	166	202	1	55	5	–	9	8	–	1	–	–	447
ASIC 4	165	120	–	28	3	–	12	4	–	1	1	–	334
ASIC 3	74	46	–	12	1	–	8	4	–	1	–	–	146
ASIC 2	22	12	–	5	1	–	2	–	–	6	5	–	53
ASIC 1	3	1	–	2	–	–	–	–	–	–	–	–	6
Total	684	701	1	164	20	–	54	36	–	9	7	–	1,676

1. Represents average staffing levels (ASL). The ASL averages full-time equivalent (FTE) staffing numbers over an annual period. It is not a point in time calculation.
2. No staff at the Companies Auditors Disciplinary Board.
3. Excludes secondments from other agencies and contractors.
4. These figures refer to the number of members as at 30 June 2024.

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

Table 18—Combined totals by gender and employment type, 2022–23^{1,2,3}

	PERMANENT						TEMPORARY						TOTAL
	FULL TIME			PART TIME			FULL TIME			PART TIME			
ROLE	FEMALE	MALE	NON-BINARY	FEMALE	MALE	NON-BINARY	FEMALE	MALE	NON-BINARY	FEMALE	MALE	NON-BINARY	TOTAL
Chair	–	–	–	–	–	–	–	1	–	–	–	–	1
Deputy Chair	–	–	–	–	–	–	2	–	–	–	–	–	2
Member	–	–	–	–	–	–	1	1	–	–	–	–	2
SES	28	22	–	1	–	–	3	3	–	–	–	–	57
ELS	8	6	–	–	–	–	–	1	–	–	–	–	15
Exec 2	231	323	–	76	13	–	17	21	–	2	–	–	683
Exec 1	165	206	–	60	4	–	16	17	–	2	–	–	470
ASIC 4	173	124	–	31	4	–	21	11	–	1	–	–	365
ASIC 3	76	61	–	10	2	–	20	5	–	1	–	–	175
ASIC 2	25	11	–	3	1	–	2	1	–	6	5	–	54
ASIC 1	2	1	–	2	–	–	1	1	–	–	–	–	7
Total	708	754	–	183	24	–	83	62	–	12	5	–	1,831

1. Represents average staffing levels (ASL). The ASL averages full-time equivalent (FTE) staffing numbers over an annual period. It is not a point in time calculation.
2. No staff at the Companies Auditors Disciplinary Board.
3. Excludes secondments from other agencies and contractors.

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

Table 19—Industrial arrangements for ASIC employees as at 30 June 2024¹

CLASSIFICATION	ASIC ACT SECTION 120(1)	ENTERPRISE AGREEMENT	INDIVIDUALLY FLEXIBLE ARRANGEMENT	TOTAL
ASIC1	–	6	–	6
ASIC2	–	81	–	81
ASIC3	–	162	–	162
ASIC4	–	371	–	371
EXEC 1	–	486	–	486
EXEC 2	–	661	9	670
ELS	21	–	–	21
SES	51	9	–	60
Total	72	1776	9	1857

1. The number of industrial arrangements for ASIC team members is calculated on the total headcount as at 30 June rather than FTE. This is because industrial instruments belong to an individual, regardless of their work pattern, and our obligations are against those instruments related to a number of people, not FTE.

Table 20—Performance payments by classification, 2023–24

CLASSIFICATION	NO. OF RECIPIENTS	AGGREGATE (\$)	MINIMUM (\$)	MAXIMUM (\$)	AVERAGE (\$)
ASIC 4	350	1,877,925	452	11,974	3,146
Exec 1	490	4,992,816	348	15,739	5,409
Exec 2	715	11,021,394	929	29,178	8,231
Total	1,555	17,892,135			

This table includes payments for the following:

- ◆ performance payments paid for the 2022–23 performance year, which were paid in 2023–24
- ◆ any pro rata payments for the 2023–24 performance year for staff who left ASIC in 2023–24
- ◆ pro rata performance payments paid for the 2023–24 performance year as a result of the approved 2024–26 enterprise agreement.

Executive remuneration

ASIC's executive remuneration is determined by:

- ◆ the *Remuneration Tribunal Act 1973*
- ◆ the ASIC Act
- ◆ the *ASIC Enterprise Agreement 2019–2022 and 2024–2026*
- ◆ remuneration policies and procedures.

Commission remuneration is set according to the Remuneration Tribunal Act and the Remuneration Tribunal determinations.

Senior executive remuneration is determined under section 120 of the ASIC Act. Remuneration and conditions are consistent across the cohort, and jobs are evaluated under the Mercer International Position Evaluation methodology. Senior executive remuneration is based on a fixed total remuneration package that comprises base salary and superannuation.

In September 2023, the Chair awarded variable salary increases to senior executives under the ASIC Act, backdated to the first full pay in July 2023. Staff under the ASIC Enterprise Agreement received a 4% salary increase in March 2024, effective to 27 October 2023 in line with the terms of the 2024–26 Enterprise Agreement.

Table 21—Remuneration information for key management personnel, 2023–24

Name	Position title	Short term benefits			Post-employment benefits		Other long-term benefits			Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave ¹	Other long-term benefits	Termination benefits		
		\$	\$	\$	\$	\$	\$	\$		
Joseph Longo	Chair ²	777,345	-	-	27,399	10,410	-	-	815,154	
Sarah Court	Deputy Chair ²	544,360	-	-	86,908	16,010	-	-	647,278	
Katherine O'Rourke	Commissioner ^{2,3}	438,725	-	-	57,752	11,172	-	-	507,649	
Simone Constant	Commissioner ^{2,4}	362,901	-	-	16,123	2,310	-	-	381,334	
Alan Kirkland	Commissioner ^{2,4}	350,911	-	-	16,123	2,203	-	-	369,237	
Greg Yanco	Chief Executive Officer ⁵	38,892	-	-	1,058	509	-	-	40,459	
Karen Chester	Deputy Chair ^{2,6}	315,923	-	-	48,005	9,661	-	-	373,589	
Danielle Press	Commissioner ^{2,7}	128,434	-	-	7,336	(64,621)	-	-	71,149	
Warren Day	Chief Executive Officer ⁸	375,404	-	-	81,609	12,033	-	-	469,046	

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 2023.

3 Part year remuneration disclosure – commenced as a KMP on 11 September 2023.

4 Part year remuneration disclosure – commenced as a KMP on 20 November 2023.

5 Part year remuneration disclosure – commenced as an acting KMP on 1 June 2024.

6 Part year remuneration disclosure – ceased as a KMP on 27 January 2024.

7 Part year remuneration disclosure – ceased as a KMP on 16 September 2023.

8 Part year remuneration disclosure – ceased as a KMP on 31 May 2024.

Note: In April 2024, ASIC discovered a historical non-payment of incidental allowances for overseas travel undertaken by a number of Statutory Office Holders between 2004 and 2023, to the sum of \$63,795. A process was commenced to rectify this in the 2023–24 financial year.

Table 22—Remuneration paid to senior executives, 2023–24

Remuneration Band ²	Number of Senior Executives	Short term benefits			Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
		Average Base Salary	Average Bonuses	Average Other benefits and allowances	Average Superannuation contributions	Average Long service leave ¹	Average Other long-term benefits	Average Termination benefits	Average Total remuneration	
		\$	\$	\$	\$	\$	\$	\$	\$	
0 - 220,000	16	52,194	1,496		11,219	(139)		11,262	76,032	
245,001 - 270,000	2	204,604	17,024		30,775	5,607		-	258,010	
270,001 - 295,000	6	236,178	9,567		28,851	2,545		-	277,141	
295,001 - 320,000	5	265,556	5,673		30,722	5,882		-	307,833	
320,001 - 345,000	18	280,062	1,687		43,426	7,165		-	332,340	
345,001 - 370,000	4	299,031	-		45,528	7,071		-	351,630	
370,001 - 395,000	4	302,201	-		43,611	8,425		24,876	379,113	
395,001 - 420,000	3	343,202	-		51,816	9,455		-	404,473	
420,001 - 445,000	4	373,170	-		45,301	8,380		-	426,851	
445,001 - 470,000	1	425,443	-		27,500	11,469		-	464,412	
520,001 - 545,000	1	267,315	-		47,691	7,067		217,452	539,525	
620,001 - 645,000	1	287,298	-		63,394	8,998		283,221	642,911	

Table 23—Remuneration paid to other highly paid staff, 2023–24

Remuneration Band ²	Number of Other Highly Paid Staff	Short term benefits			Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
		Average Base Salary	Average Bonuses	Average Other benefits and allowances	Average Superannuation contributions	Average Long service leave ¹	Average Other long-term benefits	Average Termination benefits	Average Total remuneration	
		\$	\$	\$	\$	\$	\$	\$	\$	
250,000 - 270,000	33	200,891	16,752		29,548	4,499		8,071	259,761	
270,001 - 295,000	13	202,752	19,151		26,531	3,930		28,015	280,379	
295,001 - 320,000	9	233,487	22,370		29,548	3,504		18,030	306,939	

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 Where no information exists for a remuneration band, the band has been removed.

