

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

Question: sbt 18

Topic: ASIC Fees & Charges – Reference to BET 169

Hansard Page: E134

Senator BUSHBY asked:

Senator BUSHBY—I am looking at the answer to a question on notice by Senator Ronaldson, No. BET- 169, which is to do with your fee income and your actual expenditure. It says here that your 2008-09 actual expenditure information for the four groups that you are broadly categorised into was about \$141 million. Is that the entire cost of running ASIC?

Mr D’Aloisio—No. I will take it on notice and give you more accurate numbers, but, roughly speaking, the whole of the running of ASIC was about \$260 million last financial year, I think. That is made up of the core areas that you are talking about. There are also the support service areas, and then there is additional funding that we receive for special projects—for example, for major litigation. So, in all, it is about \$260 million or \$270 million. I think that in this financial year that will go up to about \$290 million.

Senator BUSHBY—And that is with the extra funds that you were given in the budget.

Mr D’Aloisio—I will get you more. We will check all that and give you accurate numbers.

Senator BUSHBY—If I could have a full breakdown of that, that would be good. What I am interested in is the juxtaposition of that against the amount of revenue that is actually raised. According to this, it looks like you raised \$551 million.

Mr D’Aloisio—That is correct.

Answer:

Is \$141m the entire cost of running ASIC?

No, that is not the entire cost of running ASIC. The actual expenditure in 2008-09 was \$295 million. Those expenses are shown below against the major expense categories and against the four outputs that contribute to ASIC achieving its outcome.

Outcome:	Output 1	Output 2	Output 3	Output 4	Total expenses by category
<i>A fair and efficient market characterised by integrity and transparency and supporting</i>	Policy and guidance about laws administered by ASIC	Comprehensive and accurate information on companies and corporate activity	Compliance monitoring and licensing of participants in the financial system to protect	Enforcement activity to give effect to the laws administered by ASIC	

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<i>confident and informed participation of investors and consumers</i>			consumer interests and ensure market integrity		
	\$' m	\$' m	\$' m	\$' m	\$' m
Employee expenses	11.5	35.0	47.4	82.9	176.8
Suppliers	5.9	19.2	17.5	54.8	97.4
Depreciation & amortisation	1.0	4.6	4.0	9.5	19.1
Finance costs	-	0.1	0.1	0.3	0.5
Write-down of assets	-	0.2	0.2	0.5	0.9
Total expenses by Output	18.5	59.0	69.2	148.0	294.7

Does that include the extra funds you were given in the budget?

The revenue derived from the Corporations Act, such as company registration fee revenue is collected on behalf of the Government, it is not available for ASIC to use to run its business.

ASIC receives departmental appropriations and funding for projects to deliver its outcome. In 2008-09, ASIC received \$308 million appropriation from the Government.

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ASIC is budgeted to receive \$315 million appropriation in 2009-10 (excluding \$30 million under Enforcement Special Account). This appropriation includes the funding received in the last budget as per the Portfolio Budget Statements 2009-10 which reported the following additional funding:

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Enhanced monitoring and enforcement	\$15.5m	\$15.7m	\$15.9m	\$16.1m

Global financial crisis \$18.7m