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ABOUT ASIC

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1.1 ASIC's role

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

Our vision is to allow markets to fund the economy and, in turn, economic growth. In doing so, we contribute to the financial wellbeing of all Australians. We do this by:

1. promoting investor and consumer trust and confidence
2. ensuring fair and efficient markets
3. providing efficient registration services.

The *Australian Securities and Investments Commission Act 2001* requires ASIC to strive to:

- ♦ maintain, facilitate and improve the performance of the financial system and entities within it in the interests of commercial certainty, reducing business costs, and the efficiency and development of the economy
- ♦ promote confident and informed participation by investors and consumers in the financial system
- ♦ administer the law effectively and with 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.

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

- ♦ *Australian Securities and Investments Commission Act 2001* (ASIC Act)
- ♦ *Business Names Registration Act 2011*
- ♦ *Business Names Registration (Transitional and Consequential Provisions) Act 1993*
- ♦ *Corporations Act 2001* (Corporations Act)
- ♦ *Insurance Contracts Act 1984*
- ♦ *National Consumer Credit Protection Act 2009* (National Credit Act).

We also administer parts of the following legislation:

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

1.1.1 Relationships with other agencies

ASIC maintains an operational and policy relationship with the:

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

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

1.1.2 International engagement

Financial markets are now globally interconnected at an unprecedented level. International engagement among authorities is critical for ensuring that market regulators can develop proportionate and strategic responses to challenges that are effective across borders.



ASIC continues to contribute to the international financial policy agenda and to pursue Australia's interests internationally.

Through our international engagement, we are able to keep abreast of international regulatory developments and influence global policy and standard setting. This reduces the regulatory burden for cross-border businesses and helps us identify and address cross-border risks.

Working with IOSCO

ASIC is a member of the IOSCO Board and sits on a number of its policy committees and taskforces – including as Chair of the IOSCO Assessment Committee in 2016, and as Vice-Chair of the IOSCO committees on Regulation of Market Intermediaries and Retail Investors in 2017.

In 2016, we led a review assessing the regulatory frameworks for capital markets in Sri Lanka through IOSCO's Assessment Committee. This review included examining the operational efficiency of the Securities and Exchange Commission of Sri Lanka.

We helped design and develop a pilot project to examine the implementation of IOSCO's Objectives and Principles of Securities Regulation by IOSCO members, which is the premier standard-setting document for securities regulators.

We have also contributed to reviewing IOSCO members' implementation of principles for regulating secondary markets. The review will highlight where IOSCO members should implement further regulatory reforms.

International regulatory policy

ASIC contributes to international regulatory policy and standards setting through IOSCO committees, taskforces, and various other projects and activities. In 2016–17, this included:

- ♦ revising the IOSCO Objectives and Principles of Securities Regulation
- ♦ revising the Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation. This document is used by bodies such as the International Monetary Fund (IMF) and World Bank to assess the performance of securities regulators during the Financial

Sector Assessment Program (FSAP). ASIC is preparing for an FSAP review, which is currently scheduled for late 2018

- ♦ participating in IOSCO's Market Conduct Task Force, which examined the approaches and tools used by regulators to address misconduct in wholesale markets
- ♦ contributing to a roundtable convened by IOSCO and the Financial Stability Board (FSB) on compensation practices, to understand and assess approaches to compensation in the financial sector
- ♦ contributing as a member of IOSCO's Committee on Investment Management, and as a member of the FSB Workstream 3, to developing policy proposals on topics such as liquidity risk management in managed investment schemes
- ♦ acting as Deputy Chair of the Joint Committee for the Asia Region Funds Passport.

We also actively participate in the work of the International Association of Insurance Supervisors (IAIS) to set international standards for insurance regulation. In 2016–17, this involved:

- ♦ serving as Vice-Chair for the IAIS Market Conduct Working Group, that is responsible for setting international standards for market conduct regulation of insurers and insurance intermediaries
- ♦ contributing to the revision of the Insurance Core Principles (ICP) for Intermediaries (ICP 18) and Conduct of Business (ICP 19). The ICPs provide a globally accepted framework for regulating the insurance sector and form the basis of the IMF's assessment of the performance of insurance regulators.

We also actively participate in the International Financial Consumer Protection Organisation (FinCoNet). It is an international organisation of supervisory authorities that have responsibility for financial consumer protection. FinCoNet promotes sound market conduct and good consumer outcomes through efficient and effective financial market conduct supervision.