Governance arrangements

Senior executive remuneration reviews are conducted by the Remuneration Advisory Group around June–July each year. The Remuneration Advisory Group comprises the Accountable Authority, Chief Executive Officer and the Senior Executive Leader of People and Development.

Remuneration decisions are based on:

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

Appendix 5: Information relating to assessments of misconduct and other reports

Misconduct assessments and other reports

ASIC receives a large number of reports of alleged misconduct from a range of sources. We value the intelligence we obtain from these reports. We are increasingly using the reports we receive and assess to inform our work to combat scams, assist administrators to obtain books and records and gain insights about patterns of misconduct.

However, ASIC is not a complaint resolution body. Its purpose is not to resolve individual consumer disputes and complaints.

We do not seek to take enforcement action on a fixed proportion of reports of alleged misconduct that we receive. Some of our regulatory outcomes are achieved without the need to commence a formal investigation.

Like all regulators, we can only progress a finite number of actions. ASIC's purpose is to gather information from many sources, across the range of entities that we regulate, and use it to make strategic decisions about when to intervene and how to do so.

This approach is in line with other Australian regulators and with our published position in Information Sheet 151 *ASIC's approach to enforcement* ([INFO 151](#))¹⁴ and Information Sheet 153 *How ASIC deals with reports of misconduct* ([INFO 153](#))¹⁵.

¹⁴ <https://asic.gov.au/about-asic/asic-investigations-and-enforcement/asic-s-approach-to-enforcement/>

¹⁵ <https://asic.gov.au/about-asic/contact-us/reporting-misconduct-to-asic/how-asic-deals-with-reports-of-misconduct/>

Misconduct reports from the public

In 2023–24, we responded to 11,678 reports of alleged misconduct.

Table 24—Misconduct issues by category, 2023–24

CATEGORY	2023–24 (%)
Corporations and corporate governance	
Governance Issues	11
Failure to provide books and records or reports as to affairs to registered liquidator	9
Other (e.g. shareholder issues and reporting issues)	8
Insolvency matters	4
Registered liquidator conduct	3
Fraud allegations	2
Subtotal	37
Financial services and retail investors	
Operating an unregistered managed investment scheme or providing financial services without an AFS licence ¹	23
Credit issues	10
General licence obligations	10
Other (e.g. insurance, advice, misleading or deceptive conduct, unconscionable conduct)	6
Subtotal	49
Market integrity – including insider trading, continuous disclosure, misleading statements and market manipulation	5
Registry integrity – including incorrect address recorded on ASIC’s register, lodging false documents with ASIC and issues with business name	2
Issues outside ASIC’s jurisdiction	7
Total	100

1. Reports about scams fall within the category of providing financial services without an AFS licence. Our work as part of the fight against scams has seen an increase in reports in this category.

Table 25—Misconduct issues by outcome, 2023–24 and 2022–23

	2023–24 NUMBER	2022–23 NUMBER
Misconduct reports		
Total misconduct reports finalised ¹	11,678	8,149
Outcome	Percentage	Percentage
Referred for action by ASIC²	12	14
Resolved³	11	8
Compliance achieved	>0.1	1
Warning letter issued	6	4
Referred to internal or external dispute resolution	3	3
Formal information release made under s127 of the ASIC Act	>0.1	<0.5
URL referred to takedown provider	2	0
Analysed and assessed for no further action⁴	67	63
No jurisdiction⁵	7	14
No breach or offence	3	1
Total	100	100

1. Where ASIC receives reports about the same entity and issue, the matters are merged.
2. The factors 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 assisting the reporter in the form of guidance and information about how best to resolve the matter themselves or ASIC taking action to achieve compliance.
4. Preliminary inquiries made and provided information analysed and assessed, but no further action required by ASIC, due to insufficient evidence or another reason; for example, because 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.

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. We received 25,455 reportable situation form lodgements from licensees and 156 from licensees reporting about another licensee.

This year, we have closely monitored compliance with the reportable situations regime and continued to work with stakeholders to improve the consistency and quality of reporting practices. We expect to report on compliance in late 2024.

We use the reportable situations forms to undertake both immediate assessment of particular concerns (583 AFSL and ACL licensee notification cases and 120 'Another licensee' notification cases) and broader consideration of trends and issues arising from the analysis of the collective information. In addition to the immediate assessments outlined in the table below, the Misconduct and Breach Reporting team reviewed areas and entities of interest based on data from these forms. These considered areas such as loan and broker misconduct, responsible lending, dealings with particular account types and customers, fee

arrangements and hardship, and included 598 reportable situation forms. Reportable situations are also considered by ASIC regulatory and enforcement teams.

ASIC commenced publication of information about reportable situations lodged with us each financial year, with reports published on our website. Table 26 provides a breakdown of the reportable situations and auditor reports where an immediate assessment was completed by ASIC's Misconduct and Breach Reporting team in 2023–24, by type.

Table 26—Table 7.5.3 Reportable situations by type and outcome, 2023–24 and 2022–23

	2023–24	2022–23
Type	Number	Number
Auditor breach reports	2,644	1,968
AFS licence notifications/updates	1	11
AFS licence and ACL licensee notifications	583	1,208
Another licensee notification	120	67
Dual APRA/ASIC reports	12	27
Total breach reports finalised	3,360	3,281
Outcome	Percentage	Percentage
Referred for action by ASIC	5	7
Analysed and assessed for no further action	95	93
Total	100	100

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

We are reviewing how we can best use the information (both formal and informal) received from registered liquidators about the companies they are appointed to. This information is an important input into our compliance and enforcement work. We are also reviewing how we interact with industry and, importantly, how we might work more closely with them to address director misconduct related to corporate insolvency.

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 7,514 initial reports from external administrators and, of this, 6,658 reported 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 6,658 that reported misconduct, we requested supplementary reports from the external administrators in 1,164 cases.

Supplementary reports typically set out the results of the external administrator's inquiries and the evidence to support the alleged offences. We referred 17% of supplementary reports assessed in 2023–24 for compliance, investigation or surveillance action, compared to 20% in 2022–23.

Table 27 provides details of the statutory reports we assessed in 2023–24 and 2022–23 by type and outcome.

Table 27—Statutory reports from registered liquidators, 2023–24 and 2022–23

	2023–24	2022–23
Type	Number	Number
Initial reports from registered liquidators¹	7,514	5,775
Reports alleging misconduct	6,658	5,084
Reports not alleging misconduct	856	691
Supplementary reports finalised	279	298
Total statutory reports finalised (initial and supplementary)	7,793	6,073
Outcome	Percentage	Percentage
Supplementary report analysed and assessed – no further information required²	83²	80³
Supplementary reports referred	17	20
Total	100	100

1. We requested a further report (supplementary report) from the external administrator in 17% of cases.

2. There was insufficient evidence to warrant commencing a formal investigation in 83% 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.

3. Last year we reported that there was insufficient evidence to warrant commencing a formal investigation in 66% of the cases where a supplementary report had been requested and 34% were referred to ASIC for action. These numbers have been corrected to 80% and 20%, respectively, following a review of the calculation method.

