AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Overview, additional estimates and variations to outcomes

OVERVIEW

There has been no change to the overview included in the 2000-01 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Measures

Outcome 1 — A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers

	2000-01	2001-02	2002-03	2003-04
	$'000	$'000	$'000	$'000
Outcome 1				
Superannuation Complaints Tribunal	967	-	-	-

The Government will provide the Superannuation Complaints Tribunal with additional funding to reduce its current backlog of cases. The funding will enable the Tribunal to appoint additional staff and undertake a greater number of reviews. It will also enable the Tribunal to cover its operating costs.

OTHER VARIATIONS TO APPROPRIATIONS

The Australian Securities and Investments Commission (ASIC) is seeking an additional $0.387 million as a result of revised parameters.

Chart 5: Australian Securities and Investments Commission outcomes and outputs

Australian Securities and Investments Commission

Chairman: Mr Alan Cameron

Overall Outcome

Strong, sustainable economic growth and the improved wellbeing of Australians

Outcome 1

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

Total Price of Outputs: $136.865 million
Agency Outputs Appropriation: $131.465 million

Output Group 1.1

Australian Securities and Investments Commission

Output 1.1.1

Policy and guidance about the laws administered by ASIC

Output 1.1.2

Comprehensive and accurate information on companies and corporate activity

Output 1.1.3

Compliance monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity

Output 1.1.4

Enforcement activity to give effect to the laws administered by ASIC

MEASURES: AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION SUMMARY

Table 1.1: Summary of measures since the 2000-01 Budget

Measure	Outcome	Output groups affected	Appropriations 2000-01 $'000			Appropriations 2001-02 $'000			Appropriations 2002-03 $'000			Appropriations 2003-04 $'000		
			Admin items	Agency outputs	Total	Admin items	Agency outputs	Total	Admin items	Agency outputs	Total	Admin items	Agency outputs	Total
Superannuation Complaints Tribunal	1	1.1.3	-	967	967	-	-	-	-	-	-	-	-	-
Total	1	1.1.3	-	967	967	-	-	-	-	-	-	-	-	-

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATIONS BILL

Table 1.2: Appropriation Bill (No. 3) 2000-01

	1999-00 actual $'000	2000-01 budget $'000	2000-01 revised $'000	Additional estimates $'000	Reduced estimates $'000
AGENCY OUTPUTS					
Outcome 1					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	132,381	130,111	131,465	1,354	-
Total	132,381	130,111	131,465	1,354	-
Appropriation Bill No. 3	-	-	-	1,354	-
Total	-	-	-	1,354	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average staffing level (ASL)

	2000-01 Budget	2000-01 Revised	Variation
Outcome 1			
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	1,270	1,200	(70)
Total	1,270	1,200	(70)

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED APPROPRIATIONS (SECTION 31) RECEIPTS

Table 1.5: Changes to net annotated appropriations (section 31) receipts

	Total approp 2000-01 budget $'000	Total approp 2000-01 revised $'000	Receipts from independent sources budget $'000	Receipts from independent sources revised $'000	Variation in non-govt revenue $'000
Outcome 1					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	130,111	131,465	4,775	5,400	625
Total	130,111	131,465	4,775	5,400	625

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

There have been no changes to ASIC's outcome and outputs included in the 2000-01 Portfolio Budget Statements.

Revised performance information and level of achievement — 2000-01

The revised performance information that ASIC will use to assess the level of its achievement against Output 1.1.3 during 2000-01 is shown below:

Table 2.1: Performance information for outputs affected by additional estimates Outcome 1

Output	Performance information 2000-01
Output 1.1.3 Compliance monitoring and licensing of participants in the financial system to protect consumer interest and ensure market integrity	Quality: A new complaints management system and additional staff will be in place to improve the operations of the Superannuation Complaints Tribunal
	Quantity: A general reduction in the backlog of cases is expected
	Price: $0.967m

