

Australian Securities and Investments Commission

Entity resources and planned performance

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Australian Securities and Investments Commission

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Securities and Investments Commission (ASIC) is an independent government body established under the *Australian Securities and Investments Commission Act 2001*.

ASIC's objectives, as set out in the *Australian Securities and Investments Commission Act 2001*, are to:

- maintain, facilitate and improve the performance of the financial system and the entities within that system in the interests of commercial certainty, reducing business costs, and the efficiency and development of the economy
- promote the confident and informed participation of investors and consumers in the financial system
- administer the laws that confer functions and powers on it effectively and with a minimum of procedural requirements
- receive, process and store, efficiently and quickly, the information given to ASIC under the laws that confer functions and powers on it
- ensure that information is available as soon as practicable for access by the public
- take whatever action it can take, and is necessary, to enforce and give effect to the laws of the Commonwealth that confer functions and powers on it.

ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator.

ASIC also monitors and promotes market integrity and consumer protection in relation to the Australian financial system and payments system.

As the financial services and consumer credit regulator, ASIC administers the Australian financial services (AFS) and credit licensing regime and monitors financial services and credit businesses to ensure that they operate efficiently, honestly and fairly. These businesses typically deal in superannuation, managed funds, deposit and payment products, personal lending, insurance, shares and company securities, and derivatives.

As the markets regulator, ASIC assesses how effective operators of financial markets are at ensuring their markets operate in a fair, orderly and transparent way. ASIC also exercises delegated authority from the Minister in authorising new markets and approving important changes to market structure. It has responsibility for the supervision of trading on Australia’s domestic licensed equity, derivatives markets.

As the corporate regulator, ASIC ensures that companies, schemes and related entities meet their conduct and fundraising disclosure obligations under the *Corporations Act 2001* (Corporations Act). ASIC ensures that company officers comply with their responsibilities. It also takes disciplinary action against company auditors and liquidators. ASIC monitors public companies’ financial reporting and disclosure and fundraising activities.

In August 2022, ASIC released its Corporate Plan for 2022–2026 (*ASIC Corporate Plan 2022–26: Focus 2022–23*).

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the October *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Securities and Investments Commission resource statement – Budget estimates for 2022–23 as at October Budget 2022

	2021-22 <i>Estimated actual \$'000</i>	2022-23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available	105,195	130,349
Departmental appropriation (b) (c)	422,001	426,323
s74 External Revenue (d)	75,066	24,408
Departmental capital budget (e)	25,544	21,058
Annual appropriations – other services – non-operating (f)		
Equity injection	3,530	5,824
Total departmental annual appropriations	631,336	607,962
Special accounts (g)		
Opening balance	45,174	71,137
Appropriation receipts (h)	64,811	55,246
Non-appropriation receipts	20,643	3,000
Total special accounts	130,628	129,383
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	64,811	55,246
Total departmental resourcing	697,153	682,099

Table 1.1: Australian Securities and Investments Commission resource statement – Budget estimates for 2022-23 as at October Budget 2022 (continued)

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Administered		
Annual appropriations – ordinary annual services (a)		
Outcome 1	9,952	7,925
Total administered annual appropriations	9,952	7,925
Total administered special appropriations	113,607	136,859
Total administered resourcing	123,559	144,784
Total resourcing for ASIC	820,712	826,883
<hr/>		
	2021-22	2022-23
Average staffing level (number)	1,947	1,998

Third party payments from and on behalf of other entities

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	40,581	22,013

All figures shown above are GST exclusive – these may not match figures in the cash flow statement. Prepared on a resourcing (that is, appropriations available) basis.

- a) Appropriation Bill (No. 1) 2022–23, Supply Bill (No. 3) 2022–23 and *Supply Act (No. 1) 2022–23*.
- b) Excludes \$4.669m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.
- c) Excludes departmental capital budget (DCB).
- d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- f) Appropriation Bill (No. 2) 2022–23, Supply Bill (No. 4) 2022–23 and *Supply Act (No. 2) 2022–23*.
- g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to October *Budget Paper No. 4 – Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- h) Amounts credited to the special account from ASIC's annual appropriations.

