

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Overview, Additional Estimates and Variations to Outcomes

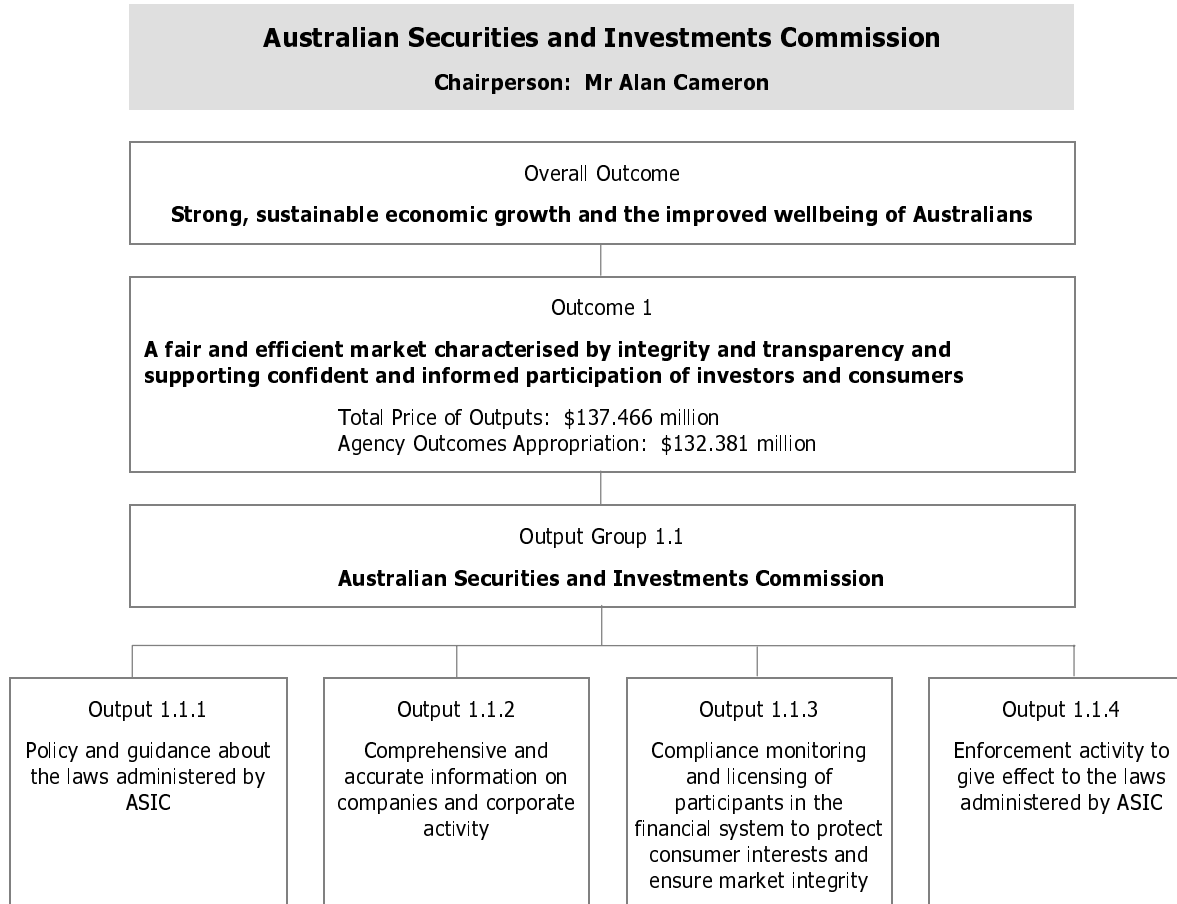
OVERVIEW

There has been no change to the overview to that included in the 1999-2000 Portfolio Budget Statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Provision of \$303,000 has been provided to cover the cost of bank fees and charges as a result of the devolution of banking to agencies.

Part C: Agency Additional Estimates Statements — ASIC



Breakdown of Additional Estimates by Appropriations Bill

Table 1.2: Appropriation Bill (No 3) 1999-2000

	1998-99 Estimated Expenses \$'000	1999-00 Budget \$'000	1999-00 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Agency Outputs					
Outcome 1					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	144,650	132,078	132,381	303	—
Total	144,650	132,078	132,381	303	—

Table 1.4: Staff Years (Number)

	1999-00 Budget	1998-99 Revised	Variation
Outcome 1	1,272	1,272	—

Section 2: Outcomes and Outputs Information

OUTCOMES AND OUTPUT GROUPS

The Australian Securities and Insurance Commission (ASIC) has not made any changes to its outcome or outputs since the 1999-2000 Portfolio Budget Statements.

REVISED PERFORMANCE INFORMATION AND LEVEL OF ACHIEVEMENT — 1999-2000

The ASIC has not made any changes to its Performance Information since the 1999-2000 Portfolio Budget Statements.

Section 3: Budget Financial Statements

The budget financial statements will form the basis of the financial statements that will appear in the Australian Securities and Investments Commission's 1999-2000 Annual Report, and form the basis for the input into the Whole of Government Accounts.

