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 and futures markets. CASAC may undertake reviews on its own initiative, as well as at the request of the Minister.

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

The Treasurer appoints the members of the Advisory Committee and Legal Committee in their personal capacities.

APPROPRIATIONS

The total appropriations for CASAC in the 2001-02 Budget are $0.9 million (see Table 1.1 on the following page).

Companies and Securities Advisory Committee — appropriations 2001-02

Table 1.1: Appropriations and other revenue

Outcome	Agency (price of outputs) ($'000)					Administered ($'000)				($'000)
	Revenue from Government (appropriations)			Revenue from other sources	Price of outputs	Annual appropriations ($'000)		Special approps(5)	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	851	-	(C1)(1) 851	25	(E1)(1) 876	-	-	-	-	851
			* 97%	3%	100%					
Total	851	-	(K1)(1) 851	25	876	-	-	-	-	851
								Agency capital (equity injections and loans)		-
								Administered capital		-
								Total appropriations		851

(1) C1 and E1 refer to information provided in Table 2.1. K1 refers to information provided in Table 3.1.
* Percentage figures indicate the percentage contribution of revenue from government (agency appropriations) to the total price of outputs, by outcome.

ADMINISTERED CAPITAL AND AGENCY EQUITY INJECTIONS AND LOANS

CASAC does not have an appropriation for an equity injection or loan or an appropriation for administered capital in 2001-02.

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.

Chart 6: Outcomes and output groups

Companies and Securities Advisory Committee

Convenor: Mr Richard St John

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: $0.9 million
Agency outcomes appropriation: $0.9 million

Output Group 1.1

Companies and Securities Advisory Committee

Output 1.1.1

Annual Report and discussion papers

Output 1.1.2

Recommendations and reports

CHANGES TO OUTCOMES AND OUTPUTS

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

OUTCOME 1 — DESCRIPTION

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

Measures Affecting Outcome 1

There are no measures for CASAC in the 2001-02 Budget.

OUTCOME 1 — RESOURCING

Table 2.1: Total resources for Outcome 1

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000
Agency appropriations		
Output Group 1.1 Companies and Security Advisory Committee		
Output 1.1.1 Annual report and discussion papers	400	400
Output 1.1.2 Recommendations and reports	451	451
Total revenue from government (appropriations)	851	(C1)[1] 851
Contributing to price of agency outputs	97%	97%
Revenue from other sources	25	25
Total revenue from other sources	25	25
Total price from agency outputs		
(Total revenue from government and from other sources)	851	851
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered expenses)	876	(E1)[1] 876

	2000-01	2001-02
Average staffing level (number)	4	4

(1) C1 and E1 — see Table 1.1.

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 financial markets, 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.

Table 2.2: Performance information for Outcome 1

Performance information for agency outputs	
Output Group 1.1 — Companies and Securities Advisory Committee	
Output 1.1.1 — Annual Report and discussion papers Output 1.1.2 — Recommendations and reports	The Advisory Committee seeks to stimulate and lead public debate on the enhancement of standards for corporations and participants in securities and futures markets, and proposes regulatory reform where necessary. 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 securities and futures 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 2001-02 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 general administrative expenditure, including capital item purchases.

Section 3: Budgeted financial statements

The budgeted financial statements will form the basis of the financial statements that will appear in the Companies and Securities Advisory Committee (CASAC) 2001-02 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 Goods and Services Tax (GST) accounting guidelines of the Urgent Issues Group (UIG) of the Australian Accounting Standards Board. 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.

AGENCY STATEMENTS

Budgeted agency statement of financial performance

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.

Budgeted agency statement of financial position

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

Budgeted agency statement of cash flows

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

Agency capital budget statement

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

Agency non-financial assets — summary of movement

This statement shows the movement in CASAC's non-financial assets over the Budget year 2001-02.