For information on ASIC's bilateral and regional engagement with international jurisdictions, see pages 77–78.

1.1 ASIC's role continued

1.1.3 Relationships with states and territories

Corporations Agreement

The states have referred their corporations power to the Commonwealth, and the Commonwealth, states and territories are parties to the *Corporations Agreement 2002* (Corporations Agreement) that underpins the current legislative scheme.

The Corporations Agreement provides for the Legislative and Governance Forum on Corporations, which ASIC attends as an observer.

Under the Corporations Agreement and ASIC Act, we maintain regional offices in each state and territory, and consult with state and territory Ministers on the appointment of ASIC regional commissioners. Regional commissioners brief the local business community on ASIC's work through regional liaison meetings (see pages 102–104).

We also provide state and territory government agencies with free online access to our companies register and must respond to requests from state and territory Ministers for information that is not available on the companies register.

The Corporations Agreement must be renewed every five years, and is due for renewal on 15 July 2021.

Australian Consumer Law

Australia has national legislation to protect consumers. ASIC jointly regulates the Australian Consumer Law with the states and territories and the ACCC.

1.1.4 Responsible Ministers

At 30 June 2017, the Ministers responsible for ASIC were:

- ♦ Treasurer, the Hon. Scott Morrison MP
- ♦ Minister for Revenue and Financial Services, the Hon. Kelly O'Dwyer MP
- ♦ Minister for Small Business, the Hon. Michael McCormack MP
- ♦ Assistant Minister to the Treasurer, the Hon. Michael Sukkar MP.

1.1.5 Parliamentary oversight

The Parliamentary Joint Committee on Corporations and Financial Services provides parliamentary oversight of ASIC. We also appear before the Senate Standing Committee on Economics, the House of Representatives Standing Committee on Economics and other parliamentary committees and inquiries as required.

1.1.6 Correspondence with Parliamentarians

ASIC receives correspondence from Parliamentarians both directly and indirectly through requests from Treasury.

We aim to respond to 100% of correspondence within 28 days of receipt. In 2016–17, we responded to 173 letters and emails from Parliamentarians. We responded to 97% of this correspondence within 14 days, 99% within 28 days and 100% within 30 days.

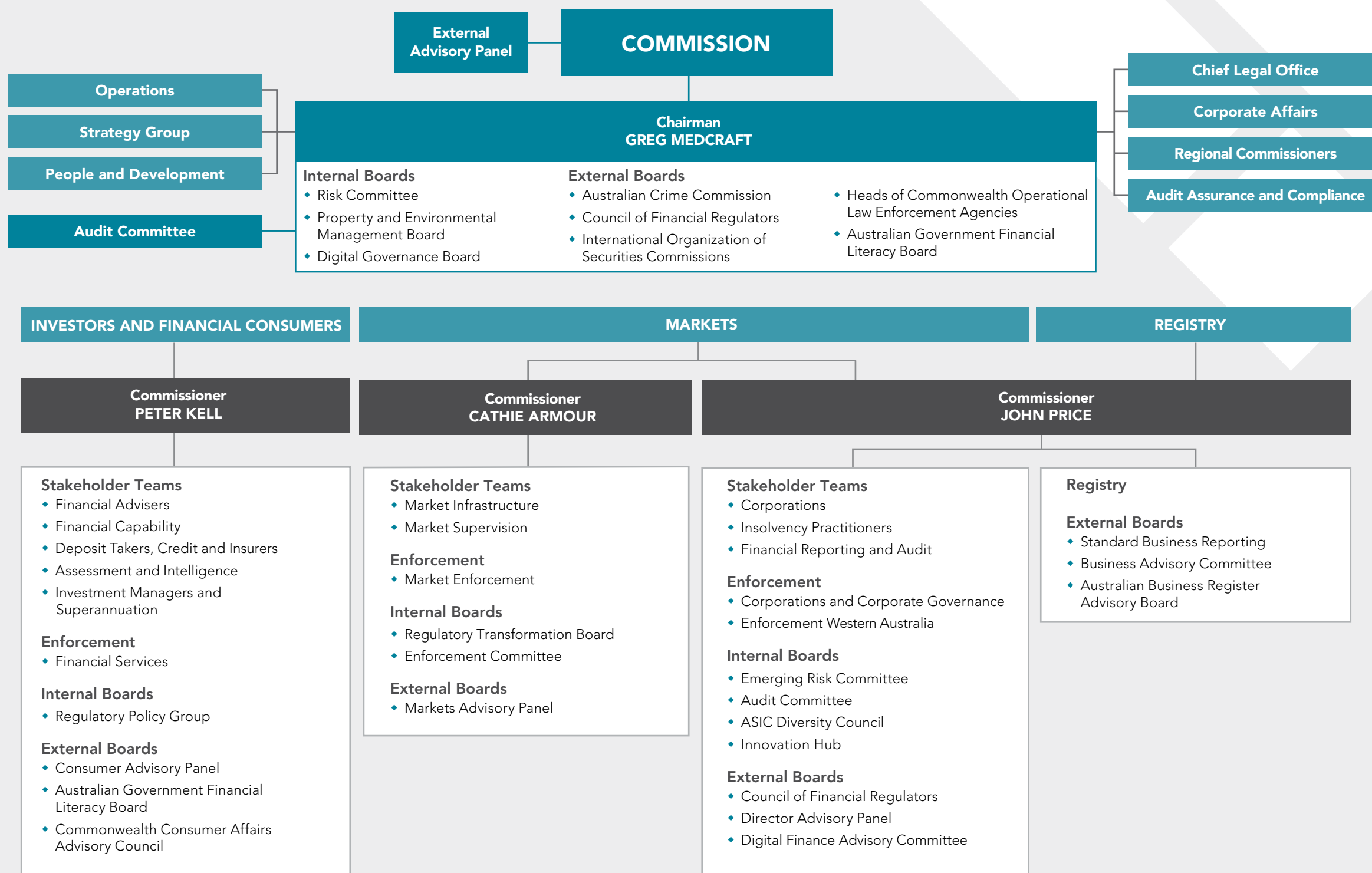
1.1.7 Financial and operational oversight

