

CORPORATIONS AND MARKETS ADVISORY COMMITTEE

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CORPORATIONS AND MARKETS ADVISORY COMMITTEE

Section 1: 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: Resources for 2006-07

2.1 APPROPRIATIONS AND OTHER RESOURCES

The total appropriations and other resources for the Corporations and Markets Advisory Committee (CAMAC) in the 2006-07 Budget is \$1.1 million.

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome and departmental classification.

Table 2.1: Appropriations and other resources 2006-07

| | Departmental | | | | Administered | | | | Total \$'000 |
|---|---------------------------------------|---------------------------------------|------------------------------------|------------------------------|---------------------------------------|---------------------------------|----------------------------------|---|-----------------|
| | Appropriation Bill No. 1 \$'000 | Appropriation Bill No. 2 \$'000 | Special Appropriation \$'000 | Other resources \$'000 | Appropriation Bill No. 1 \$'000 | Appropriation SPPs \$'000 | Other Appropriation \$'000 | Special Appropriation resources \$'000 | |
| Corporations and Markets Advisory Committee | | | | | | | | | |
| Outcome 1 | | | | | | | | | |
| A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers | 1,058 | - | - | - | - | - | - | - | 1,058 |
| Total | 1,058 | - | - | - | - | - | - | - | 1,058 |

2.2 2006-07 BUDGET MEASURES

Budget measures relating to CAMAC as explained in Budget Paper No. 2, *Budget Measures 2006-07* are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2 Corporations and Markets Advisory Committee measures

| Measure | Output groups affected | 2006-07 \$'000 | | | 2007-08 \$'000 | | | 2008-09 \$'000 | | | 2009-10 \$'000 | | |
|--|------------------------|----------------|--------------|-------|----------------|--------------|-------|----------------|--------------|-------|----------------|--------------|-------|
| | | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total |
| Expense measures | | | | | | | | | | | | | |
| Corporations and Markets Advisory Committee - additional funding | 1.1 | - | 180 | 180 | - | 181 | 181 | - | 185 | 185 | - | 189 | 189 |
| Total expense measures | | - | 180 | 180 | - | 181 | 181 | - | 185 | 185 | - | 189 | 189 |

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by CAMAC for provision of goods or services. These resources are approved for use by CAMAC and are included in Table 2.1.

Table 2.3: Other resources available to be used

| | Estimated receipts 2005-06 \$'000 | Budget estimate 2006-07 \$'000 |
|--|--|---|
| Departmental resources | | |
| Interest | 25 | - |
| Total departmental resources available to be used | 25 | - |

2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

Table 2.4: Movement of administered funds from 2005-06 to 2006-07

CAMAC does not have any administered funds.

2.5 SPECIAL APPROPRIATIONS

Table 2.5: Estimates of expenses from special appropriations

CAMAC does not have any special appropriations.

2.6 SPECIAL ACCOUNTS

Table 2.6: Estimates of special account flows and balances

CAMAC does not have any special accounts.

