

CORPORATIONS AND MARKETS ADVISORY COMMITTEE

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CORPORATIONS AND MARKETS ADVISORY COMMITTEE

Section 1: 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.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	CAMAC is a statutory body that is the principal source of external advice to the Australian Government on issues in corporations and financial markets law and practice	Output Group 1.1 Corporations and Markets Advisory Committee

Section 2: Agency resources for 2005-06

2.1: APPROPRIATIONS AND OTHER RESOURCES

The total appropriation for the Corporations and Markets Advisory Committee (CAMAC) in the 2005-06 Budget is \$0.9 million.

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome.

Table 2.1: Appropriations and other revenue 2005-06¹ ('000)

Outcome	Appropriations					Revenue from other sources ²		Total resources ⁴
	\$'000	\$'000	\$'000	\$'000	% ³	\$'000	% ³	\$'000
	Bill No. 1	Bill No. 2	Special approp	Total approp				
Outcome 1								
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers								
Departmental	863	-	-	863	97%	25	3%	888
Total agency	863	-	-	863		25		888
Departmental capital (equity injections)	-	-	-	-	-	-	-	-
Previous year's outputs	-	-	-	-	-	-	-	-
Total resources	863	-	-	863		25		888

1 This table has been redesigned to correspond with *Budget Paper No. 4, Agency Resourcing 2005-06*.

2 Revenue from other sources includes *Financial Management and Accountability Act 1997* (FMA) s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge. This figure does not include GST input tax credits received from the Australian Taxation Office.

3 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.

4 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted departmental statement of financial performance for application of agency revenue.

2.2: 2005-06 BUDGET MEASURES

Budget measures relating to CAMAC as explained in *Budget Paper No. 2, Budget Measures 2005-06* are summarised in Table 2.2. The table also identifies the relevant outcomes and outputs associated with each measure.

Table 2.2: Corporations and Markets Advisory Committee measures

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2006-07			Appropriations forward estimate 2007-08			Appropriations forward estimate 2008-09		
			2005-06 \$'000			2006-07 \$'000			2007-08 \$'000			2008-09 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Efficiency dividend — increase in the rate from 1 per cent to 1.25 percent ¹	1	1.1	-	-2	-2	-	-4	-4	-	-7	-7	-	-7	-7

¹ This is a cross portfolio measure. This table shows the CAMAC contribution to the measure.

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include FMA s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 2.3: Other receipts available to be used¹

	Estimated receipts 2004-05 \$'000	Budget estimate 2005-06 \$'000
Departmental other receipts		
Interest	25	25
Total departmental other receipts available to be used	25	25

¹ This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

2.4: MOVEMENT OF ADMINISTERED FUNDS FROM 2004-05 TO 2005-06

Table 2.4: Movement of administered funds from 2004-05 to 2005-06

This table is not applicable to CAMAC.

2.5: SPECIAL APPROPRIATIONS

Table 2.5: Estimates of expenses from special appropriations

This table is not applicable to CAMAC.

2.6: SPECIAL ACCOUNTS

Table 2.6: Estimates of special account flows and balances

This table is not applicable to CAMAC.

2.7: DEPARTMENTAL EQUITY INJECTIONS AND LOANS

CAMAC does not have an appropriation for an equity injection or loan in the 2005-06 Budget.

