

COMPANIES AND SECURITIES ADVISORY COMMITTEE

Section 1: Overview, Appropriations and Budget Measures Summary

OVERVIEW

The Companies and Securities Advisory Committee (CASAC) was established in September 1989. Its role, as set out in Section 148 of the *Australian Securities and Investments Commission Act 1989* (the ASIC Act), is to advise the Minister on any matters concerning the Corporations Law or improving the efficiency of securities or futures markets. The Committee does not have any statutory role to advise on those insurance or trade practices consumer protection matters that were added to the jurisdiction of ASIC in 1998. ASIC has established a non-statutory Consumer Advisory Panel to advise it on issues affecting consumers.

The Legal Committee was established in September 1991 to provide expert legal analysis, assessment and advice to the Advisory Committee.

The members of the Advisory Committee and Legal Committee are appointed in their personal capacity by the Treasurer.

APPROPRIATIONS

Total appropriations for the CASAC in the 1999-2000 Budget are \$0.8 million (see Table 1.1).

Companies and Securities Advisory Committee — Appropriations 1999-2000

Table 1.1: Appropriations (\$'000)

Outcomes	Administered Expenses				Price of Outputs					Total Appropriations (^(c))	Total Estimated Expenses
	Special Appropriations (^(a))	Annual Appropriations		Total Administered Appropriations	Total Price of Outputs(^(c))	Revenue from Other Sources(^(d))	Revenue from Government (Appropriations)				
		Bill 1	Bill 2 (SPPs & NAOs) (^(b))				Special	Annual Bill 1	Total		
(A)	(B)	(C)	(D= A+ B+ C)	(E)	(F)	(G)	(H= E- F- G)	(I= G+ H)	(J= D+ I)	(K= J+ F)	
Outcome 1 — Confident and informed participation of investor and consumers in the financial system	-	-	-	-	846	28	-	818	818	818	846
Total	-	-	-	-	846	28	-	818	818	818	846
Bill 2 Administered Capital ^(b)										-	
Bill 2 Agency Equity Injections and Loans ^(b)										-	
Total Appropriations										818	

(a) Estimated expenses from individual Special Appropriations are shown in Appendix 2.

(b) Under the proposed Appropriation Structure, Bill 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), Administered Capital and Agency Capital via Agency Injections and Loans.

(c) Refer to Budget Statement of Revenue and Expenses for Application of Agency Revenue (see Table 3.1).

(d) Other Revenue includes other revenue from Government (eg resources free of charge) and revenue from other sources (eg sales of goods and services).

(e) Links from Appropriations to Budget Financial Statements include Budget Statement of Revenue and Expenses (see Table 3.1); and Capital Budget (see Tables 3.4 & 3.5).

ADMINISTERED CAPITAL AND EQUITY INJECTIONS AND LOANS

CASAC does not have an appropriation for an equity injection or loan or an appropriation for administered capital in 1999-2000.

Section 2: Outcomes and Outputs Information

OUTCOMES AND OUTPUT GROUPS

The map on the following page shows the relationship between Government outcomes and the contributing outputs for the Companies and Securities Advisory Committee. Financial detail for Outcome 1 by output appears in Table 2.2 while non-financial information for Outcome 1 appears in Table 2.3.



OUTCOME 1

A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers.

Table 2.1 shows the relationship between the programme structure for 1998-99 and the new outcome structure for the 1999-2000 Budget for Outcome 1.

Table 2.1: Relationship between Programme and Outcome Structure for Outcome 1

Programme Management Budgeting	Accrual Budgeting
Programme 8 — Business Affairs	Outcome 1 Confident and informed participation of investors and consumers in the financial system.
Sub-programmes	Output Groups
Sub-programme 8.2 — Companies and Securities Advisory Committee	Output Group 1.1 — Companies and Securities Advisory Committee
Appropriations for Programme 8	Appropriations for Outcome 1
Sub-programme 8.2	Output Group 1.1
Appropriation Bill 1	
Running costs including Section 31 receipts (674-1)	
	Outcome 1 Appropriation Bill 1 Agency Outputs

RESOURCES FOR OUTCOME 1

Table 2.2 shows how the 1998-99 appropriation and programming structure relates to total resourcing for Outcome 1.

