

# AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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# 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 for the Australian Securities and Investments Commission (ASIC) from that included in the *Portfolio Budget Statements 2008-09* (pages 127-128).

ASIC is seeking an additional \$11.2 million in departmental outputs through Appropriation Bill (No. 3) 2008-09. This relates to: an additional \$1.6 million for the Council of Australian Governments – implementing a national approach to the regulation of consumer credit measure; \$10.0 million for the global financial crisis – additional funding for regulators and the Treasury measure; \$1.0 million for the Australian Business Number and Business Name Registration project; and offset by a reduction of \$1.4 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

ASIC is also seeking an additional \$3.5 million in equity injections through Appropriation Bill (No. 4) 2008-09. This relates to: an additional \$0.8 million for the Council of Australian Governments – implementing a national approach to the regulation of consumer credit measure; \$2.9 million for the Australian Business Number and Business Name Registration project; and offset by a reduction of \$0.2 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting. The reallocation will have no net impact on the Budget.

*Agency Additional Estimates Statements — ASIC*

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 outlines the total resourcing available from all sources for the 2008-09 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations and special accounts.

**Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2008-09 as at Additional Estimates December 2008**

	Estimate as at Budget <sup>+</sup>	Proposed additional <sup>=</sup> estimates	Total estimate at Additional Estimates	Total available appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
<b>Ordinary annual services</b>				
<b>Departmental outputs</b>				
Prior year amounts available	46,741	-	46,741	-
Departmental outputs	298,963	11,163 <sup>1</sup>	310,126	292,173
Receipts from other sources (s31)	8,287	-	8,287	9,645
<b>Total departmental outputs</b>	<b>353,991</b>	<b>11,163</b>	<b>365,154</b>	<b>301,818</b>
<b>Administered expenses</b>				
Outcome 1 - Assetless				
Administration Fund	3,424	-	3,424	5,206
<b>Total administered expenses</b>	<b>3,424</b>	<b>-</b>	<b>3,424</b>	<b>5,206</b>
<b>Total ordinary annual services</b>	<b>A 357,415</b>	<b>11,163</b>	<b>368,578</b>	<b>307,024</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Prior year amounts available	19,096	-	19,096	-
Equity injections	17,117	3,478 <sup>2</sup>	20,595	38,758
<b>Total other services</b>	<b>B 36,213</b>	<b>3,478</b>	<b>39,691</b>	<b>38,758</b>
<b>Total available annual appropriations (A + B)</b>	<b>393,628</b>	<b>14,641</b>	<b>408,269</b>	<b>345,782</b>
<b>Special appropriations</b>				
<b>Special appropriations limited by amount</b>				
<i>Banking Act 1959</i>	21,780	-	21,780	24,315
<i>Life Insurance Act 1995</i>	2,760	-	2,760	5,105
<b>Total special appropriations</b>	<b>C 24,540</b>	<b>-</b>	<b>24,540</b>	<b>29,420</b>
<b>Total appropriations excluding special accounts (A + B + C)</b>	<b>418,168</b>	<b>14,641</b>	<b>432,809</b>	<b>375,202</b>
<b>Special accounts</b>				
Opening balance	255,458	-	255,458	255,458
Appropriation receipts	30,000	-	30,000	30,000
Non-appropriation receipts to special accounts	38,000	11,601	49,601	49,601
<b>Total special accounts</b>	<b>D 323,458</b>	<b>11,601</b>	<b>335,059</b>	<b>335,059</b>
<b>Total resourcing (A + B + C + D)</b>	<b>741,626</b>	<b>26,242</b>	<b>767,868</b>	<b>710,261</b>
Less appropriations drawn from annual appropriations above and credited to special accounts	30,000	-	30,000	30,000
<b>Total net resourcing for ASIC</b>	<b>711,626</b>	<b>26,242</b>	<b>737,868</b>	<b>680,261</b>

