# Australian Securities and Investments Commission

## Section 1: Overview, Appropriations and Budget Measures Summary

### Overview

The Australian Securities and Investments Commission (ASIC) is an independent government body that enforces and administers the Corporations Law and consumer protection law for investments, life and general insurance, superannuation and banking (except lending) throughout Australia. The Commission is established under the *Australian Securities and Investments Commission Act 1989*.

ASIC has the function of monitoring and promoting market integrity and consumer protection in relation to:

- the Australian financial system;
- the provision of financial services; and
- the payments system.

### Appropriations

The total appropriations for ASIC in the 2000-01 Budget are $148.1 million. Table 1.1, on the following page, shows the total appropriations by price output appropriation and administered expenses.

## Australian Securities and Investments Commission — Appropriations 2000-01

### Table 1.1: Appropriations ($'000)

| Outcomes | Agency (Price of Outputs) | | | | | Administered | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Revenue from Government (Appropriations) | | | Revenue from Other Sources(a) | Price of Outputs | Annual Appropriations | | Special Approps(b) | Total Administered Appropriations | Total Appropriations |
| | Bill No. 1 | Special Approps | Total | | | Bill No. 1 | Bill No. 2 (SPPs & NAOs) | | | |
| | (A) | (B) | (C=A+B) | (D) | (E= C+D) | (F) | (G) | (H) | (I=F+G+H) | (J=C+I) |
| Outcome 1 — A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers | 130,111 | - | 130,111 | 4,775 | 134,886 | - | - | 18,025 | 18,025 | 148,136 |
| Total | 130,111 | - | 130,111 | 4,775 | 134,886 | - | - | 18,025 | 18,025 | 148,136 |
| Agency Capital (Equity Injections and Loans) | | | | | | | | | | - |
| Administered Capital | | | | | | | | | | - |
| **Total Appropriations** | | | | | | | | | | 148,136 |

(a) Revenue from Other Sources includes other revenue from Government (for example, resources free of charge) and revenue from sources other than Government (for example, sales of goods and services)

(b) Estimated expenses from Special Appropriations are shown in Appendix 1.

## BUDGET MEASURES SUMMARY — AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

### Table 1.2: Summary of Measures Disclosed in the 2000-01 Budget

| Measure | Outcome | Output Groups Affected | Appropriations Budget 2000-01 ($'000) | | | Appropriations Forward Estimate 2001-02 ($'000) | | | Appropriations Forward Estimate 2002-03 ($'000) | | | Appropriations Forward Estimate 2003-04 ($'000) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Administ'd Expenses | Agency Outputs | Total | Administ'd Expenses | Agency Outputs | Total | Administ'd Expenses | Agency Outputs | Total | Administ'd Expenses | Agency Outputs | Total |
| Continuation of managed investments regulation | 1 | 1.1 | - | 2,900 | 2,900 | - | - | - | - | - | - | - | - | - |
| Transfer of responsibility for unclaimed moneys from the States and Territories to the Commonwealth | 1 | 1.1 | 3,025 | 300 | 3,325 | 3,025 | 300 | 3,325 | 3,025 | 200 | 3,225 | 3,025 | 200 | 3,225 |

## ADMINISTERED CAPITAL AND AGENCY CAPITAL (EQUITY INJECTIONS AND LOANS)

ASIC does not have an appropriation for an equity injection or loan or an appropriation for administered capital in 2000-01.

# 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 Australian Securities and Investments Commission (ASIC). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

The activities contributing to each output include:

Policy and guidance about the laws administered by ASIC:

- The design and drafting of policy statements, practice notes, guidance documents, class orders, applications for relief and modifications to the law, and all education and liaison activities.

Comprehensive and accurate information on companies and corporate activity:

- All document registration and associated functions — ranging from annual returns, changes of directors, and substantial shareholder notices, to prospectuses and Part A or Part C statements of the Corporations Law — as well as the 'consequential' activities accompanying such registration, such as penalties, etc.

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

- Compliance checking, surveillance, managing complaints, analysis and targeting.