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 the implementation of Australia's corporate sector whistleblower protection regime. From 1 January 2020, public companies, large proprietary companies and corporate trustees of APRA-regulated superannuation entities must have a whistleblower policy.

In 2023–24, we dealt with 686 disclosures by whistleblowers, a decrease from the previous year. Around 63% 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 (26%), markets (5%) and other issues (6%).

We are unable to comment on our assessments of, or investigation into, whistleblower disclosures, due to the strong confidentiality protections provided to whistleblowers.

Following our preliminary inquiries, we assessed approximately 89% 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.

Appendix 6: Statements required by law

Reports required under statute and other reporting requirements

ASIC Act

As required by section 136(1)(a) of the ASIC Act, ASIC reports that during 2023–24 we exercised our powers under section 328 of Part 29 of the SIS Act three times. We did not exercise our powers under Part 15 of the *Retirement Savings Account Act 1997*.

As required by section 136(1)(c) of the ASIC Act, ASIC reports that during 2023–24, we did not conduct 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 2023–24.

As required by subsection 136(1)(cb) of the ASIC Act, 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 and corruption control guidelines

ASIC has a fraud and corruption control policy and plan in place, which is reviewed every two years and approved by the Commission Risk Committee.

We have appropriate fraud and corruption prevention, detection, investigation and reporting mechanisms in place, considering the nature of ASIC's activities.

ASIC conducts fraud and corruption risk assessments as part of our enterprise risk management protocols for each business unit. Where applicable, key fraud and corruption risks are contained in each business unit risk register.

ASIC has updated its fraud management arrangements to integrate corruption in response to the new Commonwealth Fraud and Corruption Control Framework that came into effect on 1 July 2024.

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

Auditor-General reports

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

On 14 December 2023, the Auditor-General released a report titled *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2023*. The Australian National Audit Office did not identify any significant or moderate issues for ASIC's consolidated financial statements (CFS) in 2021–22 or 2022–23.

Commonwealth Ombudsman reports

ASIC was examined in the Commonwealth Ombudsman's investigation report *Oversight of Covert Electronic Surveillance* to the Attorney-General under section 186B, cls 142 and 143 of the *Telecommunications (Interception and Access) Act 1979* (the TIA Act) and section 317ZRB of the *Telecommunications Act 1997* (the Telecommunications Act) from 1 July 2022 to June 2023, released on 20 March 2024.

Other reports

In 2023–24, there were no:

- ◆ significant issues reported to the Minister, including in relation to non-compliance with finance law
- ◆ 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 *Freedom of Information Act 1982* (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.

ASIC is committed to, and devotes substantial resources to, complying with its freedom of information obligations. This financial year, ASIC received 282 requests under the FOI Act.

Requests by email should be sent to:

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 lodge an application, visit our [website](#).¹⁶

For operational matters, categories of documents in ASIC's possession include:

- ◆ 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.

¹⁶ www.asic.gov.au/about-asic/freedom-of-information-foi/foi-requests

For other matters, categories of documents in ASIC's possession 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](#).

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 on our [website](#).¹⁷

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 2023–24, with comparative data for 2022–23.

Table 28—Use of significant compulsory information-gathering powers

USE OF SIGNIFICANT COMPULSORY INFORMATION-GATHERING POWERS		NUMBER OF NOTICES 2023–24	NUMBER OF NOTICES 2022–23
Appear for examination			
Section 19 ASIC Act	Requirement to appear for examination	824	793
Section 58 ASIC Act	Power to summons a witness and take evidence	–	–
Section 253 National Credit Act	Requirement to provide reasonable assistance	69	58

¹⁷ <https://asic.gov.au/about-asic/freedom-of-information-foi/information-publication-scheme/>

USE OF SIGNIFICANT COMPULSORY INFORMATION-GATHERING POWERS		NUMBER OF NOTICES 2023-24	NUMBER OF NOTICES 2022-23
Give reasonable assistance			
Section 1317R Corporations Act	Power to require assistance in prosecutions	3	35
Section 49(3) ASIC Act	Power to require reasonable assistance in proceedings and prosecutions	69	67
Section 51 National Credit Act	Requirement to provide reasonable assistance	–	1
Section 601FF Corporations Act	Power to conduct surveillance/monitor managed investment scheme	–	–
Section 274(4) National Credit Act	Requirement to provide reasonable assistance	–	–
Section 912E Corporations Act	Power to require assistance and disclosure of books and information from an AFS licensee	69	46
Produce documents			
Section 266 National Credit Act	Requirement to produce books (credit activities)	65	9
Section 267 National Credit Act	Requirement to produce books	117	75
Section 30 ASIC Act	Notice to produce books about affairs of body corporate or registered scheme	872	703
Section 31 ASIC Act	Notice to produce books about financial products	26	11
Section 32A ASIC Act	Notice to produce books about financial services	–	1
Section 33 ASIC Act	Notice to produce books in person's possession	1,220	1,544
Section 1213P Corporations Act	Power to require a notified foreign passport fund to lodge a copy of the register of members	–	–
Provide access			
Section 29 ASIC Act	Power to inspect books	–	–
Section 821D Corporations Act	Power to require access to a clearing and settlement facility	–	–
Provide information			
Section 12GY(2) ASIC Act	ASIC to require claims to be substantiated	3	–
Section 37(9)(a) ASIC Act	Power requiring explanation of books	–	–
Section 39 ASIC Act	Power to require person to identify property of body corporate	15	–
Section 601HD Corporations Act	Power to request information about compliance plan of a registered scheme	–	–

USE OF SIGNIFICANT COMPULSORY INFORMATION-GATHERING POWERS		NUMBER OF NOTICES 2023-24	NUMBER OF NOTICES 2022-23
Section 49(1) National Credit Act	Requirement to provide information (statement)	152	50
Section 912C Corporations Act	Power to require information from an AFS licensee	385	457
Item 17 Sch 2 National Credit Act	Power to require information (obtain statement or audit report)	–	–
Section 672A Corporations Act	Power to require disclosure of relevant interests	–	10
Section 672B Corporations Act	Power to require disclosure of relevant interests	–	–
Section 37(4) National Credit Act	Power to request information or audit report from licence applicant	–	–
Section 792D Corporations Act	Power to require reasonable assistance from a market licensee	11	10
Section 1226C Corporations Act	Power to request information about a compliance plan of a retail corporate collective investment vehicle	–	–
Provide information and produce books			
Section 30A ASIC Act	Notice to auditors requiring information or books	25	15
Section 30B ASIC Act	Notice to registered liquidators requiring information or books	9	3
Search warrants executed			
Section 3E <i>Crimes Act 1914</i>	Warrants to search premises/conveyance or person	1	–
Section 36 ASIC Act	Warrant to search premises/conveyance or person	34	24

Table 29—Use of other powers

USE OF OTHER POWERS		NUMBER OF NOTICES 2023-24	NUMBER OF NOTICES 2022-23
Obligations of carriers and carriage service providers			
Section 313 Telecommunications Act	Request for help as is reasonably necessary for enforcing the criminal law and laws imposing pecuniary penalties	0	0
Provide documents, information or evidence			
Section 10(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	34	34

ASIC licence transfers

The Parliamentary Joint Committee on Corporations and Financial Services released a report on ASIC licence transfers as part of its statutory inquiry into ASIC, the Takeovers Panel, and the corporations legislation on 3 July 2023. It recommended that ASIC include information in its annual report on the numbers of transfers or changes in control that occur each year for each type of ASIC licence, including:

- ◆ Australian Financial Service Licences
- ◆ Australian credit licences
- ◆ Australian auditor registrations
- ◆ market licences
- ◆ benchmark operator licences
- ◆ clearing and settlement licences.

Table 30 provides the number of transfers by changes in control that occurred for each type of ASIC licence in 2023–24.

