

# 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 Treasury *Portfolio Budget Statements 2012-13* (pages 153-154).

ASIC is seeking \$9.0 million in departmental funding through Appropriation Bill (No. 3) 2012-13. This comprises an additional \$12.6 million which is offset by a reduction of \$3.6 million.

The additional \$12.6 million relates to \$0.7 million for the reallocation of funding from the Department of the Treasury for Helping Our Kids Understand Finances, and the following measures outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*:

- Australian Securities and Investments Commission – additional operational funding (\$10.0 million);
- Bank accounts and life insurance policies – reform of arrangements relating to transfer of unclaimed monies to ASIC (\$1.0 million); and
- Company monies – reform of arrangements relating to transfer of unclaimed monies (\$0.9 million).

This funding is offset by a reduction of \$3.6 million that relates to:

- \$0.04 million for the Fire Service Levy – reduction measure outlined in Budget Paper No. 2, *Budget Measures 2012-13*; and
- \$2.0 million for the Future of Financial Advice Reform – accountant’s exemption – transitional relief and \$1.6 million for the Targeted savings – public service efficiencies measures outlined in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

## 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 2012-13 as at Additional Estimates February 2013**

	Estimate as at Budget 2012-13 \$'000	+	Proposed additional estimates 2012-13 \$'000	=	Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Ordinary annual services</b>						
<b>Departmental appropriation</b>						
Prior year departmental appropriation	80,999		-		80,999	-
Departmental appropriation	363,674	<sup>1</sup>	9,003	<sup>2</sup>	372,677	386,911
Receipts from other sources (s31)	3,536		246		3,782	39,927
<b>Total</b>	<b>448,209</b>		<b>9,249</b>		<b>457,458</b>	<b>426,838</b>
<b>Administered expenses</b>						
Assetless Administration fund	3,566		-		3,566	3,471
Section 28 of the FMA Act	-		7,188		7,188	-
Ordinary annual services	-		4,619		4,619	-
<b>Total</b>	<b>3,566</b>		<b>11,807</b>		<b>15,373</b>	<b>3,471</b>
<b>Total ordinary annual services</b>	<b>A</b> 451,775		<b>21,056</b>		<b>472,831</b>	<b>430,309</b>
<b>Other services</b>						
<b>Departmental non-operating</b>						
Equity injections	13,934		-		13,934	2,212
<b>Total other services</b>	<b>B</b> 13,934		<b>-</b>		<b>13,934</b>	<b>2,212</b>
<b>Total available annual appropriations (A+B)</b>	<b>465,709</b>		<b>21,056</b>		<b>486,765</b>	<b>432,521</b>
<b>Special appropriations</b>						
Banking Act 1959	39,693		13,684		53,377	32,769
Life Insurance Act 1995	4,115		1,307		5,422	4,602
<b>Total special appropriations</b>	<b>C</b> 43,808		<b>14,991</b>		<b>58,799</b>	<b>37,371</b>
<b>Total appropriations excluding special accounts (A+B+C)</b>	<b>509,517</b>		<b>36,047</b>		<b>545,564</b>	<b>469,892</b>

**Table 1.1: Australian Securities and Investments Commission resource statement — additional estimates for 2012-13 as at Additional Estimates February 2013 (continued)**

	Estimate as at Budget 2012-13 \$'000	Proposed additional estimates 2012-13 \$'000	= Total estimate at Additional Estimates 2012-13 \$'000	Total available appropriation 2011-12 \$'000
<b>Special accounts</b>				
Opening balance	39,596	-	39,596	99,794
Appropriation receipts	30,000	-	30,000	30,000
Non-appropriation receipts to special accounts	109,000	163,560	272,560	305,924
<b>Total special account</b>	<b>178,596</b>	<b>163,560</b>	<b>342,156</b>	<b>435,718</b>
<b>Total resourcing (A+B+C+D)</b>	<b>688,113</b>	<b>199,607</b>	<b>887,720</b>	<b>905,610</b>
Less receipts from other sources and credited to special accounts	30,000	-	30,000	30,000
<b>Total net resourcing for ASIC</b>	<b>658,113</b>	<b>199,607</b>	<b>857,720</b>	<b>875,610</b>