Enforcement activity to give effect to the laws administered by ASIC:

- Investigations, civil and criminal litigation, administrative and banning action.

## 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: $134.886 million
Agency Outcomes Appropriation: $130.111 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

## CHANGES TO OUTCOMES AND OUTPUTS

There are no proposed changes in outcomes or outputs since the previous year.

## OUTCOME 1

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

## MEASURES AFFECTING OUTCOME 1

### *Continuation of managed investments regulation*

The Government will provide the Australian Securities and Investments Commission (ASIC) with funding in 2000-01 so it can continue to monitor and regulate managed investment funds. This will enable ASIC to promote and maintain high standards of disclosure and compliance in the managed investments industry. Ongoing funding is pending the outcome of a review of the *Managed Investments Act 1998* by a Parliamentary committee in 2000-01.

The *Managed Investments Act 1998* established a new regime for the regulation and structure of managed investment schemes, such as unit trusts. Resources were allocated to ASIC in the 1998-99 Budget to fund the establishment of the regime and the initial registration and licensing of the schemes in existence at that time during a two year transitional period.

### *Transfer of responsibility for unclaimed moneys from the States and Territories to the Commonwealth*

The Government will provide the Australian Securities and Investments Commission (ASIC) with funding to administer unclaimed moneys from non-bank Authorised Deposit-taking Institutions.

The figures shown in Table 1.2 include provision for the refund of unclaimed moneys, administered through the *Banking Act 1959*.

The Commonwealth, through ASIC, will now administer the unclaimed moneys from non-bank Authorised Deposit-taking Institutions. With the proclamation of the *Financial Sector Reform (Amendments and Transitional Provisions) Act 1999*, this administrative function has been transferred from the States and Territories to the Commonwealth of Australia.

By consolidating the administration of unclaimed moneys for all financial institutions with ASIC, depositors will now only have to deal with one agency.

## RESOURCES FOR OUTCOME 1

Table 2.1 shows how the 2000-01 appropriation and program structure relates to total resourcing for Outcome 1.

**Table 2.1: Total Resources for Outcome 1 ($'000)**

| | Estimated Actual 1999-00 ($'000) | Budget Estimate 2000-01 ($'000) |
|---|---|---|
| **Administered appropriations** | | |
| *Banking Act 1959* | - | 18,025 |
| **Total administered expenses** | - | 18,025 |
| **Agency appropriations** | | |
| **Output group 1.1 — Australian Securities and Investments Commission** | | |
| Output 1.1.1 — Policy and guidance about laws administered by ASIC. | 13,594 | 13,361 |
| Output 1.1.2 — Comprehensive and accurate information on companies and corporate activity. | 40,137 | 39,449 |
| Output 1.1.3 — Compliance monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity. | 23,629 | 23,224 |
| Output 1.1.4 — Enforcement activity to give effect to the laws administered by ASIC. | 55,021 | 54,077 |
| **Subtotal output group 1.1** | 132,381 | 130,111 |
| **Total revenue from Government (appropriations)** | 132,381 | 130,111 |
| **Contributing to price of agency outputs** | 95.9% | 96.5% |
| **Revenue from other sources** | 5,685 | 4,775 |
| **Total revenue from other sources** | 5,685 | 4,775 |
| **Total price of agency outputs** *(Total revenue from Government and from other sources)* | 138,066 | 134,886 |
| **Total estimated resourcing for outcome 1** (Total price of outputs and admin expenses) | 138,066 | 152,911 |

| | 1999-00 | 2000-01 |
|---|---|---|
| **Average staffing levels (number)** | 1,270 | 1,270 |

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The outputs reflect the programmes and activity that ASIC undertakes in fulfilling its function as a government regulatory authority and are essential for the achievement of the Government's outcome.

The Government seeks to ensure that consumers are adequately informed about the financial market and adequately protected from investing in improper and unfair financial products. To achieve this ASIC aims to reduce fraud and unfair practices in financial markets and financial products so consumers use them confidently and companies and markets perform effectively.

In carrying out its responsibilities the Commission strives for:

- high quality regulation at a reasonable cost to the market; and
- responsive, intelligent and consistent customer service, clearly communicated and with a strong educative role.