Table 30—Transfers of ASIC licences by change in control, 2023–24

TRANSFERS	2023–24
Australian financial services licence (AFSL)	218 ¹
Australian credit licence	20
Authorised Audit Companies	13
Market licences	1
Benchmark operators	0
Clearing & Settlement licences	0

¹ An AFS licensee is required to notify ASIC within 30 business days after control passes (s912DA of the Corporations Act). While it is a strict liability offence if ASIC is not notified within 30 days, there is no statutory obligation to provide information about the new controller to ASIC prior to taking control of an AFS licensee. Once ASIC is notified of a new controller, ASIC would have to take administrative action, such as to suspend or cancel a licence, if there were concerns about the controller's fitness and propriety.

Grants programs

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

- ◆ 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 that 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 pre-insolvency adviser or the registered liquidator
- ◆ the appointment of liquidators to abandoned companies pursuant to Part 5.4C of the Corporations Act.

On 1 July 2023, ASIC was allocated \$5.084 million, which, together with an amount of \$9.206 million rolled over from the previous financial year, resulted in total available funds of \$14.290 million. ASIC paid and committed the amount of \$8.594 million to liquidators in 2023–24. Applications in progress and grants approved comprised approximately 95% of the remaining balance of the allocated funds.

In 2023–24, the number of liquidations increased by 28.4% compared to 2022–23. The 532 applications for funding comprised:

- ◆ 442 director banning reports (1% decrease)
- ◆ 65 matters other than section 206F director banning reports (32% increase)
- ◆ 25 asset recovery actions (55% decrease).

ASIC approved grant funding for:

- ◆ 124 director banning reports
- ◆ 32 matters other than section 206F director banning reports
- ◆ 15 asset recovery actions.

An additional 9 requests for increased funding were approved.

ASIC also funded the appointment of 9 liquidators to wind up abandoned companies.

The AA Fund assisted in:

- ◆ the banning of 27 directors, representing 77% of the total 35 directors banned – the average banning period for funded matters was 42 months
- ◆ 4 criminal conviction/prosecution
- ◆ recovery proceedings against directors and a related party where a court:

- determined the directors breached civil penalty provisions of the *Corporations Act 2001* (Act) relating to insolvent trading and breaches of directors' duties
- ordered the directors and a related party to compensate damages suffered by the company due to the breaches of civil penalty provisions for more than \$600,000.

AA Fund agreements relating to 9 applications that were entered into in 2023–24 were to undertake public examinations, which at the time of entering into the agreements related to 35 examinees. The Public Examinations related to a combination of 'matters other than director banning' and 'asset recovery' grants.

Information on grants under the AA Fund can be found at [Assetless Administration Fund](#). Information on AA Fund grants awarded by ASIC during 2023–24 is available at GrantConnect (www.grants.gov.au).

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 2023–24, the number of new activities received decreased to 1,579 and the number of cases finalised decreased to 1,574.

Table 31 below shows vested properties of deregistered companies by number of cases.

Assets of deregistered companies vesting in ASIC or the Commonwealth

Section 601AD of the Corporations Act provides that when a company is deregistered, all of its property vests in ASIC or, in the case of trust property, the Commonwealth. Any identified

vested property is accounted for and recorded in a register maintained by ASIC in accordance with section 601AE(5) of the Corporations Act.

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 31—Deregistered company activities and property disposals (by number of cases)

CLAIMS BY TYPE	2023–24	2022–23
Total new cases	1,579	1,787
Total finalised cases	1,574	1,804
Property disposals		
Transferred	35	39
Sold	11	9
No longer vested ¹	679	623
Other ²	42	50
Total property disposals	767	721

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.

Appendix 7: Ecologically sustainable development

ASIC continues to focus on its environmental performance. Building on previous policy and initiatives, and in line with Net Zero in Government Operations, ASIC is finalising an Emissions Reduction Plan with implementation to commence in 2024–25.

Energy efficiency

We continue to monitor our offices to minimise our electricity consumption, including 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.

Table 32—Consumption of office energy

INDICATOR	2022–23	2023–24
Light and power – ASIC tenancies (kWh)	1,816,608	1,838,156

Resource efficiency and waste

ASIC consumption of copy paper in 2023–24 was significantly below the Commonwealth target of 4.5 reams/FTE. We have continued with our zero IT waste policy through e-waste recycling.

Table 33—Table 7.7.2 Resource efficiency and waste

INDICATOR	2022–23	2023–24
Office paper purchased by FTE (A4 reams/FTE)	0.8	0.6
Percentage of office paper purchased with recycled content	100	100

Travel

ASIC has adopted technical solutions that reduce the requirement for travel, including an additional 35 video conferencing rooms nationally in June 2024. Despite this, distance travelled increased in 2023–24 and has now returned to similar levels experienced pre-Covid.

Table 34—Travel undertaken by ASIC employees

INDICATOR	2022–23	2023–24
Air travel		
Total distance of air flights (kms)	6,394,708	10,469,754

CO₂ emissions

ASIC’s electricity emissions are reported below using the location-based approach and the market approach. The market-based method accounts for activities such as Greenpower, purchased large-scale generation certificates and/or being located in the ACT.

Table 35—Greenhouse gas emissions inventory – location-based approach

EMISSION SOURCE	SCOPE 1 t CO ₂ -e	SCOPE 2 t CO ₂ -e	SCOPE 3 t CO ₂ -e	TOTAL t CO ₂ -e
Electricity (location-based approach)	N/A	1,264.216	118.566	1,382.781
Natural gas	56.425	N/A	4.380	60.805
Solid waste*	N/A	N/A	0.000	0.000
Refrigerants*†	0.000	N/A	N/A	0.000
Fleet and other vehicles	0.000	N/A	0.000	0.000
Domestic commercial flights	N/A	N/A	761.873	761.873
Domestic hire cars*	N/A	N/A	3.249	3.249
Domestic travel accommodation*	N/A	N/A	279.861	279.861
Other energy	0.000	N/A	0.000	0.000
Total t CO₂-e	56.425	1,264.216	1,167.929	2,488.570

Note: the table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = carbon dioxide equivalent.

*indicates emission sources data collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

†indicates optional emission source for 2023–24 emissions reporting.

Table 36—Electricity greenhouse gas emissions

EMISSION SOURCE	SCOPE 2 t CO₂-e	SCOPE 3 t CO₂-e	TOTAL t CO₂-e	PERCENTAGE OF ELECTRICITY USE
Electricity (location-based approach)	1,264.216	118.566	1,382.781	100.000
Market-based electricity emissions	1,210.183	149.405	1,359.588	81.280
Total renewable electricity	-	-	-	18.720
<i>Mandatory renewables¹</i>	-	-	-	18.720
<i>Voluntary renewables²</i>	-	-	-	0.000

Note: the table above presents emissions related to electricity usage using location-based and market-based accounting methods. CO₂-e = carbon dioxide equivalent.

- 1 Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.
- 2 Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

Appendix 8: Procurement, contracts and expenditure on advertising

During 2023–24, ASIC conducted the advertising campaigns set out in Table 37.

Further information on ASIC’s advertising campaigns is available on our website at 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.

Table 37—Expenditure on advertising agency services, 2023–24¹⁸

AGENCY	ABNS	EXPENDITURE (\$ (INC. GST)	PURPOSE
Mediabrand Australia Pty Ltd	190 029 660 01	95,699.88	In the Time It Takes campaign
Mediabrand Australia Pty Ltd	190 029 660 01	74,560.78	Don’t Get Burnt By Hype campaign
Mediabrand Australia Pty Ltd	190 029 660 01	21,927.20	Superannuation campaign
Mediabrand Australia Pty Ltd	190 029 660 01	38,499.95	Financial hardship campaign
Mediabrand Australia Pty Ltd	190 029 660 01	21,999.95	Moneysmart Superannuation Google Search campaign
Total		252,687.76	

¹⁸ The 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 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, enabling procurement compliance with the CPRs
- ◆ advise on all procurement activities.

Our procurement framework aims to facilitate compliance with the core principles and policies and spirit of the CPRs to achieve value for money. This is done 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 a central compliance incident management system and addressed, as required, through process improvement initiatives.