2.7 ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

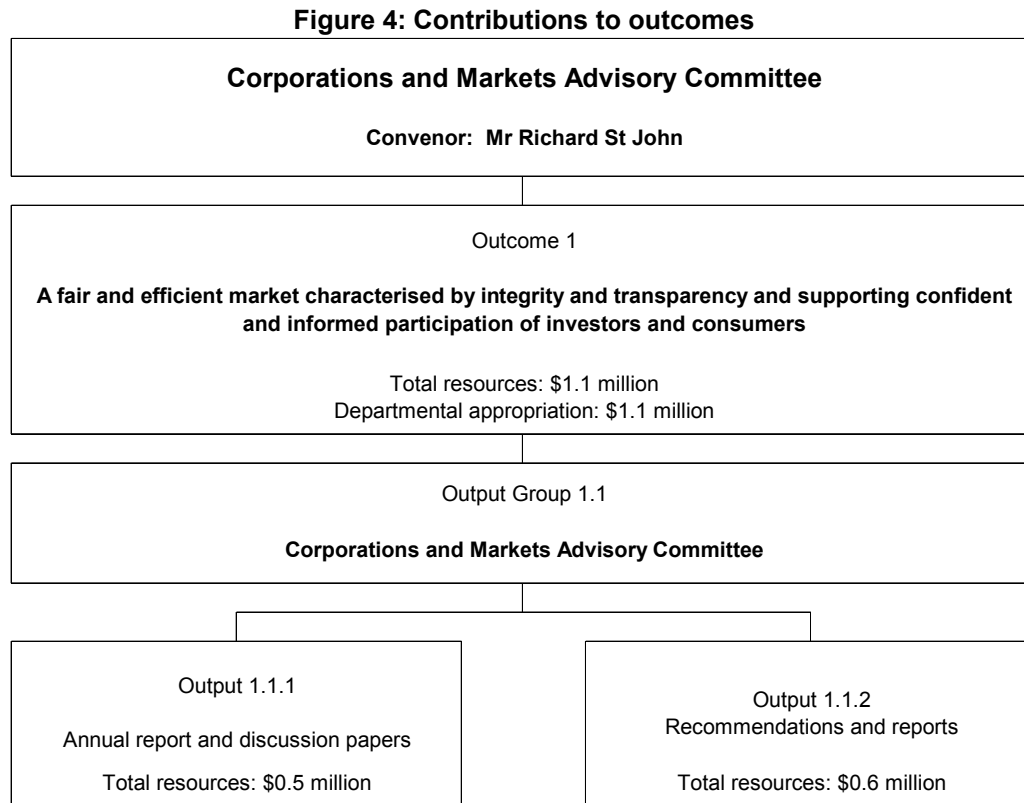
CAMAC does not have an appropriation for administered capital, departmental equity injection or loan in the 2006-07 Budget.

Section 3: Outcomes

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

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of CAMAC and the outcome is summarised in Figure 4. There have been no changes to the number, wording or structure of outcomes or outputs since the *Portfolio Budget Statements 2005-06*.



3.2 OUTCOMES — DEPARTMENTAL AND ADMINISTERED

CAMAC has one outcome, namely, ‘a fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers’.

Figure 5: Departmental appropriations by outcome, 2006-07

As CAMAC has one outcome with a total departmental appropriation of \$1.1 million, this figure is not applicable.

Figure 6: Administered appropriations by outcome, 2006-07

CAMAC does not have any administered appropriations.

3.3 OUTCOMES AND PERFORMANCE

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 2006-07 Budget appropriations translate to total resourcing for Outcome 1, including departmental appropriations and revenue from other sources.

Table 3.1: Total resources for Outcome 1

| | Estimated actual 2005-06 \$'000 | Budget estimate 2006-07 \$'000 |
|--|--|---|
| Departmental appropriations | | |
| Output Group 1.1 - Corporations and Markets Advisory Committee | | |
| Output 1.1.1 - Annual Report and discussion papers | 403 | 497 |
| Output 1.1.2 - Recommendations and reports | 460 | 561 |
| Total departmental appropriation | 863 | 1,058 |
| Revenue from other sources | | |
| Interest | 25 | - |
| Total revenue from other sources | 25 | - |
| Total resources | 888 | 1,058 |
| | 2005-06 | 2006-07 |
| Average staffing level (number) | 3 | 4 |

Measures affecting Outcome 1

A list of measures for CAMAC appears in Table 2.2. Details of measures are included in Budget Paper No. 2, *Budget Measures 2006-07*.

Contributions to achievement of Outcome 1

The output of CAMAC focuses on the legislation related to corporations and financial markets. Its operations involve either on its own initiative or at the request of the Government conducting major policy reviews, which may include analysing procedural and other issues in current practice. This process 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.

Administered activities

CAMAC has no administered activities.

Departmental outputs

Output 1.1.1 Annual Report and discussion papers

The Advisory Committee publishes discussion papers that seek to inform, stimulate and lead public debate on the enhancement of standards for corporations and participants in financial markets. For this purpose, the papers propose regulatory reform where necessary. This public consultation process is designed to ensure that the commercial community has the opportunity to participate fully in the law reform process.

