

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 financial 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 capacities by the Treasurer.

APPROPRIATIONS

The total appropriations for the CASAC in the 2000-01 Budget are \$0.9 million (see Table 1.1 on the following page).

Part C: Agency Budget Statements — CASAC

Companies and Securities Advisory Committee — 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	Total Administered 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)
Outcome 1 — Confident and informed participation of investor and consumers in the financial system	851	-	851	25	876	-	-	-	-
Total	851	-	851	25	876	-	-	-	-
						Agency Capital (Equity Injections and Loans)			
								Administered Capital	
								Total Appropriations	
									851

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

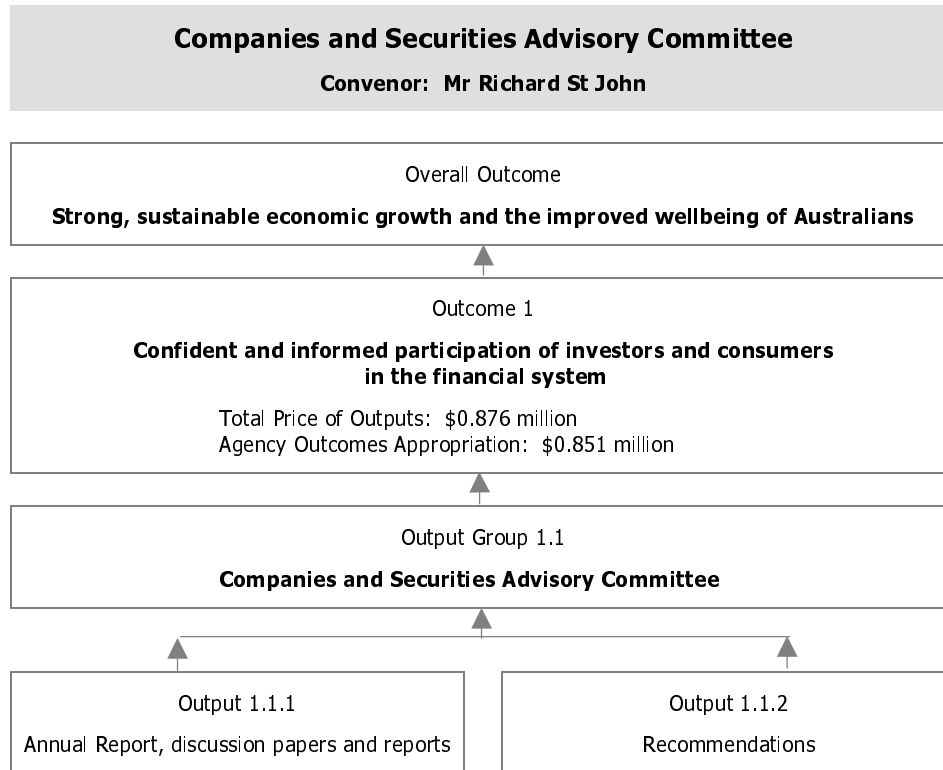
ADMINISTERED CAPITAL AND AGENCY CAPITAL (EQUITY INJECTIONS AND LOANS)

CASAC 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 below shows the relationship between Government outcomes and the contributing outputs for the Companies and Securities Advisory Committee (CASAC). Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.



CHANGES TO OUTCOMES AND OUPUTS

There are no proposed changes in outcomes or outputs from 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 IN THE 2000-01 BUDGET

There are no measures for the CASAC in the 2000-01 Budget.

OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2000-01 appropriations translate to total resourcing for Outcome 1.

Table 2.1: Total Resources for Outcome 1

	Estimated Actual 1999-00 (\$'000)	Budget Estimate 2000-01 (\$'000)
Agency appropriations		
Output group 1.1 — Companies and Securities Advisory Committee		
Output 1.1.1 — Annual report, discussion papers and reports		
Output 1.1.2 — Recommendations		
Subtotal output group 1.1	818	851
Total revenue from Government (appropriations) contributing to price of agency outputs	818 96.7%	851 97.1%
Total revenue from other sources	28	25
Total price of agency outputs <i>(Total revenue from Government and from other sources)</i>	846	876
Total estimated resourcing for outcome 1 <i>(Total price of outputs and admin expenses)</i>	846	876
	1999-00	2000-01
Average staffing levels (number)	3	4

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The output of CASAC is similar to the first output of the Australian Securities and Investments Commission (ASIC) 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, 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.