1. Appropriation Bill (No. 3) 2008-09.

2. Appropriation Bill (No. 4) 2008-09.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2008-09 Budget.

**Table 1.2: Agency measures since Budget**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Expense measures</b>					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit Departmental outputs	1.1	1,622	12,742	25,555	25,950
Global financial crisis - additional funding for regulators and the Treasury Departmental outputs	1.1	10,000	20,000	-	-
<b>Total expense measures</b>		<b>11,622</b>	<b>32,742</b>	<b>25,555</b>	<b>25,950</b>
<b>Related capital</b>					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit Departmental capital	1.1	800	-	-	-
<b>Total related capital</b>		<b>800</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Details of these measures appear in the *Mid-Year Economic and Fiscal Outlook 2008-09* on pages 184 and 185.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates and variations resulting from new measures since the 2008-09 Budget in Appropriation Bills No. 3 and No. 4. Table 1.4 details additional estimates or variations from other variations.

**Table 1.3: Additional estimates and variations to outcomes from measures since the 2008-09 Budget**

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
<b>Expense measures</b>					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit					
	1.1	1,622	12,742	25,555	25,950
Global financial crisis - additional funding for regulators and the Treasury					
	1.1	10,000	20,000	-	-
<b>Total expense measures</b>		<b>11,622</b>	<b>32,742</b>	<b>25,555</b>	<b>25,950</b>
<b>Related capital</b>					
Council of Australian Governments - implementing a national approach to the regulation of consumer credit					
	1.1	800	-	-	-
<b>Total related capital</b>		<b>800</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net impact on estimates for measures (departmental)</b>		<b>12,422</b>	<b>32,742</b>	<b>25,555</b>	<b>25,950</b>

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

	Output Group impacted	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Australian Business Number and Business Name Registration project (expense)					
	1.1	951	-	-	-
Australian Business Number and Business Name Registration project (capital)					
	1.1	2,857	-	-	-
<b>Decrease in estimates (departmental)</b>					
Standard Business Reporting (expense)					
	1.1	(1,410)	(1,628)	-	-
Standard Business Reporting (capital)					
	1.1	(179)	472	-	-
<b>Net impact on estimates for outcome 1 (departmental)</b>		<b>2,219</b>	<b>(1,156)</b>	<b>-</b>	<b>-</b>

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the additional estimates sought for ASIC through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers					
	5,206	3,424	3,424	-	-
<b>Total</b>	<b>5,206</b>	<b>3,424</b>	<b>3,424</b>	<b>-</b>	<b>-</b>
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers					
	292,173	298,963	310,126	11,163	-
<b>Total</b>	<b>292,173</b>	<b>298,963</b>	<b>310,126</b>	<b>11,163</b>	<b>-</b>
<b>Total administered and departmental</b>	<b>297,379</b>	<b>302,387</b>	<b>313,550</b>	<b>11,163</b>	<b>-</b>

**Table 1.6: Appropriation Bill (No. 4) 2008-09**

	2007-08 available \$'000	2008-09 Budget \$'000	2008-09 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>Non-operating</b>					
Equity injections	38,758	17,117	20,595	3,478	-
<b>Total</b>	<b>38,758</b>	<b>17,117</b>	<b>20,595</b>	<b>3,478</b>	<b>-</b>

*Agency Additional Estimates Statements — ASIC*

Section 2: Revisions to agency outcomes and planned performance

**2.1 OUTCOMES AND PERFORMANCE INFORMATION**

There has been no change to outcomes and performance information for ASIC from that included in the *Portfolio Budget Statements 2008-09* (pages 132-139).

