

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: ASIC overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

There has been no significant change to the strategic direction of the Australian Securities and Investments Commission (ASIC) from that outlined in the Treasury *Portfolio Budget Statements 2015-16* (pages 163-164).

ASIC is seeking an additional net \$1.5m in equity injection for the Enhanced Public Register of Financial Advisors – Establishment and an additional net \$2.008m for the measure *Growing jobs in small business – streamlining business registration* through Appropriation Bill (No. 4) 2015-16. ASIC is also seeking an additional \$0.663m for *Corporations Act 2001* unclaimed monies interest through Appropriation Bill (No. 3) 2015-16. Details of these measures appear in the *Mid-Year Economic and Fiscal Outlook 2015-16*.

1.2 ASIC RESOURCE STATEMENT

The ASIC Resource Statement details the resourcing for ASIC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2015-16 Budget year, including variations through Appropriation Bill Nos. 3 and 4, Special Appropriations and Special Accounts.

Table 1.1: ASIC resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016

	Actual available appropriation	Estimate as at Budget	Proposed Additional Estimate	Total estimate at Additional Estimates
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services(a)				
Departmental appropriation				
Prior year departmental appropriation(b)	-	91,049	-	91,049
Departmental appropriation(c)	340,058	330,761	-	330,761
s.74 Retained Revenue Receipts(d)	6,109	2,147	-	2,147
Total	346,167	423,957	-	423,957
Administered expenses				
Outcome 1 - Assetless Administration fund	3,571	3,580	-	3,580
Outcome 1 - Ordinary annual services	3,072	2,515	-	2,515
Outcome 1 - Corporations Unclaimed Money interest	-	699	633	1,332
Total	6,643	6,794	633	7,427
Total ordinary annual services [A]	352,810	430,751	633	431,384
Administered expenses				
Departmental non-operating				
Equity injections	9,365	1,793	3,508	5,301
Total	9,365	1,793	3,508	5,301
Total other services [B]	9,365	1,793	3,508	5,301
Total available annual appropriations	362,175	432,544	4,141	436,685
Special appropriations				
Special appropriations limited by amount				
Banking Act 1959	117,093	65,670	10,057	75,727
Life Insurance Act 1995	10,342	6,438	2,249	8,687
Public Governance, Performance and Accountability Act 2013	30,028	37,948	(7,132)	30,816
Total special appropriations [C]	157,463	110,056	5,174	115,230
Total appropriations excluding Special Accounts	519,638	542,600	9,315	551,915
Special Accounts				
Opening balance(e)	-	64,029	-	64,029
Appropriation Receipts(f)	27,000	26,920	-	26,920
Non-appropriation receipts to Special Accounts	1,000	1,000	-	1,000
Total Special Account [D]	28,000	91,949	-	91,949
Total resourcing [A+B+C+D]	547,638	634,549	9,315	643,864
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
and/or payments to corporate entities through annual or special appropriations	(27,000)	(26,920)	-	(26,920)
Total net resourcing for ASIC	520,638	607,629	9,315	616,944

(a) *Appropriation Act (No. 1) 2015-16* and *Appropriation Bill (No. 3) 2015-16*.

(b) Estimated adjusted balance carried from previous year for annual appropriations.

(c) Includes an amount of \$19.131m in 2015-16 for the departmental capital budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Estimated retained revenue receipts under s.74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(e) Estimated opening balance for special accounts (less 'Special Public Money' held in a Services for Other Entities and Trust Moneys Special Accounts (SOETM)). For further information on Special Accounts see Table 3.1.1.

(f) Appropriation receipts from other entities credited to ASIC Special Accounts.

Reader note: All figures are GST exclusive.

1.3 ASIC MEASURES

Table 1.2 summarises new Government measures taken since the 2015-16 Budget. The table presents expense measures, with the affected programme identified.