ASIC is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), which primarily governs 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. Our *Corporate Plan 2016–17 to 2019–20* was published on 31 August 2016.

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

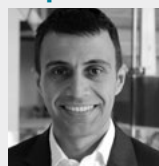
1.2 Corporate structure at 30 June 2017



1.3 ASIC and regulated populations¹

INVESTORS AND CONSUMERS

Deposit takers, credit and insurers



Michael Saadat – Senior Executive Leader
ASIC staff: 70
152 authorised deposit-taking institutions; 5,576 Australian credit licensees; 38,827 credit representatives; 91 general insurers; 29 life insurers; 12 friendly societies; 622 non-cash payment facility providers; 13 trustee companies

In 2016–17, we focused on:

- ♦ engaging with industry, including ongoing liaison with industry bodies and conducting the Indigenous Outreach Program
- ♦ undertaking surveillances and thematic reviews, including on interest-only loans and mortgage broker remuneration
- ♦ taking action in response to misconduct, including failures to comply with responsible lending obligations.

Investment managers and superannuation



Gerard Fitzpatrick – Senior Executive Leader
ASIC staff: 53
Around \$2.9 trillion in funds under management; 135 superannuation trustees; 466 responsible entities; 3,632 registered managed investment schemes;² 1,548 wholesale trustees; 197 MDA operators; 92 IDPS operators; 829 foreign financial service providers; 956 custodial service providers

In 2016–17, we focused on:

- ♦ engaging with industry, including ongoing liaison with industry bodies and publishing a newsletter for the wealth and funds management industries
- ♦ providing guidance on such issues as fees and costs disclosure, risk management, the expectations of trustees on disclosure and the use of appropriate defaults
- ♦ undertaking surveillances, including of how responsible entities and superannuation trustees comply with their licence obligations
- ♦ taking action in response to misconduct, including around misleading and deceptive disclosure.

Financial advisers

Joanna Bird and Louise Macaulay – Senior Executive Leaders



ASIC staff: 44
25,379 financial advisers; 4,185 AFS licensees licensed to provide personal advice; 1,653 AFS licensees licensed to provide general advice only

In 2016–17, we focused on:

- ♦ engaging with industry, including establishing the new Financial Advisers Consultative Committee
- ♦ providing guidance on such issues as consumer remediation and compliance for robo-advice providers
- ♦ undertaking surveillances, including of how large financial institutions oversee their advisers
- ♦ taking action in response to misconduct, including in response to failures to comply with advice obligations.



