

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Section 1: Entity 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 Treasury *Portfolio Budget Statements 2014-15* (pages 153-154).

ASIC is seeking an additional \$3.42 million in equity injection through *Appropriation Bill (No. 4) 2014-15* for the Enhanced Public Register of Financial Advisors – Establishment measure outlined in the *Mid-Year Economic and Fiscal Outlook 2014-15*.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for ASIC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2014-15 Budget year, including variations through *Appropriation Bill Nos. 3 and No. 4*, Special Appropriations and Special Accounts.

Table 1.1: ASIC resource statement — additional estimates for 2014-15 as at additional estimates February 2015

	<i>Total available appropriation</i>	Estimate as at Budget +	Proposed Additional =	Total estimate at Additional Estimates
	2013-14 \$'000	2014-15 \$'000	2014-15 \$'000	2014-15 \$'000
Ordinary annual services(1)				
Departmental appropriation				
Prior year departmental appropriation(2)	-	95,713	-	95,713
Departmental appropriation(3)	382,103	340,689	-	340,689
s74 Retained Revenue Receipts(4)	17,438	2,044	-	2,044
Total	399,541	438,446	-	438,446
Administered expenses				
Outcome 1 - Assetless				
Administration fund	2,132	3,571	-	3,571
Ordinary annual services	2,000	4,320	-	4,320
Total	4,132	7,891	-	7,891
Total ordinary annual services	A 403,673	446,337	-	446,337
Other services(5)				
Departmental non-operating				
Equity injections	11,791	5,950	3,415	9,365
Total	11,791	5,950	3,415	9,365
Total other services	B 11,791	5,950	3,415	9,365
Total available annual appropriations	415,464	452,287	3,415	455,702

Table 1.1: ASIC resource statement — additional estimates for 2014-15 as at additional estimates February 2015 (continued)

	<i>Total available appropriation</i>	Estimate as at Budget +	Proposed Additional = Estimate	Total estimate at Additional Estimates
	<i>2013-14</i>	<i>2014-15</i>	<i>2014-15</i>	<i>2014-15</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Special appropriations limited by amount				
<i>Banking Act 1959</i>	269,076	95,248	1,669	96,917
<i>Life Insurance Act 1995</i>	11,793	7,701	3,020	10,721
Total special appropriations	C 280,869	102,949	4,689	107,638
Total appropriations excluding Special Accounts	696,333	555,236	8,104	563,340
Special Accounts				
Opening balance(6)	-			-
Appropriation Receipts\	30,000	27,000	-	27,000
Non-appropriation receipts to Special Accounts	1,000	1,000	-	1,000
Total Special Account	D 31,000	28,000	-	28,000
Total resourcing (A+B+C+D)	727,333	583,236	8,104	591,340
Less appropriations drawn from annual or special appropriations above and credited to special accounts(7)	30,000	27,000	-	27,000
Total net resourcing for ASIC	757,333	610,236	8,104	618,340

1. *Appropriation Act (No. 1) 2014-15 and Appropriation Bill (No. 3) 2014-15.*
2. Estimated adjusted balance carried from previous year for annual appropriations
3. Includes an amount of \$15m in 2014-15 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'.
4. Estimated retained revenue receipts under sections 74 and 75 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.
5. *Appropriation Act (No. 2) 2014-15 and Appropriation Bill (No. 4) 2014-15.*
6. 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.
7. Appropriation receipts from other entities credited to entity ASIC's Special Accounts.

Reader note: All figures are GST exclusive.

1.3 ENTITY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2014-15 Budget. The table is split into revenue, expense and capital measures, with the affected programme identified.

Table 1.2: Entity 2014-15 measures since Budget

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Revenue measures					
Enhanced register of financial advisor					
Administered revenues(1)	1.1	2,620	1,199	1,200	1,302
Total		2,620	1,199	1,200	1,302
Expense measures					
Enhanced register of financial advisor	1.1				
Departmental expenses(1)		670	460	456	449
Total		670	460	456	449
Capital measures					
Enhanced register of financial advisor	1.1				
Departmental capital(1)		3,415	-	-	-
Total		3,415	-	-	-

Prepared on a Government Financial Statistics (fiscal) basis

(1) Measures published in the *Mid-Year Economic and Fiscal Outlook 2014-15*.

