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 of the Australian Securities and Investments Commission (ASIC) from that outlined in the *Portfolio Budget Statements 2009-10* (pages 161-163).

ASIC is seeking an additional $1.1 million in equity injections though Appropriation Bill (No. 4) 2009-10 for the Supervision of Australia's financial markets — reform measure. Details of this measure appears on page 216 of the *Mid-Year Economic and Fiscal Outlook 2009-10*.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and departmental classification.

Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009

		Estimate as at Budget + 2009-10 $'000	Proposed additional estimates = 2009-10 $'000	Total estimate at Additional Estimates 2009-10 $'000	Total available appropriation 2008-09 $'000
Ordinary annual services					
Departmental appropriation					
Prior year departmental appropriation		77,109	25,907	103,016	-
Departmental appropriation		344,776	-	344,776	310,126
Receipts from other sources (s31)		5,788	919	6,707	8,106
Total		**427,673**	**26,826**	**454,499**	**318,232**
Administered expenses					
Outcome 1 - Assetless Administration fund		3,441	-	3,441	3,424
Total		**3,441**	**-**	**3,441**	**3,424**
Total ordinary annual services	**A**	**431,114**	**26,826**	**457,940**	**321,656**
Other services					
Departmental non-operating					
Equity injections		9,015	1,050 [1]	10,065	20,595
Total other services	**B**	**9,015**	**1,050**	**10,065**	**20,595**
Total available annual appropriations (A+B)		**440,129**	**27,876**	**468,005**	**342,251**
Special appropriations					
Banking Act 1959		23,077	-	23,077	25,015
Life Insurance Act 1995		3,390	-	3,390	4,047
Total special appropriations	**C**	**26,467**	**-**	**26,467**	**29,062**
Total appropriations excluding special accounts (A+B+C)		**466,596**	**27,876**	**494,472**	**371,313**

Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2009-10 as at Additional Estimates November 2009 (continued)

		Estimate as at Budget 2009-10 $'000	+	Proposed additional estimates 2009-10 $'000	=	Total estimate at Additional Estimates 2009-10 $'000	Total available appropriation 2008-09 $'000
Special accounts							
Opening balance		38,576		-		38,576	-
Appropriation receipts		30,000		-		30,000	30,000
Non-Appropriation receipts to special accounts		51,000		-		51,000	49,601
Total special account	**D**	**119,576**		**-**		**119,576**	**79,601**
Total resourcing (A+B+C+D)		**586,172**		**27,876**		**614,048**	**450,914**
Less receipts from other sources and credited to special accounts		30,000		-		30,000	30,000
Total net resourcing for ASIC		**556,172**		**27,876**		**584,048**	**420,914**

1. Appropriation Bill (No. 4) 2009-10.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2009-10 Budget.

Table 1.2: Agency measures since Budget

	Program	2009-10 $'000	2010-11 $'000	2011-12 $'000	2012-13 $'000
Expense measures					
Supervision of Australia's financial markets - reform	1.1, 1.2	1,623	10,406	10,989	10,989
Whole-of-government departmental efficiencies					
Departmental expenses	1.1, 1.2	(1,761)	(3,426)	(3,265)	(3,054)
Total expense measures		**(138)**	**6,980**	**7,724**	**7,935**
Related capital					
Supervision of Australia's financial markets - reform	1.1, 1.2	1,050	4,970	-	-
Total related capital		**1,050**	**4,970**	**-**	**-**
Related revenue					
Supervision of Australia's financial markets - reform	2.2	-	15,100	12,800	12,800
Total related revenue		**-**	**15,100**	**12,800**	**12,800**

Note: Further details of these measures can be found in the *Mid-Year Economic and Fiscal Outlook 2009-10*.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2009-10 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget

	Program impacted	2009-10 $'000	2010-11 $'000	2011-12 $'000	2012-13 $'000
Outcome 1					
Increase in estimates (departmental)					
Supervision of Australia's financial markets - reform (related capital)	1.1, 1.2	1,050	4,970	-	-
Net impact on estimates for outcome 1 (departmental)		**1,050**	**4,970**	**-**	**-**

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

ASIC does not have any other variations since the 2009-10 Budget that affect additional estimates.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.6 details the additional estimates sought for ASIC through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2009-10

ASIC does not have any additional estimates through Appropriation Bill No. 3.

Table 1.6: Appropriation Bill (No. 4) 2009-10

	2008-09 available $'000	2009-10 Budget $'000	2009-10 revised $'000	Additional estimates $'000	Reduced estimates $'000
Non-operating					
Equity injections	20,595	9,015	10,065	1,050	-
Total	**20,595**	**9,015**	**10,065**	**1,050**	**-**

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes and performance information for ASIC from that included in the *Portfolio Budget Statements 2009-10* (pages 167-176).