Table 1.2: ASIC 2015-16 measures since Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures (if applicable)					
Public Sector Superannuation Accumulation Plan administration fees (a)	1.1				
Departmental expenses		(181)	(181)	(181)	(181)
Total		(181)	(181)	(181)	(181)
Public Sector Savings — Enterprise Resource Planning System (b)	1.1				
Departmental expenses		-	-	(187)	(228)
Total		-	-	(187)	(228)
Total expense measures					
Departmental		(181)	(181)	(368)	(409)
Total		(181)	(181)	(368)	(409)

(a) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(b) This measure was announced in *Budget 2015-16* as a cross-portfolio measure and has not previously appeared in a portfolio statement.

Prepared on a Government Financial Statistics (fiscal) basis

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for ASIC at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2015-16 Budget in Appropriation Bills Nos. 3 and 4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2015-16 Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Decrease in estimates (departmental)					
Public Sector Superannuation Accumulation Plan administration fees (a)					
	1.1	(181)	(181)	(181)	(181)
Public Sector Savings — Enterprise Resource Planning System (b)					
	1.1	-	-	(187)	(228)
Net impact on estimates for Outcome 1 (departmental)		(181)	(181)	(368)	(409)

(a) This measure was announced in the *Mid-Year Economic and Fiscal Outlook 2014-15* as a cross portfolio measure and has not previously appeared in a portfolio statement.

(b) This measure was announced in *Budget 2015-16* as a cross-portfolio measure and has not previously appeared in a portfolio statement.

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

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Increase in estimates (administered)					
Revise Corps Act unclaimed money interest estimates					
	1.1	633	-	-	-
Net impact on estimates for Outcome 1 (administered)		633	-	-	-
Increase in estimates (departmental)					
Growing Jobs and Small Business — streamlining business registration					
	1.1	1,500	-	-	-
Enhanced Public Register of Financial Advisers — establishment					
	1.1	2,008	550	-	-
Net impact on estimates for Outcome 1 (departmental)		3,508	550	-	-

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for ASIC through Appropriation Bills Nos. 3 and 4.

Table 1.5: Appropriation Bill (No. 3) 2015-16

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Administered items					
Outcome 1: Improve confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.	7,891	6,794	7,427	633	-
Total administered	7,891	6,794	7,427	633	-
Total administered and departmental	7,891	6,794	7,427	633	-

Table 1.6: Appropriation Bill (No. 4) 2015-16

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections	11,978	1,793	5,301	3,508	-
Total other services	11,978	1,793	5,301	3,508	-

Section 2: Revisions to ASIC outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for ASIC from that included in the *Portfolio Budget Statements 2015-16* (page 168).

Table 2.1 Budgeted expenses for Outcome 1

Outcome 1: Improve confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.	2014-15 Actual expenses \$'000	2015-16 Revised estimated expenses \$'000
Programme 1.1: Australian Securities and Investments Commission		
Administered expenses		
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	5,318	6,095
Expenses not requiring appropriation in the budget year	45,343	46,921
Departmental expenses		
Departmental appropriation(a)	312,918	311,530
Expenses not requiring appropriation in the Budget year(b)	28,254	27,250
Total for Programme 1.1	391,833	391,796
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts		
Administered expenses		
Companies unclaimed monies - s. 77 of the PGPA Act	18,159	28,835
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	938	1,332
Other services (Appropriation Act No. 2 and Bill No. 4)		
Special appropriations		
Banking Act 1959 - Banking Unclaimed Moneys	112,687	5,607
Life Insurance Act 1995 - Life Unclaimed Moneys	8,460	612
Total for Programme 1.2	140,244	36,386
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	6,256	7,427
Expenses not requiring appropriation in the budget year	45,343	46,921
Special appropriations	121,147	6,219
Companies unclaimed monies - s. 77 of the PGPA Act	18,159	28,835
Departmental expenses		
Departmental appropriation(a)	312,918	311,530
Expenses not requiring appropriation in the Budget year(b)	28,254	27,250
Total expenses for Outcome 1	532,077	428,182
	2014-15	2015-16
Average staffing level (number)	1,573	1,569

(a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)'.
 (b) Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Programme Objective 1.1 Australian Securities and Investments Commission

