

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: **BET 61**

Topic: **ASIC Operational Funding**

Hansard Page: Tuesday 29 May 2012, page 89

Senator CORMANN asked:

Senator CORMANN: That would be great. Now, just from a budget point of view, are you comfortable with the level of operational funding provided in the budget for ASIC in 2012-13?

Mr Medcraft: As I always say to you, the level of funding of ASIC is a matter for government, and our objective with what we are given is to leverage that to achieve the outcomes which we have set ourselves—the three strategic outcomes. The budget result, frankly, we were very pleased with, given what happened overall with the budget. We are left a situation where, clearly, like all areas of government, we will have to meet the efficiency dividend of four per cent, but basically, in fact, it has actually been a good result and provided stability to ASIC for the next four years in terms of our funding. So I will say we are actually very pleased in the context, in the environment, frankly.

Senator CORMANN: Can you just confirm, though, that in 2011-12 your operational funding is for \$28.8 million; does that sound right?

Mr Medcraft: The appropriation funding for 2011-12 out of appropriation was \$261.958 million; that is for core.

Senator CORMANN: You have to look at this year's budget paper. It says in here, and I am just quoting:

ASIC previously received non-ongoing funding to cover operating activities, including \$28.8 million in 2011-12.

This is on page 277 of Budget Paper No. 2. Then in 2012-13 that goes down to \$15.5 million, and then in each one of the outyears it is \$28.8 million again. So it is \$28.8 million in 2011-12, it is \$28.8 million in 2013-14, 2014-15 and 2015-16, but next financial year, when we just happen to have this rush by government to create the illusion of an early surplus, it is about just over half that. What is the rationale for that?

Mr Medcraft: I will take that on notice.

Senator CORMANN: So you do not know that you are going to have a halving in your non-ongoing funding to cover operating activities in 2012-13 compared to last year and every one of the outyears?

Mr Medcraft: I think if you look at our total appropriation it has gone from \$322.9 million to \$349 million, which is a \$26 million increase, so that is a fairly significant increase.

Senator CORMANN: Sure, but I am looking specifically at the budget measure in relation to operational funding, on page 277 of Budget Paper No. 2.

Mr Medcraft: We will take it on notice.

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Answer

Yes, ASIC is aware of the increase in on-going operational funding of \$15.5m in 2012-13 which increases to \$28.8m from 2013-14. This replaces one-off funding that was due to terminate in 2011-12 and contributes to an increase in ASIC's appropriation revenue in 2012-13 of around \$26.1m compared with 2011-12.