## PERFORMANCE INFORMATION FOR OUTCOME 1

### Table 2.2: Performance Information 2000-01

**Performance information for agency outputs**

**Output Group 1.1 —** Australian Securities and Investments Commission

| | |
|---|---|
| Output 1.1.1 — Policy and guidance about the laws administered by ASIC. | In financial year 2000-01, ASIC will measure:<br>The extent to which policy and processes associated with new law are in place;<br>The extent to which consumers, investors and other stakeholders are consulted during policy formulation;<br>Infoline calls resolved during first call; and<br>Complaints to ASIC dealt within 28 days. |
| Output 1.1.2 — Comprehensive and accurate information on companies and corporate activity. | Annual returns lodged electronically;<br>Searches conducted on-line; and<br>Company information lodged on time. |
| Output 1.1.3 — Compliance monitoring and licensing of participants in the financial system to protect consumer interests and ensure market integrity. | ASIC's objective is to focus compliance activities on specific patterns, problems or risk areas and to respond to these problems with integrated national campaigns that use a range of regulatory tools. Generic performance indicators are not appropriate for this approach. Specific indicators will be developed for each campaign.<br>In addition the following measures apply:<br>Final securities industry licences issued within 60 business days of application;<br>Managed investment licence application — letter of offer/refusal sent within 30 business days; and<br>Managed investment scheme registration — schemes registered within 10 business days (legislative timing 14 days). |
| Output 1.1.4 — Enforcement activity to give effect to the laws administered by ASIC. | Investigations finalised within 12 months of resourcing. |

## Evaluations

ASIC's new regulatory system will be subject to a review after five years by the Financial Sector Advisory Council.

Information on evaluation activity that relates to this outcome is included in Table 2.2 above and the results will be shown in ASIC's Annual Report.

## Competitive Tendering and Contracting

ASIC is in the process of testing the outsourcing of its Information Technology function in accordance with Government policy.

# Section 3: Budgeted Financial Statements

The budgeted financial statements will form the basis of the financial statements that will appear in the Australian Securities and Investments Commission's 2000-01 Annual Report and form the basis for the input into the Whole of Government Accounts. The financial statements should be read in conjunction with the accompanying notes.

The budgeted financial statements have been prepared in accordance with the GST accounting guidelines of the Urgent Issues Group (UIG) of the Australian Accounting Research Foundation. The UIG consensus requires that expenses and assets be accounted for net of recoverable GST, revenues be accounted for net of GST payable and that cash flows and accounts payable and receivable be reported gross. Appropriations are thus net of recoverable GST amounts.

## Budget Statement of Revenues and Expenses (Budget Operating Statement)

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 (Budget Balance Sheet)

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.

## Non-financial Assets — Summary of Movement

This statement shows the movement in ASIC's non-financial assets over the Budget year 2000-01.

**Table 3.1: Agency Budget Statement of Revenues and Expenses (for the period ended 30 June)**

| | Estimated Actual 1999-00 $'000 | Budget Estimate 2000-01 $'000 | Forward Estimate 2001-02 $'000 | Forward Estimate 2002-03 $'000 | Forward Estimate 2003-04 $'000 |
|---|---|---|---|---|---|
| **Operating revenue** | | | | | |
| Revenues from Government | 132,381 | 130,111 | 133,943 | 133,670 | 133,795 |
| Sale of goods and services | 4,085 | 3,275 | 3,275 | 3,275 | 3,275 |
| Interest | 1,500 | 1,400 | 1,400 | 1,400 | 1,400 |
| Net gains from sales of assets | 100 | 100 | 100 | 100 | 100 |
| **Total operating revenues** *(before abnormal items)* | 138,066 | 134,886 | 138,718 | 138,445 | 138,570 |
| **Operating expenses** | | | | | |
| Employees | 81,438 | 83,164 | 77,454 | 76,874 | 77,080 |
| Suppliers | 53,023 | 49,095 | 54,450 | 55,326 | 56,043 |
| Depreciation and amortisation | 7,831 | 7,246 | 6,464 | 5,895 | 5,097 |
| Write-down of assets | 1,554 | 350 | 350 | 350 | 350 |
| Interest | 225 | - | - | - | - |
| **Total operating expenses** | 144,071 | 139,855 | 138,718 | 138,445 | 138,570 |
| **Operating surplus or deficit before abnormal and extraordinary items** | -6,005 | -4,969 | - | - | - |
| Abnormal and extraordinary items | - | - | - | - | - |
| **Operating surplus or deficit after abnormal and extraordinary items and CUC** | -6,005 | -4,969 | - | - | - |

