AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

There has been no significant change to the strategic direction for the Australian Securities and Investments Commission (ASIC) from that included in the ***Portfolio Budget Statements 2008-09*** (pages 127-128).

ASIC is seeking an additional $11.2 million in departmental outputs through Appropriation Bill (No. 3) 2008-09. This relates to: an additional $1.6 million for the Council of Australian Governments – implementing a national approach to the regulation of consumer credit measure; $10.0 million for the global financial crisis – additional funding for regulators and the Treasury measure; $1.0 million for the Australian Business Number and Business Name Registration project; and offset by a reduction of $1.4 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

ASIC is also seeking an additional $3.5 million in equity injections through Appropriation Bill (No. 4) 2008-09. This relates to: an additional $0.8 million for the Council of Australian Governments – implementing a national approach to the regulation of consumer credit measure; $2.9 million for the Australian Business Number and Business Name Registration project; and offset by a reduction of $0.2 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 outlines the total resourcing available from all sources for the 2008-09 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations and special accounts.

Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008

		Estimate as at Budget +	Proposed additional estimates =	Total estimate at Additional Estimates	Total available appropriation
		2008-09 $'000	2008-09 $'000	2008-09 $'000	2007-08 $'000
Ordinary annual services					
Departmental outputs					
Prior year amounts available		46,741	-	46,741	-
Departmental outputs		298,963	11,163 [1]	310,126	292,173
Receipts from other sources (s31)		8,287	-	8,287	9,645
Total departmental outputs		**353,991**	**11,163**	**365,154**	**301,818**
Administered expenses					
Outcome 1 - Assetless Administration Fund		3,424	-	3,424	5,206
Total administered expenses		**3,424**	**-**	**3,424**	**5,206**
Total ordinary annual services	**A**	**357,415**	**11,163**	**368,578**	**307,024**
Other services					
Departmental non-operating					
Prior year amounts available		19,096	-	19,096	-
Equity injections		17,117	3,478 [2]	20,595	38,758
Total other services	**B**	**36,213**	**3,478**	**39,691**	**38,758**
Total available annual appropriations (A + B)		**393,628**	**14,641**	**408,269**	**345,782**
Special appropriations					
Special appropriations limited by amount					
Banking Act 1959		21,780	-	21,780	24,315
Life Insurance Act 1995		2,760	-	2,760	5,105
Total special appropriations	**C**	**24,540**	**-**	**24,540**	**29,420**
Total appropriations excluding special accounts (A + B + C)		**418,168**	**14,641**	**432,809**	**375,202**
Special accounts					
Opening balance		255,458	-	255,458	255,458
Appropriation receipts		30,000	-	30,000	30,000
Non-appropriation receipts to special accounts		38,000	11,601	49,601	49,601
Total special accounts	**D**	**323,458**	**11,601**	**335,059**	**335,059**
Total resourcing (A + B + C + D)		**741,626**	**26,242**	**767,868**	**710,261**
Less appropriations drawn from annual appropriations above and credited to special accounts		30,000	-	30,000	30,000
Total net resourcing for ASIC		**711,626**	**26,242**	**737,868**	**680,261**

1. Appropriation Bill (No. 3) 2008-09.
2. Appropriation Bill (No. 4) 2008-09.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2008-09 Budget.

Table 1.2: Agency measures since Budget

	Output Group	2008-09 $'000	2009-10 $'000	2010-11 $'000	2011-12 $'000
Expense measures					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit					
Departmental outputs	1.1	1,622	12,742	25,555	25,950
Global financial crisis - additional funding for regulators and the Treasury					
Departmental outputs	1.1	10,000	20,000	-	-
Total expense measures		**11,622**	**32,742**	**25,555**	**25,950**
Related capital					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit					
Departmental capital	1.1	800	-	-	-
Total related capital		**800**	**-**	**-**	**-**

Note: Details of these measures appear in the *Mid-Year Economic and Fiscal Outlook 2008-09* on pages 184 and 185.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2008-09 Budget in Appropriation Bills No. 3 and No. 4. Table 1.4 details additional estimates or variations from other variations.

