CORPORATIONS AND MARKETS ADVISORY COMMITTEE

Section 1: Overview, appropriations and budget measures summary

AGENCY OVERVIEW

The Corporations and Markets Advisory Committee (CAMAC) 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 Act 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 AND RESOURCING

The total appropriation for CAMAC in the 2003-04 Budget is $0.9 million. Table 1.1 on the following page provides this detail.

Corporations and Markets Advisory Committee — appropriations 2003-04

Table 1.1: Appropriations and other revenue

Outcome	Agency (price of outputs) $'000					Administered $'000				$'000
	Revenues from government (appropriations)			Revenue from other sources[3]	Price of outputs[2]	Annual appropriations		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) (C1)[1]	(D)	(E = C+D) (E1)[1]	(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	856	-	856	25	881	-	-	-	-	856
			97%	3%	100%					
Total	856	-	(K1)[1] 856	25	881	-	-	-	-	856
									Agency capital (equity injections and loans)	-
									Administered capital	-
									Total appropriations	856

(1) C1 and E1 refer to information provided in Table 2.1, Total resources for Outcome 1. K1 refers to information provided in Table 3.1, Budgeted Agency Statement of Financial Performance.
(2) Refer to Table 3.1, Budgeted Agency Statement of Financial Performance for application of agency revenue.
(3) Revenue from other sources includes other revenues from government (for example, resources free of charge) and revenue from other sources (for example, goods and services). Non-appropriated agency revenues are detailed in Table 1.3.
Note: Percentage figures indicate the percentage contribution of revenues from government (agency appropriations) to the total price of outputs, by outcome.

AGENCY REVENUES

Table 1.3: Agency revenues

	Estimated revenue 2002-03 $'000	Estimated revenue 2003-04 $'000
ESTIMATED AGENCY REVENUES		
Non-appropriation agency revenues		
Bank interest	34	25
Total estimated agency revenues	34	25

EQUITY INJECTIONS AND LOANS

CAMAC does not have an appropriation for an equity injection or loan in the 2003-04 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 the Corporations and Markets Advisory Committee (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.

Output cost attribution

Each programme in CAMAC's programme structure is linked to one of its two outputs.

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.

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 2003-04 Budget.

OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2003-04 appropriations translate to total resourcing for Outcome 1, including revenues from government (appropriations), revenue from other sources, and the total price of outputs.

Table 2.1: Total resources for Outcome 1

	Estimated actual 2002-03 $'000		Budget estimate 2003-04 $'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	478		456
Total revenues from government (appropriations)	878	(C1)[1]	856
Contributing to price of agency outputs	96%		97%
Revenue from other sources			
Bank interest	34		25
Total revenue from other sources	34		25
Total price from agency outputs			
(Total revenues from government and from other sources)	912	(E1)[1]	881
Total estimated resourcing for Outcome 1			
(Total price of outputs and administered appropriations)	912		881

	2002-03	2003-04
Average staffing level (number)	3	3

(1) C1 and E1 show the link 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 corporations 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 achieving 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 2003-04 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) 2003-04 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. It 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 2003-04.

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

	Estimated actual 2002-03 $'000		Budget estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000	Forward estimate 2006-07 $'000
REVENUES						
Revenues from ordinary activities						
Revenues from government	878	(K1)[1]	856	858	869	888
Goods and services	-		-	-	-	-
Interest	34		25	25	25	25
Total revenues from ordinary activities	912		881	883	894	913
EXPENSES						
Expenses from ordinary activities (excluding borrowing costs expense)						
Employees	425		447	460	494	494
Suppliers	418		419	408	385	404
Depreciation and amortisation	15		15	15	15	15
Total expenses from ordinary activities (excluding borrowing costs expense)	858		881	883	894	913
Borrowing costs expense	-		-	-	-	-
Operating surplus or deficit from ordinary activities	54		-	-	-	-
Capital use charge	54		-	-	-	
Net surplus or deficit	-		-	-	-	-

(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 2002-03 $'000	Budget estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000	Forward estimate 2006-07 $'000
ASSETS					
Financial assets					
Cash	626	578	573	568	563
Receivables	13	13	13	13	13
Total financial assets	639	591	586	581	576
Non-financial assets					
Land and buildings	3	3	3	3	3
Infrastructure, plant and equipment	82	87	92	97	102
Intangibles	1	1	1	1	1
Other	10	10	10	10	10
Total non-financial assets	96	101	106	111	116
Total assets	735	692	692	692	692
LIABILITIES					
Provisions					
Employees	139	139	139	139	139
Total provisions	139	139	139	139	139
Payables					
Suppliers	61	18	18	18	18
Total payables	61	18	18	18	18
Total liabilities	200	157	157	157	157
EQUITY					
Parent entity interest					
Reserves	10	10	10	10	10
Retained surpluses or accumulated deficits	525	525	525	525	525
Total parent equity interest	535	535	535	535	535
Total equity	535	535	535	535	535
Total assets and liabilities by maturity					
Current assets	649	601	596	591	586
Non-current assets	86	91	96	101	106
Current liabilities	118	75	75	75	75
Non-current liabilities	82	82	82	82	82

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

	Estimated actual 2002-03 $'000	Budget estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000	Forward estimate 2006-07 $'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	878	856	858	869	888
Interest	34	25	25	25	25
GST recovered	39	39	39	39	39
Total cash received	951	920	922	933	952
Cash used					
Employees	425	447	460	494	494
Suppliers	469	458	447	424	443
Total cash used	894	905	907	918	937
Net cash from operating activities	57	15	15	15	15
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 charge paid	54	43	-	-	-
Total cash used	54	43	-	-	-
Net cash from financing activities	(54)	(43)	-	-	-
Net increase/(decrease) in cash held	(17)	(48)	(5)	(5)	(5)
Cash at the beginning of the reporting period	643	626	578	573	568
Cash at the end of the reporting period	626	578	573	568	563

Table 3.4: Agency Capital Budget Statement

	Estimated actual 2002-03 $'000	Budget estimate 2003-04 $'000	Forward estimate 2004-05 $'000	Forward estimate 2005-06 $'000	Forward estimate 2006-07 $'000
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	-	-	-	-	-
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 2003-04)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at the start of year	-	3	-	82	-	1	-	86
Additions	-	-	-	20	-	-	-	20
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	(15)	-	-	-	(15)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	3	-	87	-	1	-	91
Total additions								
Self funded	-	-	-	20	-	-	-	20
Appropriations	-	-	-	-	-	-	-	-
Total	-	-	-	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.