Section 3: Budgeted financial statements

Budget statement of revenues and expenses

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

Budget statement of assets and liabilities

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

Budget cash flow statement

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

Capital budget statement

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

Table 3.1: Budget statement of revenues and expenses

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	Estimated 2001-02 $'000	2002-03 $'000	2003-04 $'000
ASIC REVENUE AND EXPENSES					
Revenues					
Revenue from government					
Ordinary annual appropriations	132,571	131,465	135,269	135,393	135,921
Revenue from other sources					
Sales of goods and services	2,050	3,500	3,750	3,790	4,150
Other revenue from other sources	5,597	1,900	2,005	2,155	2,210
Total revenue	140,218	136,865	141,024	141,338	142,281
Expenses					
Employees	83,787	84,313	82,402	83,299	81,455
Depreciation and amortisation	8,238	7,588	3,500	2,148	1,719
Goods and Services	46,187	46,921	55,122	55,891	59,107
Other	494	200	-	-	-
Total expenses	138,706	139,022	141,024	141,338	142,281
Operating result before capital user charge	1,512	(2,157)	-	-	-
Capital user charge	-	-	-	-	-
Extraordinary items	(4,284)	-	-	-	-
Opening Accumulated results	1,328	(1,444)	(3,601)	(3,601)	(3,601)
Accumulated results at year end	(1,444)	(3,601)	(3,601)	(3,601)	(3,601)
ADMINISTERED REVENUE AND EXPENSES					
Revenues					
Taxation revenue	359,536	347,544	352,750	358,035	362,343
Other revenue	3,322	41,525	41,525	41,525	39,525
Appropriations	-	-	-	-	-
Total revenue	362,858	389,069	394,275	399,560	401,868
Expenses					
Other costs of providing goods and services	6,050	23,025	22,025	22,025	19,025
Grants	-	-	-	-	-
Interest and financing costs	-	-	-	-	-
Total expenses	6,050	23,025	22,025	22,025	19,025
Net cost to government	356,808	366,044	372,250	377,535	382,843
Cash transfer to/from DoFA	(360,975)	(373,044)	(374,401)	(379,658)	(383,966)
Opening Accumulated results	26,897	22,730	15,730	13,579	11,456
Accumulated results after transfer	22,730	15,730	13,579	11,456	10,333

Table 3.2: Budget statement of assets and liabilities (Agency)

	Actual 1999-00 $'000	Revised Budget 2000-01 $'000	2001-02 $'000	Estimated 2002-03 $'000	2003-04 $'000
ASIC ASSETS AND LIABILITIES					
Debt					
Loans	2,772	-	-	-	-
Other	5,779	3,917	2,925	2,312	1,880
Total debt	8,551	3,917	2,925	2,312	1,880
Provisions and payables					
Employees	23,633	26,160	27,376	28,976	29,630
Supplies	5,863	1,400	1,400	1,400	1,400
Other	247	-	-	-	-
Total provisions and payables	29,743	27,560	28,776	30,376	31,030
Equity					
Accumulated results	(1,444)	(3,601)	(3,601)	(3,601)	(3,601)
Reserves	325	325	325	325	325
Total equity	(1,119)	(3,276)	(3,276)	(3,276)	(3,276)
Total liabilities and equity	37,175	28,201	28,425	29,412	29,634
Financial assets					
Cash	8,558	5,607	13,671	16,806	18,747
Receivables	2,695	1,450	1,500	1,500	1,500
Investments	-	-	-	-	-
Total financial assets	11,253	7,057	15,171	18,306	20,247
Non-financial assets					
Infrastructure, plant and equipment	18,519	14,984	8,146	6,839	5,793
Intangibles	6,423	5,260	4,208	3,367	2,694
Other	980	900	900	900	900
Total non-financial assets	25,922	21,144	13,254	11,106	9,387
Total assets	37,175	28,201	28,425	29,412	29,634

Table 3.2: Budget statement of assets and liabilities (Administered)

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	Estimated 2001-02 $'000	2002-03 $'000	2003-04 $'000
ADMINISTERED ASSETS AND LIABILITIES					
Debt					
Government securities	-	-	-	-	-
Loans	-	-	-	-	-
Other	-	-	-	-	-
Total debt	-	-	-	-	-
Provisions and payables					
Grants	-	-	-	-	-
Other	1,389	47,643	52,118	56,593	56,593
Total provisions and payables	1,389	47,643	52,118	56,593	56,593
Equity					
Accumulated results	22,730	15,730	13,579	11,456	10,333
Reserves	-	-	-	-	-
Total equity	22,730	15,730	13,579	11,456	10,333
Total liabilities and equity	24,119	63,373	65,697	68,049	66,926
Financial assets					
Cash	1,134	1,134	134	134	134
Receivables	22,985	62,239	65,563	67,915	66,792
Investments	-	-	-	-	-
Total financial assets	24,119	63,373	65,697	68,049	66,926
Non-financial assets					
Other non-financial assets	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets	24,119	63,373	65,697	68,049	66,926

Table 3.3: Budget cash flow statement (Agency)