1. Includes \$15.8 million in 2012-13 for the Departmental Capital Budget (also refer to Table 3.2.5).

2. Appropriation Bill (No. 3) 2012-13.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2012-13 Budget.

**Table 1.2: Agency measures since Budget**

Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures</b>				
Australian Securities and Investments Commission - additional operational funding				
Departmental expenses	1.1	10,000	10,000	-
Bank accounts and life insurance policies - reform of arrangements relating to transfer of unclaimed monies to ASIC				
Departmental expenses	1.1	1,041	343	346
Administered expenses	1.2	14,965	-	-
		16,006	343	346
Company monies - reform of arrangements relating to transfer of unclaimed monies				
Departmental expenses	1.1	921	1,856	1,872
Departmental revenue	1.1	(750)	(1,500)	(1,500)
Administered expenses	1.2	4,086	-	-
		4,257	356	372
Fire Service Levy — reduction(a) Departmental expenses	1.1	(39)	(41)	(43)

**Table 1.2: Agency measures since Budget (continued)**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Expense measures (continued)</b>					
Future of Financial Advice Reform - accountant's exemption - transitional relief					
Departmental expenses	1.1	(1,993)	(5,885)	(1,430)	2,808
Targeted savings — public service efficiencies					
Departmental expenses	1.1	(1,598)	(1,559)	(1,581)	(1,570)
<b>Total expense measures</b>		26,633	3,214	(2,336)	1,935
<b>Related capital measures</b>					
Future of Financial Advice Reform - accountant's exemption - transitional relief	1.1	(988)	-	988	-
<b>Total related capital measures</b>		(988)	-	988	-
<b>Revenue measures</b>					
Australian Charities and Not-for-profits Commission - removal of Australian Securities and Investments Commission fee					
Departmental revenue	1.1	-	(160)	(164)	(168)
<b>Total revenue measures</b>		-	(160)	(164)	(168)
<b>Related revenue measures</b>					
Bank accounts and life insurance policies - reform of arrangements relating to transfer of unclaimed monies to ASIC					
Administered revenue	1.2	109,411	-	-	-
Company monies - reform of arrangements relating to transfer of unclaimed monies					
Departmental revenue	1.1	750	1,500	1,500	1,500
Administered revenue	1.2	97,509	11,395	6,695	3,034
		98,259	12,895	8,195	4,534
Future of Financial Advice Reform - accountant's exemption - transitional relief					
Administered revenue	1.1	(2,817)	(8,422)	54	6,713
<b>Total related revenue measures</b>		204,853	4,473	8,249	11,247

Note: Details of these measures, except those denoted (a), are in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

(a) This measure was included in Budget Paper No. 2, *Budget Measures 2012-13*.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

Table 1.3 details the additional estimates resulting from new measures since the 2012-13 Budget. Table 1.4 details the additional estimates resulting from other variations since the 2012-13 Budget.

**Table 1.3: Additional estimates and variations to outcomes from measures since the 2012-13 Budget**

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Australian Securities and Investments Commission - additional operational funding					
	1.1	10,000	10,000	-	-
Bank accounts and life insurance policies - reform of arrangements relating to transfer of unclaimed monies to ASIC					
	1.1	1,041	343	346	350
Company monies - reform of arrangements relating to transfer of unclaimed monies					
	1.1	921	1,856	1,872	1,890
Fire Service Levy — reduction					
	1.1	(39)	(41)	(43)	(43)
Future of Financial Advice Reform - accountant's exemption - transitional relief					
	1.1	(1,993)	(5,885)	(1,430)	2,808
Targeted savings — public service efficiencies					
	1.1	(1,598)	(1,559)	(1,581)	(1,570)
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>8,332</b>	<b>4,714</b>	<b>(836)</b>	<b>3,435</b>

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

	Program impacted	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Outcome 1</b>					
<b>Increase in estimates (departmental)</b>					
Reallocation of funding from the Department of the Treasury for Helping Our Kids Understand Finances					
	1.1	671	-	-	-
<b>Net impact on estimates for Outcome 1 (departmental)</b>		<b>671</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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) 2012-13**

	2011-12 available \$'000	2012-13 budget \$'000	2012-13 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
<b>DEPARTMENTAL PROGRAMS</b>					
<b>Outcome 1:</b> Improved confidence in Australia's financial markets through promoting informed investors and financial consumers, facilitating fair and efficient markets and delivering efficient registry systems	386,911	363,674	372,677	9,003	-
<b>Total</b>	<b>386,911</b>	<b>363,674</b>	<b>372,677</b>	<b>9,003</b>	<b>-</b>



## 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 strategy for ASIC from that included in the *Portfolio Budget Statements 2012-13* (page 158).