Most major contracts entered into in 2023–24 contained provisions, as required, allowing the Auditor-General access to information held by contractors relating to contract performance. Fourteen contracts did not allow the Auditor-General access due to supplier terms (see Table 38).

Table 38—Contracts that did not allow Auditor-General access

SUPPLIER	ABN	EXPENDITURE (\$ (INC. GST)	PURPOSE
CODILITY LIMITED	-	14,502.87	Codility Technical Skills Screening Tool
DEMARQ LIMITED	-	151,705.58	Demarq Oscar OCR Platform
ENCORE EVENT TECHNOLOGIES PTY LIMITED	460 066 687 02	132,279.93	AAF2023 AUDIO VISUAL SERVICES
FACTIVA LIMITED	-	247,856.40	Digital news and information services
GARTNER AUSTRALASIA PTY LIMITED	690 037 086 01	0.00	Audit Leadership subscription
GARTNER AUSTRALASIA PTY LIMITED	690 037 086 01	123,530.00	Gartner Risk Management Consulting Services Membership

SUPPLIER	ABN	EXPENDITURE (\$ (INC. GST)	PURPOSE
GROUND CONTROL DATA PTY LTD	376 391 960 80	146,850.00	Annual subscription to Brandwatch social media analytics platform
ISW DEVELOPMENT PTY LTD	511 079 831 57	134,732.40	HCL Lotus Notes Domino subscription renewal
ISW DEVELOPMENT PTY LTD	511 079 831 57	148,635.30	HCL Lotus Domino subscription
MONGODB LIMITED	451 496 104 88	133,039.50	MongoDB subscription
PLURALSIGHT LLC.	-	129,148.46	Provision of Business Plus subscription
SEATTLE SOFTWARE AUSTRALIA PTY LTD T/A	691 590 764 18	79,992.55	OrbusInfinity upgrade Enterprise Architecture tool iServer to SaaS
THINK CYBER SECURITY LTD	-	87,614.33	RedFlag Licensing Subscription
TIMEBASE PTY LIMITED	660 643 606 58	81,701.99	Timebase Electronic Research Services renewal 2023 - 2026
Total		\$1,611,589.31	

Using AusTender

This annual report contains information about actual expenditure on contracts. Information on the committed value of contracts is available through AusTender at www.tenders.gov.au.

During 2023–24, ASIC awarded 628 contracts valued at \$10,000 (including GST) or more, with a total value of \$152.641 million. Of these procurements, 250 were valued in excess of \$80,000 (including GST), with a total value of \$138.361 million.

Contracts of \$100,000 (including GST) 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 and is updated as required during the year.

No contracts were exempt from the contract reporting requirements.

Table 39—Expenditure on non-consultancy contracts

BUSINESS DATA	2023–24
Number of new non-consultancy contracts	616
Expenditure on new non-consultancy contracts (\$ million)	63.812
Number of ongoing non-consultancy contracts	815
Expenditure on ongoing non-consultancy contracts (\$ million)	97.285

Note: The above figures include GST. Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the committed value of reportable non-consultancy contracts is available on the AusTender website at www.tenders.gov.au.

Consultancy contracts

During 2023–24, ASIC entered into 12 new consultancy contracts, involving total expenditure of around \$0.932 million (including GST). In addition, 12 ongoing consultancy contracts were active during the year, involving total expenditure of \$0.163 million (including GST).

Table 40—Consultancy trend data

BUSINESS DATA	2023–24	2022–23
Number of new consultancies	12	10
Expenditure on new consultancies (\$ million)	0.932	1.476
Number of ongoing consultancies	12	9
Expenditure on ongoing consultancies (\$ million)	0.163	0.073

Note: The above figures include GST and 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 at www.tenders.gov.au.

Additional contracts information

Table 41 shows the five suppliers that received the largest share of ASIC’s total expenditure on contracts in 2023–24, and the total amounts.

No supplier received more than 5% of ASIC’s contract expenditure during 2023–24.

Table 41—Table 7.8.5 Top 5 suppliers’ reportable contract expenditure

SUPPLIER	ABN	EXPENDITURE (\$ (INC. GST))
DELOITTE TOUCHE TOHMATSU	744 901 210 60	6,943,618.85
AMAZON WEB SERVICES AUSTRALIA PTY LTD	636 053 458 91	6,546,226.79
VENTIA PROPERTY PTY LTD	166 180 286 76	5,514,381.53
MINTER ELLISON	915 567 168 19	5,343,899.03
DATA#3 LIMITED	310 105 452 67	5,200,280.15

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 for funding. Requests to engage consultants must be linked to outcomes in business plans and must contribute to ASIC's decision making. Once the engagement of a consultant is approved, the procurement method used must accord with the CPRs and ASIC's procurement policies.

Of the 12 consultants that ASIC engaged during 2023–24:

- ◆ six were engaged to conduct independent research or assessments
- ◆ six were engaged to provide skills currently unavailable within the agency

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

The consultants were engaged for the following main service categories:

- ◆ Information technology consultation services
- ◆ Advisory services
- ◆ Market research
- ◆ Risk management consultation services.

Procurement initiatives to support small business

ASIC supports small business participation in the Australian Government procurement market. Small to medium enterprise (SME) and small enterprise participation statistics are available on the Department of Finance website at 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 at www.treasury.gov.au.

ASIC's procurement practices support small businesses by:

- ◆ using the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000 (including GST) where applicable
- ◆ encouraging the use of the SME exemption under the Commonwealth Procurement Rules
- ◆ using the coordinated and cooperative panels, such as the Digital Transformation Agency's digital marketplace, which is accessible to SMEs, and panels that clearly identify their SME status.

Procurement improvement initiatives

In 2023–24, ASIC commenced an independent review of our procurement function as part of a continuous improvement initiative. The review was finalised in June 2024 and identified improvement opportunities covering four key themes: (1) service delivery model, (2) capability and capacity, (3) policy procedure and technology and (4) structure. Recommendations from the review are being considered and, where agreed, will be implemented in 2024–25.

Appendix 9: ASIC's role in dispute resolution

Consumer and small business access to fair, timely and effective dispute resolution is a central part of the financial services consumer protection framework. ASIC is responsible for overseeing the effective operation of the dispute resolution system, which includes setting the standards and requirements for financial firms' internal dispute resolution processes and providing oversight of the Australian Financial Complaints Authority (AFCA).

AFCA is a free and independent external dispute resolution (EDR) scheme for consumers and small businesses to resolve complaints that a financial firm did not resolve directly with the customer. Financial firms must have internal dispute resolution (IDR) procedures that meet the standards or requirements made or approved by ASIC, as well as membership of AFCA.

In 2023–24, areas of shared priority and focus between ASIC and AFCA included:

- ◆ concerns about rising complaints involving financial difficulty and failures of lenders to identify consumers in financial stress and provide tailored assistance as reflected in ASIC Report 783
- ◆ the rising number of complaints about general insurance, including complaints about insurers' services and claims handling
- ◆ responding to the Inquiry into insurers' responses to 2022 major floods claims
- ◆ government reforms relating to areas of growing complaint numbers for AFCA, including scams and Buy Now Pay Later.

On 22 June 2023, Parliament passed legislation establishing the Compensation Scheme of Last Resort (CSLR). The CSLR is an independent, not-for-profit company. It can provide compensation of up to \$150,000 to consumers who have an unpaid determination from AFCA. The CSLR is funded by a levy paid by four sub-sectors of the financial services industry, which it calculates in advance for each period. ASIC is responsible for issuing levy notices and collecting levy payments, which are passed on to the CSLR.

In 2023–24, ASIC undertook work to prepare for the commencement of CSLR on 2 April 2024. This included:

- ◆ building an IT system to enable ASIC to issue invoices and collect CSLR levy payments
- ◆ developing capability to receive, record and process information from CSLR Ltd
- ◆ developing information sharing arrangements between ASIC and CSLR Ltd, including a memorandum of understanding and operating protocols.

