

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Overview, variations and measures

OVERVIEW

There has been no change to the overview included in the *2002-03 Portfolio Budget Statements* (page 141).

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Australian Securities and Investments Commission (ASIC) is seeking an additional \$2.385 million in agency outputs for an increase in depreciation due to a revaluation of assets (\$2.235 million) and a parameter adjustment (\$0.150 million).

Explanations for these variations are detailed below.

Measures

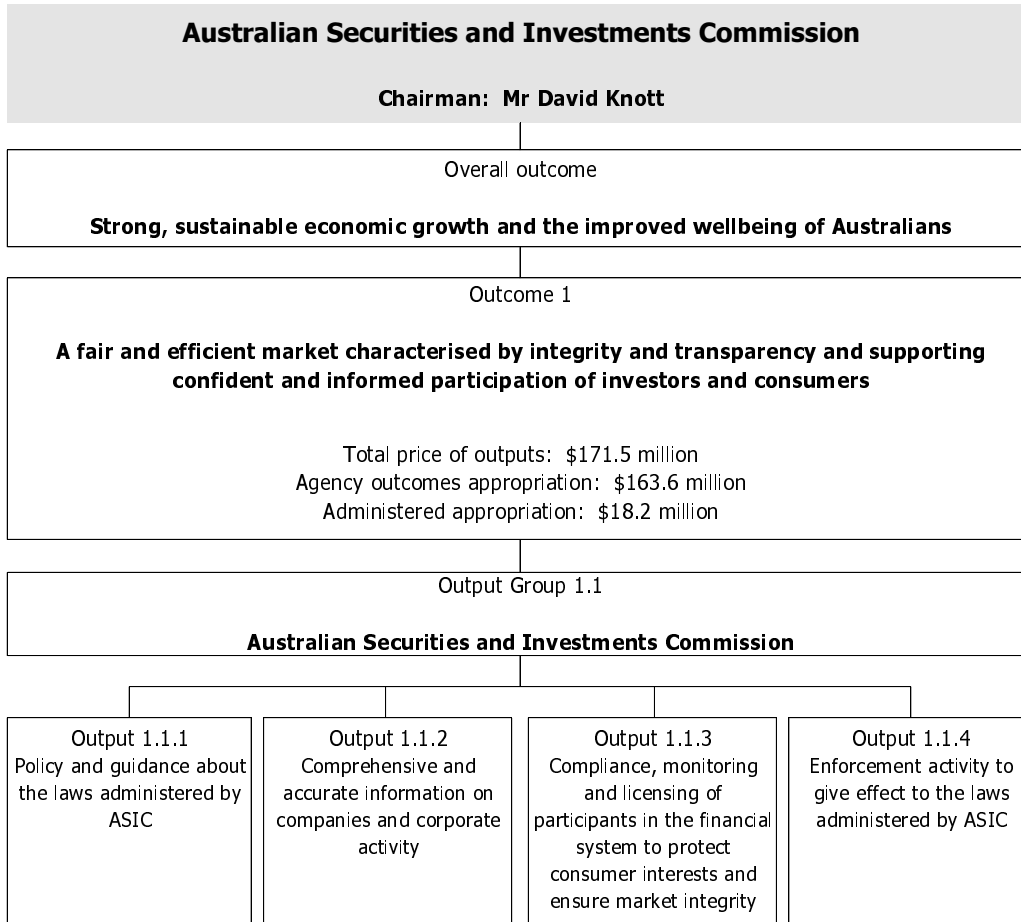
ASIC has no measures since the 2002-03 Budget.

Other variations to appropriations

ASIC is seeking additional funding of \$2.385 million. The increase is a result of:

- \$2.235 million supplementation for additional depreciation following a revaluation of property, plant and equipment in accordance with the principles of accrual accounting.
- \$0.150 million for a revision to the Government parameters used to restate the forward estimates.