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 2014-15 Budget in *Appropriation Bill No. 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 2014-15 Budget

	Programme impacted	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Outcome 1					
Increase in estimates (departmental)					
Enhanced register of financial advisor	1.1	3,415	-	-	-
Net impact on estimates for Outcome 1 (departmental)		3,415	-	-	-

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

	Programme impacted	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Outcome 1					
Increase in estimates (departmental)					
Reallocation of funding from the Department of the Treasury for the North Queensland Insurance Comparison Website(1)					
Departmental appropriation	1.1	634	880	749	750
Departmental capital appropriation	1.1	2,613	-	-	-
Decrease in estimates (departmental)					
Communications and Public Affairs					
Functions targeted savings	1.1	(65)	(128)	(128)	(129)
Internet Based Network Connection					
Services Savings	1.1	(1,236)	(1,236)	(1,236)	(1,236)
Net impact on estimates for Outcome 1 (departmental)					
		1,946	(484)	(615)	(615)

(1) Relates to the transfer of funding from the Treasury to the ASIC for the development and implementation of the North Queensland Insurance Comparison Website.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for ASIC through *Appropriation Bill No. 4*. ASIC is not seeking funding through *Appropriation Bill No. 3*.

Table 1.5: Appropriation Bill (No. 4) 2014-15

	2013-14 Available \$'000	2014-15 Budget \$'000	2014-15 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections	11,791	5,950	9,365	3,415	-
Total	11,791	5,950	9,365	3,415	-

Section 2: Revisions to Entity Resources and Planned Performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There has been no change to outcomes or the outcome strategy for ASIC from that included in the *Portfolio Budget Statements 2014-15* (page 159).

Table 2.1 Budgeted expenses and resources 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.	2013-14 Actual expenses \$'000	2014-15 Revised Estimated expenses \$'000
Programme 1.1		
Administered expenses		
Ordinary annual services (<i>Appropriation Act No. 1</i>)	4,132	5,828
Expenses not requiring appropriation in the budget year	44,588	45,091
Departmental expenses		
Departmental appropriation	349,464	321,255
Expenses not requiring appropriation in the Budget year	55,990	44,596
Total for Programme 1.1	454,174	416,770
Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts		
Administered expenses		
Companies unclaimed monies - section 77 of the PGPA ACT	125,509	31,813
Ordinary annual services (<i>Appropriation Act No. 1</i>)	288	624
Other services (<i>Appropriation Act No. 2 and Bill No. 4</i>)		
Special appropriations		
Banking Act 1959 - Banking Unclaimed Moneys	109,205	70,061
Life Insurance Act 1995 - Life Unclaimed Moneys	7,846	6,091
Total for Programme 1.2	242,848	108,589
Outcome 1 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (<i>Appropriation Act No. 1</i>)	4,420	6,452
Expenses not requiring appropriation in the budget year	44,588	45,091
Special appropriations	117,051	76,152
Departmental expenses		
Departmental appropriation	349,464	321,255
Companies unclaimed monies - section 77 of the PGPA ACT	125,509	31,813
Expenses not requiring appropriation in the Budget year	55,990	44,596
Total expenses for Outcome 1	697,022	525,359
	2013-14	2014-15
Average Staffing Level (number)	1,756	1,573

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 2014-15*.

Programme Expenses 1.1

Table 2.2: Programme 1.1 expenses

	2013-14 Actual	2014-15 Revised budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
('000)	\$'000	\$'000	\$'000	\$'000	\$'000
Annual administered expenses:					
Administered items	4,132	5,828	6,101	4,189	4,274
Expenses not requiring appropriation	44,588	45,091	45,599	46,114	46,635
Annual departmental expenses:					
Departmental item	349,464	321,255	305,414	302,650	305,223
Expenses not requiring appropriation	55,990	44,596	39,071	32,107	26,176
Total programme expenses	454,174	416,770	396,185	385,060	382,308

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 2014-15*.

Programme Expenses 1.2

Table 2.3: Programme 1.2 expenses

	2013-14 Actual	2014-15 Revised budget	2015-16 Forward year 1	2016-17 Forward year 2	2017-18 Forward year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Annual administered expenses:					
Special appropriations	117,051	76,152	88,295	90,154	92,183
<i>Ordinary annual services</i>	288	624	727	805	871
Section 77 of the PGPA Act	125,509	31,813	32,118	35,354	35,863
Total program expenses	242,848	108,589	121,140	126,313	128,917

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 *Portfolio Budget Statements 2014-15* is Table 3.1.2.