There has been no change to the programme objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses 1.1

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual administered expenses:					
Administered item	5,318	6,095	4,176	4,242	4,273
Expenses not requiring appropriation	45,343	46,921	47,495	45,377	48,667
Annual departmental expenses:					
Departmental item	312,918	311,530	307,599	308,414	310,399
Expenses not requiring appropriation in the Budget year(a)	28,254	27,250	34,967	28,664	18,727
Total programme expenses	391,833	391,796	394,237	386,697	382,066

(a) Expenses not requiring appropriation in the Budget year is made up of depreciation expense and amortisation expense.

Programme Objective 1.2 *Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts*

There has been no change to the programme objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2015-16*.

Programme expenses 1.2

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual administered expenses:					
Special Appropriations:					
<i>Special Appropriations:</i>					
Ordinary annual services	121,147	6,219	8,740	3,802	3,249
s. 77 of the PGPA Act	938	1,332	5,736	5,736	5,816
	18,159	28,835	29,346	29,838	30,526
Total programme expenses	140,244	36,386	43,822	39,376	39,591

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

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 2015-16 Portfolio Budget Statements is Table 3.1.2.

Table 3.1.1: Estimates of special account flows and balances

	Outcome	Opening balance	Receipts	Payments	Adjustments	Closing balance
		\$'000	\$'000	\$'000	\$'000	\$'000
ASIC Deregistered Companies (D)						
2015-16	1	1,902	1,000	(1,000)	-	1,902
<i>2014-15</i>		<i>1,546</i>	<i>397</i>	<i>(41)</i>	-	<i>1,902</i>
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account (D)						
2015-16	1	11	-	-	-	11
<i>2014-15</i>		<i>11</i>	-	-	-	<i>11</i>
ASIC Security Deposits Special Account (D)						
2015-16	1	454	-	-	-	454
<i>2014-15</i>		<i>445</i>	<i>9</i>	-	-	<i>454</i>
Enforcement Special Account (D)						
2015-16	1	62,127	-	26,920	-	89,047
<i>2014-15</i>		<i>51,900</i>	<i>428</i>	<i>27,000</i>	<i>(17,201)</i>	<i>62,127</i>
Total special accounts						
2015-16 Budget estimate		64,494	1,000	25,920	-	91,414
<i>2014-15 actual</i>		<i>53,902</i>	<i>834</i>	<i>26,959</i>	<i>(17,201)</i>	<i>64,494</i>

(A) = Administered

(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

ASIC is currently budgeting for a breakeven operating result for 2015-16 and for the remainder of the forward estimates.

Comprehensive income statement (showing net cost of services) for the period ended 30 June

Total revenue and expenses (excluding depreciation) are estimated to be \$314.9 million for 2015-16. The expenditure will be used to fund activities that contribute towards achieving the outcome and programme objectives outlined in Section 2.

Budgeted departmental balance sheet (as at 30 June)

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 2015-16 is \$91.7 million.

The 2015-16 equity position reflects the cumulative effect of capital injections of \$5.3 million received during 2015-16.

Departmental statement of changes in equity — summary of movement (Budget year 2015-16)

This statement shows the changes in the equity position of ASIC. It helps decision-makers to track the management of ASIC's equity.

Budgeted departmental statement of cash flows (for the period ended 30 June)

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 capital budget statement (for the period ended 30 June)

This statement shows details of capital appropriations received by ASIC. It helps decision-makers to track the acquisition of new non-financial assets.

Statement of asset movements — Departmental (2015-16 Budget year)

This statement shows details of gross asset movements during the year. It helps decision-makers to analyse movements of non-financial assets.

Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

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* (Corporations Act) and ASIC's responsibilities in administering unclaimed monies under the *Banking Act 1959* (Banking Act), the *Life Insurance Act 1995* (Life Insurance Act) and s.77 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

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 monies under the Banking Act, the Life Insurance Act and the Corporations Act.

