CORPORATIONS AND MARKETS ADVISORY COMMITTEE

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Corporations and Markets Advisory Committee (CAMAC), prior to 11 March 2002 called 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 2001* (the ASIC Act), is to advise the Minister on any matters concerning the Corporations Law or improving the efficiency of financial markets. CAMAC 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 appropriation for CAMAC in the 2002-03 Budget is $0.9 million. Table 1.1 on the following page provides this detail.

Corporations and Markets Advisory Committee — appropriations 2002-03

Table 1.1: Appropriations and other revenue ($'000)

Outcome	Agency (price of outputs) ($'000)					Administered ($'000)				($'000)
	Revenue from government (appropriations)			Revenue from other sources[3]	Price of outputs[2]	Annual appropriations ($'000)		Special appropriations	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)
			(C1)[1]		(E1)[1]					
Outcome 1 — A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	878	-	878	25	903	-	-	-	-	903
			97%	3%	100%					
Total	878	-	(K1)[1] 878	25	903	-	-	-	-	903
								Agency capital (equity injections and loans)		-
								Administered capital		-
								Total appropriations		903

1. References C1 and E1 refer to information provided in Table 2.1. K1 refers to information provided in Table 3.1, Budgeted Statement of Financial Performance.
2. Refer to Budgeted Statement of Financial Performance in Table 3.1 for application of agency revenue.
3. Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services). Non-appropriated agency revenues are detailed in Appendix 1.

Note: Percentage figures indicate the percentage contribution of revenue from government (agency appropriations) to the total price of outputs, by outcome.

EQUITY INJECTIONS AND LOANS

CAMAC does not have an appropriation for an equity injection or loan in the 2002-03 Budget.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUT GROUPS

The map below shows the relationship between Government outcomes and the contributing outputs for CAMAC. Financial detail for Outcome 1 by output appears in Table 2.1 while non-financial information for Outcome 1 appears in Table 2.2.

Map 2: Outcomes and output groups

Corporations and Markets 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

Corporations and Markets 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 to the outcome 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 CAMAC in the 2002-03 Budget.

OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2002-03 appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources, and the total price of outputs.

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

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000
Agency appropriations		
Output Group 1.1 - Corporations and Markets Advisory Committee		
Output 1.1.1 - Annual Report and discussion papers	400	400
Output 1.1.2 - Recommendations and reports	451	478
Total revenue from government (appropriations)	851	(C1)[1] 878
Contributing to price of agency outputs	97%	97%
Revenue from other sources		
Bank interest	25	25
Total revenue from other sources	25	25
Total price from agency outputs		
(Total revenue from government and from other sources)	876	903
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered appropriations)	876	(E1)[1] 903

	2001-02	2002-03
Average staffing level (number)	3	4

(1) C1 and E1 show the links back to Table 1.1.

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The output of CAMAC is similar to the first output of the Australian Securities and Investments Commission (ASIC) policy and guidance about the laws administered by ASIC. CAMAC 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 fair and efficient financial markets characterised by integrity and transparency and supporting confident and informed participation of investors and consumers.

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2: Performance information for Outcome 1

Performance information for agency outputs	
Output Group 1.1 - Corporations and Markets Advisory Committee	
Output 1.1.1 - Annual Report and discussion papers	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 and reports	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 Parliamentary Secretary 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 2002-03 financial year.

Section 3: Budgeted financial statements

The budgeted financial statements will form the basis of the financial statements that will appear in the Corporations and Markets Advisory Committee (CAMAC) 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 FINANCIAL STATEMENTS

Budgeted agency statement of financial performance

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

Budgeted agency statement of financial position

This statement shows the financial position of CAMAC. It enables decision-makers to track the management of CAMAC'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 CAMAC's non-financial assets over the Budget year 2002-03.

