

Registered Company Auditors	2017-2018	2018-2019	2019-2020	% change 2017-2018 to 2018-2019	% change 2018-2019 to 2019-2020	% change 2017-2018 to 2019-2020
Subsector population	4,453	4,089	3,817	-8.17%	-6.65%	-14.28%
Expense						
Supervision and surveillance	\$409,000	\$441,000	\$486,000	7.82%	10.20%	18.83%
Enforcement	\$101,000	\$31,000	\$330,000	-69.31%	964.52%	226.73%
Other Regulatory Activities - Industry (stakeholder) engagement	\$11,000	\$5,000	\$14,000	-54.55%	180.00%	27.27%
Other Regulatory Activities - Education	\$0	\$0	\$0	0.00%	0.00%	0.00%
Other Regulatory Activities - Guidance	\$5,000	\$2,000	\$8,000	-60.00%	300.00%	60.00%
Other Regulatory Activities - Policy advice	\$28,000	\$25,000	\$15,000	-10.71%	-40.00%	-46.43%
	\$44,000	\$32,000	\$37,000	-27.27%	15.63%	-15.91%
Indirect Cost - Governance, central strategy and policy, and central leg	\$60,000	\$67,000	\$281,000	11.67%	319.40%	368.33%
Indirect Cost - IT support	\$126,000	\$122,000	\$481,000	-3.17%	294.26%	281.75%
Indirect Cost - Operations support	\$65,000	\$63,000	\$205,000	-3.08%	225.40%	215.38%
Indirect Cost - Property and corporate services	\$160,000	\$161,000	\$516,000	0.63%	220.50%	222.50%
	\$411,000	\$413,000	\$1,483,000	0.49%	259.08%	260.83%
Total operating costs	\$965,000	\$917,000	\$2,336,000	-4.97%	154.74%	142.07%
Adjustment for capital expenditure allowance	\$69,000	\$55,000	\$213,000	-20.29%	287.27%	208.70%
Adjustment for ASIC-sourced revenue	(\$32,000)	(\$15,000)	(\$18,000)	-53.13%	20.00%	-43.75%
Adjustment for market competition cost recovery	n/a	n/a	n/a	n/a	n/a	n/a
Adjustment for new policy measures	\$11,000	\$9,000	\$0	-18.18%	-100.00%	-100.00%
Adjustment for prior year (under or over recovery)	n/a	n/a	\$39,000	0.00%		
	\$48,000	\$49,000	\$234,000	2.08%	377.55%	387.50%
Total budgeted costs to be recovered by levy	\$1,013,000	\$966,000	\$2,570,000	-4.64%	166.05%	153.70%
[Source: ASIC (Supervisory Cost Recovery Levy - Annual Determination instruments)]						
Extent to which regulatory costs are attributable to subsector*	\$929,499	\$850,437	\$3,097,293	-8.51%	264.20%	233.22%
<i>% above (below) budgeted costs</i>	-8.24%	-11.96%	20.52%			
<i>ASIC's total regulatory costs</i>	<i>\$236,582,384</i>	<i>\$276,711,435</i>	<i>\$320,333,169</i>	16.96%	15.76%	35.40%
Levy Calculation - Flat Levy for RCA's	\$208.74	\$207.98	\$811.45	-0.36%	290.15%	288.74%

Two factors will drive an increase in levy - a decrease in subsector population and/or an increase in the extent to which regulatory costs are attributable to the subsector. Since introduction of the levy, the RCA subsector population has decreased by 14.28% and the extent to which actual regulatory costs are attributable to the subsector have increased by 233.22% with notable significant budgeted increases in: enforcement costs (226.73%), indirect costs (260.83%), and capital expenditure allowance (280.7%). The 2019-2020 levy was also impacted by actual regulatory costs exceeding budgeted regulatory costs for RCA's by 20.52% whereas in prior years actual regulatory costs were lower than budgeted costs. There does not appear to be a breakdown of components of actual regulatory costs.

* The extent to which regulatory costs are attributable to subsector appears to be actual (as distinct from budgeted) regulatory costs. For 2019-2020, the amounts are derived from ASIC (*Supervisory Cost Recovery Levy - Regulatory Costs Instrument 2020/1074* (24 November 2020)).

Notes

ASIC (Supervisory Cost Recovery Levy - Annual Determination) Instrument (1) formally determines the sub-sector population for the applicable financial year. The legislative instrument is made late in the calendar year (eg November/December). This instrument is accompanied with an Explanatory Statement. The instrument assists with the calculation of the basic levy component and the graduated levy component.

ASIC (Supervisory Cost Recovery Levy - Annual Determination) Instrument (2) formally determines ASIC's regulatory costs for the applicable financial year. The legislative instrument is made late in the calendar year (eg November/December). This instrument is accompanied with an Explanatory Statement. The instrument provides a breakdown of ASIC's regulatory costs by sub-sector which assists with the calculation of the basic levy component and the graduated levy component.