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	Estimated 2001-02 $'000	2002-03 $'000	2003-04 $'000
ASIC CASH FLOWS					
Operating activities					
Cash received					
Appropriations	132,381	131,465	135,269	135,393	135,921
Sales of goods and services	2,611	2,770	1,500	1,500	1,500
Other	2,907	4,100	4,205	4,445	4,860
Total cash received	137,899	138,335	140,974	141,338	142,281
Cash used					
Employees	80,823	81,786	81,186	81,699	80,801
Supplies	47,436	53,416	56,114	56,504	59,539
Other	394	222	-	-	-
Total cash used	128,653	135,424	137,300	138,203	140,340
Net cash from operating activities	9,246	2,911	3,674	3,135	1,941
Investing activities					
Cash received					
Proceeds from sale of property, plant and equipment	212	-	6,390	-	-
Total cash received	212	-	6,390	-	-
Cash used					
Purchase of property, plant and equipment	7,652	3,090	2,000	-	-
Total cash used	7,652	3,090	2,000	-	-
Net cash from investing activities	(7,440)	(3,090)	4,390	-	-
Financial activities					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Capital user charge paid	-	-	-	-	-
Repayments of borrowings	2,050	2,772	-	-	-
Other	-	-	-	-	-
Total cash used	2,050	2,772	-	-	-
Net cash from financing activities	(2,050)	(2,772)	-	-	-
Net increase/(decrease) in cash held	(244)	(2,951)	8,064	3,135	1,941
Add cash as at 1 July	8,802	8,558	5,607	13,671	16,806
Cash as at 30 June	8,558	5,607	13,671	16,806	18,747

Table 3.3: Budget cash flow statement (Administered)

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	2001-02 $'000	Estimated 2002-03 $'000	2003-04 $'000
ADMINISTERED CASH FLOWS					
Operating activities					
Cash received					
Taxes, fees and fines	354,068	378,044	377,401	383,658	386,966
Interest and dividends					
Appropriations receipts	-	18,025	18,025	18,025	16,025
Other	-	-	-	-	-
Total cash received	354,068	396,069	395,426	401,683	402,991
Cash used					
Grants	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Cash to CRF	360,975	373,044	374,401	379,658	383,966
Other	-	23,025	22,025	22,025	19,025
Total cash used	360,975	396,069	396,426	401,683	402,991
Net cash from operating activities	(6,907)	-	(1,000)	-	-
Investing activities					
Cash received					
Consolidated revenue fund	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Consolidated revenue fund	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from investing activities	-	-	-	-	-
Financial activities					
Cash received					
Consolidated revenue fund	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Consolidated revenue fund	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase/(decrease) in cash held	(6,907)	-	(1,000)	-	-
Add cash as at 1 July	8,041	1,134	1,134	134	134
Cash as at 30 June	1,134	1,134	134	134	134

Table 3.4: Capital budget statement

	Actual 1999-00 $'000	Revised budget 2000-01 $'000	Estimated 2001-02 $'000	2002-03 $'000	2003-04 $'000
ASIC					
Capital appropriation	-	-	-	-	-
Total capital appropriation	-	-	-	-	-
Represented by					
Purchase of non-current assets	-	-	-	-	-
Total agency	-	-	-	-	-
Purchase of non-current assets					
Funded internally by agency resources	7,652	3,090	2,000	-	-
Total items	7,652	3,090	2,000	-	-

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Agency

Budget statement of revenues and expenses

Appropriation from government has increased by $1.354 million comprising a revised parameter movement of $0.387 million and a provision to increase the operating expenses of the Superannuation Complaints Tribunal of $0.967 million.

Although staffing levels are to be reduced over this Financial Year (FY), employee expenses remain marginally higher than FY 1999-2000 due to the full year impact of the Certified Agreement of 1998 and the expected effect of the Certified Agreement currently being negotiated.

Expenses on goods and services remain consistent with last year's level.

Budget statement of assets and liabilities

The significant changes in the Budget Statement of Assets and Liabilities include:

- the final discharge of ASIC's loan; and
- a decrease in suppliers expenses compared to the previous which included accrued expenses associated with an early termination of a lease.

Budget cash flow statement

The significant change in cash outlays for FY 2000-01 compared to the previous year:

- an increase in the outlays for supplies, which reflects the lease termination payments, discussed above;
- the reduction in purchases of property plant and equipment is reflective of the plan to outsource the IT function in accordance with government policy; and
- the completion of ASIC's loan repayments.

Administered

Budget statement of administered revenue and expenses

The change compared to last year reflected in this Statement is related to the administration of Banking Unclaimed Moneys function transferred to ASIC from the Treasury.

Budget statement of administered assets and liabilities

The increase in the payables reflects the liability associated with the Banking Unclaimed Moneys function.

Budget administered cash flow statements

The significant change in this statement is also related to the Banking Unclaimed Moneys function.

Appendix 1

Non-appropriation agency and administered revenue

	Budget estimate 2000-01 $'000	Revised estimate 2000-01 $'000
ASIC REVENUE		
ASIC agency revenue	4,775	5,400
Appropriations	130,111	131,465
Total agency revenue	134,886	136,865
ADMINISTERED REVENUE		
Other	371,044	371,044
Appropriations	18,025	18,025
Total administered revenue	389,069	389,069

Appendix 2

Estimates of expenses from special appropriations

	Budget estimate 2000-01 $'000	Revised estimate 2000-01 $'000
Banking Act 1959 - Unclaimed Monies	18,025	18,025