Financial capability Laura Higgins – Senior Executive Leader

ASIC staff: 27
Over 23 million³ financial services consumers

In 2016–17, we focused on:

- ♦ leading the National Financial Literacy Strategy
- ♦ promoting financial capability through the formal education sector
- ♦ enhancing financial capability through providing access to financial information, tools and guidance for investors and consumers.

Assessment and intelligence



Warren Day – Senior Executive Leader

ASIC staff: 159

In 2016–17, we focused on:

- ♦ assessing reports of misconduct, breach reports and other statutory reports
- ♦ assessing AFS licence and credit licence applications
- ♦ taking action to ensure compliance by companies, directors and small business owners with their obligations.

MARKETS

Corporations

Kate O'Rourke and Jane Eccleston – Senior Executive Leaders



ASIC staff: 43
23,908 public companies; 2,200 listed entities (including registered schemes and foreign companies)

In 2016–17, we focused on:

- ♦ engaging with industry and other government agencies, including ongoing liaison with the Takeovers Panel
- ♦ providing guidance on such issues as improving the quality of financial information in prospectuses
- ♦ undertaking surveillances, including a review of fundraising and control transactions
- ♦ taking action in response to misconduct, including corporations and market integrity breaches.

Insolvency practitioners



Adrian Brown – Senior Executive Leader

ASIC staff: 24
711 registered liquidators; 8,031 companies entering external administration

In 2016–17, we focused on:

- ♦ engaging with industry and other government agencies, including contributing to the Phoenix Taskforce and the Serious Financial Crime Taskforce
- ♦ providing education and guidance on such issues as insolvency law reforms
- ♦ undertaking surveillance and taking action in response to registered liquidator misconduct in key areas of independence, competence and improper gain.

Financial reporting and audit



Douglas Niven – Senior Executive Leader

ASIC staff: 29
4,364 registered company auditors; 28,000 entities required to produce financial reports; 6,341 SMSF auditors

In 2016–17, we focused on:

- ♦ engaging with industry on financial reporting and audit quality
- ♦ providing guidance and relief, on financial reporting and audit
- ♦ undertaking surveillances of financial reports and audit quality, and educating the market on our findings
- ♦ taking action in response to misconduct by auditors and misstatements in financial reports.

Market infrastructure



Oliver Harvey – Senior Executive Leader

ASIC staff: 32
18 licensed domestic and overseas financial markets; 32 exempt markets; 7 licensed clearing and settlement facilities; 1 exempt clearing and settlement facility; 2 derivative trade repositories; 7 credit rating agencies

In 2016–17, we focused on:

- ♦ engaging with industry, including on international market developments
- ♦ providing guidance and encouraging improvements in technology practices, such as cyber resilience
- ♦ supervising market infrastructure providers in equities, futures and OTC markets.

Market supervision



Greg Yanco – Senior Executive Leader

ASIC staff: 76
121 market participants; 700 securities dealers; 24 investment banks; 66 retail OTC derivative providers; 48 wholesale electricity providers

In 2016–17, we focused on:

- ♦ engaging with industry, including promoting good practices among market intermediaries
- ♦ providing guidance to market intermediaries on firm culture and conduct
- ♦ undertaking surveillances on how firms handle confidential information and conflicts of interest
- ♦ taking action in response to market misconduct, including around financial benchmarks.

ENFORCEMENT⁴

Financial services and credit enforcement

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



ASIC staff: 68

In 2016–17, we focused on:

- ♦ investigating suspected misconduct and taking enforcement action to achieve criminal convictions, civil outcomes or administrative sanctions, with a focus on financial and credit products and advice.

Markets enforcement

Sharon Concisom – Senior Executive Leader
and **George Stogdale – Senior Executive**



ASIC staff: 90

In 2016–17, we focused on:

- ♦ investigating suspected misconduct and taking enforcement action to achieve criminal convictions, civil outcomes or administrative sanctions, with a focus on market integrity and corporate governance.

Enforcement Western Australia

Natalie Durr – Senior Executive Leader

ASIC staff: 28



In 2016–17, we focused on:

- ♦ investigating suspected misconduct and taking enforcement action to achieve criminal convictions, civil outcomes or administrative sanctions, with a focus on market integrity and corporate governance.