Map 2: Outcomes and output groups



BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2002-03

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 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	148,821	158,390	160,775	2,385	-
Total	148,821	158,390	160,775	2,385	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average Staffing Level (ASL)

	2002-03 budget	2002-03 revised	variation
Outcome 1			
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	1,452	1,452	-
Total	1,452	1,452	-

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

The Australian Securities and Investments Commission (ASIC) has not made any changes to its outcome or outputs since the *2002-03 Portfolio Budget Statements*.

Revised performance information and level of achievement — 2002-03

ASIC has not made any changes to its performance information since the *2002-03 Portfolio Budget Statements*.

Section 3: Budgeted Financial Statements

Budgeted agency statement of financial performance

This statement provides the expected financial results for the Australian Securities and Investments Commission (ASIC) by identifying full accrual expenses and revenues which highlight its financial performance.

Budgeted agency statement of financial position

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

Budgeted agency statement of cash flows

Budgeted cash flows as reflected in the statement of 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 financial activities.

Agency capital budget statement

This statement shows all proposed capital expenditure funded from internal sources.

Agency non-financial assets — summary of movement

This statement shows the movement in ASIC's non-financial assets over the Budget year.

NOTES OF ADMINISTERED ACTIVITY

Details of transactions administered by ASIC on behalf of the Commonwealth are shown in the following notes.

Note of budgeted administered financial performance

This note identifies revenues and expenses administered on behalf of the Government. It also discloses administered revenues from government and transfers to the Public Account.

Note of budgeted administered financial position

This note shows the assets and liabilities administered on behalf of the Government.

Note of budgeted administered cash flows

This note shows cash flows administered on behalf of the Government.

**Table 3.1: Budgeted agency statement of financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
Revenues from ordinary activities					
Revenue from government	146,090	163,626	165,938	163,836	165,446
Sales of goods and services	2,709	2,800	2,850	2,900	2,950
Interest	2,185	2,200	2,200	2,200	2,200
Other	3,354	2,850	2,100	2,240	2,370
Total revenues from ordinary activities	154,338	171,476	173,088	171,176	172,966
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	85,191	96,723	101,751	99,899	101,183
Suppliers	61,475	61,401	57,694	56,999	57,113
Depreciation and amortisation	11,697	12,709	12,983	13,790	14,147
Written down value of assets sold	1,395	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	159,758	170,833	172,428	170,688	172,443
Borrowing costs expense	179	643	660	488	523
Net surplus or deficit from ordinary activities	(5,599)	-	-	-	-
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	(5,599)	-	-	-	-
Capital Use Charge	-	-	-	-	-
Net surplus or deficit after Capital Use Charge	(5,599)	-	-	-	-

**Table 3.2: Budget agency statement of financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	16,546	12,304	11,376	10,811	10,346
Receivables	2,814	2,814	2,732	2,966	3,116
Total financial assets	19,360	15,118	14,108	13,777	13,462
Non-financial assets					
Land and buildings	10,553	10,295	10,015	9,701	9,332
Infrastructure, plant and equipment	11,972	13,748	12,401	13,977	15,094
Intangibles	5,242	6,334	5,963	5,566	6,728
Other	1,136	1,136	1,136	1,136	1,136
Total non-financial assets	28,903	31,513	29,515	30,380	32,290
Total assets	48,263	46,631	43,623	44,157	45,752
LIABILITIES					
Debt					
Leases	9,334	11,199	9,201	10,066	11,976
Other	7,064	2,859	2,288	1,741	1,212
Total debt	16,398	14,058	11,489	11,807	13,188
Provisions and payables					
Employees	26,926	28,526	28,828	29,482	30,082
Suppliers	5,859	4,967	4,226	3,788	3,402
Total provisions and payables	32,785	33,493	33,054	33,270	33,484
Total liabilities	49,183	47,551	44,543	45,077	46,672
EQUITY					
Reserves	5,254	5,254	5,254	5,254	5,254
Accumulated surpluses or deficits	(6,174)	(6,174)	(6,174)	(6,174)	(6,174)
Total equity	(920)	(920)	(920)	(920)	(920)
Current liabilities	27,536	25,530	23,798	23,983	24,719
Non-current liabilities	21,647	22,021	20,745	21,094	21,953
Current assets	20,496	16,254	15,244	14,913	14,598
Non-current assets	27,767	30,377	28,379	29,244	31,154