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by ASIC. The corresponding table in the *Portfolio Budget Statements 2008-09* is Table 3.1.3.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2008-09</b> 2007-08	Receipts <b>2008-09</b> 2007-08	Payments <b>2008-09</b> 2007-08	Adjustments <b>2008-09</b> 2007-08	Closing balance <b>2008-09</b> 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Companies and unclaimed Moneys Special Account	1	<b>223,640</b> 206,281	<b>48,500</b> 56,585	<b>31,000</b> 39,226	- -	<b>241,140</b> 223,640
Deregistered Companies Special Account	1	<b>4,636</b> -	<b>966</b> 4,649	<b>5,299</b> 13	- -	<b>303</b> 4,636
Enforcement Special Account	1	<b>26,635</b> 13,863	<b>30,000</b> 30,000	<b>30,000</b> 17,399	- 171	<b>26,635</b> 26,635
Investigations, Legal Proceedings, Settlements and Court Orders Special Account	1	<b>124</b> 260	<b>3</b> 130	<b>100</b> 266	- -	<b>27</b> 124
Other Trust Moneys Account	1	- -	<b>132</b> -	<b>132</b> -	- -	- -
Security Deposits Special Account	1	<b>423</b> 443	- -	<b>423</b> 20	- -	- 423
Services for other Governments and Non-Agency Bodies Account	1	- -	- -	- -	- -	- -
<b>Total special accounts 2008-09 Budget estimate</b>		<b>255,458</b>	<b>79,601</b>	<b>66,954</b>	-	<b>268,105</b>
Total special accounts 2007-08 actual		220,847	91,364	56,924	171	255,458

## Agency Additional Estimates Statements — ASIC

### 3.1.2 Estimates of variations to Average Staffing Level

Changes in Average Staffing Level (ASL) are presented in the Portfolio Additional Estimates Statements at the whole of agency level to demonstrate any movements since Budget.

**Table 3.1.2: Average Staffing Level**

	2008-09 Budget	2008-09 Revised	Variation
<b>Outcome 1</b>			
A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers	1,685	1,794	109
<b>Total</b>	<b>1,685</b>	<b>1,794</b>	<b>109</b>

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

#### Departmental financial statements

#### Budgeted departmental income statement

ASIC is currently budgeting for a break-even operating result for 2008-09 and for the remainder of the forward estimates.

Revenues from government for 2008-09 are \$310.1 million, which is an increase of \$11.2 million from the *Portfolio Budget Statements 2008-09*. This is comprised of \$1.6 million for the Council of Australian Governments — implementing a national approach to the regulation of consumer credit measure; \$10.0 million for the global financial crisis — additional funding for regulators and the Treasury measure; \$1.0 million for the Australian Business Number and Business Name Registration project, less \$1.4 million to be transferred to the Department of the Treasury as part of a reallocation of funds for Standard Business Reporting.

Total revenues and expenses are estimated to be \$317.5 million for 2008-09. The expenditure will be used to fund activities that contribute towards achieving ASIC's output objectives.

#### 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 2008-09 is \$93.4 million. This includes capital funding of \$17.4 million received in 2008-09.

**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.

**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 2008-09 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 2008-09 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.

**Agency Additional Estimates Statements — ASIC**

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	282,218	310,126	331,828	302,733	305,660
Sale of services	4,370	4,000	4,080	4,162	4,244
Interest	6	-	-	-	-
Other	5,269	3,241	3,305	3,371	3,438
<b>Total revenue</b>	<b>291,863</b>	<b>317,367</b>	<b>339,213</b>	<b>310,266</b>	<b>313,342</b>
<b>Gains</b>					
Other	126	126	126	126	126
<b>Total gains</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>
<b>Total income</b>	<b>291,989</b>	<b>317,493</b>	<b>339,339</b>	<b>310,392</b>	<b>313,468</b>
<b>EXPENSE</b>					
Employees	164,676	180,628	195,713	175,309	177,248
Suppliers	92,930	105,503	108,762	103,428	104,565
Depreciation and amortisation	15,554	30,862	34,364	31,155	31,155
Finance costs	306	500	500	500	500
Write-down of assets and impairment of assets	334	-	-	-	-
Net losses from sale of assets	6	-	-	-	-
<b>Total expenses</b>	<b>273,806</b>	<b>317,493</b>	<b>339,339</b>	<b>310,392</b>	<b>313,468</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>18,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on an Australian Accounting Standards basis.