1.3 Budget measures

Budget measures relating to ASIC are detailed in the October Budget Paper No. 2 and are summarised below.

Table 1.2: ASIC October 2022–23 Budget measures

Part 1: Measures announced since the 2022–23 March Budget

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Receipt measures					
Providing certainty on unlegislated tax and superannuation measures announced by the previous Government	1.1				
Administered receipt	-	-	-	-	-
Treasury – additional funding	1.1				
Administered receipt	-	441	441	-	-
Total	-	441	441	-	-
Total receipt measures					
Administered	-	441	441	-	-
Total	-	441	441	-	-
Payment measures					
Fraud Fusion Taskforce (a)	1.1				
Departmental payment	-	230	945	956	965
Modernising Business Registers – program funding, director ID sustainment and registry stabilisation	1.1				
Departmental payment (b)	-	25,545	5,535	6,917	6,802
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (c)	1.1				
Departmental payment	-	(8,728)	-	-	-
Treasury – additional funding	1.1				
Administered payment	-	379	(9,610)	(10,058)	-
Departmental payment (d)	-	(1,339)	(279)	(2,081)	-
Total	-	16,569	(2,939)	(4,266)	7,767
Total payment measures					
Administered	-	379	(9,610)	(10,058)	-
Departmental	-	16,190	6,671	5,792	7,767
Total	-	16,569	(2,939)	(4,266)	7,767

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- The lead entity for measure Fraud Fusion Taskforce is the National Disability Insurance Agency. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022-23*, under the Social Services portfolio.
- This measure includes capital for ASIC of \$4.6m in 2022–23, \$1.0m in 2023–24, \$2.1m in 2024-25 and \$2.6m in 2025-26.
- The measure Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses is a cross-portfolio measure. The full measure description and package details appear in Budget Paper No. 2, *Budget Measures 2022-23*, under Cross Portfolio measures.
- This measure includes a reduction in capital for ASIC of \$1.3m in 2022–23 and \$0.8m in 2024-25.

Section 2: Outcomes and planned performance

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 entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for ASIC can be found at:
([ASIC Corporate Plan 2022–26: Focus 2022–26](#)).

The most recent annual performance statement can be found at:
([ASIC Annual Report 2021–22](#)).

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Improved confidence in Australia’s financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.

Linked programs

Australian Taxation Office

- Program 1.1 Australian Taxation Office
- Program 1.3 Australian Business Register

Contribution to Outcome 1 made by linked programs

The Australian Taxation Office (ATO) exchanges information with ASIC in relation to self-managed superannuation funds auditor registrations, and financial crime intelligence. ATO contributes funding for the latter as well as for the Modernising Business Registers program.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Australian Securities and Investments Commission					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	5,766	5,627	6,045	5,760	5,519
Expenses not requiring appropriation in the Budget year (a)	62,392	67,186	66,859	65,548	66,202
Administered total	68,158	72,813	72,904	71,308	71,721
Departmental expenses					
Departmental appropriation	333,198	389,782	402,092	404,143	409,542
s74 External Revenue (b)	67,873	27,762	5,749	5,749	5,749
Expenses not requiring appropriation in the Budget year (c)	64,689	61,183	55,871	56,521	55,611
Departmental total	465,760	478,727	463,712	466,413	470,902
Total expenses for program 1.1	533,918	551,540	536,616	537,721	542,623
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts					
Administered expenses					
Companies unclaimed monies – s77 of the PGPA ACT	25,300	54,822	40,051	40,287	40,460
Ordinary annual services (Appropriation Bill No. 1)	1,145	2,298	2,538	2,766	3,034
Special appropriations					
<i>Banking Act 1959</i> – Banking Unclaimed Moneys	52,312	85,165	85,446	85,691	85,894
<i>Life Insurance Act 1995</i> – Life Unclaimed Moneys (d)	(1,250)	1,261	4,442	5,063	5,358
Administered total	77,507	143,546	132,477	133,807	134,746
Total expenses for program 1.2	77,507	143,546	132,477	133,807	134,746

Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	6,911	7,925	8,583	8,526	8,553
Special appropriations	51,062	86,426	89,888	90,754	91,252
Companies unclaimed monies – s77 of the PGPA ACT	25,300	54,822	40,051	40,287	40,460
Expenses not requiring appropriation in the Budget year (a)	62,392	67,186	66,859	65,548	66,202
Administered total	145,665	216,359	205,381	205,115	206,467
Departmental expenses					
Departmental appropriation	333,198	389,782	402,092	404,143	409,542
s74 External Revenue (b)	67,873	27,762	5,749	5,749	5,749
Expenses not requiring appropriation in the Budget year (c)	64,689	61,183	55,871	56,521	55,611
Departmental total	465,760	478,727	463,712	466,413	470,902
Total expenses for Outcome 1	611,425	695,086	669,093	671,528	677,369

	2021-22	2022-23
Average staffing level (number)	1,947	1,998

- a) Expenses not requiring appropriation in the Budget year are doubtful debts.
- b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
- c) Expenses not requiring appropriation in the Budget year are made up of depreciation and amortisation expenses.
- d) The negative expense is a result of the revaluation of the unclaimed moneys provision.
- Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.2: Performance measure for Outcome 1

Table 2.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current Corporate Plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Improved confidence in Australia’s financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems.	
Program 1.1 – Australian Securities and Investments Commission Program 1.1 contributes to Outcome 1 by strategically identifying and responding to conduct which presents the greatest risk of harm.	
Key Activities	<p>Our external priorities target the most significant threats and harms in our regulatory environment:</p> <ul style="list-style-type: none"> • product design and distribution • sustainable finance • retirement decision making • technology risks. <p>To deliver on our external priorities, we will undertake a number of projects, including eight core strategic projects. We will also continue our ongoing regulatory work.</p> <p>Core strategic projects:</p> <ul style="list-style-type: none"> • scams • sustainable finance practices • crypto-assets • design and distribution obligations • breach reporting • cyber and operational resilience • Financial Accountability Regime (FAR) • digital technology and data.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
<p>Prior year 2021–22</p>	<p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services act professionally and treat their clients fairly. • Entities improve their business practices in response to identified areas of improvement. • Entities have fair and efficient dispute resolution processes in place. • Financial markets are fair, strong and efficient. • Through the use of our regulatory tools (for example, licensing, supervision and surveillance, enforcement, engagement and guidance) we communicate, maintain and enforce standards and expectations to protect consumers and promote fair and efficient markets. • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets. • Where we exercise our product intervention power, we see a reduction in consumer detriment as a result. 	<p>Performance criteria met for 2021–22 as evidenced by qualitative and quantitative measures, including: Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • Operational data (for example, number of meetings and other engagement with stakeholders, regulatory guidance and industry reports published). • Stakeholder feedback, measured through external committees and panels such as the ASIC Consultative Panel and Consumer Advisory Panel. • Case studies of key matters where entities have improved their business practices. • Detailed, tailored measures of the impact of ASIC’s major projects on reducing harms for consumers and investors. • External data (for example, reports and data published by Australian Financial Complaints Authority). • Measures of the cleanliness of the Australian listed equity market. • Case studies and other measures of key matters where we have used our regulatory tools to change behaviour in the financial system. • Where we exercise our product intervention power, we will evaluate the resulting outcome after 18 months. • Project-specific outcomes resulting from the outputs of our regulatory actions. • Number and nature of misconduct-related complaints, including through internal and external dispute resolution channel.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22 (continued)	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services meet their obligations. • Misconduct is deterred and community expectations that wrongdoing is punished and consumer harm addressed are met. • Where consumers suffer loss as a result of misconduct, culpable entities compensate those consumers appropriately. • We take successful enforcement or other regulatory action in response to identified misconduct. • We appropriately sanction individuals who commit misconduct including, when warranted, banning them from providing financial services or taking civil or criminal action against them. • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets. <p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • The regulatory system supports the work of innovative start-ups and the market testing of novel products and services while minimising the risk of harm to consumers. • We promote reduced compliance costs and improved efficiency among our regulated population. 	<p>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • Operational data (for example. number of surveillance and enforcement actions undertaken and results achieved). • Public outcomes (for example. civil, criminal and administrative actions taken, including bannings). • Levels of misconduct can be measured through, for example, reports of misconduct made to ASIC. • Remediation can be measured through, for example, the amount of compensation for wrongdoing provided to investors and consumers. <p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • Operational data, including relief applications assessed and legislative instruments made. • Stakeholder feedback measured through external committees and panels such as the ASIC Consultative Panel and the Digital Finance Advisory Panel.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Prior year 2021–22 (continued)	<ul style="list-style-type: none"> • We exercise our discretionary powers to grant relief appropriately. • We advise the Government on policy issues and law reform options in line with expected community standards. • We propose and support international policy initiatives that improve regulatory outcomes for Australia and support cross-border activity. • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets. 	<ul style="list-style-type: none"> • Case studies of deregulatory initiatives that promote economic recovery, reduce compliance costs and improve efficiency. • Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox. • Ongoing compliance with licensing and registration obligations measured through, for example, case studies and operational data on ASIC’s decisions to grant, vary or cancel Australian financial services and credit licences and other professional registrations. • Publication of consultation papers by ASIC and submissions made by ASIC to government policy consultation processes. • Publication of reports by international regulatory bodies to which ASIC has contributed. • Case studies and other measures of instances where we have used our regulatory tools to promote the strong and innovative development of the financial system. • Project-specific measures resulting from the outputs of our regulatory actions.
Prior year 2021–22 (continued)	Help Australians to be in control of their financial lives <ul style="list-style-type: none"> • People can take action based on ASIC’s educational materials. • We support better financial education across Australia’s education system. • We provide a range of tools and resources to help people understand money and how to manage it. • Consistent with our strategic priorities, our regulatory actions address key drivers of harm to consumers and markets. 	Help Australians to be in control of their financial lives <ul style="list-style-type: none"> • Operational data, including ASIC Moneysmart accessibility and usage. • Increased evidence on how consumers and investors make financial decisions. • Feedback through the stakeholder network • Collaboration with the formal education sector to support better financial literacy education, as measured by the number of schools using Moneysmart teaching resources. • Personal financial education and decision-making tools and resources produced. • Case studies and other measures of instances where we have helped Australians to be in control of their financial lives. • Project-specific measures resulting from the outputs of our regulatory actions.