Expenses represent budgeted payments of unclaimed monies, refund of overpaid fees and charges levied under the Corporations Act, bad debt expense, administered advertising expenses and grant 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 (as at 30 June)

The amount shown for receivables in 2015-16 and in the forward estimates is the estimated amount of fees and charges under the Corporations Act remaining unpaid at 30 June.

The amounts shown in other payables for 2015-16 and the forward estimates represent the estimated amount of refunds relating to the overpayments of annual review and other fees under the Corporations Act, estimated claims payable under the Banking Act and the Life Insurance Act and companies unclaimed monies under s.77 of the PGPA Act.

Schedule of budgeted administered cash flows (for the period ended 30 June)

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.

3.2.2 Budgeted financial statements

Departmental financial statements

Table 3.2.1: Departmental comprehensive income statement (showing net cost of services)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	213,071	212,187	213,776	214,211	215,986
Suppliers	100,239	98,843	93,323	93,703	93,909
Depreciation and amortisation	41,373	40,148	34,967	28,664	18,727
Finance costs	(568)	500	500	500	504
Write-down and impairment of assets	176	-	-	-	-
Total expenses	354,291	351,678	342,566	337,078	329,126
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,609	2,208	3,657	3,698	3,662
Other revenue	2,881	865	865	865	865
Total own-source revenue	4,490	3,073	4,522	4,563	4,527
Gains					
Sale of assets					
Other	353	330	330	330	330
Total gains	353	330	330	330	330
Total own-source income	4,843	3,403	4,852	4,893	4,857
Net cost of (contribution by) services	349,448	348,275	337,714	332,185	324,269
Revenue from Government	311,942	311,480	306,100	306,874	308,895
Surplus/(deficit) attributable to the Australian Government	(37,506)	(36,795)	(31,614)	(25,311)	(15,374)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(37,506)	(36,795)	(31,614)	(25,311)	(15,374)

Prepared on Australian Accounting Standards basis

Table 3.2.1: Departmental comprehensive income statement (showing net cost of services) (continued)

Note: Impact of net cash appropriation arrangements

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	3,867	3,353	3,353	3,353	3,353
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	41,373	40,148	34,967	28,664	18,727
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(37,506)	(36,795)	(31,614)	(25,311)	(15,374)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental capital budget statement.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	9,232	9,232	9,232	9,232	9,232
Trade and other receivables	94,885	99,214	96,697	93,955	93,955
Total financial assets	104,117	108,446	105,929	103,187	103,187
Non-financial assets					
Land and buildings	36,207	30,502	29,661	37,704	45,151
Property, plant and equipment	22,855	19,346	17,138	16,544	17,884
Intangibles	92,780	84,253	80,905	67,258	63,737
Other non-financial assets	9,931	10,032	10,032	10,032	10,032
Total non-financial assets	161,773	144,133	137,736	131,538	136,804
Assets held for sale					
Total assets	265,890	252,579	243,665	234,725	239,991
LIABILITIES					
Payables					
Suppliers	24,869	25,393	25,393	25,393	25,393
Other payables	43,381	39,400	34,382	28,287	24,934
Total payables	68,250	64,793	59,775	53,680	50,327
Provisions					
Employee provisions	77,690	80,369	80,369	80,369	80,369
Other provisions	15,855	15,685	15,832	13,943	13,439
Total provisions	93,545	96,054	96,201	94,312	93,808
Liabilities included in disposal groups held for sale					
Total liabilities	161,795	160,847	155,976	147,992	144,135
Net assets	104,095	91,732	87,689	86,733	95,856
EQUITY*					
Parent entity interest					
Contributed equity	289,874	314,306	341,877	366,232	390,729
Reserves	6,365	6,365	6,365	6,365	6,365
Retained surplus/(accumulated deficit)	(192,144)	(228,939)	(260,553)	(285,864)	(301,238)
Total parent entity interest	104,095	91,732	87,689	86,733	95,856
Total Equity	104,095	91,732	87,689	86,733	95,856