The Committee's annual report consolidates this public consultation process by summarising in a publicly available document the work of the Committee over the previous financial year.

Output 1.1.2 Recommendations and reports

The Committee builds on the public consultation process by thoroughly reviewing all submissions on discussion papers and providing timely advice to the Australian Government in the form of Advisory Committee reports, containing detailed law reform recommendations, where appropriate.

Performance information for Outcome 1

Performance information for individual outputs and output group relating to CAMAC is summarised in Table 3.2.

Table 3.2: Performance information for Outcome 1

Performance indicators 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: \$0.5 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 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: \$0.6 million

Evaluations for Outcome 1

There are no planned evaluation activities in the 2006-07 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 with any other Government agencies.

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

CAMAC does not have any specific indigenous expenditure.

Section 5: Budgeted financial statements

The budgeted financial statements contain the estimates prepared in accordance with the requirements of the government's financial budgeting and reporting framework, including the principles of the Australian Equivalents to International Accounting Standards, the Statements of Accounting Concepts and the Australian Accounting Standards Board framework, as well as specific guidelines issued by the Department of Finance and Administration. They show planned income and expenditure for the budget year and each of the forward years, and estimated results for the 2005-06 financial year.

5.1 ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted departmental income statement

CAMAC is budgeting for a break-even operating result for 2006-07.

Budgeted departmental balance sheet

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

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 income statement for the period ended 30 June

| | Estimated actual 2005-06 \$'000 | Budget estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 |
|---|--|---|--|--|--|
| INCOME | | | | | |
| Revenue | | | | | |
| Revenues from Government | 863 | 1,058 | 1,039 | 1,053 | 1,064 |
| Interest | 25 | - | - | - | - |
| Total revenue | 888 | 1,058 | 1,039 | 1,053 | 1,064 |
| EXPENSE | | | | | |
| Employees | 494 | 584 | 582 | 590 | 597 |
| Suppliers | 379 | 459 | 442 | 448 | 452 |
| Depreciation and amortisation | 15 | 15 | 15 | 15 | 15 |
| Total expenses | 888 | 1,058 | 1,039 | 1,053 | 1,064 |
| Operating result from continuing operations | - | - | - | - | - |
| Operating result | - | - | - | - | - |
| Net surplus or (deficit) attributable to the Australian Government | - | - | - | - | - |

**Table 5.2: Budgeted departmental balance sheet
as at 30 June**

| | Estimated actual 2005-06 \$'000 | Budget estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 |
|-------------------------------------|--|---|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash | 630 | 68 | 63 | 58 | 53 |
| Receivables | 14 | 14 | 14 | 14 | 14 |
| Total financial assets | 644 | 82 | 77 | 72 | 67 |
| Non-financial assets | | | | | |
| Land and buildings | 17 | 16 | 15 | 14 | 13 |
| Infrastructure, plant and equipment | 92 | 98 | 104 | 110 | 116 |
| Other | 16 | 16 | 16 | 16 | 16 |
| Total non-financial assets | 125 | 130 | 135 | 140 | 145 |
| Total assets | 769 | 212 | 212 | 212 | 212 |
| LIABILITIES | | | | | |
| Provisions | | | | | |
| Employees | 164 | 164 | 164 | 164 | 164 |
| Other | 38 | 38 | 38 | 38 | 38 |
| Total provisions | 202 | 202 | 202 | 202 | 202 |
| Total liabilities | 202 | 202 | 202 | 202 | 202 |
| EQUITY | | | | | |
| Reserves | 10 | 10 | 10 | 10 | 10 |
| Retained surpluses | 557 | - | - | - | - |
| Total equity | 567 | 10 | 10 | 10 | 10 |
| Current assets | 660 | 98 | 93 | 88 | 83 |
| Non-current assets | 109 | 114 | 119 | 124 | 129 |
| Current liabilities | 37 | 37 | 37 | 37 | 37 |
| Non-current liabilities | 165 | 165 | 165 | 165 | 165 |