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Budget Year 2022–23	<p>Enforcement and surveillance</p> <ul style="list-style-type: none"> • Financial firms and individuals providing financial services meet their obligations, act professionally and treat their clients fairly. • Entities improve their business practices in response to identified areas for improvement, with these changes reducing harms or improving consumer outcomes. • Entities have fair and efficient dispute resolution processes in place. • Misconduct is identified and addressed, wrongdoing is punished. • Where consumers suffer loss as a result of misconduct, culpable entities compensate those consumers appropriately. 	<p>Evidenced by qualitative and quantitative measures, including:</p> <ul style="list-style-type: none"> • Case studies (e.g. where we have used our regulatory tools to change behaviour in the financial system). • Measures of the cleanliness of the Australian listed equity market. • Operational data (e.g. number of enforcement actions undertaken and results achieved, number of industry reports published). • External data (e.g. data published by Australian Financial Complaints Authority). • Number and nature of misconduct-related complaints. • The amount of compensation for wrongdoing provided to investors and consumers. • Where we exercise our product intervention power, evaluation of the resulting outcome within 18 months. • Metrics from our impact assessment methodology.
	<p>Guidance</p> <ul style="list-style-type: none"> • Assist our regulated population to comply with their obligations, and to drive better compliance. 	<p>Evidenced by qualitative and quantitative measures, including:</p> <ul style="list-style-type: none"> • Operational data (e.g. number of regulatory guides published, number of times guides are accessed). • Case studies (e.g. where we have published guidance to drive better compliance among our regulated population).
	<p>Licensing</p> <ul style="list-style-type: none"> • We act as an effective frontline gatekeeper to ensure that a licence or registration is granted to applicants who are competent, fit and proper. 	<p>Evidenced by qualitative and quantitative measures, including:</p> <ul style="list-style-type: none"> • Operational data (e.g. decisions to grant, vary or cancel Australian financial services and credit licences and other professional registrations, number of applications with additional conditions imposed, service charter results). • Case studies (e.g. how we have exercised our licensing powers).