Table 2.2: Total Resources for Outcome 1

	Estimated Actual	Estimated Actual	Budget
	1998-99 CASH \$'000	1998-99 ACCRUAL \$'000	1999-00 \$'000
Price of Agency Outputs			
Output Group 1.1 — Companies and Securities Advisory Committee Output 1.1.1 — Annual Report, Discussion Papers and Reports Output 1.1.2 — Recommendations			
Appropriation Structure 1998-99 (a)			
Sub-programme 8.2 — Companies and Securities Advisory Committee			
Subtotal Output Group 1.1	816	846	846
Revenue from Government (Appropriation) for Agency Outputs	816	816	818
Revenue from Other Sources	28	30	28
Total Price of Outputs	846	846	846
Total for Outcome 1	846	846	846
		1998-99	1999-00
Staff Years (Number)		4	4

(a) See Table 2.1 for details.

CONTRIBUTION OF OUTPUTS TO OUTCOME 1

The output of CASAC is similar to the first output of the Australian Securities and Investments Commission: policy and guidance about the laws administered by ASIC. CASAC focuses on the legislation related to companies and securities, and its operations involve initiating major policy innovation in corporate law, reviewing procedural and other issues in current practice without changing fundamental underlying policy, and reviewing draft legislative policy and Bills. This is basic to the achievement of the Government outcome of confident and informed participation of investors and consumers in the financial system.

Table 2.3: Performance Information 1999-2000

Performance Information for Agency Outputs

Output Group 1.1 — Companies and Securities Advisory Committee

Output 1.1.1 — Annual Report, Discussion Papers and Reports	The Advisory Committee seeks to stimulate and lead public debate on the enhancement of standards for corporations and participants in financial markets, and propose suitable regulatory reform where necessary.
Output 1.1.2 — Recommendations	To achieve these performance goals, the Advisory Committee seeks the expert advice of its Legal Committee, encourages public comment on its Discussion Papers and thoroughly reviews all submissions received on them. This well established process of public review is designed to ensure that the commercial community has the opportunity to fully participate in the law reform process. Through this consultation and review process, and the provision of timely advice to the Treasurer in the form of Advisory Committee Reports and other Papers, the Committee seeks to ensure that Australian financial markets and corporations continue to operate in a commercial environment of the highest standards supported by appropriate legislation.

Evaluations

There are no planned evaluation activities in the 1999-2000 financial year.

Section 3: Budget Financial Statements

The budget financial statements will form the basis of the financial statements that will appear in the Company and Securities Advisory Committee's 1999-2000 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenues and Expenses (Budget Operating Statement)

This statement provides a picture of the expected financial results for CASAC by identifying full accrual expenses and revenues, which highlights whether CASAC is operating at a sustainable level.

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

This statement shows the financial position of CASAC. It enables decision-makers to track the management of CASAC's assets and liabilities.

Budget Cash Flow Statement

This statement identifies expected cash flows from operating activities, investing activities and financing activities.

Capital Budget

This statement shows all proposed capital expenditure funded through the Budget as appropriations or from internal sources.

Non-financial Assets — Summary of Movement

This statement shows the movement in CASAC's non-financial assets over the Budget year 1999-2000.

Table 3.1: Budget Statement of Revenue and Expenses

	Estimated	Estimated			
	Actual				
	1998-99	1999-00	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Agency Revenue and Expenses					
Revenue					
Revenue from government					
Ordinary annual appropriations (net appropriations)	816	818	880	875	919
Revenue from other sources					
Other revenue from other sources	30	28	26	25	25
Total Revenue	846	846	906	900	944
Expenses					
Employees	366	387	416	373	381
Depreciation and amortisation	74	92	112	131	158
Other costs of providing goods and services	406	331	341	360	369
Total Expenses	846	810	869	864	908
Operating Result before Capital User Charge	-	36	36	36	36
Capital User Charge	-	36	36	36	36
Transfers and Dividends	-	-	-	-	-
Accumulated Results at Year End	-	-	-	-	-

Note: CASAC does not have any Administered items.