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

	2011-12	2012-13
<b>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</b>	Actual expenses	Revised estimated expenses
	\$'000	\$'000
<b>Program 1.1: Australian Securities and Investments Commission</b>		
Departmental expenses		
Departmental appropriation	338,823	363,595
Expenses not requiring appropriation in the budget year	45,665	45,484
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,823	3,566
Expenses not requiring appropriation in the budget year	43,040	34,090
<b>Total for Program 1.1</b>	<b>429,351</b>	<b>446,735</b>
<b>Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts</b>		
Administered expenses		
Companies unclaimed monies - section 28 of the FMA Act	-	7,188
Ordinary annual services (Appropriation Bill No. 1)	-	4,619
Special appropriations		
<i>Banking Act 1959</i> - Banking unclaimed monies	32,769	53,377
<i>Life Insurance Act 1995</i> - Life unclaimed monies	4,602	5,422
<b>Total for Program 1.2</b>	<b>37,371</b>	<b>70,606</b>
<b>Outcome 1 totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation	338,823	363,595
Expenses not requiring appropriation in the budget year	45,665	45,484
Administered expenses		
Companies unclaimed monies - section 28 of the FMA Act	-	7,188
Ordinary annual services (Appropriation Bill No. 1)	-	4,619
Special appropriations	37,371	58,799
Ordinary annual services (Appropriation Bill No. 1)	1,823	3,566
Expenses not requiring appropriation in Budget year	43,040	34,090
<b>Total expenses for Outcome 1</b>	<b>466,722</b>	<b>517,341</b>
	2011-12	2012-13
<b>Average staffing level (number)</b>	<b>1,814</b>	<b>1,831</b>

**Program 1.1: Australian Securities and Investments Commission**

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2012-13*.

**Table 2.2: Program 1.1 expenses**

	2011-12 Actual \$'000	2012-13 Revised budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	338,823	363,595	354,005	346,306	346,743
Expenses not requiring appropriation	45,665	45,484	40,726	33,256	28,769
Annual administered expenses:					
Ordinary annual services	1,823	3,566	3,551	3,573	3,605
Expenses not requiring appropriation	43,040	34,090	34,499	34,913	35,332
<b>Total program expenses</b>	<b>429,351</b>	<b>446,735</b>	<b>432,781</b>	<b>418,048</b>	<b>414,449</b>

**Program 1.2: Banking Act 1959, Life Insurance Act 1995, unclaimed monies and special accounts**

There has been no change to the program objective, deliverables or key performance indicators from that included in the *Portfolio Budget Statements 2012-13*.

**Table 2.3: Program 1.2 expenses**

	2011-12 Actual \$'000	2012-13 Revised budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses:					
Special appropriations	37,371	58,799	47,750	52,047	56,731
Ordinary annual services	-	4,619	-	-	-
Section 28 of the FMA Act	-	7,188	7,683	8,571	5,386
<b>Total program expenses</b>	<b>37,371</b>	<b>70,606</b>	<b>55,433</b>	<b>60,618</b>	<b>62,117</b>

## 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**

	Outcome	Opening balance	Receipts non-appropriated	Receipts appropriated	Payments	Closing balance
		2012-13 2011-12 \$'000	2012-13 2011-12 \$'000	2012-13 2011-12 \$'000	2012-13 2011-12 \$'000	2012-13 2011-12 \$'000
ASIC Deregistered Companies						
Trust Monies Special Account (D)	1	1,011 774	1,000 941	- -	2,011 704	- 1,011
ASIC Investigations, Legal Proceedings, Settlements and Court Orders Special Account (D)	1	11,019 68,700	- 1,581	- -	11,019 59,262	- 11,019
ASIC Security Deposits Special Account (D)	1	384 368	- 16	- -	384 -	- 384
Companies and Unclaimed Monies Special Account (A)	1	7,096 25,458	271,560 303,386	- -	278,656 321,748	- 7,096
Enforcement Special Account (D)	1	20,086 4,494	- -	30,000 30,000	30,000 14,408	20,086 20,086
<b>Total special accounts</b>						
<b>2012-13 Budget estimate</b>		<b>39,596</b>	<b>272,560</b>	<b>30,000</b>	<b>322,070</b>	<b>20,086</b>
Total special accounts 2011-12 actual		99,794	305,924	30,000	396,122	39,596

(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 2012-13 and for the remainder of the forward estimates.

Total revenue and expenses (excluding depreciation) are estimated to be \$365.8 million for 2012-13. 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 2012-13 is \$141.4 million.

The 2012-13 equity position reflects the cumulative effect of capital injections of \$29.7 million received during 2012-13.

#### **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 28 of the *Financial Management and Accountability Act 1997* (FMA Act).