Table 2.2: Performance measure for Outcome 1 (continued)

Year	Performance measures	Expected Performance Results
Budget Year 2022–23 (continued)	Engagement <ul style="list-style-type: none"> • We consult with various stakeholders to undertake our work more effectively and efficiently. • The regulatory system supports the work of innovative start-up businesses and the market testing of novel products and services, while minimising the risk of harm to consumers. • We promote reduced compliance costs and improved efficiency among our regulated population. 	Evidenced by qualitative and quantitative measures, including: <ul style="list-style-type: none"> • Case studies (e.g. initiatives that reduce compliance costs and improve efficiency). • Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox. • Operational data (e.g. number of engagements in a year, joint-agency initiatives, consultation papers published, relief applications assessed and legislative instruments made). • Performance against the ASIC service charter targets.
	Regulatory relief <ul style="list-style-type: none"> • We exercise our discretionary powers to grant relief or make a legislative instrument appropriately. 	Evidenced by qualitative and quantitative measures, including: <ul style="list-style-type: none"> • Operational data, including relief applications assessed and legislative instruments made, including performance against the ASIC service charter targets.
	Education <ul style="list-style-type: none"> • People can take action based on ASIC’s educational materials. • We support better financial education across Australia’s education system. • We provide a range of tools and resources to help people understand money and how to manage it. 	Evidenced by qualitative and quantitative measures, including: <ul style="list-style-type: none"> • Operational data, including ASIC Moneysmart accessibility and usage. • Case studies (e.g. where we have helped Australians to understand money and how to manage it).
Forward Estimates 2023–26	As per 2022–23	As per 2022–23

Table 2.2: Performance measures for Outcome 1 (continued)

Program 1.2 – Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts.		
ASIC is responsible for the administration of unclaimed money from banking and deposit taking institutions and life insurance institutions		
Key activities	Provide an accurate register of unclaimed money and special accounts administered by ASIC.	
Performance information		
Year	Performance measures	Expected performance results
Prior Year 2021–22	<ul style="list-style-type: none"> Ensure that refunds of unclaimed monies are paid to successful claimants promptly. Ensure that payments of money from special accounts are paid out promptly in accordance with the specified purposes or appropriate legislation. 	Process claims within 28 days of receiving all necessary claim documentation.
Budget Year 2022–23	As per 2021–22	As per 2021–22
Forward Estimates 2023–26	As per 2021–22	As per 2021–22

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental income statement

ASIC is budgeting for a \$24.6 million operating deficit in 2022–23. The operating deficit is due to unfunded depreciation and amortisation expenses, depreciation of right of use assets and principal repayments of lease liabilities. After adjusting for the impact of the government's net cash appropriation framework, ASIC is budgeting for a net cash surplus of \$13.7m, reflecting non-appropriation revenue from other government agencies provided for the purpose of funding capital expenditure.

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 2022–23 is \$218.8 million. The 2022–23 equity position reflects the cumulative effect of capital injections of \$5.8 million received during 2022–23.

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.

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 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 departmental asset movements

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

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 monies under the *Banking Act 1959*, the *Life Insurance Act 1995* and s77 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In addition, ASIC collects taxation and non-taxation revenue under the *ASIC Supervisory Cost Recovery Levy Act 2017* and the *ASIC Supervisory Cost Recovery Levy Regulations 2017*.

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 1959*, the *Life Insurance Act 1995* and the *Corporations Act 2001*.

Expenses represent budgeted payments of unclaimed monies, refund of overpaid fees and charges levied under the *Corporations Act 2001*, 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

The amount shown for receivables in 2022–23 and in the forward estimates is the estimated amount of taxation revenue fees and charges remaining unpaid at 30 June.

The amounts shown in other payables for 2022–23 and the forward estimates represent the estimated amount of refunds relating to the overpayments of annual review and other fees under the *Corporations Act 2001*, estimated claims payable under the *Banking Act 1959* and the *Life Insurance Act 1995* and companies unclaimed monies under s77 of the PGPA Act.