Table 3.2: Budget Statement of Assets and Liabilities

	Estimated	Estimated			
	Actual				
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Assets and Liabilities					
Debt					
Leases	72	52	32	12	-
Total Debt	72	52	32	12	-
Provisions and Payables					
Employees	105	104	108	116	125
Suppliers	43	30	46	26	28
Total Provisions and Payables	148	134	154	142	153
Equity					
Accumulated results	301	301	301	301	301
Total Equity	301	301	301	301	301
Total Liabilities and Equity	521	487	487	455	454
Financial Assets					
Cash	164	85	99	69	96
Receivables	10	10	11	11	11
Total Financial Assets	174	95	110	80	107
Non-financial Assets					
Land and buildings	7	5	3	1	-
Infrastructure, plant and equipment	320	359	346	346	318
Other	20	28	28	28	29
Total Non-financial Assets	347	392	377	375	347
Total Assets	521	487	487	455	454

Note: CASAC does not have any Administered items.

Table 3.3: Budget Cash Flow Statement

	Estimated Actual	Estimated			
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Cash Flows					
Operating Activities					
Cash Received					
Appropriations	816	818	880	875	919
Other	30	28	25	25	25
Total Cash Received	846	846	905	900	944
Cash Used					
Employees	-363	-388	-411	-364	-373
Suppliers	-397	-408	-382	-437	-414
Total Cash Used	-760	-796	-793	-801	-787
Net Cash from Operating Activities	86	50	112	99	157
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	1	1	1	1	1
Total Cash Received	1	1	1	1	1
Cash Used					
Purchase of property, plant and equipment	-130	-130	-98	-130	-130
Total Cash Used	-130	-130	-98	-130	-130
Net Cash from Investing Activities	-129	-129	-97	-129	-129
Financing Activities					
Cash Received					
Total Cash Received	-	-	-	-	-
Cash Used					
Total Cash Used	-	-	-	-	-
Net Cash from Financing Activities	-	-	-	-	-
Net increase/decrease in cash held	-43	-79	15	-30	28
Add cash as at 1 July	207	164	85	100	70
Cash as at 30 June	164	85	100	70	98

Note: CASAC does not have any Administered items.

CAPITAL BUDGET

CASAC will not receive a Capital Appropriation, but will internally fund the purchase of non-current assets, including finance leases from its Agency resources.

Table 3.4: Capital Budget

Purchase of Non-current Assets	Estimated			
	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Funded by capital appropriations	-	-	-	-
Funded by internally by Agency resources	131	99	131	131
Total	131	99	131	131

Part C: Agency Budget Statements — CASAC

Table 3.5: Non-financial Assets — Summary of Movement
Budget Year 1999-2000

	Land	Buildings	Total Land and Buildings	Other Infrastructure, Plant and Equipment	Total Infrastructure, Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Value							
As at 1 July 1999 (opening)	-	18	18	630	630	-	648
Additions	-	-	-	131	131	-	131
Disposals	-	-	-	-6	-6	-	-6
Other movements	-	-	-	-	-	-	-
As at 30 June 2000	-	18	18	755	755	-	773
Accumulated Depreciation							
As at 1 July 1999 (opening)	-	11	11	310	310	-	321
Disposals	-	-	-	-4	-4	-	-4
Charge for the reporting period	-	2	2	90	90	-	92
Other movements	-	-	-	-	-	-	-
As at 30 June 2000	-	13	13	396	396	-	409
Net Book Value as at 30 June 2000 (Closing Book Value)	-	5	5	359	359	-	364
Net Book Value as at 1 July 1999 (Opening Book Value)	-	7	7	319	319	-	326
Total Additions							
	Land	Buildings	Total Land and Buildings	Other Infrastructure, Plant and Equipment	Total Infrastructure, Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Self funded	-	-	-	131	-	-	131
Appropriations	-	-	-	131	-	-	131
Total	-	-	-	131	-	-	131

NOTES TO THE FINANCIAL STATEMENTS

Budget Statement of Revenue and Expenses

Expenses

Employee Expenses

These expenses are higher in 2000-01 primarily because of the proposed recruitment of a consultant on a temporary basis.

Depreciation and Amortisation Expenses

There is an increase over the reporting period due mainly to the acquisition of library books.