Table 1.3: Additional estimates and variations to outcomes from measures since the 2008-09 Budget

	Output Group impacted	2008-09 $'000	2009-10 $'000	2010-11 $'000	2011-12 $'000
Outcome 1					
Increase in estimates (departmental)					
Expense measures					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit	1.1	1,622	12,742	25,555	25,950
Global financial crisis - additional funding for regulators and the Treasury	1.1	10,000	20,000	-	-
Total expense measures		**11,622**	**32,742**	**25,555**	**25,950**
Related capital					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit	1.1	800	-	-	-
Total related capital		**800**	**-**	**-**	**-**
Net impact on estimates for measures (departmental)		**12,422**	**32,742**	**25,555**	**25,950**

Table 1.4: Additional estimates and variations to outcomes from other variations

	Output Group impacted	2008-09 $'000	2009-10 $'000	2010-11 $'000	2011-12 $'000
Outcome 1					
Increase in estimates (departmental)					
Australian Business Number and Business Name Registration project (expense)	1.1	951	-	-	-
Australian Business Number and Business Name Registration project (capital)	1.1	2,857	-	-	-
Decrease in estimates (departmental)					
Standard Business Reporting (expense)	1.1	(1,410)	(1,628)	-	-
Standard Business Reporting (capital)	1.1	(179)	472	-	-
Net impact on estimates for outcome 1 (departmental)		**2,219**	**(1,156)**	**-**	**-**

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the additional estimates sought for ASIC through Appropriation Bills No. 3 and No. 4.

Table 1.5: Appropriation Bill (No. 3) 2008-09

	2007-08 available $'000	2008-09 Budget $'000	2008-09 revised $'000	Additional estimates $'000	Reduced estimates $'000
ADMINISTERED ITEMS					
Outcome 1					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	5,206	3,424	3,424	-	-
Total	**5,206**	**3,424**	**3,424**	**-**	**-**
DEPARTMENTAL OUTPUTS					
Outcome 1					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	292,173	298,963	310,126	11,163	-
Total	**292,173**	**298,963**	**310,126**	**11,163**	**-**
Total administered and departmental	**297,379**	**302,387**	**313,550**	**11,163**	**-**

Table 1.6: Appropriation Bill (No. 4) 2008-09

	2007-08 available $'000	2008-09 Budget $'000	2008-09 revised $'000	Additional estimates $'000	Reduced estimates $'000
Non-operating					
Equity injections	38,758	17,117	20,595	3,478	-
Total	**38,758**	**17,117**	**20,595**	**3,478**	**-**

Section 2: Revisions to agency outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

There has been no change to outcomes and performance information for ASIC from that included in the ***Portfolio Budget Statements 2008-09*** (pages 132–139).

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by ASIC. The corresponding table in the ***Portfolio Budget Statements 2008-09*** is Table 3.1.3.

Table 3.1.1: Estimates of special account flows

	Outcome	Opening balance **2008-09** *2007-08* $'000	Receipts **2008-09** *2007-08* $'000	Payments **2008-09** *2007-08* $'000	Adjustments **2008-09** *2007-08* $'000	Closing balance **2008-09** *2007-08* $'000
Companies and unclaimed Moneys Special Account	1	**223,640**	**48,500**	**31,000**	**-**	**241,140**
		206,281	*56,585*	*39,226*	-	*223,640*
Deregistered Companies Special Account	1	**4,636**	**966**	**5,299**	**-**	**303**
		-	*4,649*	*13*	-	*4,636*
Enforcement Special Account	1	**26,635**	**30,000**	**30,000**	**-**	**26,635**
		13,863	*30,000*	*17,399*	*171*	*26,635*
Investigations, Legal Proceedings, Settlements and Court Orders Special Account	1	**124**	**3**	**100**	**-**	**27**
		260	*130*	*266*	-	*124*
Other Trust Moneys Account	1	**-**	**132**	**132**	**-**	**-**
		-	-	-	-	-
Security Deposits Special Account	1	**423**	**-**	**423**	**-**	**-**
		443	-	*20*	-	*423*
Services for other Governments and Non-Agency Bodies Account	1	**-**	**-**	**-**	**-**	**-**
		-	-	-	-	-
Total special accounts 2008-09 Budget estimate		**255,458**	**79,601**	**66,954**	-	**268,105**
Total special accounts 2007-08 actual		*220,847*	*91,364*	*56,924*	*171*	*255,458*

3.1.2 Estimates of variations to Average Staffing Level

Changes in Average Staffing Level (ASL) are presented in the Portfolio Additional Estimates Statements at the whole of agency level to demonstrate any movements since Budget.