REGISTRY SERVICES

Registry services and Customer Contact Centre

Rosanne Bell – Senior Executive Leader

ASIC staff: 196

90.6 million searches of ASIC registers; more than 800,000 inquiries handled by the Customer Contact Centre; Registry services for 2.5 million companies; 2.19 million business names; 6,058 AFS licensees; 5,576 credit licensees; 25,379 financial advisers on the Financial Advisers Register; 4,364 registered company auditors; 6,341 registered SMSF auditors; 711 registered liquidators



In 2016–17, we focused on:

- ♦ providing registry services for companies, business name holders, AFS licensees, credit licensees, liquidators and others
- ♦ providing public and non-public access to registry information
- ♦ providing a Customer Contact Centre for the public inquiries.

1. Data is indicative. See relevant sections of annual report for 2015–16 data. All staff figures are average net full-time equivalents (FTE) and represent staff dedicated to respective populations, including operational staff working on non-business-as-usual projects. Excludes ASIC's Strategy Group, Chief Legal Office, Corporate Affairs, Operations, People and Development, and statutory bodies.
2. Excluding managed investment schemes in wind up or strike off.
3. ABS 2016, *Australian Census of Population and Housing*, Cat. No. 2071.0, Australian Bureau of Statistics, Canberra.
4. Plus 112 FTE staff working on Enforcement Special Account matters, and an additional 83 FTE providing Enforcement support services and legal counsel.

1.4 ASIC's surveillance coverage of regulated populations

The following tables provide a snapshot of our surveillance coverage in 2016–17 and our anticipated surveillance coverage in 2017–18, based on our 2017–18 budget and resources.¹ The tables show the regulated population and the estimated number of years it would theoretically take to cover the entire population through all types of surveillance (both completed and current),² based on the number of entities subject to our surveillance in 2016–17. ASIC's surveillance activity includes onsite visits and desk-based reviews and can vary in intensity. A high-intensity surveillance generally takes more than two days of effort to complete.

INVESTORS AND CONSUMERS

Deposit takers, credit and insurers		
2016–17	2017–18	
Surveillance resources: 47	Est: 51	
Surveillance coverage:		
152 authorised deposit-taking institutions (ADIs)		
♦ Big 4 – every year	—	
♦ Remaining 148 – primarily reactive surveillances, and reviews of target risks or concerns	↑	
132 insurers – led reactive surveillances, and reviews of target risks or concerns	↑	
622 licensed non-cash payment facility providers and distributors – primarily reactive surveillances	—	
13 trustee companies – primarily reactive surveillances only	—	
5,468 non-ADI credit licensees (lenders and intermediaries) with 33,038 credit representatives – reactive surveillances, and reviews of target risks or concerns	↑	

Financial advisers		
2016–17	2017–18	
Surveillance resources: 34 ³	Est: 28 ³	
Surveillance coverage:		
4,185 AFS licensees authorised to provide personal advice		
♦ Top 20 – 40% of advisers – 0.2 years	↓	
♦ Next 30 – 19% of advisers – 1.5 years	—	
♦ Remaining 4,135 – primarily reactive surveillances	—	
1,653 AFS licensees authorised to provide general advice only – reactive surveillances only	—	

Investment managers and superannuation

2016–17	2017–18	
Surveillance resources: 23	Est: 22	
Surveillance coverage:		
466 active responsible entities		
♦ Top 20 – 70% of funds under management – every two years	—	
♦ 60 identified as most at risk of non-compliance – varies from year to year	↓	
♦ 18 responsible entities where we have identified risks or concerns – varies from year to year	↑	
♦ Remaining 368 – primarily reactive surveillances	↑	
135 super fund trustees		
♦ 3 identified as most at risk of non-compliance – varies from year to year	↓	
♦ 85 where we have identified risks or concerns – varies from year to year	↓	
♦ Remaining 47 – primarily reactive surveillances	↑	
956 custodial and depository service providers		
♦ 10 custodians where we have identified risks or concerns – varies from year to year	↓	
♦ Remaining 946 – primarily reactive surveillances	↑	

Small business compliance and deterrence

2016–17	2017–18	
Surveillance resources: 9	Est: 9	
Surveillance coverage:		
Companies identified as having the potential to conduct illegal phoenix activity		
♦ A small sample of entities in high-risk industries – every year	—	
♦ Supplemented by reactive surveillances and reviews to target risks or concerns	—	

Key: ↑ increase — remain stable ↓ decrease

Our risk-based approach to surveillance means that a subset of the population is examined multiple times, while others are not examined at all. The data is indicative only. Staff numbers are FTEs that are allocated to undertake surveillances in each team. They do not represent the total staff for each team that undertakes a range of other regulatory work.