Table 3.1.1: Estimates of Special Account Flows and Balances

		Opening balance 2014-15 2013-14	Receipts 2014-15 2013-14	Payments 2014-15 2013-14	Adjustments 2014-15 2013-14	Closing balance 2014-15 2013-14
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
ASIC Deregistered Companies						
Trust Moneys Special Account (D)	1	1,546 1,436	1,000 144	- -	1,000 34	1,546 1,546
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account (D)	1	11 11	- 809	- -	- 809	11 11
ASIC Security Deposits Special Account (D)	1	445 456	- 9	- -	- 20	445 445
Enforcement Special Account (D)	1	51,900 33,794	- 1,123	27,000 30,000	27,000 13,017	51,900 51,900
Total Special Accounts 2013-14 Budget estimate		53,902	1,000	27,000	28,000	53,902
<i>Total Special Accounts 2012-13 actual</i>		<i>35,697</i>	<i>2,085</i>	<i>30,000</i>	<i>13,880</i>	<i>53,902</i>

(A) = Administered
(D) = Departmental

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of Budgeted Financial Statements

ASIC is currently budgeting for a break-even operating result for 2014-15 and for the remainder of the forward estimates.

Total revenue and expenses (excluding depreciation) are estimated to be \$324.5 million for 2014-15. 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 2014-15 is \$100.4 million.

The 2014-15 equity position reflects the cumulative effect of capital injections of \$12.0 million received during 2014-15.

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 monies

under the *Banking Act 1959*, the *Life Insurance Act 1995* and section 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 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 2014-15 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 2014-15 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 section 77 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.

3.2.2 Budgeted Financial Statements

Departmental Financial Statements

Table 3.2.1: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services)

	Actual 2013-14 \$'000	Revised budget 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSES					
Employee benefits	237,052	213,390	208,728	210,581	211,078
Suppliers	108,319	107,365	96,186	91,569	93,645
Depreciation and amortisation	55,990	44,596	39,071	32,107	26,176
Finance costs	896	500	500	500	500
Write-down and impairment of assets	31	-	-	-	-
Losses from asset sales	3,166	-	-	-	-
Total expenses	405,454	365,851	344,485	334,757	331,399
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,547	1,204	1,282	3,487	3,487
Other revenue	3,050	840	865	865	865
Total own-source revenue	4,597	2,044	2,147	4,352	4,352
Gains					
Other gains	434	172	172	172	180
Total gains	434	172	172	172	180
Total own-source income	5,031	2,216	2,319	4,524	4,532
Net cost of (contribution by) services	400,423	363,635	342,166	330,233	326,867
Revenue from Government	346,802	322,465	306,521	301,552	304,117
Surplus (Deficit) before income tax	(53,621)	(41,170)	(35,645)	(28,681)	(22,750)
Income tax expense					
Surplus (Deficit) after income tax	(53,621)	(41,170)	(35,645)	(28,681)	(22,750)
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to profit or loss					
Changes in asset revaluation surplus	(2,847)	-	-	-	-
Total other comprehensive income after income tax	(2,847)	-	-	-	-
Total comprehensive income (loss)	(56,468)	(41,170)	(35,645)	(28,681)	(22,750)

Table 3.2.1: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (continued)

Note: Impact of Net Cash Appropriation Arrangements					
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations	(478)	3,426	3,426	3,426	3,426
less depreciation/amortisation expenses previously funded through revenue appropriations(1)	55,990	44,596	39,071	32,107	26,176
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(56,468)	(41,170)	(35,645)	(28,681)	(22,750)

