

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 of the Australian Securities and Investments Commission (ASIC) from that outlined in the *Portfolio Budget Statements 2010-11* (pages 153-154).

ASIC is seeking an additional \$2 million in appropriations through Appropriation Bill (No. 3) 2010-11 for the helping our kids understand finances measure. Details of this measure appear on page 209 of the *Mid-Year Economic and Fiscal Outlook 2010-11*.

1.2 AGENCY RESOURCE STATEMENT

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

Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2010-11 as at Additional Estimates February 2011

	Estimate as at Budget ⁺ 2010-11 \$'000	Proposed additional estimates 2010-11 \$'000	Total estimate at Additional Estimates 2010-11 \$'000	Total available appropriation 2009-10 \$'000
Ordinary annual services				
Departmental appropriation				
Prior year departmental appropriation	65,563	-	65,563	103,016
Departmental appropriation	338,756	2,000 ¹	340,756	344,529
Receipts from other sources (s31)	5,934	28,663	34,597	10,119
Total	410,253	30,663	440,916	457,664
Administered expenses				
Outcome 1 - Assetless Administration fund	3,450	-	3,450	3,094
Total	3,450	-	3,450	3,094
Total ordinary annual services	A 413,703	30,663	444,366	460,758
Other services				
Departmental non-operating				
Equity injections	34,141	-	34,141	8,412
Total other services	B 34,141	-	34,141	8,412
Total available annual appropriations (A+B)	447,844	30,663	478,507	469,170
Special appropriations				
<i>Banking Act 1959</i>	31,102	-	31,102	28,024
<i>Life Insurance Act 1995</i>	5,471	-	5,471	3,716
Total special appropriations	C 36,573	-	36,573	31,740
Total appropriations excluding special accounts (A+B+C)	484,417	30,663	515,080	500,910

Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2010-11 as at Additional Estimates February 2011 (continued)

	Estimate as at Budget + 2010-11 \$'000	Proposed additional estimates 2010-11 \$'000	= Total estimate at Additional Estimates 2010-11 \$'000	Total available appropriation 2009-10 \$'000
Special accounts				
Opening balance	28,567	-	28,567	42,983
Appropriation receipts	30,000	-	30,000	30,000
Non-appropriation receipts to special accounts	51,000	-	51,000	86,180
Total special account	D 109,567	-	109,567	159,163
Total resourcing (A+B+C+D)	593,984	30,663	624,647	660,073
Less receipts from other sources and credited to special accounts	30,000	-	30,000	30,000
Total net resourcing for ASIC	563,984	30,663	594,647	630,073

1 Appropriation Bill (No. 3) 2010-11.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2010-11 Budget.

Table 1.2: Agency measures since Budget

Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Expense measures				
Fairer, Simpler Banking	1.1, 1.2	-	-	-
Helping Our Kids Understand Finances	1.1, 1.2	2,000	4,000	4,000

Note: Only measures included in the Mid-Year Economic and Fiscal Outlook or that impact on Appropriation Bills No. 3 and No. 4 are included.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2010-11 Budget.

Table 1.3: Additional estimates and variations to outcomes from measures since the 2010-11 Budget

	Program impacted	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Outcome 1					
Increase in estimates (departmental)					
Fairer, Simpler Banking	1.1, 1.2	-	-	-	-
Helping Our Kids Understand					
Finances	1.1, 1.2	2,000	4,000	4,000	-
Net impact on estimates					
for outcome 1 (departmental)					
		2,000	4,000	4,000	-

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

ASIC does not have any other variations since the 2010-11 Budget that affect additional estimates.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the additional estimates sought for ASIC through Appropriation Bill No.3. ASIC is not seeking funding through Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2010-11

	2009-10 available \$'000	2010-11 budget \$'000	2010-11 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL PROGRAMS					
Outcome 1: Improved confidence in financial market integrity and protection of investors and consumers through research, policy, education compliance and deterrence that mitigates emerging risks	246,476	249,409	251,409	2,000	-
Outcome 2: Streamlined and cost effective interaction and access to information for business and the public, through registry, licensing and business facilitation services	93,053	89,347	89,347	-	-
Total	339,529	338,756	340,756	2,000	-

Section 2: Revisions to agency outcomes and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategies for ASIC from that included in the *Portfolio Budget Statements 2010-11* (pages 157 and 162).

