

# CORPORATIONS AND MARKETS ADVISORY COMMITTEE

<b>Section 1: Agency overview</b> .....	<b>249</b>
<b>Section 2: Agency resources for 2005-06</b> .....	<b>250</b>
2.1: Appropriations and other resources.....	250
2.2: 2005-06 Budget measures.....	252
2.3: Other receipts available to be used.....	254
2.4: Movement of administered funds from 2004-05 to 2005-06.....	254
2.5: Special appropriations.....	254
2.6: Special accounts.....	254
2.7: Departmental equity injections and loans.....	254
<b>Section 3: Agency outcomes</b> .....	<b>255</b>
3.1: Summary of outcomes and outputs.....	255
3.2: Outcomes — departmental.....	256
3.3: Outcomes resourcing.....	256
3.4: Measures affecting outcomes.....	257
<b>Section 4: Other reporting requirements</b> .....	<b>259</b>
4.1: Purchaser-provider arrangements.....	259
4.2: Cost recovery arrangements.....	259
4.3: Australian Government Indigenous Expenditure.....	259
<b>Section 5: Budgeted financial statements</b> .....	<b>260</b>
5.1: Analysis of budgeted financial statements.....	260
5.2: Budgeted financial statements tables.....	262
5.3: Notes to the financial statements.....	268



# 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
<b>Outcome 1</b>		
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 2005-06<sup>1</sup> ('000)**

Outcome	Appropriations					Revenue from other sources <sup>2</sup>		Total resources <sup>4</sup>
	\$'000	\$'000	\$'000	\$'000	% <sup>3</sup>	\$'000	% <sup>3</sup>	\$'000
	Bill No. 1	Bill No. 2	Special approp	Total approp				
<b>Outcome 1</b>								
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
<b>Total agency</b>	<b>863</b>	<b>-</b>	<b>-</b>	<b>863</b>		<b>25</b>		<b>888</b>
Departmental capital (equity injections)	-	-	-	-	-	-	-	-
Previous year's outputs	-	-	-	-	-	-	-	-
<b>Total resources</b>	<b>863</b>	<b>-</b>	<b>-</b>	<b>863</b>		<b>25</b>		<b>888</b>

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 <sup>1</sup>	1	1.1	-	-2	-2	-	-4	-4	-	-7	-7	-	-7	-7

<sup>1</sup> 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 used<sup>1</sup>**

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

<sup>1</sup> 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.