## Table 3.2: Agency Budget Statement of Assets and Liabilities (as at 30 June)

| | Estimated Actual 1999-00 $'000 | Budget Estimate 2000-01 $'000 | Forward Estimate 2001-02 $'000 | Forward Estimate 2002-03 $'000 | Forward Estimate 2003-04 $'000 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Financial assets** | | | | | |
| Cash | 6,528 | 1,575 | 6,458 | 11,001 | 14,725 |
| Receivables | 1,784 | 1,784 | 1,783 | 1,784 | 1,784 |
| **Total financial assets** | 8,312 | 3,359 | 8,241 | 12,785 | 16,509 |
| **Non-financial assets** | | | | | |
| Land and buildings | 5,700 | 4,956 | 4,282 | 3,608 | 2,934 |
| Infrastructure, plant and equipment | 12,069 | 10,407 | 7,457 | 4,419 | 1,775 |
| Intangibles | 2,526 | 1,465 | 404 | - | - |
| Other | 1,939 | 1,844 | 1,803 | 1,782 | 1,781 |
| **Total non-financial assets** | 22,234 | 18,672 | 13,946 | 9,809 | 6,490 |
| **Total assets** | 30,546 | 22,031 | 22,187 | 22,594 | 22,999 |
| **Liabilities** | | | | | |
| **Debt** | | | | | |
| Loans | 2,772 | - | - | - | - |
| Leases | 8,060 | 6,511 | 5,666 | 5,095 | 4,523 |
| **Total debt** | 10,832 | 6,511 | 5,666 | 5,095 | 4,523 |
| **Provisions and payables** | | | | | |
| Employees | 22,582 | 23,582 | 24,583 | 25,561 | 26,538 |
| Suppliers | 1,259 | 1,259 | 1,259 | 1,259 | 1,259 |
| Other | 225 | - | - | - | - |
| **Total provisions and payables** | 24,066 | 24,841 | 25,842 | 26,820 | 27,797 |
| **Total liabilities** | 34,898 | 31,352 | 31,508 | 31,915 | 32,320 |
| **Equity** | | | | | |
| Reserves | 325 | 325 | 325 | 325 | 325 |
| Accumulated surpluses or deficits | -4,677 | -9,646 | -9,646 | -9,646 | -9,646 |
| **Total equity** | -4,352 | -9,321 | -9,321 | -9,321 | -9,321 |
| **Current liabilities** | 16,751 | 15,049 | 15,124 | 15,319 | 15,514 |
| **Non-current liabilities** | 18,147 | 16,303 | 16,384 | 16,596 | 16,806 |
| **Current assets** | 10,251 | 5,203 | 10,044 | 14,567 | 18,290 |
| **Non-current assets** | 20,295 | 16,828 | 12,143 | 8,027 | 4,709 |