During the year ASIC issued one-off levy notices totalling \$240.9 million to 10 banking and general/life insurance entities who had the highest incomes in 2021–22. The one-off levy will cover compensation claims and costs relating to complaints lodged with AFCA prior to 8 September 2022.

Appendix 10: Five-year summary of key stakeholder data

Table 42—Five-year summary of key business and stakeholder data, 2019–24

BUSINESS DATA	2023–24	2022–23	2021–22	2020–21	2019–20
Registry services					
Companies (total)	3.4m	3.2m	3.1m	2.9m	2.8m
New companies registered	303,733	274,964	292,166	279,853	222,048
Business names (total)	2.8m	2.7m	2.5m	2.4m	2.3m
New business names registered	386,335	387,629	421,607	460,409	387,827
% companies data lodged on time	94.8%	95%	95%	94%	93%
Total searches of ASIC databases	343.1m	317.8m	265.8m	219.2m	243.7m
Regulated entities					
AFS licensees	6,360	6,311	6,288	6,179	6,127
Credit licensees	4,616	4,665	4,720	4,777	4,930
Authorised market infrastructure providers	83	86	72	67	64
Registered SMSF auditors	4,162	4,423	5,173	5,540	5,699
Registered company auditors	3,182	3,290	3,441	3,553	3,781
Registered liquidators	642	654	646	649	633
Registered managed investment schemes	3,610	3,605	3,656	3,612	3,650
Fundraising and takeovers					
Fundraising documents lodged	690	676	908	884	711
Fundraising where ASIC required additional disclosure	\$1.62bn	\$1.1bn	\$4.6bn	\$3.8bn	\$2.3bn
Control transactions – schemes and bids	86	59	77	85	55
Control transactions – schemes and bids implied target size	\$103.32bn	\$24.67bn	\$120.96bn	\$40.5bn	\$23.5bn

BUSINESS DATA	2023-24	2022-23	2021-22	2020-21	2019-20
Enforcement outcomes					
Criminal and civil litigation completed ¹⁹	63	96	99	75	72
% successful criminal and civil litigations ²⁰	87%	93%	95%	97%	93%
Criminals imprisoned ²¹	6	6	6	7	7
Total criminal costs and fines	\$9.2m	\$8.4m	\$3.3m	\$1.2m	\$2.2m
Total civil penalties	\$90.8m	\$185.4m	\$229.9m	\$189.4m	\$24.9m
Reports of misconduct					
Reports of crime or misconduct finalised	11,678	8,149	8,688	10,711	12,355
Other key statistics					
Fees, charges and levies administered on behalf of the Commonwealth	\$2,062m	\$1,835m	\$1,676m	\$1,513m	\$1,358m
Staff (average FTEs) ²²	1,676	1,831	1,947	2,088	1,981

Surveillance and supervisory teams and who they regulate

ASIC's surveillance and supervisory teams and the size of the populations they regulate are outlined in the following section.

Markets

Calissa Aldridge – Executive Director

Markets Enforcement

Molly Choucair – Senior Executive Leader

Market Infrastructure

Ben Cohn-Urbach – Senior Executive Leader

- ◆ Licensed domestic and overseas financial markets: 62
- ◆ Exempt markets: 2
- ◆ Licensed domestic and overseas clearing and settlement facilities: 7
- ◆ Exempt clearing and settlement facilities: 2
- ◆ Derivative trade repositories: 2
- ◆ Credit rating agencies: 6
- ◆ Benchmark administrators: 2

Market Integrity

Amanda Zeller – Senior Executive Leader

- ◆ Large securities exchange participants: 60
- ◆ Large futures exchange participants: 33
- ◆ Securities dealers: 1,220
- ◆ Corporate advisers: 543
- ◆ OTC traders: 400
- ◆ Retail OTC derivative issuers: 101
- ◆ Wholesale electricity dealers: 1,661

Market Conduct

Andrew Templer – Senior Executive Leader

Digital Assets

Dr Rhys Bollen – Senior Executive Leader

¹⁹ This excludes summary prosecutions for strict liability offences.

²⁰ This excludes summary prosecutions for strict liability offences.

²¹ 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.

²² Data rounded. This data excludes contractors and secondees from other agencies. Figures reported in this table are presented on an Average Staffing Level (ASL) across all 5 years.

Regulation and Supervision

Kate Metz – Executive Director (Acting)

Superannuation and Life Insurance

Jane Eccleston – Senior Executive Leader

Superannuation

- ◆ Superannuation trustees: 69
- ◆ Total assets: \$2,784 billion

Life Insurance

- ◆ Life insurers: 24

Credit, Banking and General Insurance

Nathan Bourne – Senior Executive Leader

Credit and Banking

- ◆ Authorised deposit-taking institutions: 135
- ◆ Australian credit licensees: 4,615
- ◆ Credit representative: 45,427
- ◆ Non-cash payment facility providers: 644
- ◆ Trustee companies: 11

General Insurance

- ◆ General insurers: 48
- ◆ Friendly societies: 10

Financial Advice and Investment Management

Leah Sciacca – Senior Executive Leader

Financial Advice

- ◆ Financial advisers: 15,390
- ◆ AFS licensees licensed to provide personal advice: 4,126
- ◆ AFS licensees licensed to provide general advice only: 934

Investment Management

- ◆ Responsible entities: 406
- ◆ Registered managed investment schemes: 3,610
- ◆ Wholesale trustees: 1,916
- ◆ MDA operators: 250
- ◆ Investor Directed Portfolio Services operators: 76
- ◆ Custodial service providers: 1,402
- ◆ Foreign financial services providers: 1,040
- ◆ Total assets: \$2,876 trillion

Companies and Small Business

Claire LaBouchardiere – Senior Executive Leader

Thea Eszenyi – Senior Executive Specialist

Corporations

- ◆ Unlisted public companies: 26,679
- ◆ Listed companies (excluding listed schemes): 2,072

Registered liquidators

- ◆ Registered liquidators: 642
- ◆ External administrations and controllerships: 11,047

Financial Reporting and audit

- ◆ RCAs: 3,182
- ◆ Entities required to produce financial reports: 29,472

Strategic Surveillance & Data

Suneeta Sidhu – Senior Executive Leader

Entities subject to supervision:

- ◆ Australia and New Zealand Banking Group Limited
- ◆ Commonwealth Bank of Australia
- ◆ National Australia Bank Limited
- ◆ Westpac Banking Corporation

Licensing

Peng Lee – Senior Executive Leader

- ◆ AFS licence: 6,360
- ◆ Australian credit licence: 4,615
- ◆ RCAs: 3,168
- ◆ Registered SMSF auditors: 4,162

Enforcement and Compliance

Tim Mullaly – Executive Director

Enforcement and Compliance Portfolio Executive

Melissa Smith – Senior Executive Leader

Marita Hogan – Senior Executive Leader

Enforcement Inquiries and Compliance

Tom O’Shea – Senior Executive Leader

Investigation and Enforcement Action

David McGuinness – Senior Executive Leader

Brendan Caridi – Senior Executive Leader

Chris Rowe – Senior Executive Leader

Wendy Endebrock-Brown – Senior Executive Leader

Chief Investigator and Small Business Enforcement

Brett Crawford – Senior Executive Leader

Enforcement Services

Amanda Dixon – Senior Executive Leader

Glossary

AI	artificial intelligence
ACCC	Australian Competition and Consumer Commission
AFCA	Australian Financial Complaints Authority
APRA	Australian Prudential Regulation Authority
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
CADB	Companies Auditors Disciplinary Board
DDO	design and distribution obligation
EDR	external dispute resolution
FAR	Financial Accountability Regime
IOSCO	International Organization of Securities Commissions
MDP	Markets Disciplinary Panel
MOU	memorandum of understanding
National Credit Act	<i>National Consumer Credit Protection Act 2009</i>
OTC	over-the-counter
PDS	product disclosure statement
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule
RBA	Reserve Bank of Australia
RCA	registered company auditor
TMD	target market determination

COMPLIANCE INDEX

IN THIS SECTION

- > Reporting requirements under the *Public Governance, Performance and Accountability Act 2013*
- > Additional compliance reporting requirements

