

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 2004-05 Budget is \$0.9 million. Table 1.1 on the following page provides this detail.

Corporations and Markets Advisory Committee — appropriations 2004-05

Table 1.1: Appropriations and other revenue

Outcome	Agency (price of outputs) \$'000		Revenue from other sources ⁽³⁾	Price of outputs ⁽²⁾	Administered \$'000		Total
	Revenues from government (appropriations)	Special approps	Total		Annual appropriations	Special appropriations	Total administered appropriations
	Bill No. 1				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	-	-
			97%	3%	100%		
	856	-	(K1) ⁽¹⁾ 856	25	881	-	-
Total					Agency capital (equity injections and loans)		856
					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

	2003-04 estimated revenue \$'000	2004-05 estimated revenue \$'000
ESTIMATED AGENCY REVENUES		
Non-appropriation agency revenues		
Interest	25	25
Total non-appropriation agency revenues	25	25

AGENCY EQUITY INJECTIONS AND LOANS

CAMAC does not have an appropriation for an equity injection or loan in the 2004-05 Budget.

Section 2: Outcomes and outputs information

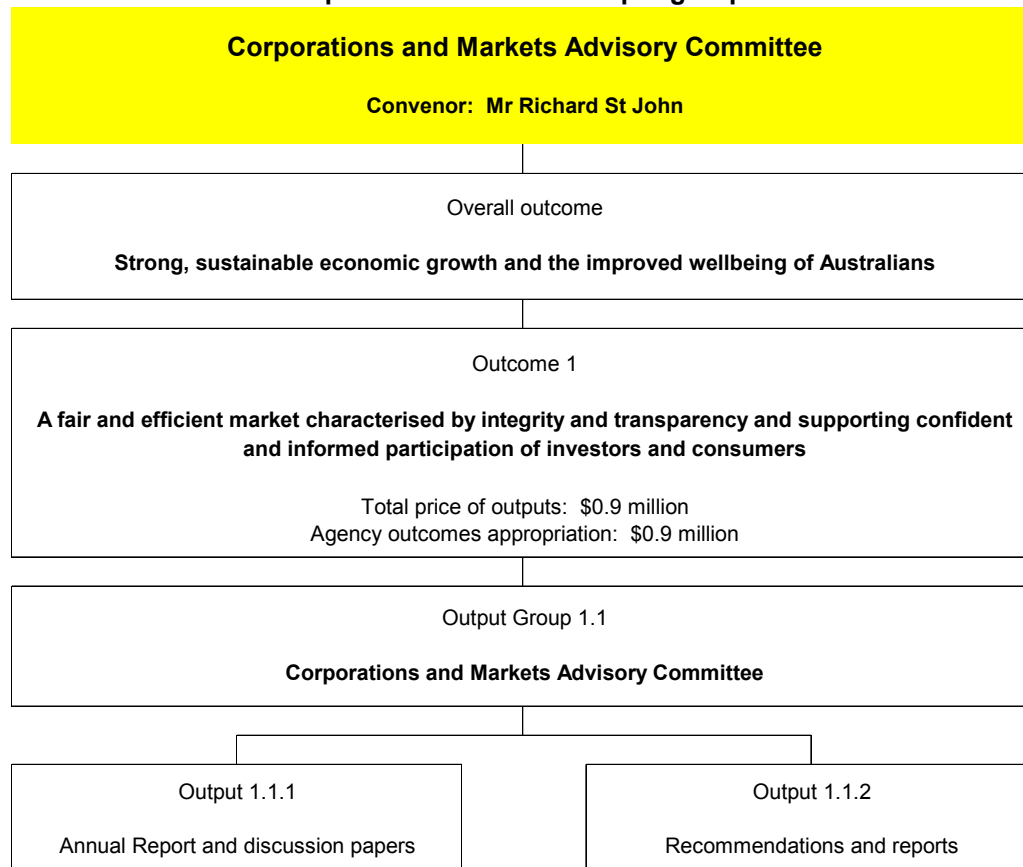
OUTCOMES AND OUTPUT GROUPS

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



CHANGES TO OUTCOMES AND OUTPUTS

There are no proposed changes to the outcome or outputs.

OUTCOME — 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 2004-05 Budget.

OUTCOME 1 — RESOURCING

Table 2.1 shows how the 2004-05 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

	2003-04 estimated actual \$'000	2004-05 budget estimate \$'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	456	456
Total revenues from government (appropriations)	856	(C1) ⁽¹⁾ 856
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 revenues from government and from other sources)	881	(E1) ⁽¹⁾ 881
Total estimated resourcing for Outcome 1		
(Total price of outputs appropriations)	881	881
	2003-04	2004-05
Average staffing level (number)	3	3

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 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 by 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 2004-05 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 contain estimates prepared in accordance with the requirements of the Australian Government's financial budgeting and reporting framework, including the principles of Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

There are no unexpected variations in the results of 2004-05 compared with 2003-04.