*Equity is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015					
Balance carried forward from previous period	(192,144)	6,365		289,874	104,095
Adjusted opening balance	(192,144)	6,365	-	289,874	104,095
Comprehensive income					
Other comprehensive income					-
Surplus/(deficit) for the period	(36,795)				(36,795)
Total comprehensive income	(36,795)	-	-	-	(36,795)
Transactions with owners					
Contributions by owners					
Equity Injection					-
Equity Injection - Appropriation				5,301	5,301
Departmental Capital Budget (DCB)				19,131	19,131
Other					-
Restructuring					-
Sub-total transactions with owners	-	-	-	24,432	24,432
Transfers between equity components					-
Estimated closing balance as at 30 June 2016	(228,939)	6,365	-	314,306	91,732
Closing balance attributable to the Australian Government	(228,939)	6,365	-	314,306	91,732

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (as at 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	324,215	310,027	308,617	309,616	308,895
Sale of goods and rendering of services	3,322	2,208	3,657	3,698	3,662
Net GST received	13,062	12,501	12,188	13,972	12,577
Other	2,787	865	865	865	865
Total cash received	343,386	325,601	325,327	328,151	325,999
Cash used					
Employees	215,403	209,508	213,776	214,211	215,986
Suppliers	117,030	102,145	98,084	99,541	94,587
Borrowing costs	-	12,500	12,188	13,972	12,577
Other	6,109	597	280	2,316	3,353
Total cash used	338,542	324,750	324,328	330,040	326,503
Net cash from/(used by) operating activities	4,844	851	999	(1,889)	(504)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	36,435	22,407	28,570	22,466	23,993
Total cash used	36,435	22,407	28,570	22,466	23,993
Net cash from/(used by) investing activities	(36,435)	(22,407)	(28,570)	(22,466)	(23,993)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	25,694	21,556	27,571	24,355	24,497
Total cash received	25,694	21,556	27,571	24,355	24,497
Net cash used by financing activities	25,694	21,556	27,571	24,355	24,497
Net increase/(decrease) in cash held	(5,897)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	15,129	9,232	9,232	9,232	9,232
Cash and cash equivalents at the end of the reporting period	9,232	9,232	9,232	9,232	9,232

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 (DCB)	15,215	19,131	24,142	24,355	24,497
Equity injections - Act No. 2	11,978	5,301	3,429	-	-
Total new capital appropriations	27,193	24,432	27,571	24,355	24,497
Provided for:					
Purchase of non-financial assets	26,943	23,762	27,218	22,466	23,993
Annual finance lease costs	250	670	353	1,889	504
Other Items					
Total Items	27,193	24,432	27,571	24,355	24,497
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations(a)	12,966	3,946	4,781	-	-
Funded by capital appropriation - DCB(b)	14,965	18,461	23,789	22,466	23,993
TOTAL AMOUNT SPENT	27,931	22,407	28,570	22,466	23,993
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	27,931	22,407	28,570	22,466	23,993
less additions by creditors / borrowings plus borrowing/finance costs					
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	27,931	22,407	28,570	22,466	23,993

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

- (b) Includes both current and prior Act 2 and Bills 4-6 appropriations and special capital appropriations
(c) Does not include annual finance lease costs. Includes purchase from current and previous years' departmental capital budgets (DCBs).

Table 3.2.6: Statement of asset movements (2015-16 Budget year)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	73,213	58,038	270,127	401,378
Accumulated depreciation/amortisation and impairment	(37,006)	(35,183)	(177,347)	(249,536)
Opening net book balance	36,207	22,855	92,780	151,842
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity(a)	924	2,760	18,723	22,407
Total additions	924	2,760	18,723	22,407
Other movements				
Depreciation/amortisation expense	(6,629)	(6,269)	(27,250)	(40,148)
Total other movements	(6,629)	(6,269)	(27,250)	(40,148)
As at 30 June 2016				
Gross book value	74,137	60,798	288,850	423,785
Accumulated depreciation/amortisation and impairment	(43,635)	(41,452)	(204,597)	(289,684)
Closing net book balance	30,502	19,346	84,253	134,101

(a) 'Appropriation equity' refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Act (No. 2) and Bill (No. 4) 2015-16, including CDABs.
Prepared on Australian Accounting Standards basis.