Reporting requirements under the *Public Governance, Performance and Accountability Act 2013*

PGPA RULE REFERENCE	PART OF REPORT/ DESCRIPTION	REQUIREMENT	PAGE(S)
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by the accountable authority on the date the final text is approved, with a statement that the report has been prepared in accordance with section 46 of the PGPA Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	1
17AD(h)	Aids to access		
17AJ(a)	Table of contents	Mandatory	2–3
17AJ(b)	Alphabetical index	Mandatory	257
17AJ(c)	Glossary of abbreviations and acronyms	Mandatory	239
17AJ(d)	List of requirements	Mandatory	240
17AJ(e)	Details of contact officer	Mandatory	267
17AJ(f)	Entity's website address	Mandatory	267
17AJ(g)	Electronic address of report	Mandatory	267
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity	Mandatory	6
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory	17–22
17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory	23, 117
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity	Mandatory	29–109

PGPA RULE REFERENCE	PART OF REPORT/ DESCRIPTION	REQUIREMENT	PAGE(S)
17AE(1)(a)(iv)	A description of the purposes of the entity as included in the Corporate Plan	Mandatory	17, 20–22
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	111
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	111
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	111
17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments – mandatory	N/A
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, details of variation and reasons for change	If applicable, mandatory	N/A
17AD(c)	Report on the performance of the entity		
	Annual performance statements		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule	Mandatory	24–109
17AD(c)(ii)	Report on financial performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance	Mandatory	13–15, 126–183
17AF(1)(b)	A table summarising the total resources and total payments of the entity	Mandatory	199–202
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory	N/A
17AD(d)	Management and accountability		
	Corporate governance		
17AG(2)(a)	Information on compliance with section 10 (preventing, detecting and responding to fraud and corruption) of the PGPA Rule	Mandatory	218

PGPA RULE REFERENCE	PART OF REPORT/ DESCRIPTION	REQUIREMENT	PAGE(S)
17AG(2)(b)(i)	A certification by the accountable authority that fraud and corruption risk assessments and fraud and corruption control plans have been prepared	Mandatory	218
17AG(2)(b)(ii)	A certification by the accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud and corruption that meet the specific needs of the entity are in place	Mandatory	218
17AG(2)(b)(iii)	A certification by the accountable authority that all reasonable measures have been taken to deal appropriately with fraud and corruption relating to the entity	Mandatory	218
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	18–19, 110–17, 190–194
17AG(2)(d)–(e)	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the PGPA Act that relate to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory	219
Audit Committee			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	190
17AG(2A)(b)	The name of each member of the entity's audit committee	Mandatory	191–193
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	191–193
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	191–193
17AG(2A)(e)	The remuneration of each member of the entity's audit committee	Mandatory	194
External scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	188–190

PGPA RULE REFERENCE	PART OF REPORT/ DESCRIPTION	REQUIREMENT	PAGE(S)
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory	190
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than reports under section 43 of the Act), a Parliamentary Committee or the Commonwealth Ombudsman	If applicable, mandatory	219
17AG(3)(c)	Information on any capability review on the entity that was released during the period	If applicable, mandatory	N/A
Management of human resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	118–125
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, at the end of that and the previous reporting period, including the following: a. statistics on full-time employees b. statistics on part-time employees c. statistics on gender d. statistics on staff location	Mandatory	203–206
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis, including the following: ◆ statistics on staffing classification level ◆ statistics on full-time employees ◆ statistics on part-time employees ◆ statistics on gender ◆ statistics on staff location ◆ statistics on employees who identify as Indigenous	No longer mandatory ¹	203–206
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	If applicable, mandatory	206

¹ On 1 July 2019, ASIC moved out of the APS. The *Treasury Laws Amendment (Enhancing ASIC's Capabilities) Act 2018* amended the ASIC Act to remove the requirement for ASIC to engage employees under the *Public Service Act 1999*. Instead, it engages employees under section 120 of the ASIC Act. While this content is no longer mandatory for ASIC to report, we have included some of this information because it is data we record, and it may be of interest to the public.

PGPA RULE REFERENCE	PART OF REPORT/ DESCRIPTION	REQUIREMENT	PAGE(S)
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> during this period	If applicable, mandatory	206
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	No longer mandatory	N/A
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees	If applicable, mandatory	120, 207
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	No longer mandatory ²	207
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level	No longer mandatory	207
17AG(4)(d)(iii)	Information on the average amount of performance payment, and the range of such payments, at each classification level	No longer mandatory	207
17AG(4)(d)(iv)	Information on the aggregate amount of performance payments	No longer mandatory	207
Assets management			
17AG(5)	An assessment of the effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	223–225
Purchasing			
17AG(6)	An assessment of the entity performance against the Commonwealth Procurement Rules	Mandatory	230–231
Reportable consultancy contracts			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contacts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on those ongoing contracts (inclusive of GST)	Mandatory	232

² As above.

PGPA RULE REFERENCE	PART OF REPORT/ DESCRIPTION	REQUIREMENT	PAGE(S)
17AG(7)(b)	A statement that 'During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].'	Mandatory	232
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	233
17AG(7)(d)	A statement that 'Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.'	Mandatory	231
Reportable non-consultancy contracts			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	231
17AG(7A)(b)	A statement that '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.'	Mandatory	231
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory	232

PGPA RULE REFERENCE	PART OF REPORT/ DESCRIPTION	REQUIREMENT	PAGE(S)
Australian National Audit Office access clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, the purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory	230–231
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) that has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory	N/A
Small business			
17AG(10)(a)	A statement that '[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and medium enterprises (SMEs) and small enterprise participation statistics are available on the Department of Finance's website.'	Mandatory	233
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	233
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature – a statement that '[Name of entity] 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's website.'	If applicable, mandatory	233
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the PGPA Act	Mandatory	126–183

PGPA RULE REFERENCE	PART OF REPORT/ DESCRIPTION	REQUIREMENT	PAGE(S)
Executive remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule	Mandatory	208–211
17AD(f) Other mandatory information			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that 'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.'	If applicable, mandatory	229
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory	N/A
17AH(1)(b)	A statement that 'Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].'	If applicable, mandatory	224
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	125
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of the FOI Act can be found	Mandatory	220
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	253
17AH(2)	Information required by other legislation	Mandatory	249–252

Note: N/A means not applicable.

Source: Public Governance, Performance and Accountability Rule 2014, Schedule 2.

Additional compliance reporting requirements

DESCRIPTION	REQUIREMENT	SOURCE OF REQUIREMENT	PAGE(S)
Exercise of ASIC's powers under Part 15 of the <i>Retirement Savings Accounts Act 1997</i> and under Part 29 of the <i>Superannuation Industry (Supervision) Act 1993</i>	Mandatory	ASIC Act, s136(1)(a)	218
ASIC's monitoring and promotion of market integrity and consumer protection in relation to the Australian financial system and the provision of financial services	Mandatory	ASIC Act, s136(1)(b)	29–103
ASIC's activities in accordance with each agreement or arrangement entered into by ASIC under s11(14) of the ASIC Act	Mandatory	ASIC Act, s136(1)(c)	218
Information about the activities that ASIC has undertaken during the period in exercise of its powers, and performance of its functions, under Chapter 5 of, or Schedule 2 to, the Corporations Act and any provisions of that Act that relate to that Chapter or Schedule	Mandatory	ASIC Act, s136(1)(ca)	30–33, 80–83, 197–198
Information about any instances during the period where ASIC failed to consult as required by section 1023F of the Corporations Act or section 301F of the National Credit Act	Mandatory	ASIC Act, s136(1)(cb)	218
The operation of the <i>Business Names Registration Act 2011</i> , including details of the level of access to the Business Names Register using the internet and other facilities, the timeliness with which ASIC carries out its duties, functions and powers under the Act, and the cost of registration of a business name under the Act	Mandatory	ASIC Act, s136(1)(d)	103–105