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Actual	Revised	Forward	Forward	Forward
	2013-14	budget	estimate	estimate	estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	15,129	15,129	15,129	15,129	15,129
Trade and other receivables	102,442	102,655	102,753	101,588	98,846
Total financial assets	117,571	117,784	117,882	116,717	113,975
Non-financial assets					
Land and buildings	41,422	36,290	27,920	24,923	31,898
Property, plant and equipment	23,269	24,912	24,734	25,893	28,192
Intangibles	98,171	84,995	76,269	69,860	57,020
Other non-financial assets	17,550	17,649	17,750	17,750	17,750
Total non-financial assets	180,412	163,846	146,673	138,426	134,860
Assets held for sale					
Total assets	297,983	281,630	264,555	255,143	248,835
LIABILITIES					
Payables					
Suppliers	39,025	39,538	40,062	40,062	40,062
Other payables	46,270	42,889	38,835	33,744	27,576
Total payables	85,295	82,427	78,897	73,806	67,638
Provisions					
Employee provisions	80,017	80,259	82,938	82,938	82,938
Other provisions	18,262	18,512	18,342	18,489	16,600
Total provisions	98,279	98,771	101,280	101,427	99,538
Total liabilities	183,574	181,198	180,177	175,233	167,176
Net assets	114,409	100,432	84,378	79,910	81,659
EQUITY					
Parent entity interest					
Contributed equity	164,511	191,704	211,295	235,508	260,007
Reserves	6,366	6,366	6,366	6,366	6,366
Retained surplus					
(accumulated deficit)	(56,468)	(97,638)	(133,283)	(161,964)	(184,714)
Total parent entity interest	114,409	100,432	84,378	79,910	81,659
Total Equity	114,409	100,432	84,378	79,910	81,659

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2014					
Balance carried forward from previous period	(56,468)	6,366	-	164,511	114,409
Adjusted opening balance	(56,468)	6,366	-	164,511	114,409
Comprehensive income					
Surplus (deficit) for the period	(41,170)	-	-	-	(41,170)
Total comprehensive income	(41,170)	-	-	-	(41,170)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	11,978	11,978
Departmental Capital Budget (DCBs)	-	-	-	15,215	15,215
Sub-total transactions with owners	-	-	-	27,193	27,193
Estimated closing balance as at 30 June 2015	(97,638)	6,366	-	191,704	100,432

Prepared on Australian Accounting Standards basis

Table 3.2.4: Budgeted Departmental Statement of Cash Flows (as at 30 June)

	Actual 2013-14 \$'000	Revised budget 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	355,989	322,252	306,423	302,717	306,859
Sale of goods and rendering of services	1,560	1,204	1,282	3,487	3,487
Net GST received	13,488	13,941	12,501	12,188	13,972
Other	15,892	840	865	865	865
Total cash received	386,929	338,237	321,071	319,257	325,183
Cash used					
Employees	238,503	213,148	206,049	210,581	211,078
Suppliers	123,265	110,160	99,646	96,488	99,633
Borrowing costs	-	13,941	12,500	12,188	13,972
Other	8,739	250	670	353	2,389
Total cash used	370,507	337,499	318,865	319,610	327,072
Net cash from (used by) operating activities	16,422	738	2,206	(353)	(1,889)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	32,887	27,931	21,797	23,860	22,610
Total cash used	32,887	27,931	21,797	23,860	22,610
Net cash from (used by) investing activities	32,887	27,931	21,797	23,860	22,610
FINANCING ACTIVITIES					
Cash received					
Contributed equity	30,532	27,193	19,591	24,213	24,499
Total cash received	30,532	27,193	19,591	24,213	24,499
Net cash used by financing activities	30,532	27,193	19,591	24,213	24,499
Net increase (decrease) in cash held	14,067	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,062	15,129	15,129	15,129	15,129
Cash and cash equivalents at the end of the reporting period	15,129	15,129	15,129	15,129	15,129

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Capital Budget Statement — Departmental

	Actual	Revised	Forward	Forward	Forward
	2013-14	budget	estimate	estimate	estimate
	\$'000	2014-15	2015-16	2016-17	2017-18
		\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 (DCB)	22,991	15,215	19,150	24,213	24,499
Equity injections - Act No. 2	9,896	11,978	441	-	-
Total new capital appropriations	32,887	27,193	19,591	24,213	24,499
Provided for:					
<i>Purchase of non-financial assets</i>	32,887	26,943	18,921	23,860	22,610
<i>Other Items</i>	-	250	670	353	1,889
Total Items	32,887	27,193	19,591	24,213	24,499
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations(1)	9,896	12,966	3,317	-	-
Funded by capital appropriation - DCB(2)	22,991	14,965	18,480	23,860	22,610
TOTAL AMOUNT SPENT	32,887	27,931	21,797	23,860	22,610
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	32,887	27,931	21,797	23,860	22,610
Total cash used to acquire assets	32,887	27,931	21,797	23,860	22,610

- (1) Includes current and prior Appropriation Act 2, Appropriation Bills 4 and 6 and special capital appropriations.
- (2) Does not include annual finance lease costs. Includes purchase from current and previous years' Departmental Capital Budgets (DCBs).

Consistent with information contained in the Statement of asset movements and the Budgeted statement of cash flows.