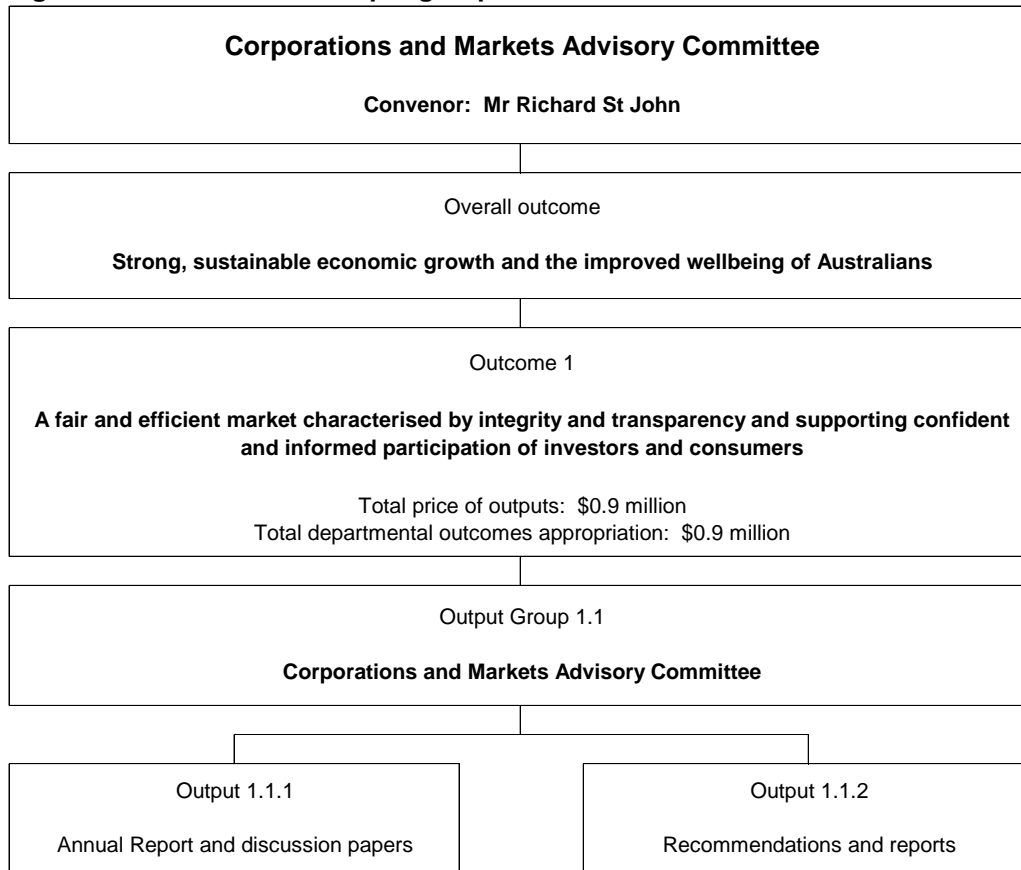
## Section 3: Agency outcomes

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
<b>Departmental appropriations</b>		
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
<b>Total revenue from government (appropriations)</b>		
<b>Contributing to price of departmental outputs</b>	856	863
<b>Revenue from other sources</b>		
Interest	25	25
<b>Total revenue from other sources</b>	25	25
<b>Total price from departmental outputs</b>		
(Total revenue from government and from other sources)	881	888
<b>Total estimated resourcing for Outcome 1</b>		
(Total price of outputs)	881	888
	2004-05	2005-06
<b>Average staffing level (number)</b>	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 <sup>1</sup>	- 2	- 4	- 7	- 7

<sup>1</sup> 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	
<b>Output Group 1.1 - Corporations and Markets Advisory Committee</b>	
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. <b>Price: \$0.4 million</b>
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. <b>Price: \$0.5 million</b>

---

## 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
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from Government	856	863	879	860	870
Interest	25	25	25	25	25
<b>Revenues from ordinary activities</b>	<b>881</b>	<b>888</b>	<b>904</b>	<b>885</b>	<b>895</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	530	494	494	494	494
Suppliers	436	379	395	376	386
Depreciation and amortisation	15	15	15	15	15
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>981</b>	<b>888</b>	<b>904</b>	<b>885</b>	<b>895</b>
Borrowing costs expense	-	-	-	-	-
<b>Operating surplus or deficit from ordinary activities</b>	<b>- 100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or deficit attributable to the Australian Government</b>	<b>- 100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**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
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	554	549	544	539	534
Receivables	16	16	16	16	16
<b>Total financial assets</b>	<b>570</b>	<b>565</b>	<b>560</b>	<b>555</b>	<b>550</b>
<b>Non-financial assets</b>					
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
<b>Total non-financial assets</b>	<b>106</b>	<b>111</b>	<b>116</b>	<b>121</b>	<b>126</b>
<b>Total assets</b>	<b>676</b>	<b>676</b>	<b>676</b>	<b>676</b>	<b>676</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	170	170	170	170	170
<b>Total provisions</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>
<b>Payables</b>					
Suppliers	14	14	14	14	14
<b>Total payables</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Total liabilities</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Reserves	10	10	10	10	10
Retained surpluses or accumulated deficits	482	482	482	482	482
<b>Total parent entity interest</b>	<b>492</b>	<b>492</b>	<b>492</b>	<b>492</b>	<b>492</b>
<b>Total equity</b>	<b>492</b>	<b>492</b>	<b>492</b>	<b>492</b>	<b>492</b>
<b>Current assets</b>	<b>585</b>	<b>580</b>	<b>575</b>	<b>570</b>	<b>565</b>
<b>Non-current assets</b>	<b>91</b>	<b>96</b>	<b>101</b>	<b>106</b>	<b>111</b>
<b>Current liabilities</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>89</b>
<b>Non-current liabilities</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>

\* '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
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	856	863	879	860	870
Interest	25	25	25	25	25
GST recovered	39	39	39	39	39
<b>Total cash received</b>	<b>920</b>	<b>927</b>	<b>943</b>	<b>924</b>	<b>934</b>
<b>Cash used</b>					
Employees	530	494	494	494	494
Suppliers	475	418	434	415	425
<b>Total cash used</b>	<b>1,005</b>	<b>912</b>	<b>928</b>	<b>909</b>	<b>919</b>
<b>Net cash from or used by operating activities</b>	<b>- 85</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	20	20	20	20	20
<b>Total cash used</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Net cash from or used by investing activities</b>	<b>- 20</b>	<b>- 20</b>	<b>- 20</b>	<b>- 20</b>	<b>- 20</b>
<b>Net increase or decrease in cash held</b>	<b>- 105</b>	<b>- 5</b>	<b>- 5</b>	<b>- 5</b>	<b>- 5</b>
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
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total represented by</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	20	20	20	20	20
<b>Total</b>	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
<b>As at 1 July 2005</b>									
Gross book value	-	-	24	-	199	-	1	-	224
Accumulated depreciation	-	-	- 20	-	- 112	-	- 1	-	- 133
<b>Opening net book value</b>	-	-	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	-	-	-	-	-	-	-	-	-
<b>As at 30 June 2006</b>									
Gross book value	-	-	24	-	219	-	1	-	244
Accumulated depreciation	-	-	- 20	-	- 127	-	- 1	-	- 148
<b>Closing net book value</b>	-	-	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.