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 Budgeted financial statements tables**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	269,139	288,772	282,019	287,156	292,498
Suppliers	129,993	127,088	124,350	121,479	121,708
Depreciation and amortisation (a)	64,689	61,183	55,871	56,521	55,611
Finance costs	1,719	1,684	1,472	1,257	1,085
Write-down and impairment of assets	220	-	-	-	-
Total expenses	465,760	478,727	463,712	466,413	470,902
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,281	2,000	2,000	2,000	2,000
Royalties	211	165	165	165	165
Other	66,381	25,597	3,584	3,584	3,584
Total own-source revenue	67,873	27,762	5,749	5,749	5,749
Total own-source income	67,873	27,762	5,749	5,749	5,749
Net (cost of)/contribution by services	(397,887)	(450,965)	(457,963)	(460,664)	(465,153)
Revenue from Government	422,001	426,323	429,989	433,263	436,339
Surplus/(deficit) attributable to the Australian Government	24,114	(24,642)	(27,974)	(27,401)	(28,814)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	3,680	-	-	-	-
Total other comprehensive income	3,680	-	-	-	-
Total comprehensive income/(loss)	27,794	(24,642)	(27,974)	(27,401)	(28,814)
Total comprehensive income/(loss) attributable to the Australian Government	27,794	(24,642)	(27,974)	(27,401)	(28,814)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of Comprehensive Income	27,794	(24,642)	(27,974)	(27,401)	(28,814)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	43,441	39,775	34,463	35,113	34,203
plus: depreciation/amortisation expenses for ROU assets (b)	21,248	21,408	21,408	21,408	21,408
less: lease principal repayments (b)	19,070	22,863	27,897	29,120	26,797
Net Cash Operating Surplus/ (Deficit)	73,413	13,678	-	-	-

a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

b) Applies to leases under AASB 16 *Leases*.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	72,743	72,743	72,743	72,743	72,743
Trade and other receivables	142,066	135,259	134,952	134,952	134,972
Total financial assets	214,809	208,002	207,695	207,695	207,715
Non-financial assets					
Land and buildings	190,642	166,611	141,783	117,932	93,004
Property, plant and equipment	24,414	19,379	17,097	15,783	14,163
Intangibles	105,375	120,318	115,390	109,185	106,019
Other non-financial assets	14,332	14,332	14,332	14,332	14,332
Total non-financial assets	334,763	320,640	288,602	257,232	227,518
Total assets	549,572	528,642	496,297	464,927	435,233
LIABILITIES					
Payables					
Suppliers	29,510	29,178	28,851	28,831	28,831
Other payables	35,345	35,345	35,345	35,345	35,345
Total payables	64,855	64,523	64,196	64,176	64,176
Interest-bearing liabilities					
Leases	185,524	162,661	134,764	105,644	78,847
Total interest-bearing liabilities	185,524	162,661	134,764	105,644	78,847
Provisions					
Employee provisions	77,490	77,490	77,490	77,490	77,490
Other provisions	5,131	5,156	5,176	5,196	5,216
Total provisions	82,621	82,646	82,666	82,686	82,706
Total liabilities	333,000	309,830	281,626	252,506	225,729
Net assets	216,572	218,812	214,671	212,421	209,504
EQUITY*					
Parent entity interest					
Contributed equity	525,368	552,250	576,083	601,234	627,131
Reserves	26,180	26,180	26,180	26,180	26,180
Retained surplus (accumulated deficit)	(334,976)	(359,618)	(387,592)	(414,993)	(443,807)
Total parent entity interest	216,572	218,812	214,671	212,421	209,504
Total equity	216,572	218,812	214,671	212,421	209,504

Prepared on Australian Accounting Standards basis.