Table 3.1.2: Average Staffing Level

	2008-09 Budget	2008-09 Revised	Variation
Outcome 1			
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	1,685	1,794	109
Total	**1,685**	**1,794**	**109**

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Departmental financial statements

Budgeted departmental income statement

ASIC is currently budgeting for a break-even operating result for 2008-09 and for the remainder of the forward estimates.

Revenues from government for 2008-09 are $310.1 million, which is an increase of $11.2 million from the ***Portfolio Budget Statements 2008-09***. This is comprised of $1.6 million for the Council of Australian Governments — implementing a national approach to the regulation of consumer credit measure; $10.0 million for the global financial crisis — additional funding for regulators and the Treasury measure; $1.0 million for the Australian Business Number and Business Name Registration project, less $1.4 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting.

Total revenues and expenses are estimated to be $317.5 million for 2008-09. The expenditure will be used to fund activities that contribute towards achieving ASIC's output objectives.

Budgeted departmental balance sheet

This statement shows the financial position of ASIC. It helps decision makers to track the management of ASIC's assets and liabilities.

ASIC's budgeted equity (or net asset position) for 2008-09 is $93.4 million. This includes capital funding of $17.4 million received in 2008-09.

Budgeted departmental statement of cash flows

The budgeted statement of cash flows provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental statement of changes in equity — summary of movement

This statement shows the changes in the equity position of ASIC. It helps decision makers to track the management of ASIC's equity.

Schedule of administered activity

Schedule of budgeted income and expenses administered on behalf of government

The schedule of budgeted income and expenses administered on behalf of government shows the revenue and expenses associated with the collection of revenue under the ***Corporations Act 2001*** and ASIC's responsibilities in administering unclaimed moneys under the ***Banking Act 1959*** and the ***Life Insurance Act 1995***.

Other non-taxation revenue represents the amount of fees and charges budgeted to be levied under the ***Corporations Act 2001*** and estimated receipts of unclaimed moneys under the ***Banking Act 1959*** and the ***Life Insurance Act 1995***.

Expenses represent budgeted payments of unclaimed moneys, refund of overpaid fees and charges levied under the ***Corporations Act 2001***, bad debt expense and payments to registered insolvency practitioners to investigate breaches of directors' duties and fraudulent conduct.

Schedule of budgeted assets and liabilities administered on behalf of government

The amount shown for receivables in 2008-09 and in the forward estimates is the estimated amount of fees and charges under the ***Corporations Act 2001*** remaining unpaid at 30 June.

The amounts shown in other payables for 2008-09 and the forward estimates represent the estimated amount of refunds relating to the over payments of annual review and other fees under the ***Corporations Act 2001***.

Schedule of budgeted administered cash flows

Budgeted administered cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2007-08 $'000	Revised budget 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000
INCOME					
Revenue					
Revenues from Government	282,218	310,126	331,828	302,733	305,660
Sale of services	4,370	4,000	4,080	4,162	4,244
Interest	6	-	-	-	-
Other	5,269	3,241	3,305	3,371	3,438
Total revenue	291,863	317,367	339,213	310,266	313,342
Gains					
Other	126	126	126	126	126
Total gains	126	126	126	126	126
Total income	291,989	317,493	339,339	310,392	313,468
EXPENSE					
Employees	164,676	180,628	195,713	175,309	177,248
Suppliers	92,930	105,503	108,762	103,428	104,565
Depreciation and amortisation	15,554	30,862	34,364	31,155	31,155
Finance costs	306	500	500	500	500
Write-down of assets and impairment of assets	334	-	-	-	-
Net losses from sale of assets	6	-	-	-	-
Total expenses	273,806	317,493	339,339	310,392	313,468
Net surplus or (deficit) attributable to the Australian Government	18,183	-	-	-	-

Prepared on an Australian Accounting Standards basis.