OUTCOME 1

Outcome 1 Strategy

There has been no change to the outcome strategy for Outcome 1 from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.1: Budgeted expenses and resources for Outcome 1

Outcome 1: Improved confidence in financial market integrity and protection of investors and consumers through research, policy, education, compliance and deterrence that mitigates emerging risks	2008-09 Actual expenses $'000	2009-10 Revised estimated expenses $'000
Program 1.1: Research, policy, compliance, education and information initiatives		
Departmental items		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	91,773	103,068
Revenues from independent sources (s31)	3,315	2,743
Total for Program 1.1	95,088	105,811
Program 1.2: Enforcement/deterrence		
Administered expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	3,076	3,424
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	132,610	148,857
Revenues from independent sources (s31)	4,791	3,964
Total for Program 1.2	140,477	156,245
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	3,076	3,424
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	224,383	251,925
Revenues from independent sources (s31)	8,106	6,707
Total resources for Outcome 1	235,565	262,056

	2008-09	2009-10
Average staffing level (number)	1,238	1,442

Program 1.1: Research, policy, compliance, education and information initiatives

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.2: Program 1.1 expenses

	2008-09 Actuals $'000	2009-10 Revised budget $'000	2010-11 Forward year 1 $'000	2011-12 Forward year 2 $'000	2012-13 Forward year 3 $'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	91,773	103,068	102,123	97,791	102,242
Revenues from independent sources (s31)	3,315	2,743	2,427	3,127	3,204
Total program expenses	**95,088**	**105,811**	**104,450**	**100,918**	**105,446**

Program 1.2: Enforcement/deterrence

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.3: Program 1.2 expenses

	2008-09 Actuals $'000	2009-10 Revised budget $'000	2010-11 Forward year 1 $'000	2011-12 Forward year 2 $'000	2012-13 Forward year 3 $'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	132,610	148,857	147,567	141,308	147,740
Revenues from independent sources (section 31)	4,791	3,964	3,507	4,519	4,632
Annual administered expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	3,076	3,424	3,443	3,472	3,557
Total program expenses	**140,477**	**156,245**	**154,517**	**149,299**	**155,929**

OUTCOME 2

Outcome 2 Strategy

There has been no change to the outcome strategy for Outcome 2 from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.4: Budgeted expenses and resources for Outcome 2

Outcome 2: Streamlined and cost-effective interaction and access to information for business and the public, through registry, licensing and business facilitation services	2008-09 Actual expenses $'000	2009-10 Revised estimated expenses $'000
Program 2.1: Legal infrastructure for companies and financial services providers		
Departmental items		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	83,413	92,713
Total for Program 2.1	83,413	92,713
Program 2.2: Banking Act and Life Insurance Act, unclaimed moneys and special accounts		
Administered items		
Special appropriations		
Banking Act 1959 - Banking Unclaimed Moneys	26,122	23,077
Life Insurance Act 1995 - Life Unclaimed Moneys	4,793	3,390
Special accounts		
Enforcement special account	23,894	30,000
ASIC Deregistered Companies Special Account	4,375	1,000
ASIC Security Deposit Special Account	40	-
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account	55	-
Companies and Unclaimed Moneys Special Account	85,345	50,000
Other Trust Moneys Account	52	-
Total for Program 2.2	144,676	107,467
Outcome 2 totals by appropriation type		
Departmental items		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	83,413	92,713
Administered expenses		
Special appropriations	30,915	26,467
Special accounts	113,761	81,000
Total resources for Outcome 2	228,089	200,180

	2008-09	2009-10
Average staffing level (number)	460	538

Program 2.1: Legal infrastructure for companies and financial services providers

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Table 2.5: Program 2.1 expenses

	2008-09 Actuals $'000	2009-10 Revised budget $'000	2010-11 Forward year 1 $'000	2011-12 Forward year 2 $'000	2012-13 Forward year 3 $'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	83,413	92,713	89,367	84,747	78,812
Total program expenses	**83,413**	**92,713**	**89,367**	**84,747**	**78,812**

Program 2.2: Banking Act and Life Insurance Act, Unclaimed Moneys and Special accounts

There has been no change to the program objective, expenses, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2009-10*.

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of special account flows

There has been no change to special account flows from that included in the *Portfolio Budget Statements 2009-10*. The corresponding table in the *Portfolio Budget Statements* is Table 3.1.2 on page 178.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budgeted departmental Comprehensive income statement

ASIC is currently budgeting for a break-even operating result for 2009-10 and for the remainder of the forward estimates.