## Table 3.3: Agency Budget Cash Flow Statement (for the period ended 30 June)

| | Estimated Actual 1999-00 $'000 | Budget Estimate 2000-01 $'000 | Forward Estimate 2001-02 $'000 | Forward Estimate 2002-03 $'000 | Forward Estimate 2003-04 $'000 |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| **Cash received** | | | | | |
| Appropriations for outputs | 132,381 | 130,111 | 133,943 | 133,670 | 133,795 |
| Sales of goods and services | 3,300 | 3,210 | 3,151 | 2,716 | 2,716 |
| Interest | 1,500 | 1,400 | 1,400 | 1,400 | 1,400 |
| **Total cash received** | 137,181 | 134,721 | 138,494 | 137,786 | 137,911 |
| **Cash used** | | | | | |
| Employees | 80,042 | 82,098 | 76,387 | 75,398 | 75,602 |
| Suppliers | 53,344 | 50,775 | 55,195 | 55,816 | 56,556 |
| **Total cash used** | 133,386 | 132,873 | 131,582 | 131,214 | 132,158 |
| **Net cash from operating activities** | 3,795 | 1,848 | 6,912 | 6,572 | 5,753 |
| **Investing activities** | | | | | |
| **Cash received** | | | | | |
| Proceeds from sales of property, plant and equipment | 125 | 125 | 125 | 125 | 125 |
| **Total cash received** | 125 | 125 | 125 | 125 | 125 |
| **Cash used** | | | | | |
| Purchase of property, plant and equipment | 4,144 | 4,154 | 2,154 | 2,154 | 2,154 |
| **Total cash received** | 4,144 | 4,154 | 2,154 | 2,154 | 2,154 |
| **Cash used** | | | | | |
| Repayments of debt | 2,050 | 2,772 | - | - | - |
| **Total cash used** | 2,050 | 2,772 | - | - | - |
| **Net cash from financing activities** | -2,050 | -2,772 | - | - | - |
| **Net increase in cash held** | -2,274 | -4,953 | 4,883 | 4,543 | 3,724 |
| Cash at the beginning of the reporting period | 8,802 | 6,528 | 1,575 | 6,458 | 11,001 |
| Cash at the end of the reporting period | 6,528 | 1,575 | 6,458 | 11,001 | 14,725 |

## Table 3.4: Agency Capital Budget Statement (for the period ended 30 June)

| | Estimated Actual 1999-00 $'000 | Budget Estimate 2000-01 $'000 | Forward Estimate 2001-02 $'000 | Forward Estimate 2002-03 $'000 | Forward Estimate 2003-04 $'000 |
|---|---|---|---|---|---|
| Funded by capital appropriations | - | - | - | - | - |
| Funded internally by agency resources | 4,144 | 4,154 | 2,154 | 2,154 | 2,154 |

## Table 3.5: Agency Non-financial Assets — Summary of Movement

| | 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 2000 (opening)* | 30 | 7,937 | 7,967 | 35,735 | 35,735 | 5,304 | 49,006 |
| Additions | - | 219 | 219 | 3,935 | 3,935 | - | 4,154 |
| Disposals | - | - | - | -2,300 | -2,300 | - | -2,300 |
| Other movements | - | - | - | - | - | - | - |
| *As at 30 June 2001 (closing)* | 30 | 8,156 | 8,186 | 37,370 | 37,370 | 5,304 | 50,860 |
| **Accumulated depreciation** | | | | | | | |
| *As at 1 July 2000 (opening)* | - | 2,267 | 2,267 | 23,666 | 23,666 | 2,778 | 28,711 |
| Disposals | - | - | - | -1,925 | -1,925 | - | -1,925 |
| Charge for the reporting period | - | 963 | 963 | 5,222 | 5,222 | 1,061 | 7,246 |
| Other movements | - | - | - | - | - | - | - |
| *As at 30 June 2001 (closing)* | - | 3,230 | 3,230 | 26,963 | 26,963 | 3,839 | 34,032 |
| **Net book value as at 30 June 2001 (Closing book value)** | 30 | 4,926 | 4,956 | 10,407 | 10,407 | 1,465 | 16,828 |
| **Net book value as at 1 July 2000 (Opening book value)** | 30 | 5,670 | 5,700 | 12,069 | 12,069 | 2,526 | 20,295 |

| **Total additions** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Self funded | - | 219 | 219 | 3,935 | 3,935 | - | 4,154 |
| Appropriations | | | | | | | |
| **Total** | - | 219 | 219 | 3,935 | 3,935 | - | 4,154 |