Table 3.1: Budgeted Agency Statement of Financial Performance
for the period ended 30 June

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000
Revenues from ordinary activities					
Revenue from government	851	(K1)[1] 878	899	899	909
Sales of goods and services	-	-	-	-	-
Interest	25	25	25	25	25
Dividends	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Other	-	-	-	-	-
Total revenues from ordinary activities	876	903	924	924	934
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	381	425	440	453	487
Suppliers	325	358	365	352	328
Grants	-	-	-	-	-
Depreciation and amortisation	32	15	15	15	15
Write-down of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	30	51	50	50	50
Total expenses from ordinary activities (excluding borrowing costs expense)	768	849	870	870	880
Borrowing costs expense	-	-	-	-	-
Net surplus or deficit from ordinary activities	108	54	54	54	54
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	108	54	54	54	54
Capital use charge	54	54	54	54	54
Net surplus or deficit after capital use charge	54	-	-	-	-

(1) K1 — shows the link back to Table 1.1.

Table 3.2: Budgeted Agency Statement of Financial Position
as at 30 June

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000
ASSETS					
Financial assets					
Cash	624	607	602	597	592
Receivables	11	11	11	11	11
Investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	635	618	613	608	603
Non-financial assets					
Land and buildings	6	6	6	6	6
Infrastructure, plant and equipment	73	78	83	88	93
Inventories	-	-	-	-	-
Intangibles	1	1	1	1	1
Other	21	21	21	21	21
Total non-financial assets	101	106	111	116	121
Total assets	736	724	724	724	724
LIABILITIES					
Debt					
Loans	-	-	-	-	-
Leases	12	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	12	-	-	-	-
Provisions and payables					
Employees	157	157	157	157	157
Suppliers	14	14	14	14	14
Grants	-	-	-	-	-
Other	54	54	54	54	54
Total provisions and payables	225	225	225	225	225
Total liabilities	237	225	225	225	225
EQUITY					
Capital	-	-	-	-	-
Reserves	10	10	10	10	10
Accumulated surpluses or deficits	489	489	489	489	489
Total equity	499	499	499	499	499
Current liabilities	97	94	94	94	94
Non-current liabilities	140	131	131	131	131
Current assets	656	639	634	629	624
Non-current assets	80	85	90	95	100

Table 3.3: Budgeted Agency Statement of Cash Flows
for the period ended 30 June

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	851	878	899	899	909
Interest	25	25	25	25	25
Total cash received	876	903	924	924	934
Cash used					
Employees	350	425	440	453	457
Suppliers	375	421	415	402	408
Total cash used	725	846	855	855	865
Net cash from operating activities	151	57	69	69	69
INVESTING ACTIVITIES					
Cash used					
Purchases of property, plant and equipment	20	20	20	20	20
Total cash used	20	20	20	20	20
Net cash from investing activities	20	20	20	20	20
FINANCING ACTIVITIES					
Cash used					
Capital use and dividends paid	52	54	54	54	54
Total cash used	52	54	54	54	54
Net cash from financing activities	52	54	54	54	54
Net increase (decrease) in cash held	79	(17)	(5)	(5)	(5)
Cash at the beginning of the reporting period	545	624	607	602	597
Cash at the end of the reporting period	624	607	602	597	592

Table 3.4: Agency Capital Budget Statement

	Estimated actual 2001-02 $'000	Budget estimate 2002-03 $'000	Forward estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by agency resources	20	20	20	20	20
Total	20	20	20	20	20

Table 3.5: Agency Non-financial Assets — Summary of Movement (Budget year 2002-03)

	Land	Buildings	Total land and buidings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at the start of year	-	6	6	-	73	73	1	80
Additions	-	-	-	-	20	20	-	20
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	(15)	(15)	-	(15)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	6	6	-	78	78	1	85
Total additions								
Self funded	-	-	-	-	20	20	-	20
Appropriations	-	-	-	-	-	-	-	-
Total	-	-	-	-	20	20	-	20

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention.

APPENDIX 1: RECEIPTS FROM INDEPENDENT SOURCES

Receipts from independent sources

	Estimated revenue 2001-02 $'000	Estimated revenue 2002-03 $'000
AGENCY REVENUE		
Non-appropriation agency revenue		
Bank interest	25	25
Total non-appropriation agency revenue	25	25