OUTCOME 1

Outcome 1 Strategy

There has been no change to the outcome strategy for Outcome 1 from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.1: Budgeted expenses and resources for Outcome 1

Outcome 1: Improved confidence in financial market integrity and protection of investors and consumers through research, policy, education, compliance and deterrence that mitigates emerging risks	2009-10 Actual expenses \$'000	2010-11 Revised estimated expenses \$'000
Program 1.1: Research, policy, compliance, education and information initiatives		
Departmental items		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	118,111	93,501
Revenues from independent sources (s31)	3,625	11,721
Total for Program 1.1	121,736	105,222
Program 1.2: Enforcement/deterrence		
Administered expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	3,130	3,450
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	170,668	135,108
Revenues from independent sources (s31)	5,239	16,936
Total for Program 1.2	179,037	155,494
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	3,130	3,450
Departmental expenses		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	288,779	228,609
Revenues from independent sources (s31)	8,864	28,657
Total resources for Outcome 1	300,773	260,716
	2009-10	2010-11
Average staffing level (number)	1,506	1,465

Program 1.1: Research, policy, compliance, education and information initiatives

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.2: Program 1.1 expenses

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	118,111	93,501	91,085	97,964	93,776
Revenues from independent sources (s31)	3,625	11,721	1,718	1,718	1,732
Total program expenses	121,736	105,222	92,803	99,682	95,508

Program 1.2: Enforcement / deterrence

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.3: Program 1.2 expenses

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	170,668	135,108	131,616	141,557	135,505
Revenues from independent sources (s31)	5,239	16,936	2,482	2,482	2,503
Annual administered expenses:					
Other services (Appropriation Bills No. 1 and No. 3)	3,130	3,450	3,496	3,592	3,596
Total program expenses	179,037	155,494	137,594	147,631	141,604

OUTCOME 2

Outcome 2 Strategy

There has been no change to the outcome strategy for Outcome 2 from that included in the *Portfolio Budget Statements 2010-11*.

Agency Additional Estimates Statements – ASIC

Table 2.4: Budgeted expenses and resources for Outcome 2

Outcome 2: Streamlined and cost-effective interaction and access to information for business and the public, through registry, licensing and business facilitation services	2009-10 Actual expenses \$'000	2010-11 Revised estimated expenses \$'000
Program 2.1: Legal infrastructure for companies and financial services providers		
Departmental items		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	81,450	89,347
Revenues from independent sources (s31)	2,500	5,940
Total for Program 2.1	83,950	95,287
Program 2.2: Banking Act and Life Insurance Act, unclaimed moneys and special accounts		
Administered items		
Special appropriations		
<i>Banking Act 1959</i> - Banking Unclaimed Moneys	28,024	31,102
<i>Life Insurance Act 1995</i> - Life Unclaimed Moneys	3,716	5,471
Special accounts		
ASIC Deregistered Companies Trust Moneys Special Account	58	1,740
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account	8,523	13,721
ASIC Security Deposits Special Account	-	383
Companies and Unclaimed Moneys Special Account	64,778	50,000
Enforcement Special Account	57,219	36,508
Other Trust Moneys Account	18	-
Total for Program 2.2	162,336	138,925
Outcome 2 totals by appropriation type		
Departmental items		
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	81,450	89,347
Revenues from independent sources (s31)	2,500	5,940
Administered expenses		
Special appropriations	31,740	36,573
Special accounts	130,596	102,352
Total resources for Outcome 2	246,286	234,212
	2009-10	2010-11
Average staffing level (number)	425	413

Program 2.1: Legal infrastructure for companies and financial services providers

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

Table 2.5: Program 2.1 expenses

	2009-10 Actuals \$'000	2010-11 Revised budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual departmental expenses:					
Ordinary annual services (Appropriation Bills No. 1 and No. 3)	81,450	89,347	85,098	79,398	82,273
Revenues from independent sources (s31)	2,500	5,940	-	-	-
Total program expenses	83,950	95,287	85,098	79,398	82,273

Program 2.2: Banking Act and Life Insurance Act, unclaimed moneys and special accounts

There has been no change to the program objective, expenses, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2010-11*.

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 specific purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by ASIC.

Table 3.1.1: Estimates of special account flows

		Opening balance 2010-11 2009-10	Receipts non- appropriated 2010-11 2009-10	Receipts appropriated 2010-11 2009-10	Payments 2010-11 2009-10	Closing balance 2010-11 2009-10
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for other Governments and Non-agency Bodies Account (D)	1	- -	- -	- -	- -	- -
ASIC Deregistered Companies Trust Moneys Special Account (D)	2	740 698	1,000 100	- -	1,740 58	- 740
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account (D)	2	13,721 87	- 22,157	- -	13,721 8,523	- 13,721
ASIC Security Deposits Special Account (D)	2	383 383	- -	- -	383 -	- 383
Companies and Unclaimed Moneys Special Account (A)	2	7,215 8,902	50,000 63,091	- -	50,000 64,778	7,215 7,215
Enforcement Special Account (D)	2	6,508 32,912	- 815	30,000 30,000	36,508 57,219	- 6,508
Other Trust Moneys Account (D)	2	- 1	- 17	- -	- 18	- -
Total special accounts 2010-11 Budget estimate		28,567	51,000	30,000	102,352	7,215
Total special accounts 2009-10 actual		42,983	86,180	30,000	130,596	28,567

(A) Administered.