## Table 3.6: Statement of Administered Revenues and Expenses (for the period ended 30 June)

| | Estimated Actual 1999-00 $'000 | Budget Estimate 2000-01 $'000 | Forward Estimate 2001-02 $'000 | Forward Estimate 2002-03 $'000 | Forward Estimate 2003-04 $'000 |
|---|---|---|---|---|---|
| **Operating revenues** | | | | | |
| **Non-taxation** | | | | | |
| Revenues from Government | - | 18,025 | 18,025 | 18,025 | 16,025 |
| Other sources of non-taxation revenues | 344,944 | 371,044 | 376,250 | 381,535 | 385,843 |
| **Total non-taxation** | 344,944 | 389,069 | 394,275 | 399,560 | 401,868 |
| **Total operating revenues** | 344,944 | 389,069 | 394,275 | 399,560 | 401,868 |
| **Operating expenses** | | | | | |
| Other | 6,000 | 23,025 | 22,025 | 22,025 | 19,025 |
| **Total operating expenses** | 6,000 | 23,025 | 22,025 | 22,025 | 19,025 |
| Abnormal/extraordinary items | - | - | - | - | - |
| **Net contribution or cost to the budget outcome** | 338,944 | 366,044 | 372,250 | 377,535 | 382,843 |
| **Transfers to the official public account** | -338,355 | -373,044 | -374,401 | -379,658 | -383,966 |
| Account remitted from administered revenues | - | - | - | - | - |
| **Net surplus or deficit** | 589 | -7,000 | -2,151 | -2,123 | -1,123 |

## Table 3.7: Statement of Administered Assets and Liabilities (as at 30 June)

| | Estimated Actual 1999-00 $'000 | Budget Estimate 2000-01 $'000 | Forward Estimate 2001-02 $'000 | Forward Estimate 2002-03 $'000 | Forward Estimate 2003-04 $'000 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Financial assets** | | | | | |
| Cash | 2,000 | 2,000 | 1,000 | 1,000 | 1,000 |
| Receivables | 18,764 | 66,160 | 69,484 | 71,836 | 70,713 |
| Accrued revenues | 8,142 | - | - | - | - |
| **Total financial assets** | 28,906 | 68,160 | 70,484 | 72,836 | 71,713 |
| **Total assets** | 28,906 | 68,160 | 70,484 | 72,836 | 71,713 |
| **Liabilities** | | | | | |
| **Provisions and payables** | | | | | |
| Other | 1,420 | 47,674 | 52,149 | 56,624 | 56,624 |
| **Total provisions and payables** | 1,420 | 47,674 | 52,149 | 56,624 | 56,624 |
| **Total liabilities** | 1,420 | 47,674 | 52,149 | 56,624 | 56,624 |
| **Equity** | | | | | |
| Accumulated surplus or deficits | 27,486 | 20,486 | 18,335 | 16,212 | 15,089 |
| **Total equity** | 27,486 | 20,486 | 18,335 | 16,212 | 15,089 |
| **Current liabilities** | 1,420 | 15,296 | 16,639 | 18,833 | 18,833 |
| **Non-current liabilities** | - | 32,378 | 35,510 | 37,791 | 37,791 |
| **Current assets** | 28,906 | 35,782 | 34,974 | 35,045 | 33,922 |
| **Non-current assets** | - | 32,378 | 35,510 | 37,791 | 37,791 |

## Table 3.8: Administered Cash Flow Statement (for the period ended 30 June)

| | Estimated Actual 1999-00 $'000 | Budget Estimate 2000-01 $'000 | Forward Estimate 2001-02 $'000 | Forward Estimate 2002-03 $'000 | Forward Estimate 2003-04 $'000 |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| **Cash received** | | | | | |
| Other taxes, fees and fines | 332,314 | 378,044 | 377,401 | 383,658 | 386,966 |
| Appropriations | - | 18,025 | 18,025 | 18,025 | 16,025 |
| **Total cash received** | 332,314 | 396,069 | 395,426 | 401,683 | 402,991 |
| **Cash used** | | | | | |
| Cash to official public account | 338,355 | 373,044 | 374,401 | 379,658 | 383,966 |
| Other | - | 23,025 | 22,025 | 22,025 | 19,025 |
| **Total cash used** | 338,355 | 396,069 | 396,426 | 401,683 | 402,991 |
| **Net cash from operating activities** | -6,041 | - | -1,000 | - | - |
| **Total cash used** | - | - | - | - | - |
| **Net cash from investing activities** | - | - | - | - | - |
| **Financing activities** | | | | | |
| **Net increase in cash held** | -6,041 | - | -1,000 | - | - |
| Cash at beginning of reporting period | 8,041 | 2,000 | 2,000 | 1,000 | 1,000 |
| Cash at end of reporting period | 2,000 | 2,000 | 1,000 | 1,000 | 1,000 |