MARKETS

Market supervision

<u>2016–17</u>	<u>2017–18</u>
Surveillance resources: 37	Est: 38

Surveillance coverage:

Monitoring of the ASX, Chi-X, NSX, SSX and ASX 24 markets – every day
130 market intermediaries – 0.5 years
700 securities dealers – *reactive surveillances and targeted reviews of high-risk entities only*
Supplemented by reactive surveillances and reviews to target risks or concerns

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Market infrastructure

<u>2016–17</u>	<u>2017–18</u>
Surveillance resources: 14	Est: 16

Surveillance coverage:

67 authorised market infrastructure providers
♦ 18 licensed financial markets – every year
♦ 32 exempt markets – *reactive surveillances only*
♦ 7 licensed clearing and settlement facilities – every year
♦ 1 exempt clearing and settlement facility – every year
♦ 2 licensed trade repositories – every year
♦ 7 credit rating agencies – every year

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Corporations

<u>2016–17</u>	<u>2017–18</u>
Surveillance resources: 15	Est: 15

Surveillance coverage:

23,908 public companies, 2,200 are listed entities (including registered schemes and foreign companies)
♦ All control transactions for listed entities
♦ A significant proportion of prospectuses
♦ A small sample of entities in areas of emerging risk – every year
♦ Remaining entities – *reactive surveillances only*

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Insolvency practitioners

<u>2016–17</u>	<u>2017–18</u>
Surveillance resources: 11.4	Est: 12

Surveillance coverage:

711 registered liquidators – every two years

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Financial reporting and audit

<u>2016–17</u>	<u>2017–18</u>
Surveillance resources: 23	Est: 23

Surveillance coverage:

Financial reports of around 2,000 listed entities (excludes foreign companies) and 26,000 unlisted entities
♦ Top 500 listed entities – 98% of total market capitalisation – 205 reports reviewed
♦ Remaining 1,500 listed entities – 80 reports reviewed
♦ 2,100 unlisted public interest entities – 35 reports reviewed
115 audit firms that audit listed entities
♦ Big 4 audit – 94.9% of listed entities by market capitalisation – 32 files reviewed
♦ Next 20 audit – 3.7% of listed entities by market capitalisation – 17 files reviewed
♦ Remaining 91 audit – 1.4% of listed entities by market capitalisation – 4 files reviewed
Supplemented by reactive surveillances

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1. ASIC does not record actual FTE allocated to individual surveillance figures, and these FTE figures are estimates only.
2. Surveillance figures in these tables include all surveillances completed in 2016–17, as well as those in progress at 30 June 2017.
3. There will be fewer surveillance resources in 2017–18 as the Wealth Management project moves from surveillance to enforcement.

1.5 ASIC for all Australians

ASIC assists Australians at every stage of life and in many different circumstances. We help them to make the most of financial opportunities, make financial decisions and deal with challenges when they occur.

Over 7 million people visited ASIC's MoneySmart website in 2016–17. It offers free, impartial and comprehensive information on money matters for all Australians across a wide range of demographic groups. Around 89% of users reported that they took action on their finances after visiting MoneySmart in 2016–17.

Examples of ASIC's work at life stages in 2016–17



Budgeting and saving

- ♦ ASIC's MoneySmart online **Budget Planner** was accessed by around 65,000 people each month to work out where their money was going.
- ♦ Our **TrackMySPEND app** was downloaded over 100,000 times in 2016–17, helping Australians to track their personal expenses on the go and manage their money better.



Getting Financial Advice

- ♦ Our **Financial Advisers Register** has been searched more than 818,000 times by consumers seeking information about advisers, such as their work history and qualifications.
- ♦ ASIC's new **Financial Advice Toolkit** helps Australians better understand and navigate the financial advice process, with tips including how to identify their financial goals and advice needs.
- ♦ ASIC took **action against firms and advisers** that put their financial interests ahead of the interests of customers.



Getting insurance

- ♦ ASIC announced that it will **ban flex commissions in the car finance market** from the second half of 2018.
- ♦ ASIC launched two new add-on insurance infographics in 2016–17:
 - ♦ Our **Tyre and Rim Insurance infographic** explains what tyre and rim insurance covers, and what consumers need to consider before buying this insurance from a car dealer.
 - ♦ Our **Mechanical Breakdown Insurance infographic** shows that this insurance is unnecessary when purchasing a new car, as consumers are already covered by the Australian Consumer Law and their car warranty.