*‘Equity’ is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(334,976)	26,180	525,368	216,572
Adjusted opening balance	(334,976)	26,180	525,368	216,572
Comprehensive income				
Surplus/(deficit) for the period	(24,642)	-	-	(24,642)
Total comprehensive income	(24,642)	-	-	(24,642)
Transactions with owners				
Contributions by owners				
Equity injection – Appropriation	-	-	5,824	5,824
Departmental Capital Budget (DCB)	-	-	21,058	21,058
Sub-total transactions with owners	-	-	26,882	26,882
Estimated closing balance as at 30 June 2023	(359,618)	26,180	552,250	218,812
Closing balance attributable to the Australian Government	(359,618)	26,180	552,250	218,812

Prepared on Australian Accounting Standards basis

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations					
Receipts from Government	500,469	433,130	430,296	434,399	436,339
Sale of goods and rendering of services	1,281	2,000	2,000	864	1,980
Net GST received	14,851	15,323	14,743	14,928	12,972
Other	92,136	25,408	3,395	3,395	3,395
Total cash received	608,737	475,861	450,434	453,586	454,686
Cash used					
Employees	269,991	288,762	282,009	287,146	292,498
Suppliers	153,167	142,399	139,076	136,083	134,326
Interest payments on lease liability	1,689	1,659	1,452	1,237	1,065
s74 External Revenue transferred to the OPA	108,063	-	-	-	-
Total cash used	532,910	432,820	422,537	424,466	427,889
Net cash from/(used by) operating activities	75,827	43,041	27,897	29,120	26,797
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	59,424	47,060	23,833	25,151	25,897
Total cash used	59,424	47,060	23,833	25,151	25,897
Net cash from/(used by) investing activities	(59,424)	(47,060)	(23,833)	(25,151)	(25,897)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	29,106	26,882	23,833	25,151	25,897
Total cash received	29,106	26,882	23,833	25,151	25,897
Cash used					
Principal payments on lease liability	19,070	22,863	27,897	29,120	26,797
Total cash used	19,070	22,863	27,897	29,120	26,797
Net cash from/(used by) financing activities	10,036	4,019	(4,064)	(3,969)	(900)
Net increase/(decrease) in cash held	26,439	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	46,304	72,743	72,743	72,743	72,743
Cash and cash equivalents at the end of the reporting period	72,743	72,743	72,743	72,743	72,743

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	25,544	21,058	22,804	23,070	23,272
Equity injections – Bill 2	3,530	5,824	1,029	2,081	2,625
Total new capital appropriations	29,074	26,882	23,833	25,151	25,897
Provided for:					
<i>Purchase of non-financial assets</i>	29,049	26,857	23,813	25,131	25,877
<i>Other Items</i>	25	25	20	20	20
Total items	29,074	26,882	23,833	25,151	25,897
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	7,224	5,824	1,029	2,081	2,625
Funded by capital appropriation - DCB (b)	21,032	26,058	22,804	23,070	23,272
Funded internally from departmental resources (c)	28,567	15,178	-	-	-
TOTAL	56,823	47,060	23,833	25,151	25,897
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	56,823	47,060	23,833	25,151	25,897
Total cash used to acquire assets	56,823	47,060	23,833	25,151	25,897

Prepared on Australian Accounting Standards basis.

- a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.
- b) Includes purchases from current and previous years' Departmental capital budgets (DCBs).
- c) Includes the following s74 external receipts:
 - internally developed assets; and
 - lease incentives.

Table 3.6: Statement of departmental asset movements (Budget year 2022–23)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	57,879	59,271	490,877	608,027
Gross book value – ROU assets	205,465	-	-	205,465
Accumulated depreciation/ amortisation and impairment	(21,616)	(34,857)	(385,502)	(441,975)
Accumulated depreciation/amortisation and impairment – ROU assets	(51,086)	-	-	(51,086)
Opening net book balance	190,642	24,414	105,375	320,431
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase – appropriation equity (a)	-	-	5,824	5,824
By purchase – appropriation ordinary annual services (b)	-	550	39,361	39,911
By purchase – other	1,325	-	-	1,325
Total additions	1,325	550	45,185	47,060
Other movements				
Depreciation/amortisation expense	(3,948)	(5,585)	(30,242)	(39,775)
Depreciation/amortisation on ROU assets	(21,408)	-	-	(21,408)
Total other movements	(25,356)	(5,585)	(30,242)	(61,183)
As at 30 June 2023				
Gross book value	59,204	59,821	536,062	655,087
Gross book value – ROU assets	205,465	-	-	205,465
Accumulated depreciation/ amortisation and impairment	(25,564)	(40,442)	(415,744)	(481,750)
Accumulated depreciation/amortisation and impairment – ROU assets	(72,494)	-	-	(72,494)
Closing net book balance	166,611	19,379	120,318	306,308

Prepared on Australian Accounting Standards basis.