(D) Departmental.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Budgeted departmental Comprehensive income statement

ASIC is currently budgeting for a break-even operating result for 2010-11 and for the remainder of the forward estimates.

Total expenses are estimated to be \$396.4 million for 2010-11. The expenditure will be used to fund activities that contribute towards achieving the outcome and program objectives outlined in Section 2.

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 2010-11 is \$131.7 million.

The 2010-11 equity position reflects the cumulative effect of capital injections of \$56.9 million received during 2010-11.

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.

Departmental capital budget statement

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

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

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 2010-11 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 2010-11 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.

3.2.2 Budgeted financial statements

Departmental financial statements

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	208,232	217,254	180,035	185,867	181,332
Supplier	147,259	134,120	130,482	135,770	132,940
Depreciation and amortisation	27,865	44,544	46,926	46,400	43,318
Finance costs	488	500	500	500	500
Other	2,726	-	-	-	-
Total expenses	386,570	396,418	357,943	368,537	358,090
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	3,734	3,362	3,394	3,429	3,365
Other revenue	7,630	31,710	978	943	1,007
Total revenue	11,364	35,072	4,372	4,372	4,372
Total own-source income	11,364	35,072	4,372	4,372	4,372
Net cost of (contribution by) services	375,206	361,346	353,571	364,165	353,718
Appropriation revenue	370,229	319,092	308,935	320,055	312,690
Surplus (deficit) attributable to the Australian Government	(4,977)	(42,254)	(44,636)	(44,110)	(41,028)
Note: Reconciliation of operating result attributable to the agency					
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2012-13 \$'000
Operating result attributable to the Australian Government	(4,977)	(42,254)	(44,636)	(44,110)	(41,028)
Plus non-appropriated expenses depreciation and amortisation expenses	-	42,254	44,636	44,110	41,028
Operating result attributable to ASIC	(4,977)	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	189	277	1,536	1,776	2,930
Trade and other receivables	72,046	58,796	56,399	55,523	50,214
Total financial assets	72,235	59,073	57,935	57,299	53,144
Non-financial assets					
Land and buildings	68,072	76,674	68,543	62,217	55,971
Infrastructure, plant and equipment	23,893	21,579	20,083	23,947	26,509
Intangibles	82,611	93,221	83,921	68,257	57,145
Other	8,271	8,133	8,167	8,167	8,167
Total non-financial assets	182,847	199,607	180,714	162,588	147,792
Total assets	255,082	258,680	238,649	219,887	200,936
LIABILITIES					
Provisions					
Employees	50,071	49,053	49,557	49,557	49,557
Other	10,918	11,418	11,918	12,418	12,918
Total provisions	60,989	60,471	61,475	61,975	62,475
Payables					
Suppliers	22,436	21,469	21,708	21,708	18,189
Other	54,664	45,060	40,423	36,997	33,571
Total payables	77,100	66,529	62,131	58,705	51,760
Total liabilities	138,089	127,000	123,606	120,680	114,235
Net assets	116,993	131,680	115,043	99,207	86,701
EQUITY					
Contributed equity	84,626	141,567	169,566	197,840	226,362
Reserves	6,473	6,473	6,473	6,473	6,473
Retained surpluses or accumulated deficits	25,894	(16,360)	(60,996)	(105,106)	(146,134)
Total equity	116,993	131,680	115,043	99,207	86,701
Current assets	80,506	67,206	66,102	65,466	61,311
Non-current assets	174,576	191,474	172,547	154,421	139,625
Current liabilities	67,326	59,916	60,057	58,466	54,645
Non-current liabilities	70,763	67,084	63,549	62,214	59,590

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	3,475	3,059	3,091	3,429	3,365
Appropriations	414,444	326,241	310,499	320,495	316,863
GST received	20,067	13,403	13,373	12,555	12,924
Other	7,459	31,538	806	771	835
Total cash received	445,445	374,241	327,769	337,250	333,987
Cash used					
Employees	199,310	218,272	179,531	185,867	181,332
Suppliers	163,006	137,977	133,606	138,588	138,577
GST paid	15,461	13,403	13,373	12,555	12,924
Borrowing costs	-	-	-	-	-
Total cash used	377,777	369,652	326,510	337,010	332,833
Net cash from or (used by) operating activities	67,668	4,589	1,259	240	1,154
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	78,841	61,442	27,999	28,274	28,522
Total cash used	78,841	61,442	27,999	28,274	28,522
Net cash from or (used by) investing activities	(78,841)	(61,442)	(27,999)	(28,274)	(28,522)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	8,412	56,941	27,999	28,274	28,522
Total cash received	8,412	56,941	27,999	28,274	28,522
Net cash from or (used by) financing activities	8,412	56,941	27,999	28,274	28,522
Net increase or (decrease) in cash held	(2,761)	88	1,259	240	1,154
Cash at the beginning of the reporting period	2,950	189	277	1,536	1,776
Cash at the end of the reporting period	189	277	1,536	1,776	2,930