**Agency Additional Estimates Statements — ASIC**

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	8,415	4,128	4,302	4,161	4,202
Receivables	115,660	47,412	42,873	48,853	52,028
<b>Total financial assets</b>	<b>124,075</b>	<b>51,540</b>	<b>47,175</b>	<b>53,014</b>	<b>56,230</b>
<b>Non-financial assets</b>					
Leasehold improvements	24,303	41,815	54,860	54,152	53,723
Plant and equipment	6,792	25,173	23,472	24,380	34,014
Intangibles	18,742	56,244	57,030	48,475	35,815
Other	2,686	3,146	3,237	3,099	3,133
<b>Total non-financial assets</b>	<b>52,523</b>	<b>126,378</b>	<b>138,599</b>	<b>130,106</b>	<b>126,685</b>
<b>Total assets</b>	<b>176,598</b>	<b>177,918</b>	<b>185,774</b>	<b>183,120</b>	<b>182,915</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	20,678	17,334	17,970	17,003	17,242
Other payables	24,996	13,132	11,218	10,308	9,097
<b>Total payables</b>	<b>45,674</b>	<b>30,466</b>	<b>29,188</b>	<b>27,311</b>	<b>26,339</b>
<b>Interest bearing liabilities</b>					
Leases	188	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	43,636	46,953	48,639	47,621	48,125
Other provisions	11,150	7,118	7,346	7,587	7,850
<b>Total provisions</b>	<b>54,786</b>	<b>54,071</b>	<b>55,985</b>	<b>55,208</b>	<b>55,975</b>
<b>Total liabilities</b>	<b>100,648</b>	<b>84,537</b>	<b>85,173</b>	<b>82,519</b>	<b>82,314</b>
<b>EQUITY</b>					
Contributed equity	59,354	76,785	84,005	84,005	84,005
Reserves	8,900	8,900	8,900	8,900	8,900
Retained surpluses or accumulated deficits	7,696	7,696	7,696	7,696	7,696
<b>Total equity</b>	<b>75,950</b>	<b>93,381</b>	<b>100,601</b>	<b>100,601</b>	<b>100,601</b>
<b>Current assets</b>	<b>126,761</b>	<b>54,686</b>	<b>50,412</b>	<b>56,113</b>	<b>59,363</b>
<b>Non-current assets</b>	<b>49,837</b>	<b>123,232</b>	<b>135,362</b>	<b>127,007</b>	<b>123,552</b>
<b>Current liabilities</b>	<b>77,784</b>	<b>64,123</b>	<b>65,173</b>	<b>62,961</b>	<b>63,024</b>
<b>Non-current liabilities</b>	<b>22,864</b>	<b>20,414</b>	<b>20,000</b>	<b>19,558</b>	<b>19,290</b>

Prepared on an Australian Accounting Standards basis.

**Agency Additional Estimates Statements — ASIC**

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Services	4,761	5,046	4,046	4,126	4,208
Appropriations	245,376	365,289	336,668	297,056	302,788
Interest	6	-	-	-	-
Net GST received	8,996	18,860	14,667	13,403	13,373
Other cash received	5,946	3,241	1,742	1,808	3,438
<b>Total cash received</b>	<b>265,085</b>	<b>392,436</b>	<b>357,123</b>	<b>316,393</b>	<b>323,807</b>
<b>Cash used</b>					
Employees	154,999	183,851	194,027	176,027	176,744
Suppliers	102,878	125,663	123,176	117,707	119,322
Financing costs	40	190	-	-	-
Return of court costs to Government	171	-	-	-	-
Transfer to the Official Public Account	45,206	-	-	-	-
<b>Total cash used</b>	<b>303,294</b>	<b>309,704</b>	<b>317,203</b>	<b>293,734</b>	<b>296,066</b>
<b>Net cash from or (used by) operating activities</b>	<b>(38,209)</b>	<b>82,732</b>	<b>39,920</b>	<b>22,659</b>	<b>27,741</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	17,732	104,257	46,494	22,800	27,700
<b>Total cash used</b>	<b>17,732</b>	<b>104,257</b>	<b>46,494</b>	<b>22,800</b>	<b>27,700</b>
<b>Net cash from or (used by) investing activities</b>	<b>(17,732)</b>	<b>(104,257)</b>	<b>(46,494)</b>	<b>(22,800)</b>	<b>(27,700)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	13,390	17,431	6,748	-	-
<b>Total cash received</b>	<b>13,390</b>	<b>17,431</b>	<b>6,748</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayment of finance lease principal	694	193	-	-	-
<b>Total cash used</b>	<b>694</b>	<b>193</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>12,696</b>	<b>17,238</b>	<b>6,748</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(43,245)</b>	<b>(4,287)</b>	<b>174</b>	<b>(141)</b>	<b>41</b>
Cash at the beginning of the reporting period	51,660	8,415	4,128	4,302	4,161
<b>Cash at the end of the reporting period</b>	<b>8,415</b>	<b>4,128</b>	<b>4,302</b>	<b>4,161</b>	<b>4,202</b>

