

# CORPORATIONS AND MARKETS ADVISORY COMMITTEE

<b>Section 1: Agency overview and resources</b> .....	<b>247</b>
1.1 Strategic direction .....	247
1.2 Agency resource statement .....	248
1.3 Budget measures.....	248
<b>Section 2: Outcomes and planned performance</b> .....	<b>249</b>
2.1 Outcomes and performance information .....	249
<b>Section 3: Explanatory tables and budgeted financial statements</b> .....	<b>252</b>
3.1 Explanatory tables .....	252
3.2 Budgeted financial statements .....	253



# CORPORATIONS AND MARKETS ADVISORY COMMITTEE

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION

The Corporations and Markets Advisory Committee (CAMAC) is constituted under Part 9 of the *Australian Securities and Investments Commission Act 2001* (ASIC Act). Its functions, as reflected in paragraph 1(1)(c) and section 148 of the ASIC Act, are to provide informed and expert advice to the Government about corporate, financial product and financial market matters, on its own initiative or when requested by the Minister. CAMAC seeks to promote a sound and effective regulatory environment through the provision of timely advice to the Minister about relevant policy and law design issues.

CAMAC's members are appointed by the Minister following consultation with State and Territory Governments. CAMAC is supported by specialist legal advice from its Legal Committee and by a full-time executive located in Sydney.

In the 2011-12 financial year, CAMAC will settle its reports to the Government on the external administration of managed investment schemes and the definition of derivative and will also consider other aspects of the regulation of managed investment schemes.

CAMAC will also respond to other requests for advice from the Government and keep under consideration other areas that may be suitable for review.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by departmental classification.

**Table 1.1: Corporations and Markets Advisory Committee resource statement — Budget estimates for 2011-12 as at Budget May 2011**

	Estimate of prior year amounts available in 2011-12 \$'000	Proposed at Budget 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation 2010-11 \$'000
<b>Ordinary annual services</b>				
<b>Departmental</b>				
Prior year departmental appropriation	467 <sup>2</sup>	-	467	-
Departmental appropriation <sup>3</sup>	-	1,050 <sup>1</sup>	1,050	1,041
<b>Total net resourcing for CAMAC</b>	<b>467</b>	<b>1,050</b>	<b>1,517</b>	<b>1,041</b>

1. Appropriation Bill (No. 1) 2011-12.

2. Estimated adjusted balance carried from previous year for annual appropriations.

3. Includes \$0.02 million in 2011-12 for the Departmental Capital Budget (also refer to Table 3.2.5 for further details).

## 1.3 BUDGET MEASURES

Budget measures relating to CAMAC are detailed in Budget Paper No. 2, *Budget Measures 2011-12* and are summarised below.

**Table 1.2: Corporations and Markets Advisory Committee 2011-12 Budget measures**

	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Expense measures</b>					
Efficiency dividend - temporary increase in the rate	1.1	(5)	(11)	(13)	(16)
<b>Total expense measures</b>		(5)	(11)	(13)	(16)

Prepared on a government finance statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the budget and forward years.

CAMAC's outcome is described below, specifying the strategy, program objective, program deliverables and program key performance indicators used to assess and monitor the performance of CAMAC.

**Outcome 1: Informed decisions by Government on issues relating to corporations regulation and financial products, services and markets through independent and expert advice**

#### **Outcome 1 strategy**

To achieve its outcome, CAMAC will:

- conduct thorough research on matters under review, canvassing relevant law and policy considerations, with a view to preparing discussion papers where appropriate;
- consider submissions on discussion papers; and
- develop recommendations for inclusion in reports to the Government.

## Outcome expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1.

**Table 2.1: Budgeted expenses for Outcome 1**

<b>Outcome 1:</b> Informed decisions by Government on issues relating to corporations regulation and financial products, services and markets through independent and expert advice	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
<b>Program 1.1: Corporations and Markets Advisory Committee</b>		
Departmental expenses		
Departmental appropriation	1,021	1,030
Expenses not requiring appropriation in the budget year	31	31
<b>Total expenses for Outcome 1</b>	<b>1,052</b>	<b>1,061</b>
	2010-11	2011-12
<b>Average staffing level (number)</b>	3	3

## Contributions to Outcome 1

### Program 1.1: Corporations and Markets Advisory Committee

#### Program objective

CAMAC focuses on 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. CAMAC:

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

## Program expenses

There are no significant changes to estimates across the forward years.

**Table 2.2: Program expenses**

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	1,052	1,061	1,047	1,055	1,064
<b>Total departmental expenses</b>	<b>1,052</b>	<b>1,061</b>	<b>1,047</b>	<b>1,055</b>	<b>1,064</b>

## Program deliverables

CAMAC's deliverables are the discussion papers and reports that it publishes on matters as they arise.

## Program key performance indicators

CAMAC's key performance indicator is:

- timely advice to the Minister in the form of CAMAC reports and other papers.

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements, which provide a comprehensive snapshot of agency finances for the budget year 2011-12. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of administered funds between years

CAMAC does not have any administered funds.

#### 3.1.2 Special accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by CAMAC.

**Table 3.1.2: Estimates of special account flows and balance**

	Opening balance	Receipts		Payments		Adjustments		Closing balance
		2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	
		2010-11	2010-11	2010-11	2010-11	2010-11	2010-11	
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Services for Other Entities and Trust Moneys - Corporations and Markets Advisory Committee Special Account		-	-	-	-	-	-	-
1	-	-	-	-	-	-	-	
<b>Total special accounts 2011-12 budget estimate</b>		-	-	-	-	-	-	
Total special accounts 2010-11 estimate actual		-	-	-	-	-	-	

#### 3.1.3 Australian Government Indigenous Expenditure

CAMAC does not have any Australian Government Indigenous Expenditure.



## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Differences in agency resourcing and financial statements

There are no differences between agency resourcing and financial statements.

### 3.2.2 Analysis of budgeted financial statements

CAMAC is budgeting for a break even result for 2011-12 and the forward estimates. This break even result will occur after adding back non-appropriated depreciation and amortisation expenses under the new net cash appropriation arrangements which were initiated in the 2010-11 Budget.

### 3.2.3 Budgeted financial statements tables

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>EXPENSES</b>					
Employee benefits	635	640	650	650	650
Supplier	401	405	381	389	398
Depreciation and amortisation	15	15	15	15	15
Finance costs	1	1	1	1	1
<b>Total expenses</b>	<b>1,052</b>	<b>1,061</b>	<b>1,047</b>	<b>1,055</b>	<b>1,064</b>
<b>LESS:</b>					
<b>OWN SOURCE INCOME</b>					
<b>Gains</b>					
Other	16	16	16	16	16
<b>Total gains</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Total own-source income</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Net cost of (contribution by)</b>					
<b>services</b>	<b>1,036</b>	<b>1,045</b>	<b>1,031</b>	<b>1,039</b>	<b>1,048</b>
Appropriation revenue	1,021	1,030	1,016	1,024	1,033
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>
<b>Note: Reconciliation of operating result attributable to the agency</b>					
	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
<b>Operating result attributable to the Australian Government</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>
Plus non-appropriated expenses depreciation and amortisation expenses	15	15	15	15	15
<b>Operating result attributable to CAMAC</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	78	78	78	78	78
Trade and other receivables	514	510	497	492	497
<b>Total financial assets</b>	592	588	575	570	575
<b>Non-financial assets</b>					
Land and buildings	18	17	16	15	14
Infrastructure, plant and equipment	82	88	94	101	108
Other	5	5	5	5	5
<b>Total non-financial assets</b>	105	110	115	121	127
<b>Total assets</b>	697	698	690	691	702
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Leases	55	40	16	-	-
<b>Total interest bearing liabilities</b>	55	40	16	-	-
<b>Provisions</b>					
Employees	297	307	317	327	337
<b>Total provisions</b>	297	307	317	327	337
<b>Payables</b>					
Suppliers	9	9	9	9	3
Other	50	51	52	53	54
<b>Total payables</b>	59	60	61	62	57
<b>Total liabilities</b>	411	407	394	389	394
<b>Net assets</b>	286	291	296	302	308
<b>EQUITY</b>					
Contributed equity	20	40	60	81	102
Reserves	1	1	1	1	1
Retained surpluses or accumulated deficits	265	250	235	220	205
<b>Total equity</b>	286	291	296	302	308
<b>Current assets</b>	592	588	575	570	575
<b>Non-current assets</b>	105	110	115	121	127
<b>Current liabilities</b>	411	407	394	389	394
<b>Non-current liabilities</b>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	40	41	39	39	40
Appropriations	1,021	1,030	1,026	1,024	1,033
<b>Total cash received</b>	1,061	1,071	1,065	1,063	1,073
<b>Cash used</b>					
Employees	625	630	640	650	650
Suppliers	396	400	385	374	384
Other	40	41	40	39	39
<b>Total cash used</b>	1,061	1,071	1,065	1,063	1,073
<b>Net cash from or (used by) operating activities</b>	-	-	-	-	-
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	20	20	20	21	21
<b>Total cash used</b>	20	20	20	21	21
<b>Net cash from or (used by) investing activities</b>	(20)	(20)	(20)	(21)	(21)
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital Injections	20	20	20	21	21
<b>Total cash received</b>	20	20	20	21	21
<b>Net cash from or (used by) financing activities</b>	20	20	20	21	21
<b>Net increase or (decrease) in cash held</b>	-	-	-	-	-
Cash at the beginning of the reporting period	78	78	78	78	78
<b>Cash at the end of the reporting period</b>	78	78	78	78	78

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2011-12)**

	Retained surpluses \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2011</b>					
Balance carried forward from previous period	265	1		20	286
<b>Adjusted opening balance</b>	265	1	-	20	286
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(15)	-	-	-	(15)
<b>Total comprehensive income recognised directly in equity</b>	(15)	-	-	-	(15)
<b>Transactions with owners</b>					
Contributions by owners					
Appropriation (departmental capital budget)	-	-	-	20	20
<b>Total transaction with owners</b>	-	-	-	20	20
<b>Estimated closing balance as at 30 June 2012</b>	250	1	-	40	291

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget (DCB) statement**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 - DCB	20	20	20	21	21
<b>Total capital appropriations</b>	20	20	20	21	21
<b>Represented by:</b>					
Purchase of non-financial assets	20	20	20	21	21
<b>Total represented by</b>	20	20	20	21	21
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB	20	20	20	21	21
<b>TOTAL</b>	20	20	20	21	21
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	20	20	20	21	21
<b>Total cash used to acquire assets</b>	20	20	20	21	21

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements — departmental**

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2011</b>				
Gross book value	43	103	-	146
Accumulated depreciation/amortisation and impairment	25	21	-	46
<b>Opening net book balance</b>	18	82	-	100
<b>Capital asset additions</b>				
By purchase - appropriation ordinary annual services	-	20	-	20
<b>Total asset additions</b>	-	20	-	20
<b>Other movements</b>				
Depreciation/amortisation expense	1	14	-	15
<b>Total other movements</b>	1	14	-	15
<b>As at 30 June 2012</b>				
Gross book value	43	123	-	166
Accumulated depreciation/amortisation and impairment	26	35	-	61
<b>Closing net book balance</b>	17	88	-	105

Prepared on Australian Accounting Standards basis.

### 3.2.4 Notes to the financial statements

The financial statements have been prepared on an Australian Accounting Standards basis.