Table 3.1: Budgeted agency statement of financial performance
for the period ended 30 June

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000	Forward estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000
Revenues from ordinary activities		(K1)[(1)]			
Revenue from government	851	851	873	895	895
Interest	25	25	25	25	25
Total revenues from ordinary activities	876	876	898	920	920
Expenses from ordinary activities (excluding borrowing cost expense)					
Employees	400	416	432	450	457
Suppliers	385	367	369	366	349
Other	60	62	66	73	73
Total expenses from ordinary activities (excluding borrowing cost expense)	845	845	867	889	879
Borrowing cost expense	-	-	-	-	-
Net surplus or deficit from ordinary activities	31	31	31	31	41
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	31	31	31	31	41
Capital use charge	31	31	31	31	41
Net surplus or deficit after capital use charge	-	-	-	-	-

(1) K1 — see Table 1.1.

Table 3.2: Budgeted agency statement of financial position
as at 30 June

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000	Forward estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000
ASSETS					
Financial assets					
Cash	230	185	173	180	180
Receivables	23	20	21	21	21
Total financial assets	253	205	194	201	201
Non-financial assets					
Land and buildings	7	5	4	3	3
Infrastucture, plant and equipment	152	168	178	181	181
Other	36	37	37	37	37
Total non-financial assets	195	210	219	221	221
Total assets	448	415	413	422	422
LIABILITIES					
Debt					
Leases	32	12	-	-	-
Total debt	32	12	-	-	-
Provisions and payables					
Employees	114	121	129	137	137
Suppliers	47	27	29	30	30
Total provisions and payables	161	148	158	167	167
Total liabilities	193	160	158	167	167
EQUITY	10	10	10	10	10
Accumulated surpluses or deficits	245	245	245	245	245
Total equity	255	255	255	255	255
Current liabilities	100	86	77	79	79
Non-current liabilities	93	74	81	88	88
Current assets	297	242	231	238	238
Non-current assets	151	173	182	184	184

Table 3.3: Budgeted agency statement of cash flows
for the period ended 30 June

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000	Forward estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	851	851	873	895	895
Interest	25	25	25	25	25
Total cash received	876	876	898	920	920
Cash used					
Employees	392	402	421	439	443
Suppliers	424	441	412	397	400
Total cash used	816	843	833	836	843
Net cash from operating activities	60	33	65	84	77
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	69	78	77	77	77
Total cash used	69	78	77	77	77
Net cash from investing activities	-69	-78	-77	-77	-77
Net increase in cash held	-9	-45	-12	7	-
Cash at beginning of reporting period	239	230	185	173	180
Cash at end of reporting period	230	185	173	180	180

Table 3.4: Agency capital budget statement

	Estimated actual 2000-01 $'000	Budget estimate 2001-02 $'000	Forward estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000
Purchase of non-current assets					
Funded by capital appropriations	-	-	-	-	-
Funded internally by agency resources	69	78	77	77	77
Total	69	78	77	77	77

Table 3.5: Agency non-financial assets — summary of movement (Budget year 2001-02)

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
GROSS VALUE								
As at 1 July 2001 (opening)	-	19	19	-	441	441	-	460
Additions	-	-	-	-	78	78	-	78
Disposals	-	-	-	-	6	6	-	6
As at 30 June 2002 (closing)	-	19	19	-	513	513	-	532
ACCUMULATED DEPRECIATION								
As at 1 July 2001 (opening)	-	12	12	-	289	289	-	301
Disposals	-	-	-	-	4	4	-	4
Charge for the reporting period	-	2	2	-	60	60	-	62
As at 30 June 2002 (closing)	-	14	14	-	345	345	-	359
Net book value As at 30 June 2002 (closing book value)	-	5	5	-	168	168	-	173
Net book value As at 1 July 2001 (opening book value)	-	7	7	-	152	152	-	159
TOTAL ADDITIONS								
Self funded	-	-	-	-	78	78	-	78
Total	-	-	-	-	78	78	-	78

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

Appendix 1

Non-appropriation agency revenue

	Estimated revenue 2000-01 $'000	Estimated revenue 2001-02 $'000
Non-appropriation agency revenue		
Recoveries of cost	25	25
Total non-appropriation agency revenue	25	25