Revenue from Government for 2009-10 is $344.6 million, which is a decrease of $0.2 million from the *Portfolio Budget Statements 2009-10*. Of this amount, $1.6 million relates to the measure, supervision of Australia's financial markets – reform, offset by a reduction of $1.8 million for the whole-of-government departmental efficiencies measure.

Total revenue and expenses are estimated to be $352.2 million for 2009-10. The expenditure will be used to fund activities that contribute towards achieving the outcome and program objectives outlined in Section 2.

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 2009-10 is $122.6 million.

The 2009-10 equity position reflects the cumulative effect of capital injections of $10.0 million received during 2009-10.

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.

Departmental capital budget statement

This statement shows details of capital appropriations received by ASIC. It helps decision-makers to track the acquisition of new non-financial assets.

Statement of Asset Movements — Departmental

This statement shows details of gross asset movements during the year. It helps decision-makers to analyse movements of non-financial assets.

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 2009-10 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 2009-10 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.

3.2.2 Budgeted financial statements

Departmental financial statements

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

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
EXPENSES					
Employee benefits	176,792	208,613	208,442	196,109	198,921
Supplier	97,437	108,672	106,390	102,672	104,962
Depreciation and amortisation	19,191	34,364	31,384	32,373	32,373
Finance costs	468	500	500	500	500
Other	905	-	-	-	-
Total expenses	294,793	352,149	346,716	331,654	336,756
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	3,370	4,080	4,162	4,244	4,329
Other revenue	3,402	3,431	3,497	3,564	3,633
Total revenue	6,772	7,511	7,659	7,808	7,962
Total own-source income	6,772	7,511	7,659	7,808	7,962
Net cost of (contribution by) services	288,021	344,638	339,057	323,846	328,794
Appropriation revenue	307,796	344,638	339,057	323,846	328,794
Surplus (deficit) attributable to the Australian Government	19,775	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
ASSETS					
Financial assets					
Cash and equivalents	2,950	3,124	2,212	3,471	4,411
Trade and other receivables	108,366	93,827	99,807	102,982	106,715
Total financial assets	111,316	96,951	102,019	106,453	111,126
Non-financial assets					
Land and buildings	27,043	50,088	49,380	48,951	48,769
Infrastructure, plant and equipment	17,241	15,540	16,448	26,082	25,727
Intangibles	52,149	55,780	52,966	39,088	34,952
Other	4,247	4,338	4,200	4,234	4,234
Total non-financial assets	100,680	125,746	122,994	118,355	113,682
Total assets	211,996	222,697	225,013	224,808	224,808
LIABILITIES					
Provisions					
Employees	51,652	53,338	52,320	52,824	52,824
Other	6,696	6,924	7,165	7,428	7,428
Total provisions	58,348	60,262	59,485	60,252	60,252
Payables					
Suppliers	20,764	21,400	20,433	20,672	20,672
Other	20,299	18,385	17,475	16,264	16,264
Total payables	41,063	39,785	37,908	36,936	36,936
Total liabilities	99,411	100,047	97,393	97,188	97,188
Net assets	112,585	122,650	127,620	127,620	127,620
EQUITY					
Contributed equity	76,214	86,279	91,249	91,249	91,249
Reserves	8,900	8,900	8,900	8,900	8,900
Retained surpluses or accumulated deficits	27,471	27,471	27,471	27,471	27,471
Total equity	112,585	122,650	127,620	127,620	127,620
Current assets	115,563	101,289	106,219	110,687	115,360
Non-current assets	96,433	121,408	118,794	114,121	109,448
Current liabilities	78,685	81,477	79,586	80,168	80,168
Non-current liabilities	20,726	18,570	17,807	17,020	17,020

Prepared on Australian Accounting Standards basis.

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

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	4,832	4,965	4,126	4,208	4,329
Appropriations	315,501	358,559	333,380	320,974	325,061
GST received	15,169	14,667	13,403	13,373	12,555
Other	3,272	1,742	1,808	3,438	3,507
Total cash received	338,774	379,933	352,717	341,993	345,452
Cash used					
Employees	168,805	206,927	209,160	195,605	198,921
Suppliers	110,368	108,891	107,266	104,056	105,336
GST Paid	17,261	14,667	13,403	13,373	12,555
Borrowing costs	3	-	-	-	-
Total cash used	296,437	330,485	329,829	313,034	316,812
Net cash from or (used by) operating activities	42,337	49,448	22,888	28,959	28,640
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property plant and equipment, and intangibles	2	-	-	-	-
Cash used					
Purchase of property, plant and equipment	64,476	59,339	28,770	27,700	27,700
Total cash used	64,476	59,339	28,770	27,700	27,700
Net cash from or (used by) investing activities	(64,474)	(59,339)	(28,770)	(27,700)	(27,700)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	16,860	10,065	4,970	-	-
Total cash received	16,860	10,065	4,970	-	-
Cash used					
Repayments of finance lease principal	188	-	-	-	-
Total cash used	188	-	-	-	-
Net cash from or (used by) financing activities	16,672	10,065	4,970	-	-
Net increase or (decrease) in cash held	(5,465)	174	(912)	1,259	940
Cash at the beginning of the reporting period	8,415	2,950	3,124	2,212	3,471
Cash at the end of the reporting period	2,950	3,124	2,212	3,471	4,411