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2007-08 $'000	Revised budget 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,415	4,128	4,302	4,161	4,202
Receivables	115,660	47,412	42,873	48,853	52,028
Total financial assets	124,075	51,540	47,175	53,014	56,230
Non-financial assets					
Leasehold improvements	24,303	41,815	54,860	54,152	53,723
Plant and equipment	6,792	25,173	23,472	24,380	34,014
Intangibles	18,742	56,244	57,030	48,475	35,815
Other	2,686	3,146	3,237	3,099	3,133
Total non-financial assets	52,523	126,378	138,599	130,106	126,685
Total assets	176,598	177,918	185,774	183,120	182,915
LIABILITIES					
Payables					
Suppliers	20,678	17,334	17,970	17,003	17,242
Other payables	24,996	13,132	11,218	10,308	9,097
Total payables	45,674	30,466	29,188	27,311	26,339
Interest bearing liabilities					
Leases	188	-	-	-	-
Total interest bearing liabilities	188	-	-	-	-
Provisions					
Employees	43,636	46,953	48,639	47,621	48,125
Other provisions	11,150	7,118	7,346	7,587	7,850
Total provisions	54,786	54,071	55,985	55,208	55,975
Total liabilities	100,648	84,537	85,173	82,519	82,314
EQUITY					
Contributed equity	59,354	76,785	84,005	84,005	84,005
Reserves	8,900	8,900	8,900	8,900	8,900
Retained surpluses or accumulated deficits	7,696	7,696	7,696	7,696	7,696
Total equity	75,950	93,381	100,601	100,601	100,601
Current assets	126,761	54,686	50,412	56,113	59,363
Non-current assets	49,837	123,232	135,362	127,007	123,552
Current liabilities	77,784	64,123	65,173	62,961	63,024
Non-current liabilities	22,864	20,414	20,000	19,558	19,290

Prepared on an Australian Accounting Standards basis.

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2007-08 $'000	Revised budget 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000
OPERATING ACTIVITIES					
Cash received					
Services	4,761	5,046	4,046	4,126	4,208
Appropriations	245,376	365,289	336,668	297,056	302,788
Interest	6	-	-	-	-
Net GST received	8,996	18,860	14,667	13,403	13,373
Other cash received	5,946	3,241	1,742	1,808	3,438
Total cash received	265,085	392,436	357,123	316,393	323,807
Cash used					
Employees	154,999	183,851	194,027	176,027	176,744
Suppliers	102,878	125,663	123,176	117,707	119,322
Financing costs	40	190	-	-	-
Return of court costs to Government	171	-	-	-	-
Transfer to the Official Public Account	45,206	-	-	-	-
Total cash used	303,294	309,704	317,203	293,734	296,066
Net cash from or (used by) operating activities	(38,209)	82,732	39,920	22,659	27,741
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	17,732	104,257	46,494	22,800	27,700
Total cash used	17,732	104,257	46,494	22,800	27,700
Net cash from or (used by) investing activities	(17,732)	(104,257)	(46,494)	(22,800)	(27,700)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	13,390	17,431	6,748	-	-
Total cash received	13,390	17,431	6,748	-	-
Cash used					
Repayment of finance lease principal	694	193	-	-	-
Total cash used	694	193	-	-	-
Net cash from or (used by) financing activities	12,696	17,238	6,748	-	-
Net increase or (decrease) in cash held	(43,245)	(4,287)	174	(141)	41
Cash at the beginning of the reporting period	51,660	8,415	4,128	4,302	4,161
Cash at the end of the reporting period	8,415	4,128	4,302	4,161	4,202

Prepared on an Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008-09)

	Accumulated results $'000	Asset revaluation reserve $'000	Other reserves $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2008					
Balance carried forward from previous period	7,696	8,900	-	59,354	75,950
Adjusted opening balance	7,696	8,900	-	59,354	75,950
Transactions with owners					
Contribution by owners					
Appropriation (equity injection)	-	-	-	17,431	17,431
Sub-total transactions with owners	-	-	-	17,431	17,431
Estimated closing balance as at 30 June 2009	7,696	8,900	-	76,785	93,381

Prepared on an Australian Accounting Standards basis.

Schedule of administered activity

Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2007-08 $'000	Revised budget 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Other sources of non-taxation revenues	589,855	609,440	617,358	625,357	633,439
Total income administered on behalf of Government	589,855	609,440	617,358	625,357	633,439
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	966	3,424	3,451	3,512	3,560
Write down and impairment of assets	22,506	22,555	22,826	23,100	23,376
Other	29,445	24,540	25,190	25,860	26,540
Total expenses administered on behalf of Government	52,917	50,519	51,467	52,472	53,476

Prepared on an Australian Accounting Standards basis.

Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2007-08 $'000	Revised budget 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	3,064	5,052	4,652	4,651	4,650
Receivables	83,059	88,816	96,981	104,768	112,577
Total financial assets	86,123	93,868	101,633	109,419	117,227
Total assets administered on behalf of Government	86,123	93,868	101,633	109,419	117,227
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	446	446	446	446	446
Other payables	4,397	4,397	4,397	4,397	4,397
Total payables	4,843	4,843	4,843	4,843	4,843
Total liabilities administered on behalf of Government	4,843	4,843	4,843	4,843	4,843

Prepared on an Australian Accounting Standards basis.

Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2007-08 $'000	Revised budget 2008-09 $'000	Forward estimate 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	116	313	313	319	322
Other	561,700	580,931	586,062	594,162	601,942
Total cash received	561,816	581,244	586,375	594,481	602,264
Cash used					
Suppliers	1,411	3,737	3,764	3,831	3,882
Other	29,420	24,343	24,885	25,552	26,228
Total cash used	30,831	28,080	28,649	29,383	30,110
Net cash from operating activities	530,985	553,164	557,726	565,098	572,154
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	35,028	33,964	34,641	35,372	36,100
Total cash received	35,028	33,964	34,641	35,372	36,100
Cash used					
Cash to Official Public Account	565,455	585,140	592,767	600,471	608,255
Total cash used	565,455	585,140	592,767	600,471	608,255
Net cash from financing activities	(530,427)	(551,176)	(558,126)	(565,099)	(572,155)
Net increase or (decrease) in cash held	558	1,988	(400)	(1)	(1)
Cash at beginning of reporting period	2,506	3,064	5,052	4,652	4,651
Cash at end of reporting period	3,064	5,052	4,652	4,651	4,650

Prepared on an Australian Accounting Standards basis.

Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared on an Australian Accounting Standards basis.

Budgeted agency financial statements

Under the Australian Government's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions that agencies do not have control over (administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Australian Government according to set government directions. Administered expenses and administered revenues include fees, fines and expenses that have been earmarked for a specific purpose by the government.

Appropriations in the accrual budgeting framework

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- departmental price of outputs appropriations representing the Australian Government's purchase of outputs from agencies;
- departmental capital appropriations for investments by the Australian Government for either additional equity or loans in agencies;
- administered expense appropriations for the estimated administered expenses relating to an existing outcome or a new outcome; and
- administered capital appropriations for increases in administered equity through funding non-expense administered payments.

Departmental

Asset valuation

ASIC has adopted fair value as a basis for valuing its leasehold improvements and plant and equipment. Valuation is conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets fair values as at the reporting date.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than $2,000, which are expensed in the year of acquisition.

Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the lower of fair value or the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the income statement on a basis that is representative of the pattern of benefits derived from the lease assets.

Depreciation and amortisation

Computer equipment is depreciated using the declining-balance method whilst, for all other plant and equipment, the straight-line method of depreciation is applied. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) are reviewed at each balance date and necessary adjustments are recognised.

Receivables

A provision is raised for any doubtful debts based on a review of the collectability of all outstanding accounts as at year-end.

Bad debts are written off during the year in which they are identified.

Provisions and payables

Provisions and payables represent liabilities for miscellaneous accruals and employee benefits, including accrued salary and leave entitlements, provisions for making-good leased premises and lease incentives. No provision for sick leave is required as all sick leave is non-vesting.

Administered

Schedule of budgeted revenues and expenses administered on behalf of government

Revenues

Non-taxation revenues are predominately comprised of ***Corporations Act 2001*** fees and charges and collections of unclaimed moneys under the ***Banking Act 1959*** and the ***Life Insurance Act 1995.***

Write down and impairment of assets

Write down and impairment of assets represents waivers and write-offs of Corporations Law fees.

Schedule of budgeted assets and liabilities administered on behalf of government

Financial assets

The financial assets include Corporations Law debt invoiced and still outstanding at year-end.

Schedule of budgeted administered cash flows

All cash collected by ASIC for Corporations Law revenue, is transferred to the Official Public Account at the close of business each day. Cash collected ***for Banking Act 1959*** unclaimed moneys and ***Life Insurance Act 1995*** unclaimed moneys is transferred to the Official Public Account when received.