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

| | Estimated actual 2005-06 \$'000 | Budget estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 |
|--|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 863 | 1,058 | 1,039 | 1,053 | 1,064 |
| Interest | 25 | - | - | - | - |
| GST Recovered | 39 | 39 | 39 | 39 | 39 |
| Total cash received | 927 | 1,097 | 1,078 | 1,092 | 1,103 |
| Cash used | | | | | |
| Employees | 494 | 584 | 582 | 590 | 597 |
| Suppliers | 418 | 498 | 481 | 487 | 491 |
| Total cash used | 912 | 1,082 | 1,063 | 1,077 | 1,088 |
| Net cash from or (used by) operating activities | 15 | 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) |
| FINANCING ACTIVITIES | | | | | |
| Cash used | | | | | |
| Other | - | 557 | - | - | - |
| Total cash used | - | 557 | - | - | - |
| Net cash from or (used by) financing activities | - | (557) | - | - | - |
| Net increase or (decrease) in cash held | (5) | (562) | (5) | (5) | (5) |
| Cash at the beginning of the reporting period | 635 | 630 | 68 | 63 | 58 |
| Cash at the end of the reporting period | 630 | 68 | 63 | 58 | 53 |

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

| | Accumulated results \$'000 | Asset revaluation reserve \$'000 | Other reserves \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|----------------------------------|---|-----------------------------|---|---------------------------|
| Opening balance as at 1 July 2006 | | | | | |
| Balance carried forward from previous period | 557 | 10 | - | - | 567 |
| Adjusted opening balance | 557 | 10 | - | - | 567 |
| Income and expense | | | | | |
| Net operating result | - | - | - | - | - |
| Total income and expenses recognised directly in equity | - | - | - | - | - |
| Transactions with owners | | | | | |
| <i>Distribution to owners</i> | | | | | |
| Returns of capital | | | | | |
| Restructuring | (557) | - | - | - | (557) |
| Sub-total transactions with owners | - | - | - | - | - |
| Estimated closing balance as at 30 June 2007 | - | 10 | - | - | 10 |

Table 5.5: Departmental capital budget statement

| | Estimated actual 2005-06 \$'000 | Budget estimate 2006-07 \$'000 | Forward estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 |
|---|--|---|--|--|--|
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | - | - | - | - | - |
| Total loans | - | - | - | - | - |
| Total capital appropriations | - | - | - | - | - |
| 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 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

| | Land | Investment | Buildings | Specialist | Other | Heritage | Computer | Other | Total |
|---|--------|------------|-----------|------------|----------------|--------------|----------|-------------|--------|
| | \$'000 | \$'000 | \$'000 | military | infrastructure | and cultural | software | intangibles | \$'000 |
| | | property | | equipment | plant and | assets | | | |
| | | | | | equipment | | | | |
| | | | | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2006 | | | | | | | | | |
| Gross book value | - | - | 21 | - | 248 | - | - | - | 269 |
| Accumulated depreciation | - | - | (4) | - | (156) | - | - | - | (160) |
| Opening net book value | | | 25 | | 92 | | | | 109 |
| Additions: | | | | | | | | | |
| by purchase | - | - | - | - | 20 | - | - | - | 20 |
| Depreciation/amortisation expense | - | - | (1) | - | (14) | - | - | - | (15) |
| As at 30 June 2007 | | | | | | | | | |
| Gross book value | - | - | 21 | - | 268 | - | - | - | 289 |
| Accumulated depreciation | - | - | (5) | - | (170) | - | - | - | (175) |
| Estimated closing net book value | | | 16 | | 98 | | | | 114 |

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government for the period ended 30 June

CAMAC does not have any administered items.

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June

CAMAC does not have any administered items.

Table 5.9: Schedule of budgeted administered cash flows for the period ended 30 June

CAMAC does not have any administered items.

Table 5.10: Schedule of administered capital budget

CAMAC does not have any administered items.

Table 5.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

CAMAC does not have any administered items.

5.3 NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The financial statements have been prepared on an accrual basis in accordance with historical cost convention.