

Continuous supervision

Markets must operate with integrity to attract companies, retain capital and build investor confidence. ASX's strong brand and international reputation for conducting markets of integrity has been founded on many years of consistent and constant supervision. Sustaining that reputation requires a framework that is robust and steadily enhanced, supervision that is visible and adequately resourced, and enforcement that is effective.

Oversight and assurance

ASX has long held the view that its effectiveness as a market supervisor has been enhanced by the demutualisation and listing of ASX. This is based on the inextricable link between ASX's success in operating a market of integrity and its success as a listed company responsible to shareholders. A failure of integrity would not only damage the market, it would also damage the interests of ASX shareholders.

This year, for the first time, this view – and ASX's performance as a market supervisor – was subject to two intensive rounds of external scrutiny and oversight.

ASX Supervisory Review (ASX SR) undertook a comprehensive audit of ASX's supervision in line with its mandate to provide an additional layer of transparency to ASX's supervisory work. ASX SR reports directly to the ASX Board on ASX's supervisory policies and procedures, expressing an objective and independent opinion on the adequacy of funding and resources for supervision within ASX. Looking at each of ASX's supervisory requirements under the Corporations Act, the ASX SR report found that ASX's performance was satisfactory in all relevant respects.

Under the Corporations Act, ASX is required to ensure its markets are fair, orderly and transparent. ASX must also have adequate arrangements for monitoring and enforcing its rules for the expulsion, suspension or disciplining of market participants, for the settlement of transactions due to trading in securities, for investigating complaints by investors, and conflict handling.

ASX SR's report stated that, "ASX had in place numerous effective and efficient processes for ensuring compliance with its operating rules on a day-to-day real time basis and for dealing with suspected breaches of these rules and the law".

ASX SR also concluded that "the level of funding and resourcing devoted by the ASX Group to supervisory activities was substantial".



Australia – a nation of shareholders
ASX released the latest instalment of its Share Ownership Study in February 2003. The survey, conducted during November 2002, involved over 2,400 interviews and 21 focus groups across Australia.

ASX has conducted the surveys since 1997, examining trends and drivers in Australian share ownership. The survey highlighted that 50% of adult Australians own shares either directly or indirectly through managed funds or self-managed superannuation. The result was slightly lower than the previous survey, which showed 52% owning shares – however, investors own on average a larger number of shares with a higher average volume.

The survey examines the characteristics of investment decisions by different investors and highlights the different sources of information for their investment decisions.

Overall the survey demonstrates the continued strong attachment that Australians have with listed investment, with the great diversity of the investing population increasingly matched with a broad range of product accessible and available for immediate investment on the listed market.

More information about the survey is available on www.asx.com.au.

July 1993
Iraq accepts UN weapons monitoring.



Woolworths Limited \$2.45 billion float. Shares trade at \$2.45 after trading is extended by 3.5 hours until 7:30 pm to accommodate the high levels of trading volume. Woolworths first store, the Woolworths Stupendous Bargain Basement, was opened in Pitt St, Sydney on 5 December 1924.



October 1993
China breaks nuclear test moratorium.

All listed companies have their securities made available for settlement using ASX's Flexible Accelerated Security Transfer (FAST) system. Only six companies have fully electronic registers at this stage.

All Ordinaries index finally passes previous high reached during September 1987.

November 1993
Jean Chretien sworn in as Canada's 20th prime minister.

1 July 1993
All Ords 1,783.99

Market milestones

Domestic listed companies 1,125

Market capitalisation A\$288 billion

Equities turnover A\$128 billion

Equities trades 15,500 daily average

Options contracts 46,000 daily average