Budget Statement of Revenues and Expenses (Budget Operating Statement)

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

Budget Statement of Assets and Liabilities (Budget Balance Sheet)

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

Budget Cash Flow Statement

This statement identifies expected cash flows from operating activities, investing activities and financing activities.

Capital Budget

This statement shows all proposed capital expenditure funded through the Budget as appropriations or from internal sources.

Table 3.1: Budget Statement of Revenue and Expenses

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Revenue and Expenses					
Revenues					
Revenue from government					
Ordinary annual appropriations (net appropriations)	137,028	132,381	129,020	135,894	135,590
Resources received free of charge	458	500	500	500	500
Revenue from other sources					
Other revenue from other sources	9,232	4,585	4,275	4,275	4,275
Total Revenue	146,718	137,466	133,795	140,669	140,365
Expenses					
Employees	77,271	77,791	73,915	76,286	74,419
Depreciation and amortisation	8,258	6,910	8,434	9,474	10,474
Other costs of providing goods and services	58,132	52,099	51,005	54,468	55,031
Other	2,172	575	350	350	350
Total Expenses	145,833	137,375	133,704	140,578	140,274
Operating Result Before Capital User Charge	885	91	91	91	91
Capital User Charge	—	91	91	91	91
Transfers and Dividends	—	—	—	—	—
Accumulated Results at Year End	—	—	—	—	—
Net contribution to government	1,328	1,328	1,328	1,328	1,328

Table 3.1: Budget Statement of Revenue and Expenses — Administered Item

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Administered Revenue and Expenses					
Revenues					
Revenue from other sources					
Other revenue from other sources	338,988	353,169	355,818	359,037	364,333
Total Revenue	338,988	353,169	355,818	359,037	364,333
Expenses					
Other	7,773	2,000	2,000	2,000	2,000
Total Expenses	7,773	2,000	2,000	2,000	2,000
Operating Result Before Capital User Charge	331,215	351,169	353,818	357,037	362,333
Capital User Charge	—	—	—	—	—
Transfers and Dividends	(331,778)	(349,000)	(350,600)	(357,000)	(361,800)
Accumulated Results at Year End					
Net contribution to government	26,897	29,066	32,284	32,321	32,854

Table 3.2: Budget Statement of Assets and Liabilities

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Assets and Liabilities					
Debt					
Loans	4,822	2,772	—	—	—
Leases	7,690	5,360	3,811	2,966	2,395
Total Debt	12,512	8,132	3,811	2,966	2,395
Provisions and Payables					
Employees	21,402	22,703	23,649	24,645	25,618
Suppliers	1,259	4,181	4,181	4,181	4,181
Other	816	225	—	—	—
Total Provisions and Payables	23,477	27,109	27,830	28,826	29,799
Equity					
Accumulated results	1,328	1,328	1,328	1,328	1,328
Reserves	325	325	325	325	325
Total Equity	1,653	1,653	1,653	1,653	1,653
Total Liabilities and Equity	37,642	36,894	33,294	33,445	33,847
Financial Assets					
Cash	8,802	7,891	4,896	10,440	16,213
Receivables	1,552	2,272	2,271	2,269	2,270
Total Financial Assets	10,354	10,163	7,167	12,709	18,483
Non-financial Assets					
Land and buildings	7,335	6,423	7,613	4,813	2,013
Infrastructure, plant and equipment	18,226	18,428	16,729	14,180	11,631
Other	1,727	1,880	1,785	1,743	1,720
Total Non-financial Assets	27,288	26,731	26,127	20,736	15,364
Total Assets	37,642	36,894	33,294	33,445	33,847

Table 3.2: Budget Statement of Assets and Liabilities — Administered Item

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Administered Assets and Liabilities					
Debt					
Leases	—	—	—	—	—
Total Debt	—	—	—	—	—
Provisions and Payables					
Employees	—	—	—	—	—
Suppliers	—	—	—	—	—
Other	1,420	700	700	700	700
Total Provisions and Payables	1,420	700	700	700	700
Equity					
Accumulated results	26,897	29,066	32,284	32,321	32,854
Reserves	—	—	—	—	—
Total Equity	26,897	29,066	32,284	32,321	32,854
Total Liabilities and Equity	28,317	29,766	32,984	33,021	33,554
Financial Assets					
Cash	8,041	3,600	4,100	3,600	3,800
Receivables	12,134	13,000	14,000	14,500	14,500
Accrued revenue	8,142	13,166	14,884	14,921	15,254
Total Financial Assets	28,317	29,766	32,984	33,021	33,554
Non-financial Assets					
Infrastructure, plant and equipment	—	—	—	—	—
Intangibles	—	—	—	—	—
Other	—	—	—	—	—
Total Non-financial Assets	—	—	—	—	—
Total Assets	28,317	29,766	32,984	33,021	33,554