DESCRIPTION	REQUIREMENT	SOURCE OF REQUIREMENT	PAGE(S)
Information, for the relevant period, about the activities undertaken by each Financial Services and Credit Panel during the period, any exams administered by ASIC under subs 921B(3) Corporations Act, any warnings and reprimands given by ASIC under s912S Corporations Act, any decisions by ASIC not to follow a recommendation given to ASIC under subs 921Q(1) Corporations Act	Mandatory	ASIC Act, s136(1)(da)	196–197
Information about investigations (including joint investigations) conducted by ASIC under Division 1 of Part 4 of Chapter 3 of the <i>Financial Accountability Regime Act 2023</i> during the period	Mandatory	ASIC Act, s136(db)	N/A
The number of times ASIC used a prescribed information-gathering power, the provision of the Corporations Act, the ASIC Act, or another law that conferred the power, and the number of times in the previous financial year ASIC used the power	Mandatory	ASIC Act, s136(1)(e), reg 8AAA(1)	220–222
ASIC’s regional administration in referring states and the Northern Territory, including a statement on ASIC’s performance against service-level performance indicators during the relevant period	Mandatory	Corporations Agreement, s603(3)	95–96, 104
A report on the activities of each state and Northern Territory Regional Liaison Committee maintained by the Regional Commissioners	Mandatory	Corporations Agreement, s604(4)	95–96
A report on the work of the financial services and consumer credit external dispute resolution schemes, and ASIC’s assessment of the systemic and significant issues the schemes have raised in their reports to ASIC, including information on any action taken in response to the matters raised in these reports	Suggested	Senate Economics References Committee inquiry into the performance of ASIC (report tabled on 26 June 2014), Recommendation 4	234

DESCRIPTION	REQUIREMENT	SOURCE OF REQUIREMENT	PAGE(S)
Commentary on ASIC's activities related to monitoring compliance with court enforceable undertakings, and on how court enforceable undertakings have led to improved compliance with the law	Suggested	Senate Economics References Committee inquiry into the performance of ASIC (report tabled on 26 June 2014), Recommendation 27	86
Accountable authority must state, in the annual financial statements, whether, in the authority's opinion, the statements comply with subsection 42(2)	Mandatory	PGPA Act, s42(3)	130
Work health and safety			
(a) initiatives taken during the year to ensure the health, safety and welfare of workers who carry out work for the entity	Mandatory	<i>Work Health and Safety Act 2011</i> , s4(2) of Sch 2	122
(b) health and safety outcomes (including the impact on injury rates of workers) achieved as a result of initiatives mentioned under paragraph (a) or previous initiatives			122
(c) statistics of any notifiable incidents of which the entity becomes aware during the year that arose out of the conduct of businesses or undertakings by the entity			122
(d) any investigations conducted during the year that relate to businesses or undertakings conducted by the entity, including details of all notices given to the entity during the year under Part 10 of this Act			N/A
(e) such other matters as are required by guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.			N/A
Environmental performance			
(a) include a report on how the activities of, and the administration (if any) of legislation by, the reporter during the period accorded with the principles of ecologically sustainable development	Mandatory	Environment Protection and Biodiversity Conservation Act 1999, s516A(6)	226–228
(b) identify how the outcomes (if any) specified for the reporter in an Appropriations Act relating to the period contribute to ecologically sustainable development			N/A

DESCRIPTION	REQUIREMENT	SOURCE OF REQUIREMENT	PAGE(S)
(c) document the effect of the reporter's activities on the environment			226–228
(d) identify any measures the reporter is taking to minimise the impact of activities by the reporter on the environment			226–228
(e) identify the mechanisms (if any) for reviewing and increasing the effectiveness of those measures			226–228
Information in its annual report on the numbers of transfers or changes in its control that occur each year for each type of ASIC licence, including Australian Financial Service Licences; Australian credit licences; Australian auditor registrations; market licences; benchmark operator licences; and clearing and settlement licences	Suggested	Parliamentary Joint Committee on Corporations and Financial Services' Statutory inquiry into ASIC, the Takeovers Panel, and the corporations legislation (report tabled on 3 July 2023), Recommendation 1.	223

Erratum for Annual Report 2022–23

ASIC has reviewed consultancy contracts and associated expenditure in accordance with the Procurement Publishing and Reporting Obligations (RMG423) definition. The result has reclassified contracts that were previously reported as consultancy to be non-consultancy. In addition, the total expenditure for 2022–23 was reported instead of the total contract value.

ASIC retracts the following statement and tables on pages 226–228 of the 2022–23 Annual Report:

During 2022–23, ASIC awarded 515 contracts valued at \$10,000 (GST inclusive) or more, with a total value of \$47.107 million. Of these procurements, 179 were valued in excess of \$80,000 (GST inclusive), with a total value of \$98.996 million.

Table 43—Expenditure on non-consultancy contracts

BUSINESS DATA	2022–23
Number of new non-consultancy contracts	496
Expenditure on new non-consultancy contracts (\$ millions)	42.131
Number of ongoing non-consultancy contracts	887
Expenditure on ongoing non-consultancy contracts (\$ millions)	85.842

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

Consultancy contracts

During 2022–23, ASIC entered into 19 new consultancy contracts, involving total expenditure of around \$4.975 million (GST inclusive). In addition, 36 ongoing consultancy contracts were active during the year, involving total expenditure of \$7.346 million (GST inclusive).

Table 44—Consultancy trend data

BUSINESS DATA	2022–23	2021–22
Number of new consultancies	19	38
Expenditure on new consultancies (\$ millions)	4.975	8.970
Number of ongoing consultancies	36	42
Expenditure on ongoing consultancies (\$ millions)	7.346	3.888

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 at www.tenders.gov.au.

Policy on selection and engagement of consultants

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

Of the 19 consultants that ASIC engaged during 2022–23:

- ◆ three were engaged to conduct independent research or assessments
- ◆ two were engaged to provide skills currently unavailable within the agency
- ◆ 14 were engaged to provide specialised or professional skills.

The method of procurement used was open tender for 16 engagements (including engagements from panels) and limited tender for 3 engagements.

The consultants were engaged for the following main service categories:

- ◆ information technology consultation services
- ◆ management advisory services
- ◆ organisational structure consultation
- ◆ risk management consultation services
- ◆ strategic planning consultation services.

ASIC corrects the tables and statements with the following:

During 2022–23, ASIC awarded 515 contracts valued at \$10,000 (GST inclusive) or more, with a total value of \$111.394 million. Of these procurements, 179 were valued in excess of \$80,000 (GST inclusive), with a total value of \$98.996 million.

Table 45—Expenditure on non-consultancy contracts

BUSINESS DATA	2022–23
Number of new non-consultancy contracts	505
Expenditure on new non-consultancy contracts (\$ millions)	50.342
Number of ongoing non-consultancy contracts	914
Expenditure on ongoing non-consultancy contracts (\$ millions)	102,434

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

Consultancy contracts

During 2022–23, ASIC entered into 10 new consultancy contracts, involving total expenditure of around \$1.476 million (GST inclusive). In addition, 9 ongoing consultancy contracts were active during the year, involving total expenditure of \$0.073 million (GST inclusive).

Table 46—Consultancy trend data

BUSINESS DATA	2022–23	2021–22
Number of new consultancies	10	7
Expenditure on new consultancies (\$ millions)	1.476	0.971
Number of ongoing consultancies	9	16
Expenditure on ongoing consultancies (\$ millions)	0.073	0.255

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 at www.tenders.gov.au.

Policy on selection and engagement of consultants

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

Of the 10 consultants that ASIC engaged during 2022–23:

- ◆ one was engaged to conduct independent research or assessments
- ◆ seven were engaged to provide skills currently unavailable within the agency
- ◆ two were engaged to provide specialised or professional skills.

The method of procurement used was open tender for nine engagements (including engagements from panels) and limited tender for one engagement.

The consultants were engaged for the following main service categories:

- ◆ legal services
- ◆ management advisory services
- ◆ organisational structure consultation
- ◆ strategic planning consultation services
- ◆ marketing and distribution.

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