

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

10 – 11 February 2010

Question: aet 122

Topic: ASIC Fees & Charges

Hansard Page: E120-E121 (11/02/2010)

Senator BUSHBY asked:

Senator BUSHBY—Since the last round of questions took us away from the failed prosecutions, I might just ask a few questions on other matters and then I will ask some about that. In your answers to my question on notice, SBT-18, you stated that ASIC received an appropriation of \$308 million for the 2008-09 year but that it spent only \$295 million. Is that correct? You had a higher appropriation than you actually spent?

Mr D'Aloisio—I would need to check on this through the annual report but it may well be the case that we had a surplus. Is this the 2008-09 year?

Senator BUSHBY—Yes.

Mr D'Aloisio—It is not unusual, in the sense that you are working within budget, and if you can finish ahead that is usually a good thing.

Senator BUSHBY—If you finish ahead, did you actually receive the \$13 million that was appropriated that your figures show you didn't spend?

Mr D'Aloisio—Can I take that on notice and speak to our chief financial officer and come back to you. My recollection is that we can't carry forward what is unspent; it kicks in again the following year—you start again.

Senator BUSHBY—There have been varying approaches by governments over the years to that sort of thing.

Mr D'Aloisio—But I will clarify that and give you a written answer on that. I'm sorry I can't answer it.

Senator BUSHBY—Okay. Your 2009-10 budget is \$315 million and it includes an extra \$15.5 million provided for the first time for enhanced monitoring. If you take away that \$15.5 million it leaves you with a budget of \$295.5 million, which is some \$8.5 million less than your appropriation for the previous year—or about a 2.7 per cent reduction. Is that the efficiency dividend?

Mr D'Aloisio—Again, it may be. I will take that on notice as well.

Senator BUSHBY—Okay. So you are not aware of that, but I was going to ask you if you actually assume that you spent that full \$15.5 million on the enhanced surveillance, will that 2.7 per cent reduction in your budget reduce your operations in any way?

Mr D'Aloisio—If you look at the overall position and the way we are travelling, we are working within the budgets that we have been allocated and I feel comfortable that we are working within those. You get some pluses and minuses along the way but there is nothing in that that would trouble me. I may not be understanding the question properly, Senator.

Senator BUSHBY—You may not be. I am just noting that according to your 2008-09 budget you had an appropriation of \$308 million, and in 2009-10 it looks like it was \$295 million. So it has reduced significantly and I would imagine at a time when your responsibilities have actually probably increased.

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Mr D'Aloisio—Can I look at it and answer it for you, because—

Senator BUSHBY—I'm happy for you to take it on notice.

Mr D'Aloisio—Thank you.

Answer:

In 2008-09 ASIC recognised total income of \$314.4m (including appropriation revenue of \$308m) and incurred expenditure of \$294.8m, resulting in a surplus of \$19.8m.

As noted in ASIC's financial statements the \$19.8m surplus largely relates to the timing of expenditure for a major IT project. The surplus remains in ASIC's accumulated surplus account on the balance sheet and can only be accessed by application to the Finance Minister.

For 2009-10, as published in the Portfolio Additional Estimates for 2009-10, the budgeted appropriation revenue is \$345m, including \$30m from the Enforcement Special Account.

This represents an increase over the previous year's appropriation due to an increase in ASIC's functions and activities (Consumer credit, Global Financial Crisis funding and enhanced ASIC's monitoring capability).

The 2009-10 budget does include a \$1.74m decrease in funding resulting from the whole of government efficiency measure. This decrease in funding has not had any significant impact on operations in 2009-10.