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2010-11)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	25,894	6,473	-	84,626	116,993
Adjusted opening balance	25,894	6,473	-	84,626	116,993
Comprehensive income					
Surplus (deficit) for the period	(42,254)	-	-	-	(42,254)
Transactions with owners					
Appropriation (equity injection)	-	-	-	34,141	34,141
Appropriation (departmental capital budget)	-	-	-	22,800	22,800
Subtotal transactions	-	-	-	56,941	56,941
Estimated closing balance as at 30 June 2011	(16,360)	6,473	-	141,567	131,680

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	8,412	34,141	-	-	-
Capital Budget - Bill 1 (DCB)	-	22,800	27,999	28,274	28,522
Total capital appropriations	8,412	56,941	27,999	28,274	28,522
Represented by:					
Purchase of non-financial assets	8,412	56,941	27,999	28,274	28,522
Total represented by	8,412	56,941	27,999	28,274	28,522
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	8,412	34,141	-	-	-
Funded internally from departmental resources	99,085	4,501	-	-	-
Funded by capital appropriations - Departmental Capital Budget	-	22,800	27,999	28,274	28,522
TOTAL	107,497	61,442	27,999	28,274	28,522

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
As at 1 July 2010				
Gross book value	86,473	44,769	110,402	241,644
less Accumulated depreciation/amortisation	18,401	20,876	27,791	67,068
Opening net book balance	68,072	23,893	82,611	174,576
Asset movements				
Additions	19,963	6,140	35,339	61,442
less Depreciation/amortisation expense	11,361	8,454	24,729	44,544
Total asset movements	8,602	(2,314)	10,610	16,898
As at 30 June 2011				
Gross book value	103,936	48,909	141,241	294,086
less Accumulated depreciation/amortisation	27,262	27,330	48,020	102,612
Closing net book balance	76,674	21,579	93,221	191,474

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)

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Non-taxation					
Other sources of non-taxation revenues	639,878	692,906	745,602	774,606	788,288
Total revenues administered on behalf of Government	639,878	692,906	745,602	774,606	788,288
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	3,130	3,450	3,496	3,592	3,596
Write down and impairment of assets	33,137	30,777	30,020	30,387	30,759
Other	31,740	36,573	39,511	42,687	46,122
Total expenses administered on behalf of Government	68,007	70,800	73,027	76,666	80,477

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)

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	3,017	4,587	4,587	4,587	4,587
Receivables	86,946	88,441	89,574	93,229	96,849
Total assets administered on behalf of Government	89,963	93,028	94,161	97,816	101,436
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants payable	985	985	985	985	985
Other payables	6,841	7,000	7,000	7,000	7,000
Total liabilities administered on behalf of Government	7,826	7,985	7,985	7,985	7,985

Prepared on Australian Accounting Standards basis.

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

	Actual 2009-10 \$'000	Revised budget 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Other	607,550	660,327	714,637	740,545	753,909
Net GST received	341	319	549	330	330
Total cash received	607,891	660,646	715,186	740,875	754,239
Cash used					
Grants	3,493	3,769	4,045	3,922	3,926
Other	31,740	36,107	39,699	42,668	46,122
Total cash used	35,233	39,876	43,744	46,590	50,048
Net cash from or (used by) operating activities	572,658	620,770	671,442	694,285	704,191
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	40,854	47,023	49,007	52,279	55,718
Total cash received	40,854	47,023	49,007	52,279	55,718
Cash used					
Cash to Official Public Account	613,567	666,223	720,449	746,564	759,909
Total cash used	613,567	666,223	720,449	746,564	759,909
Net cash from or (used by) financing activities	(572,713)	(619,200)	(671,442)	(694,285)	(704,191)
Net increase or (decrease) in cash held	(55)	1,570	-	-	-
Cash at beginning of reporting period	3,072	3,017	4,587	4,587	4,587
Cash at end of reporting period	3,017	4,587	4,587	4,587	4,587

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 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 appropriations representing the Australian Government's purchase of programs 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.

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 (OPA) 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 OPA when received.