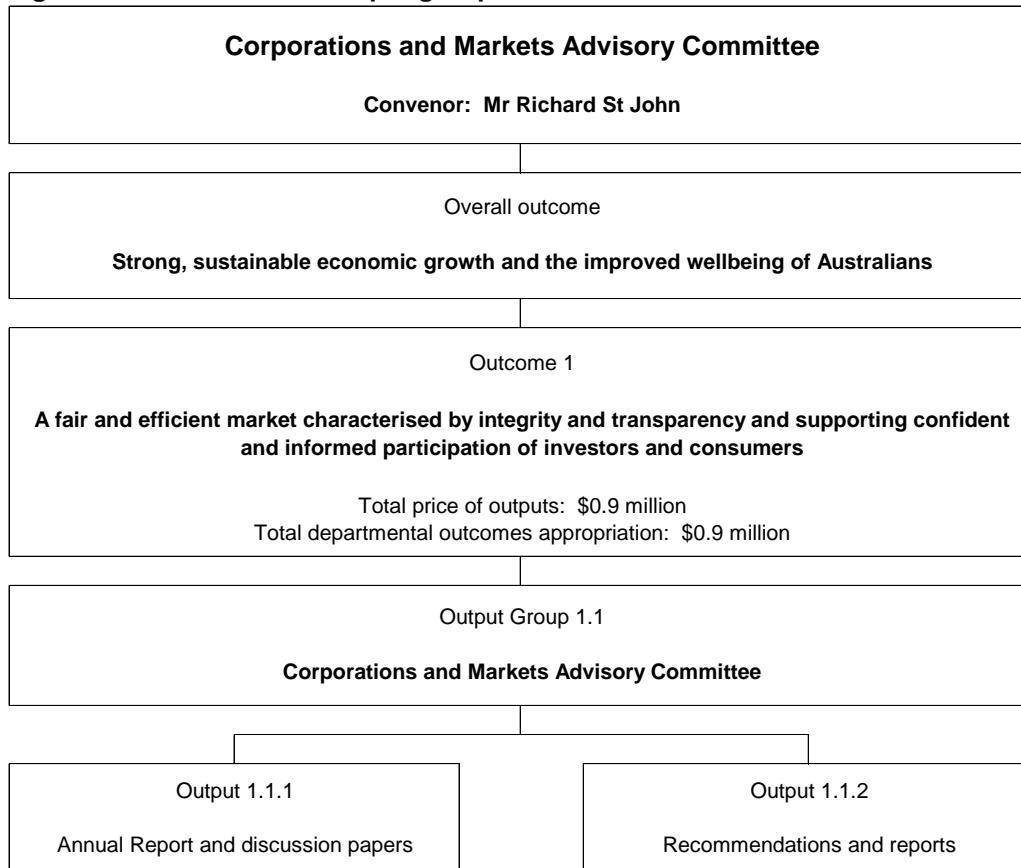
Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs that contribute to the outcome for the Corporations and Markets Advisory Committee (CAMAC).

3.1: SUMMARY OF OUTCOMES AND OUTPUTS

The relationship between activities of CAMAC and the outcome is summarised in Figure 4.

Figure 4: Outcomes and output groups



3.2: OUTCOMES — DEPARTMENTAL

CAMAC has only one outcome, namely, 'a fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers'. The total appropriation for this outcome for 2005-06 is \$0.9 million.

Figure 5: Departmental appropriations by outcome, 2005-06

This figure is not applicable to CAMAC.

Figure 6: Administered appropriations by outcome, 2005-06

This figure is not applicable to CAMAC.

3.3: OUTCOMES RESOURCING

Outcome 1 description

A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers.

Outcome 1 resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
Departmental appropriations		
Output Group 1.1 - Corporations and Markets Advisory Committee		
Output 1.1.1 - Annual Report and discussion papers	400	403
Output 1.1.2 - Recommendations and reports	456	460
Total revenue from government (appropriations)		
Contributing to price of departmental outputs	856	863
Revenue from other sources		
Interest	25	25
Total revenue from other sources	25	25
Total price from departmental outputs		
(Total revenue from government and from other sources)	881	888
Total estimated resourcing for Outcome 1		
(Total price of outputs)	881	888
	2004-05	2005-06
Average staffing level (number)	3	3

3.4: MEASURES AFFECTING OUTCOMES

Measures affecting Outcome 1

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
Efficiency dividend — increase in the rate from 1 per cent to 1.25 per cent ¹	- 2	- 4	- 7	- 7

¹ This is a cross portfolio measure. This table shows the CAMAC contribution to the measure.

Details of this measure is included in *Budget Paper No. 2, Budget Measures 2005-06*.

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 3.2: 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. Price: \$0.4 million
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. Price: \$0.5 million

Evaluations for Outcome 1

There are no planned evaluation activities in the 2005-06 financial year.

Section 4: Other reporting requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

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

4.2: COST RECOVERY ARRANGEMENTS

CAMAC does not have any cost recovery arrangements.

4.3: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE

Table 4.1: Australian Government Indigenous Expenditure

This table is not applicable to CAMAC.

Section 5: 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) 2004-05 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 have been prepared in accordance with the goods and services tax (GST) accounting guidelines of the Urgent Issues Group (UIG) of the Australian Accounting Standards Board. The UIG consensus requires that expenses and assets be accounted for net of recoverable GST, revenues be accounted for net of GST payable, and that cash flows and accounts payable and receivable be reported gross. Appropriations are thus net of recoverable GST amounts.