**Table 3.3: Budgeted agency statement of cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	148,821	160,775	165,938	163,836	165,446
Sales of goods and services	2,812	2,800	2,932	2,666	2,800
Interest	2,185	2,200	2,200	2,200	2,200
GST recovered	4,922	4,889	4,553	4,491	4,501
Other	4,600	2,850	2,100	2,240	2,370
Total cash received	163,340	173,514	177,723	175,433	177,317
Cash used					
Employees	84,478	95,623	101,749	99,246	100,783
Suppliers	67,759	68,036	63,259	62,474	62,329
Borrowing costs	179	643	660	488	523
Total cash used	152,416	164,302	165,668	162,208	163,635
Net cash from operating activities	10,924	9,212	12,055	13,225	13,682
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	230	-	-	-	-
Total cash received	230	-	-	-	-
Cash used					
Purchases of property, plant and equipment	8,415	7,919	6,763	7,101	9,036
Total cash used	8,415	7,919	6,763	7,101	9,036
Net cash from investing activities	(8,185)	(7,919)	(6,763)	(7,101)	(9,036)
FINANCING ACTIVITIES					
Cash received					
Proceeds from sales and leaseback of plant and equipment	3,555	-	-	-	-
Total cash received	3,555	-	-	-	-
Cash used					
Repayment of finance lease principal	2,025	5,535	6,220	6,689	5,111
Total cash used	2,025	5,535	6,220	6,689	5,111
Net cash from financing activities	1,530	(5,535)	(6,220)	(6,689)	(5,111)
Net increase (decrease) in cash held					
Cash at the beginning of the reporting period	12,277	16,546	12,304	11,376	10,811
Cash at the end of the reporting period	16,546	12,304	11,376	10,811	10,346

Part C: Agency Additional Estimates Statements —ASIC

Table 3.4: Agency capital budget statement

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by agency resources	16,219	15,319	10,985	14,655	16,057
Total	16,219	15,319	10,985	14,655	16,057

Table 3.5: Agency non-financial assets — summary of movement (Budget year 2002-03)

	Land	Buildings	Total land and buildings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	-	10,553	10,553	-	11,972	11,972	5,242	27,767
Additions	-	2,574	2,574	-	10,196	10,196	2,549	15,319
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(2,832)	(2,832)	-	(6,920)	(6,920)	(2,957)	(12,709)
Write-off of assets	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	(1,500)	(1,500)	1,500	-
Carrying amount at the end of year	-	10,295	10,295	-	13,748	13,748	6,334	30,377
Total additions								
Self funded	-	2,574	2,574	-	10,196	10,196	2,549	15,319
Appropriations	-	-	-	-	-	-	-	-
Total	-	2,574	2,574	-	10,196	10,196	2,549	15,319

**Table 3.6: Note of budgeted administered financial performance
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
REVENUES					
Non-taxation					
Interest	133	140	140	140	140
Appropriations	12,725	18,225	16,225	16,225	16,225
Other sources of non-taxation revenues	413,216	426,900	434,000	451,689	457,415
Total revenues administered on behalf of government	426,074	445,265	450,365	468,054	473,780
EXPENSES					
Other	25,064	26,225	24,225	24,225	24,225
Total expenses administered on behalf of government	25,064	26,225	24,225	24,225	24,225