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2009-10)

	Retained earnings $'000	Asset revaluation reserve $'000	Other reserves $'000	Contributed equity/ capital $'000	Total equity $'000
Opening balance as at 1 July 2009					
Balance carried forward from previous period	27,471	8,900	-	76,214	112,585
Adjusted opening balance	27,471	8,900	-	76,214	112,585
Appropriation (equity injection)	-	-	-	10,065	10,065
Subtotal transactions	-	-	-	10,065	10,065
Estimated closing balance as at 30 June 2010	27,471	8,900	-	86,279	122,650

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
CAPITAL APPROPRIATIONS					
Total equity injections	16,860	10,065	4,970	-	-
Total capital appropriations	16,860	10,065	4,970	-	-
Represented by:					
Purchase of non-financial assets	16,860	10,065	4,970	-	-
Total represented by	16,860	10,065	4,970	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	16,860	10,065	4,970	-	-
Funded internally from departmental resources	49,704	49,274	23,800	27,700	27,700
TOTAL	66,564	59,339	28,770	27,700	27,700

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements — Departmental

	Buildings	Other infrastructure, plant and equipment	Intangibles	Total
	$'000	$'000	$'000	$'000
As at 1 July 2009				
Gross book value	41,760	32,131	70,565	144,456
less Accumulated depreciation/amortisation	14,717	14,890	18,416	48,023
Opening net book balance	27,043	17,241	52,149	96,433
Asset movements				
Additions	27,456	5,650	26,233	59,339
less Depreciation/amortisation expense	4,411	7,351	22,602	34,364
Total asset movements	23,045	(1,701)	3,631	24,975
As at 30 June 2010				
Gross book value	71,716	39,781	101,298	212,795
less Accumulated depreciation/amortisation	21,628	24,241	45,518	91,387
Closing net book balance	50,088	15,540	55,780	121,408

Prepared on Australian Accounting Standards basis.

Schedule of administered activity

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2008-09	2009-10	2010-11	2011-12	2012-13
	$'000	$'000	$'000	$'000	$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Non-taxation					
Other sources of non-taxation revenues	603,945	611,848	656,804	686,238	718,456
Total revenues administered on behalf of Government	603,945	611,848	656,804	686,238	718,456
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	3,076	3,424	3,443	3,472	3,557
Write down and impairment of assets	28,975	23,402	23,662	23,944	24,232
Other	30,944	26,492	27,190	27,887	28,584
Total expenses administered on behalf of Government	62,995	53,318	54,295	55,303	56,373

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	3,072	3,072	3,072	3,072	3,073
Receivables	86,321	96,366	107,337	116,669	129,436
Total assets administered on behalf of Government	89,393	99,438	110,409	119,741	132,509
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	930	930	930	930	930
Other payables	5,484	5,484	5,485	2,985	2,985
Total liabilities administered on behalf of Government	6,414	6,414	6,415	3,915	3,915

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2008-09 $'000	Revised budget 2009-10 $'000	Forward estimate 2010-11 $'000	Forward estimate 2011-12 $'000	Forward estimate 2012-13 $'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	198	314	319	549	330
Other	612,903	613,962	658,447	689,959	719,529
Total cash received	613,101	614,276	658,766	690,508	719,859
Cash used					
Suppliers	2,609	3,424	3,443	5,972	3,557
Other	30,915	26,162	26,857	27,550	28,540
Net GST paid	198	314	319	549	330
Total cash used	33,722	29,900	30,619	34,071	32,427
Net cash from or (used by) operating activities	579,379	584,376	628,147	656,437	687,432
FINANCING ACTIVITIES					
Cash used					
Cash to Official Public Account	579,371	584,376	628,147	656,437	687,431
Total cash used	579,371	584,376	628,147	656,437	687,431
Net cash from or (used by) financing activities	(579,371)	(584,376)	(628,147)	(656,437)	(687,431)
Net increase or (decrease) in cash held	8	-	-	-	1
Cash at beginning of reporting period	3,064	3,072	3,072	3,072	3,072
Cash at end of reporting period	3,072	3,072	3,072	3,072	3,073

Prepared on 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 appropriations representing the Australian Government's purchase of programs 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 (OPA) 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 OPA when received.