Prepared on an Australian Accounting Standards basis.

**Agency Additional Estimates Statements — ASIC**

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008-09)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	7,696	8,900	-	59,354	75,950
<b>Adjusted opening balance</b>	7,696	8,900	-	59,354	75,950
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	17,431	17,431
<b>Sub-total transactions with owners</b>	-	-	-	17,431	17,431
<b>Estimated closing balance as at 30 June 2009</b>	7,696	8,900	-	76,785	93,381

Prepared on an Australian Accounting Standards basis.

**Schedule of administered activity**

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	589,855	609,440	617,358	625,357	633,439
<b>Total income administered on behalf of Government</b>	589,855	609,440	617,358	625,357	633,439
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	966	3,424	3,451	3,512	3,560
Write down and impairment of assets	22,506	22,555	22,826	23,100	23,376
Other	29,445	24,540	25,190	25,860	26,540
<b>Total expenses administered on behalf of Government</b>	52,917	50,519	51,467	52,472	53,476

Prepared on an Australian Accounting Standards basis.

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**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,064	5,052	4,652	4,651	4,650
Receivables	83,059	88,816	96,981	104,768	112,577
<b>Total financial assets</b>	<b>86,123</b>	<b>93,868</b>	<b>101,633</b>	<b>109,419</b>	<b>117,227</b>
<b>Total assets administered on behalf of Government</b>	<b>86,123</b>	<b>93,868</b>	<b>101,633</b>	<b>109,419</b>	<b>117,227</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	446	446	446	446	446
Other payables	4,397	4,397	4,397	4,397	4,397
<b>Total payables</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>
<b>Total liabilities administered on behalf of Government</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>	<b>4,843</b>

Prepared on an Australian Accounting Standards basis.

**Agency Additional Estimates Statements — ASIC**

**Table 3.2.7: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	116	313	313	319	322
Other	561,700	580,931	586,062	594,162	601,942
<b>Total cash received</b>	561,816	581,244	586,375	594,481	602,264
<b>Cash used</b>					
Suppliers	1,411	3,737	3,764	3,831	3,882
Other	29,420	24,343	24,885	25,552	26,228
<b>Total cash used</b>	30,831	28,080	28,649	29,383	30,110
<b>Net cash from operating activities</b>	530,985	553,164	557,726	565,098	572,154
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	35,028	33,964	34,641	35,372	36,100
<b>Total cash received</b>	35,028	33,964	34,641	35,372	36,100
<b>Cash used</b>					
Cash to Official Public Account	565,455	585,140	592,767	600,471	608,255
<b>Total cash used</b>	565,455	585,140	592,767	600,471	608,255
<b>Net cash from financing activities</b>	(530,427)	(551,176)	(558,126)	(565,099)	(572,155)
<b>Net increase or (decrease) in cash held</b>	558	1,988	(400)	(1)	(1)
Cash at beginning of reporting period	2,506	3,064	5,052	4,652	4,651
<b>Cash at end of reporting period</b>	3,064	5,052	4,652	4,651	4,650

Prepared on an 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 price of outputs appropriations representing the Australian Government's purchase of outputs 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.

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**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 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 Official Public Account when received.