Getting a credit card or a mortgage

- ♦ ASIC cracked down on **misleading or deceptive advertising** for credit cards and financial products – 55 ads were withdrawn or fixed.
- ♦ ASIC stopped banks and other credit providers overcharging interest and fees on accounts, with **over \$200 million refunded to consumers**.
- ♦ ASIC's MoneySmart **Mortgage Calculator** was accessed by more than 57,000 people every month.
- ♦ ASIC **reviewed mortgage broker remuneration** and recommended to Government the need for improved oversight of mortgage brokers by lenders.



Examples of ASIC's work for particular demographic groups in 2016–17



School children

- ◆ Since 2012, **more than 32,000 teachers** have received financial literacy professional development on ASIC's MoneySmart Teaching resources for primary and secondary schools.
- ◆ In 2016–17, **over 5,800 schools** – more than 62% of the nation's schools – engaged with ASIC's MoneySmart Teaching program.



Older Australians

- ◆ We hosted two roundtables in September 2016 and March 2017 to present the findings of our **research on the financial capability of older Australians**.



Indigenous communities

- ◆ Our **Take a minute with your money** videos deliver financial tips to regional and remote Indigenous consumers and focus on topics such as motor vehicle finance and consumer leases.
- ◆ We launched **Knowing, Growing, Showing** – a financial literacy teaching resource to support learning opportunities and improve the financial capabilities of Indigenous Australians.



Culturally and linguistically diverse (CALD) communities

- ◆ We launched ASIC's MoneySmart **Simple Money Manager** – a free online tool designed to help CALD Australians with everyday budgeting. The online tool is available in English and has also been translated into eight other languages, including Chinese (simplified and traditional), Italian, Arabic and Vietnamese.
- ◆ We launched a new ASIC MoneySmart video in Cantonese and Mandarin for the **Lunar New Year**. The videos were viewed more than 12,000 times on social media.



Women

- ◆ Our **Women's money challenges infographic** was launched to support International Women's Day. It shows the small financial steps women can take now that can make a big difference in later life.



Divorce and separation

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

1.6 Financial summary and expenditure

1.6.1 Outcomes

Parliament funds ASIC to achieve the outcome of:

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

1.6.2 Revenue for the Commonwealth

In 2016–17, ASIC raised \$920 million for the Commonwealth in fees and charges, an increase of 5% from 2015–16. The increase in revenue is driven by continued net company growth, along with fee indexation.

1.6.3 Revenue, appropriations and expenditure

In 2016–17, ASIC received approximately \$342 million in appropriation revenue from Government, including \$27 million from the Enforcement Special Account (ESA). This represented a \$30 million or 10% increase in appropriation compared with 2015–16.

We received approximately \$7 million of own-source revenue, which is \$2 million higher than the previous year.

The increase in appropriation revenue relates to new funding provided in the 2016–17 Budget. We received \$22 million for the ‘Improving Outcomes in Financial Services’ measure, which will enable us to enhance our data analytics and surveillance capabilities, as well as improve our information management systems and undertake additional surveillance and enforcement activities.

We received \$6 million in funding to support market testing of the Registry business, and a further \$2 million to implement a new collective investment vehicle regime and to implement the Asia Region Funds Passport.

The increase in expenditure in 2016–17 is consistent with the increase in appropriation revenue and represents a general increase in staff and supplier expenditure.

Table of 2016–17 revenue, appropriations and expenses

	2016–17 \$’000	2015–16 \$’000	Change \$’000	%
Revenues from Government (incl. ESA)	341,641	311,427	30,214	10%
Own-source revenue	7,261	5,200	2,061	40%
Total revenue	348,902	316,627	32,275	10%
Total expenses (including depreciation and amortisation)	392,460	371,223	(21,237)	(6%)
Surplus/(deficit)	(43,558)	(54,596)	11,038	20%

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

	2016–17	2015–16	2014–15
Operating expenses			
Total	\$392m	\$371m	\$354m
Annual change on previous year	+6%	+4.8%	–12%
Fees and charges raised for the Commonwealth			
Total	\$920m	\$876m	\$824m
Annual change on previous year	+5%	+6.4%	+8%