# NOTES TO THE FINANCIAL STATEMENTS

## Agency

### *Budget Statement of Revenues and Expenses (Budgeted Operating Statement)*

*Operating Revenue*

Revenues from Government

The amount appropriated in 2000-01 is lower than in 1999-2000. This is largely due to cost reductions from Government tax reforms, a reduction in Corporations Law Economic Reform Project (CLERP) 7 funding and other Government efficiency measures. There is an increase in the appropriation in 2001-02 reflecting an increase in CLERP 7 funding.

*Operating Expenses*

Employee Expenses

There is currently a reduction in employee costs after 2000-01 because of the discontinuation of funding for the Managed Investments Scheme. The continuation of this funding is to be the subject of a parliamentary review during 2000-01.

Suppliers Expenses

These expenses decline in 2000-01 in direct proportion to the drop in funding and due to the impact of anticipated savings from the introduction of the GST and the abolition of wholesale sales tax. There is a significant increase in 2001-02 to reflect expenditure arising from the Government's IT Outsourcing initiative.

Depreciation

There is a downward trend in depreciation expense due to the assumed outsourcing of depreciable IT assets.

### *Budget Statement of Assets and Liabilities (Budget Balance Sheet)*

*Liabilities*

Leases

This balance represents liabilities arising out of lease incentives and surplus space on non-cancellable leases.

Lease incentives are recognised as a liability and are reduced by allocating lease payments between rental expense in the operating statement and the deferred lease incentive liability over the term of the lease.

Surplus space on non-cancellable leases is recognised as a liability after netting probable sub-lease revenue. The liability is reduced by allocating the difference between the operating lease rentals and the probable sub-lease revenue over the term of the lease.

#### *Employee Provisions*

The liability for employee entitlements represents accrued salaries, annual leave and long service leave.

#### *Assets*

Infrastructure, Plant and Equipment

The net book value is declining as a result of the proposed outsourcing of depreciable IT assets.

## Administered

### ***Budget Statement of Revenues and Expenses (Budgeted Operating Statement)***

#### *Operating Revenue*

Other sources of non taxation revenues

This balance represents Corporations Law fees and charges and unclaimed moneys relating to banks, and non-banking institutions including credit unions and building societies.

### ***Budget Statement of Assets and Liabilities (Budget Balance Sheet)***

#### *Assets*

Receivables

This balance represents amounts receivable for Corporations Law fees and charges and unclaimed moneys relating to banks and non-banking institutions including credit unions and building societies. For Corporations Law, the amounts are receivable from companies whereas in the case of unclaimed moneys, the amounts are receivable from the Government via a special appropriation. The balance is higher in 2000-01 than 1999-2000 because the transfer of the unclaimed banking moneys function from Treasury and the States and Territories to ASIC takes effect from 1 July 2000.

#### *Liabilities*

Other payables

This balance represents amounts payable for Corporations Law fees and charges and unclaimed moneys relating to banks and non-banking institutions including credit unions and building societies. For Corporations Law, the amounts are payable to the Government whereas in the case of unclaimed moneys, the amounts are payable to banks and non-banking institutions. The balance is higher in 2000-01 than 1999-2000 because the transfer of the unclaimed banking moneys function from Treasury and the States and Territories to ASIC takes effect from 1 July 2000.

# Appendix 1

## Estimates of Expenses from Special Appropriations

| | Estimated Expense 1999-00 $'000 | Estimated Expense 2000-01 $'000 |
|---|---|---|
| *Banking Act 1959* | - | 18,025 |
| **Total estimated expenses** | - | 18,025 |