CAMAC is budgeting for a breakeven operating result in 2004-05. An analysis of CAMAC's budgeted financial statements is provided below.

The total agency revenue is estimated to be \$0.9 million. There is no change from the estimated 2003-04 actual.

The total agency expenses for 2004-05 will be \$0.9 million. Employee expenses will increase by \$13,000 offset by a reduction in supplier expenses of \$13,000. The net asset position for 2004-05 will remain unchanged.

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 2004-05.

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

	2003-04 estimated actual \$'000	2004-05 budget estimate \$'000	2005-06 forward estimate \$'000	2006-07 forward estimate \$'000	2007-08 forward estimate \$'000
REVENUES					
Revenues from ordinary activities					
Revenue from government	856	(K1) ⁽¹⁾ 856	863	879	862
Interest	25	25	25	25	25
Total revenues from ordinary activities	881	881	888	904	887
EXPENSES					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	447	460	494	494	494
Suppliers	419	406	379	395	378
Depreciation and amortisation	15	15	15	15	15
Total expenses from ordinary activities (excluding borrowing costs expense)	881	881	888	904	887
Borrowing costs expense	-	-	-	-	-
Operating surplus or (deficit) from ordinary activities	-	-	-	-	-

1. K1 shows the link back to Table 1.1.

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

	2003-04 estimated actual \$'000	2004-05 budget estimate \$'000	2005-06 forward estimate \$'000	2006-07 forward estimate \$'000	2007-08 forward estimate \$'000
ASSETS					
Financial assets					
Cash	676	671	666	661	656
Receivables	7	7	7	7	7
Total financial assets	683	678	673	668	663
Non-financial assets					
Land and buildings	1	1	1	1	1
Infrastructure, plant and equipment	87	92	97	102	107
Intangibles	1	1	1	1	1
Other	16	16	16	16	16
Total non-financial assets	105	110	115	120	125
Total assets	788	788	788	788	788
LIABILITIES					
Provisions					
Employees	153	153	153	153	153
Total provisions	153	153	153	153	153
Payables					
Suppliers	18	18	18	18	18
Total payables	18	18	18	18	18
Total liabilities	171	171	171	171	171
EQUITY					
Parent entity interest					
Reserves	10	10	10	10	10
Retained surpluses or accumulated deficits	607	607	607	607	607
Total parent entity interest	617	617	617	617	617
Total equity	617	617	617	617	617
Current assets	699	694	689	684	679
Non-current assets	89	94	99	104	109
Current liabilities	76	76	76	76	76
Non-current liabilities	95	95	95	95	95

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

	2003-04 estimated actual \$'000	2004-05 budget estimate \$'000	2005-06 forward estimate \$'000	2006-07 forward estimate \$'000	2007-08 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	856	856	863	879	862
Interest	25	25	25	25	25
GST recovered	39	39	39	39	39
Total cash received	920	920	927	943	926
Cash used					
Employees	447	460	494	494	494
Suppliers	458	445	418	434	417
Total cash used	905	905	912	928	911
Net cash from or (used by) operating activities	15	15	15	15	15
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	20	20	20	20	20
Total cash used	20	20	20	20	20
Net cash from or (used by) investing activities	(20)	(20)	(20)	(20)	(20)
FINANCING ACTIVITIES					
Cash used					
Capital use charge paid	72	-	-	-	-
Total cash used	72	-	-	-	-
Net cash from or (used by) financing activities	(72)	-	-	-	-
Net increase/(decrease) in cash held	(77)	(5)	(5)	(5)	(5)
Cash at the beginning of the reporting period	753	676	671	666	661
Cash at the end of the reporting period	676	671	666	661	656

Part C: Agency Budget Statements – CAMAC

Table 3.4: Agency Capital Budget Statement

	2003-04 estimated actual \$'000	2004-05 budget estimate \$'000	2005-06 forward estimate \$'000	2006-07 forward estimate \$'000	2007-08 forward estimate \$'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 2004-05)

	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	-	1	-	87	-	1	-	89
Additions	-	-	-	20	-	-	-	20
Disposals	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	(15)	-	-	-	(15)
Other movements	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	1	-	92	-	1	-	94
Represented by								
Self funded	-	-	-	20	-	-	-	20
Appropriations	-	-	-	-	-	-	-	-
Total represented by	-	-	-	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.

Section 4: Purchaser/provider and cost recovery arrangements

PURCHASER/PROVIDER ARRANGEMENTS

The Corporations and Markets Advisory Committee (CAMAC) does not have purchaser/provider arrangements in place.

COST RECOVERY ARRANGEMENTS

The CAMAC does not presently have any cost recovery arrangements.