Schedule of administered activity

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	2,250	2,515	578	586	590
Grants	3,068	3,580	3,598	3,656	3,678
Interest expense	3,925	4,361	3,498	3,325	3,171
Write-down and impairment of assets	45,343	46,921	47,495	45,377	48,667
Other expenses	136,319	32,025	31,812	31,809	32,152
Total expenses administered on behalf of Government	190,905	89,402	86,981	84,753	88,258
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Fees and fines	823,579	867,702	897,033	923,017	951,377
Total taxation revenue	823,579	867,702	897,033	923,017	951,377
Non-taxation revenue					
Sale of goods and rendering of services	209,371	42,421	43,016	44,091	45,193
Total non-taxation revenue	209,371	42,421	43,016	44,091	45,193
Total own-source revenue administered on behalf of Government	1,032,950	910,123	940,049	967,108	996,570
Total own-source income administered on behalf of Government	1,032,950	910,123	940,049	967,108	996,570
Net cost of/(contribution by) services	(842,045)	(820,721)	(853,068)	(882,355)	(908,312)
Surplus/(deficit)	842,045	820,721	853,068	882,355	908,312
Total comprehensive income (loss)	842,045	820,721	853,068	882,355	908,312

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,157	2,464	2,464	2,464	2,464
Taxation receivables	76	76	76	76	76
Trade and other receivables	123,840	141,583	148,940	155,098	156,526
Total financial assets	126,073	144,123	151,480	157,638	159,066
Total assets administered on behalf of Government	126,073	144,123	151,480	157,638	159,066
LIABILITIES					
Payables					
Suppliers	19,921	19,921	19,921	19,921	19,921
Other payables	417,688	337,819	306,021	284,998	270,809
Total payables	437,609	357,740	325,942	304,919	290,730
Total liabilities administered on behalf of Government	437,609	357,740	325,942	304,919	290,730
Net assets/(liabilities)	(311,536)	(213,617)	(174,462)	(147,281)	(131,664)

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	976,011	845,457	885,197	915,574	948,515
Net GST received	589	328	331	331	-
Total cash received	976,600	845,785	885,528	915,905	948,515
Cash used					
Grants	2,902	3,580	3,598	3,656	3,714
Suppliers	-	2,515	578	586	590
Net GST paid	-	328	331	331	-
Other	161,776	116,255	67,108	56,157	49,512
Total cash used	164,678	122,678	71,615	60,730	53,816
Net cash from/(used by) operating activities	811,922	723,107	813,913	855,175	894,699
Net increase/(decrease) in cash held	811,922	723,107	813,913	855,175	894,699
Cash and cash equivalents at beginning of reporting period	3,876	2,157	2,464	2,464	2,464
Cash from Official Public Account for:					
- Appropriations	172,508	132,657	81,284	70,399	63,816
Cash to Official Public Account for:					
- Appropriations	(986,149)	(855,457)	(895,197)	(925,574)	(958,515)
Cash and cash equivalents at end of reporting period	2,157	2,464	2,464	2,464	2,464

Prepared on 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 entity 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 entity or authority that are controlled by the entity. Departmental expenses include employee and supplier expenses and other administrative costs which are incurred by the entity in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an entity 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 Australian Government.

Appropriations in the accrual budgeting framework

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- departmental appropriations representing the Australian Government's purchase of programmes 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 comprehensive income statement on a basis that is representative of the pattern of benefits derived from the lease assets.

Depreciation and amortisation

Computer equipment and plant and equipment is depreciated using the straight-line method. 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.

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.

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 fees and charges, and collections of unclaimed monies under the Banking Act, the Life Insurance Act and the Corporations Act.

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 Act 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 (OPA) at the close of business each day. Cash collected for Banking Act unclaimed monies, Life Insurance Act unclaimed monies and Corporations Act unclaimed monies is transferred to the OPA when received.