**Table 3.7: Note of budgeted administered financial position
(as at 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
ASSETS					
Financial assets					
Cash	3,453	3,447	2,787	1,538	3,063
Receivables	85,892	85,730	84,130	85,499	83,314
Investments	-	-	-	-	-
Accrued revenues	11,127	11,127	11,127	11,127	11,127
Other	-	-	-	-	-
Total financial assets	100,472	100,304	98,044	98,164	97,504
Total assets administered on behalf of government	100,472	100,304	98,044	98,164	97,504
LIABILITIES					
Provisions and payables					
Other	80,677	80,369	77,969	77,949	77,149
Total provisions and payables	80,677	80,369	77,969	77,949	77,149
Total liabilities administered on behalf of government	80,677	80,369	77,969	77,949	77,149
Current liabilities	24,028	23,720	21,320	21,300	20,500
Non-current liabilities	56,649	56,649	56,649	56,649	56,649
Current assets	43,823	43,655	41,395	41,515	40,855
Non-current assets	56,649	56,649	56,649	56,649	56,649

**Table 3.8: Note of budgeted administered cash flows
(for the period ended 30 June)**

	2001-02 actual \$'000	2002-03 revised budget \$'000	2003-04 forward estimate \$'000	2004-05 forward estimate \$'000	2005-06 forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	12,725	18,225	16,225	16,225	16,225
Cash from Official Public Account	-	-	-	-	-
Other	402,727	418,894	425,340	442,440	450,940
Total cash received	415,452	437,119	441,565	458,665	467,165
Cash used					
Repayments of debt	-	-	-	-	-
Cash to Official Public Account	402,389	418,900	426,000	443,689	449,415
Other	14,454	18,225	16,225	16,225	16,225
Total cash used	416,843	437,125	442,225	459,914	465,640
Net cash from operating activities	(1,391)	(6)	(660)	(1,249)	1,525
Net increase (decrease) in cash held	(1,391)	(6)	(660)	(1,249)	1,525
Cash at beginning of reporting period	4,844	3,453	3,447	2,787	1,538
Administered cash at end of reporting period	3,453	3,447	2,787	1,538	3,063

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budget statements have been prepared on an accrual basis in accordance with the historical cost convention, except for certain assets, which are at valuation.

Agency and administered financial statements

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (agency transactions) are budgeted and reported separately from transactions 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.

Agency

Agency assets, liabilities, revenues and expenses are those that are controlled by ASIC. Employee and supplier expenses are incurred by ASIC in providing its goods and services.

Administered

Administered items are revenues, expenses, assets and liabilities that are managed by ASIC on behalf of the Government according to set Government directions.

Revenue

ASIC collects and administers revenue under the *Corporations Act 2001*, the *Corporations (Fees) Act 2001* and *Corporations (Fees) Regulations*. The revenues from these fees are not available to ASIC and are remitted to the Commonwealth's Official Public Account. Transactions and balances relating to these fees are reported as Administered Items.

Special Appropriations for payments to be made under the *Banking Act 1959* are also reported as part of the Administered Financial Statements.

Expenses

Estimated payments made under the *Banking Act 1959* and the *Life Insurance Act 1995* are included in the Administered Financial Statements.

Appendices 1 and 2

Appendix 1

Agency and administered revenue

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
AGENCY REVENUE		
Non-appropriation agency revenue		
Sales of goods and services	1,925	2,800
Interest	2,500	2,200
Other	2,900	2,850
Total non-appropriation agency revenue	7,325	7,850
Appropriation revenue	158,390	163,626
Total agency revenue	165,715	171,476
ADMINISTERED REVENUE		
Non-appropriation administered revenue		
<i>Banking Act 1959</i>	23,500	23,500
<i>Corporations Act 2001</i>	378,139	391,900
<i>Life Insurance Act 1995</i>	-	11,500
Interest	-	140
Total non-appropriation administered revenue	401,639	427,040
Administered appropriation revenue	18,025	18,225
Total administered revenue	419,664	445,265
Total estimated revenue	585,379	616,741

Appendix 2

Estimates of expenses from special appropriations

	2002-03 budget estimate \$'000	2002-03 revised estimate \$'000
ESTIMATED EXPENSES		
<i>Banking Act 1959</i> — Payments of Banking Unclaimed Monies	18,025	18,025
Total estimated expenses	18,025	18,025