Part C: Agency Additional Estimates Statements — ASIC

Table 3.3: Budget Cash Flow Statement

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Agency Cash Flows					
Operating Activities					
Cash Received					
Appropriations	137,028	132,381	129,020	135,894	135,590
Sales of goods and services	2,601	3,070	2,651	2,650	2,650
Other	6,514	1,500	1,400	1,400	1,400
Total Cash Received	146,143	136,951	133,071	139,944	139,640
Cash Used					
Employees	76,314	76,289	72,561	74,880	73,038
Suppliers	57,681	53,198	52,683	55,270	55,579
Other	—	—	—	—	—
Total Cash Used	133,995	129,487	125,244	130,150	128,617
Net Cash from Operating Activities	12,148	7,464	7,827	9,794	11,023
Investing Activities					
Cash Received					
Proceeds from sale of property, plant and equipment	49	125	125	125	125
Other	660	—	—	—	—
Total Cash Received	709	125	125	125	125
Cash Used					
Purchase of property, plant and equipment	10,212	6,450	8,175	4,375	5,375
Total Cash Used	10,212	6,450	8,175	4,375	5,375
Net Cash from Investing Activities	(9,503)	(6,325)	(8,050)	(4,250)	(5,250)
Financing Activities					
Cash Received					
Total Cash Received	—	—	—	—	—
Cash Used					
Repayment of borrowings	1,678	2,050	2,772	—	—
Total Cash Used	1,678	2,050	2,772	—	—
Net Cash from Financing Activities	(1,678)	(2,050)	(2,772)	—	—
Net increase/decrease in cash held	967	(911)	(2,995)	5,544	5,773
Add cash as at 1 July	7,835	8,802	7,891	4,896	10,440
Cash as at 30 June	8,802	7,891	4,896	10,440	16,213

Table 3.3: Budget Cash Flow Statement — Administered Item

	Actual	Revised	Estimated		
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Administered Cash Flows					
Operating Activities					
Cash Received					
Appropriations	—	—	—	—	—
Sales of goods and services	—	—	—	—	—
Other	336,051	351,200	353,100	358,500	364,000
Total Cash Received	336,051	351,200	353,100	358,500	364,000
Cash Used					
Employees	—	—	—	—	—
Suppliers	—	—	—	—	—
Other	331,778	355,641	352,600	359,000	363,800
Total Cash Used	331,778	355,641	352,600	359,000	363,800
Net Cash from Operating Activities	4,273	(4,441)	500	(500)	200
Net increase/decrease in cash held	4,273	(4,441)	500	(500)	200
Add cash as at 1 July	3,768	8,041	3,600	4,100	3,600
Cash as at 30 June	8,041	3,600	4,100	3,600	3,800

CAPITAL BUDGET

Table 3.4: Capital Budget

	Actual	Revised Budget		Estimated	
	1998-99 \$'000	1999-00 \$'000	2000-01 \$'000	2001-02 \$'000	2002-03 \$'000
Funded by capital appropriations	10,212	6,450	8,175	4,375	5,375
Funded internally by agency resources	—	—	—	—	—
Total	10,212	6,450	8,175	4,375	5,375

NOTES TO THE FINANCIAL STATEMENTS

Budget Statement of Revenue and Expenses

Revenue

Ordinary Annual Appropriations (Net Appropriations)

The amount appropriated in 1998-99 is higher than in subsequent years. This is predominantly due to non-recurring implementation costs of the Financial System Inquiry recommendations which were provided in the 1989-99 appropriation. To a lesser extent, the 1998-99 financial year discloses a cash based appropriation whereas all subsequent appropriations are accrual based.

Revenue from Other Sources

This revenue is higher in 1998-99 compared to subsequent years as it includes Business Names Register usage fees. These fees will no longer be a significant revenue stream after 1998-99 as the States will have implemented their own Business Names systems from 1 July 1999.

Expenses

Employee Expenses

There is a decline in 2000-01 primarily because the funding for initiatives associated with the Managed Investments Bill ceases at the end of 1999-2000. This is subject to a Parliamentary review in 2000-01. Secondary reasons include savings in salaries and package costs associated with voluntary redundancies undertaken in prior years. There is also a reduction in funding provided for initiatives associated with the Corporations Law Economic Reform Project, relative to prior years.

Other Costs of Providing Goods and Services

These expenses decline in 1999-2000 in direct proportion to the drop in funding from 1998-99 to 1999-2000. Funding was provided in 1998-99 for non-recurring implementation costs of the Financial System Inquiry recommendations.

Other Expenses

In 1998-99 these expenses primarily reflect losses associated with decrements arising from the revaluation of assets and the writedown of assets. Other expenses in the forward years are related to the writedown of assets.

Budget Statement of Assets and Liabilities

Debt

This balance relates to borrowings made out of future Parliamentary appropriations. It will be repaid by the end of June 2000.

Appendix 1

Non-Appropriation Departmental and Administered Revenue

	<u>Budget Estimate</u>	<u>Revised Estimate</u>
	<u>1999-00</u>	<u>1999-00</u>
	<u>\$'000</u>	<u>\$'000</u>
External Departmental Revenue	351,169	351,169
Total Estimated Revenue	351,169	351,169