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2: Performance Information 2000-01

Performance information for agency outputs

Output group 1.1 — Companies and Securities Advisory Committee

Output 1.1.1 — Annual report, discussion paper 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 proposes 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 and the Minister for Financial Services and Regulation 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 2000-01 financial year.

Competitive Tendering and Contracting

CASAC predominantly achieves cost effectiveness in its non-core operations through the use of contracts arranged by or through ASIC. This would mainly relate to travel management and other administrative expenditure.

Section 3: Budgeted Financial Statements

The budgeted financial statements will form the basis of the financial statements that will appear in the CASAC 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 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 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 CASAC'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	818	851	853	876	898
Interest	28	25	25	25	25
Total operating revenues	846	876	878	901	923
Operating expenses					
Employees	402	396	394	405	409
Suppliers	361	389	391	399	410
Depreciation and amortisation	47	60	62	66	73
Total operating expenses	810	845	847	870	892
Operating surplus or deficit after abnormal and extraordinary items	36	31	31	31	31
Capital use charge paid	36	31	31	31	31
Operating surplus or deficit after abnormal and extraordinary items and CUC	-	-	-	-	-

**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	239	230	185	173	180
Receivables	21	23	20	21	21
Total financial assets	260	253	205	194	201
Non-financial assets					
Land and buildings	8	7	5	4	3
Infrastructure, plant and equipment	144	152	168	178	181
Other	36	36	37	37	37
Total non-financial assets	188	195	210	219	221
Total assets	448	448	415	413	422
Liabilities					
Debt					
Leases	52	32	12	-	-
Total debt	52	32	12	-	-
Provisions and payables					
Employees	111	114	121	129	137
Suppliers	30	47	27	29	30
Total provisions and payables	141	161	148	158	167
Total liabilities	193	193	160	158	167
Equity					
Reserves	10	10	10	10	10
Accumulated surplus or deficit	245	245	245	245	245
Total equity	255	255	255	255	255
Current liabilities	100	113	86	77	79
Non-current liabilities	93	80	74	81	88
Current assets	297	290	242	231	238
Non-current assets	151	158	173	182	184

**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	818	851	853	876	898
Interest	28	25	25	25	25
Total cash received	846	876	878	901	923
Cash used					
Employees	402	392	382	397	401
Suppliers	440	424	463	439	438
Total cash used	842	816	845	836	839
Net cash from operating activities	4	60	33	65	84
Investing activities					
Cash received					
Proceeds from sales of property, plant and equipment	1	-	-	-	-
Total cash received	1	-	-	-	-
Cash used					
Purchase of property, plant and equipment	69	69	78	77	77
Total cash used	69	69	78	77	77
Net cash from investing activities	-68	-69	-78	-77	-77
Financing activities	-	-	-	-	-
Cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase in cash held	-64	-9	-45	-12	7
Cash at the beginning of the reporting period	303	239	230	185	173
Cash at the end of the reporting period	239	230	185	173	180

**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
Purchase of non-funded current assets					
Funded by capital appropriations	-	-	-	-	-
Funded internally by agency resources	69	69	78	77	77

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							
<i>As at 1 July 2000 (opening)</i>	-	19	19	378	378	-	397
Additions	-	-	-	69	69	-	69
Disposals	-	-	-	-6	-6	-	-6
<i>As at 30 June 2001 (closing)</i>	-	19	19	441	441	-	460
Accumulated depreciation							
<i>As at 1 July 2000 (opening)</i>	-	11	11	234	234	-	245
Disposals	-	-	-	-4	-4	-	-4
Charge for the reporting period	-	1	1	59	59	-	60
<i>As at 30 June 2001 (closing)</i>	-	12	12	289	289	-	301
Net book value as at 30 June 2001 (Closing book value)	-	7	7	152	152	-	159
Net book value as at 1 July 2000 (Opening book value)	-	8	8	144	144	-	152
Total additions							
Self funded	-	-	-	69	69	-	69
Appropriations	-	-	-	-	-	-	-
Total	-	-	-	69	69	-	69

NOTES TO THE FINANCIAL STATEMENTS

Agency Budget Statement of Revenues and Expenses

Expenses

Employee Expenses

These expenses are fairly fixed due to the maintenance of current staff numbers over the reporting period.

Depreciation and Amortisation Expenses

There is an increase over the reporting period due mainly to the acquisition of infrastructure, plant and equipment — mainly library books.