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted departmental statement of financial performance

The estimated financial operating result for 2004-05 is an operating loss of \$0.1 million, which is attributable to increases in expenses arising from activity levels and in the cost of outputs. These costs will be reviewed during 2005-06. The loss will be funded from CAMAC's accumulated surpluses from prior years.

CAMAC's 'employee expenses' include Advisory Committee and Legal Committee members' sitting fees and superannuation as well as staff costs.

Budgeted departmental statement of financial position

This statement shows the financial position of CAMAC. It helps decision-makers to track the management of CAMAC's assets and liabilities. CAMAC's budgeted equity (or net asset position) for 2005-06 is expected to be \$0.5 million.

Budgeted departmental statement of cash flows

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

Departmental capital budget statement

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

Departmental property, plant, equipment and intangibles — summary of movement

This statement shows the movement in CAMAC's non-financial assets during the budget year.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	856	863	879	860	870
Interest	25	25	25	25	25
Revenues from ordinary activities	881	888	904	885	895
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	530	494	494	494	494
Suppliers	436	379	395	376	386
Depreciation and amortisation	15	15	15	15	15
Expenses from ordinary activities (excluding borrowing costs expense)	981	888	904	885	895
Borrowing costs expense	-	-	-	-	-
Operating surplus or deficit from ordinary activities	- 100	-	-	-	-
Net surplus or deficit	-	-	-	-	-
Net surplus or deficit attributable to the Australian Government	- 100	-	-	-	-

Table 5.2: Budgeted departmental statement of financial position as at 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	554	549	544	539	534
Receivables	16	16	16	16	16
Total financial assets	570	565	560	555	550
Non-financial assets					
Land and buildings	4	4	4	4	4
Infrastructure, plant and equipment	87	92	97	102	107
Other non-financial assets	15	15	15	15	15
Total non-financial assets	106	111	116	121	126
Total assets	676	676	676	676	676
LIABILITIES					
Provisions					
Employees	170	170	170	170	170
Total provisions	170	170	170	170	170
Payables					
Suppliers	14	14	14	14	14
Total payables	14	14	14	14	14
Total liabilities	184	184	184	184	184
EQUITY*					
Parent entity interest					
Reserves	10	10	10	10	10
Retained surpluses or accumulated deficits	482	482	482	482	482
Total parent entity interest	492	492	492	492	492
Total equity	492	492	492	492	492
Current assets	585	580	575	570	565
Non-current assets	91	96	101	106	111
Current liabilities	89	89	89	89	89
Non-current liabilities	95	95	95	95	95

* 'Equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	856	863	879	860	870
Interest	25	25	25	25	25
GST recovered	39	39	39	39	39
Total cash received	920	927	943	924	934
Cash used					
Employees	530	494	494	494	494
Suppliers	475	418	434	415	425
Total cash used	1,005	912	928	909	919
Net cash from or used by operating activities	- 85	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
Net increase or decrease in cash held	- 105	- 5	- 5	- 5	- 5
Cash at the beginning of the reporting period	659	554	549	544	539
Cash at the end of the reporting period	554	549	544	539	534

Table 5.4: Departmental capital budget statement

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	20	20	20	20	20
Total	20	20	20	20	20

Table 5.5: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land	Investment property	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	\$'000
As at 1 July 2005									
Gross book value	-	-	24	-	199	-	1	-	224
Accumulated depreciation	-	-	- 20	-	- 112	-	- 1	-	- 133
Opening net book value	-	-	4	-	87	-	-	-	91
Additions:									
by purchase	-	-	-	-	20	-	-	-	20
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	- 15	-	-	-	- 15
Recoverable amount write-downs	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2006									
Gross book value	-	-	24	-	219	-	1	-	244
Accumulated depreciation	-	-	- 20	-	- 127	-	- 1	-	- 148
Closing net book value	-	-	4	-	92	-	-	-	96

Table 5.6: Schedule of budgeted revenues and expenses administered on behalf of Government for the period ended 30 June

This table is not applicable to CAMAC.

Table 5.7: Schedule of budgeted assets and liabilities administered on behalf of Government as at 30 June

This table is not applicable to CAMAC.

Table 5.8: Schedule of budgeted administered cash flows for the period ended 30 June

This table is not applicable to CAMAC.

Table 5.9: Schedule of administered capital budget

This table is not applicable to CAMAC.

Table 5.10: Schedule of property, plant, equipment and intangibles — summary of movement (Budget Year 2005-06)

This table is not applicable to CAMAC.

5.3: 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.