Table 3.2.6: Statement of Asset Movements (2014-15)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014				
Gross book value	80,384	58,793	247,548	386,725
Accumulated depreciation/amortisation and impairment	(38,962)	(35,524)	(149,377)	(223,863)
Opening net book balance	41,422	23,269	98,171	162,862
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	4,138	6,573	17,220	27,931
Total additions	4,138	6,573	17,220	27,931
Other movements				
Depreciation/amortisation expense	(9,270)	(4,930)	(30,396)	(44,596)
Total other movements	(9,270)	(4,930)	(30,396)	(44,596)
As at 30 June 2015				
Gross book value	84,522	65,366	264,768	414,656
Accumulated depreciation/amortisation and impairment	(48,232)	(40,454)	(179,773)	(268,459)
Closing net book balance	36,290	24,912	84,995	146,197

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 2013-14 \$'000	Revised budget 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	-	2,257	2,517	580	590
Grants	2,132	3,571	3,584	3,609	3,678
Interest expense	-	4,086	4,103	4,752	5,043
Write-down and impairment of assets	44,588	45,091	45,599	46,114	46,635
Other expenses	244,848	104,503	117,037	121,561	123,874
Total expenses administered on behalf of Government	291,568	159,508	172,840	176,616	179,820
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Sale of goods and rendering of services	994,041	983,864	997,779	1,014,956	1,038,363
Total non-taxation revenue	994,041	983,864	997,779	1,014,956	1,038,363
Total own-source revenues administered on behalf of Government	994,041	983,864	997,779	1,014,956	1,038,363
Total own-sourced income administered on behalf of Government	994,041	983,864	997,779	1,014,956	1,038,363
Net Cost of (contribution by) services	(702,473)	(824,356)	(824,939)	(838,340)	(858,543)
Surplus (deficit)	(702,473)	(824,356)	(824,939)	(838,340)	(858,543)

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 2013-14 \$'000	Revised budget 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	3,876	3,876	3,876	3,876	3,876
Taxation receivables	281	281	281	281	281
Trade and other receivables	112,588	119,631	121,081	122,655	124,696
Total financial assets	116,745	123,788	125,238	126,812	128,853
Total assets administered on behalf of Government	116,745	123,788	125,238	126,812	128,853
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	20,837	20,837	20,837	20,837	20,837
Other payables	435,848	401,373	402,943	407,759	415,872
Total payables	456,685	422,210	423,780	428,596	436,709
Total liabilities administered on behalf of Government	456,685	422,210	423,780	428,596	436,709
Net assets/(liabilities)	(339,940)	(298,422)	(298,542)	(301,784)	(307,856)

Prepared on Australian Accounting Standards basis.

Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	Actual 2013-14 \$'000	Revised budget 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	945,294	925,295	950,728	967,268	989,686
Net GST received	256	325	328	331	331
Total cash received	945,550	925,620	951,056	967,599	990,017
Cash used					
Grants	2,289	3,571	3,584	3,609	3,678
Suppliers	-	2,257	2,517	580	590
Net GST paid	-	325	328	331	331
Other	310,393	136,629	119,567	121,497	120,803
Total cash used	312,682	142,782	125,996	126,017	125,402
Net cash used by operating activities	312,682	142,782	125,996	126,017	125,402
Net increase (decrease) in cash held	632,868	782,838	825,060	841,582	864,615
Cash and cash equivalents at beginning of reporting period	3,560	3,876	3,876	3,876	3,876
Cash from Official Public Account for: - Appropriations	324,672	152,457	135,668	135,686	135,071
	324,672	152,457	135,668	135,686	135,071
Cash to Official Public Account for: - Appropriations	(957,224)	(935,295)	(960,728)	(977,268)	(999,686)
	(957,224)	(935,295)	(960,728)	(977,268)	(999,686)
Cash and cash equivalents at end of reporting period	3,876	3,876	3,876	3,876	3,876

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of administered capital budget

ASIC does not have any administered capital.

Table 3.2.11: Statement of administered asset movements (2014-15)

ASIC does not have any administered non-financial assets.

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 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 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 2001* fees and charges, and collections of unclaimed monies under the *Banking Act 1959*, the *Life Insurance Act 1995* and the *Corporations Act 2001*.

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 2001* 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 monies, *Life Insurance Act 1995* unclaimed monies and *Corporations Act 2001* unclaimed monies is transferred to the OPA when received.