- a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022–23.
- b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022–23 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Suppliers	575	959	987	604	609
Grants	5,191	4,668	5,058	5,156	4,910
Write-down and impairment of assets	62,392	67,186	66,859	65,548	66,202
Interest expense	3,772	5,225	5,888	6,444	7,082
Other expenses	73,735	138,321	126,589	127,363	127,664
Total expenses administered on behalf of Government	145,665	216,359	205,381	205,115	206,467
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other levies	73,497	72,016	126,667	94,674	93,426
Other taxes	943,822	957,393	979,173	1,003,539	1,029,293
Total taxation revenue	1,017,319	1,029,409	1,105,840	1,098,213	1,122,719
Non-taxation revenue					
Fees and fines	418,234	217,257	206,350	205,318	209,194
Other fees from regulatory services	289,011	233,067	211,067	210,626	210,626
Other revenue	240,218	266,064	289,647	301,977	304,966
Total non-taxation revenue	947,463	716,388	707,064	717,921	724,786
Total own-source revenue administered on behalf of Government	1,964,782	1,745,797	1,812,904	1,816,134	1,847,505
Net (cost of)/contribution by services	1,819,117	1,529,438	1,607,523	1,611,019	1,641,038
Total comprehensive income/(loss)	1,819,117	1,529,438	1,607,523	1,611,019	1,641,038

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,380	1,380	1,380	1,380	1,380
Taxation receivables	223,900	255,950	252,930	254,549	248,574
Trade and other receivables	252,110	244,145	265,647	270,662	272,272
Total financial assets	477,390	501,475	519,957	526,591	522,226
Total assets administered on behalf of Government	477,390	501,475	519,957	526,591	522,226
LIABILITIES					
Payables					
Suppliers	35,828	37,135	38,492	39,900	41,361
Grants	4,196	4,196	4,196	4,196	4,196
Other payables	8,336	8,411	8,411	8,411	8,411
Total payables	48,360	49,742	51,099	52,507	53,968
Provisions					
Other provisions	458,953	473,342	478,016	485,801	494,817
Total provisions	458,953	473,342	478,016	485,801	494,817
Total liabilities administered on behalf of Government	507,313	523,084	529,115	538,308	548,785
Net assets/(liabilities)	(29,923)	(21,609)	(9,158)	(11,717)	(26,559)

Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	367,540	300,287	271,048	269,033	270,362
Taxes	939,674	933,185	1,045,018	1,034,076	1,065,492
Net GST received	26	-	-	-	-
Other	585,130	421,054	411,497	440,843	449,814
Total cash received	1,892,370	1,654,526	1,727,563	1,743,952	1,785,668
Cash used					
Grant	5,217	4,668	5,058	5,156	4,910
Suppliers	(3,677)	(348)	(370)	(804)	(852)
Borrowing costs	3,772	5,225	5,888	6,444	7,082
Other	106,357	123,857	121,915	119,578	118,648
Total cash used	111,669	133,402	132,491	130,374	129,788
Net cash from/(used by) operating activities	1,780,701	1,521,124	1,595,072	1,613,578	1,655,880
Net increase/(decrease) in cash held	1,780,701	1,521,124	1,595,072	1,613,578	1,655,880
Cash and cash equivalents at beginning of reporting period	1,524	1,380	1,380	1,380	1,380
Cash from Official Public Account					
- Appropriations	120,285	144,784	143,848	141,782	141,249
Total cash from Official Public	120,285	144,784	143,848	141,782	141,249
Cash to Official Public Account for:					
- Appropriations	(1,901,130)	(1,665,908)	(1,738,920)	(1,755,360)	(1,797,129)
Total cash to Official Public Account	(1,901,130)	(1,665,908)	(1,738,920)	(1,755,360)	(1,797,129)
Cash and cash equivalents at end of reporting period	1,380	1,380	1,380	1,380	1,380

Prepared on Australian Accounting Standards basis.