Prior to 5 December 2012, unclaimed company monies were held in ASIC's Companies and Unclaimed Monies Special Account (CUMSA) for six years before being transferred to the Consolidated Revenue Fund (CRF). From 5 December 2012, the Government closed the CUMSA and unclaimed company monies are transferred to the CRF on a daily basis. In addition to the above reform, the Government will pay interest from 1 July 2013 on all reclaimed monies. ASIC will receive \$6.5 million over the forward estimates to continue to administer unclaimed monies and associated interest payments.

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 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 2012-13 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 2012-13 and the forward estimates represent the estimated amount of refunds relating to the over payments of annual review fees, other fees under the *Corporations Act 2001*, claims payable under the *Banking Act 1959*, the *Life Insurance Act 1995* and companies unclaimed monies under section 28 of the FMA 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  
(for the period ended 30 June)**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES</b>					
Employee benefits	217,848	229,432	219,411	216,755	223,828
Supplier	120,078	133,663	134,094	129,051	122,415
Finance costs	897	500	500	500	500
Depreciation and amortisation	45,665	45,484	40,726	33,256	28,769
<b>Total expenses</b>	<b>384,488</b>	<b>409,079</b>	<b>394,731</b>	<b>379,562</b>	<b>375,512</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	3,559	2,015	1,188	1,204	1,282
Other revenue	31,031	5,768	835	840	865
<b>Total revenue</b>	<b>34,590</b>	<b>7,783</b>	<b>2,023</b>	<b>2,044</b>	<b>2,147</b>
<b>Gains</b>					
Other	181	172	172	172	172
<b>Total gains</b>	<b>181</b>	<b>172</b>	<b>172</b>	<b>172</b>	<b>172</b>
<b>Total own-source income</b>	<b>34,771</b>	<b>7,955</b>	<b>2,195</b>	<b>2,216</b>	<b>2,319</b>
<b>Net cost of (contribution by) services</b>	<b>349,717</b>	<b>401,124</b>	<b>392,536</b>	<b>377,346</b>	<b>373,193</b>
Appropriation revenue	304,259	358,023	354,100	346,380	346,714
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(45,458)</b>	<b>(43,101)</b>	<b>(38,436)</b>	<b>(30,966)</b>	<b>(26,479)</b>
<b>Note: Impact of net cash appropriation arrangements</b>					
	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
<b>Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>207</b>	<b>93</b>	<b>-</b>	<b>-</b>	<b>-</b>
plus depreciation/amortisation expenses previously funded through revenue appropriations	(45,665)	(43,194)	(38,436)	(30,966)	(26,479)
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(45,458)</b>	<b>(43,101)</b>	<b>(38,436)</b>	<b>(30,966)</b>	<b>(26,479)</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	8,777	5,016	6,170	6,170	6,170
Trade and other receivables	89,481	87,165	81,299	78,838	80,200
<b>Total financial assets</b>	<b>98,258</b>	<b>92,181</b>	<b>87,469</b>	<b>85,008</b>	<b>86,370</b>
<b>Non-financial assets</b>					
Land and buildings	55,612	49,485	45,042	40,251	42,503
Infrastructure, plant and equipment	26,428	30,477	27,770	25,593	30,949
Intangibles	130,977	117,450	111,795	102,500	91,359
Other	8,799	8,894	8,991	9,090	9,191
<b>Total non-financial assets</b>	<b>221,816</b>	<b>206,306</b>	<b>193,598</b>	<b>177,434</b>	<b>174,002</b>
<b>Total assets</b>	<b>320,074</b>	<b>298,487</b>	<b>281,067</b>	<b>262,442</b>	<b>260,372</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	51,684	49,189	49,079	49,658	52,027
Other	19,242	18,526	18,818	18,481	18,791
<b>Total provisions</b>	<b>70,926</b>	<b>67,715</b>	<b>67,897</b>	<b>68,139</b>	<b>70,818</b>
<b>Payables</b>					
Suppliers	48,324	51,988	49,208	49,206	48,823
Other	46,043	37,380	33,073	28,919	25,796
<b>Total payables</b>	<b>94,367</b>	<b>89,368</b>	<b>82,281</b>	<b>78,125</b>	<b>74,619</b>
<b>Total liabilities</b>	<b>165,293</b>	<b>157,083</b>	<b>150,178</b>	<b>146,264</b>	<b>145,437</b>
<b>Net assets</b>	<b>154,781</b>	<b>141,404</b>	<b>130,889</b>	<b>116,178</b>	<b>114,935</b>
<b>EQUITY</b>					
Contributed equity	202,425	232,149	260,070	276,325	301,561
Reserves	9,213	9,213	9,213	9,213	9,213
Retained surpluses or accumulated deficits	(56,857)	(99,958)	(138,394)	(169,360)	(195,839)
<b>Total equity</b>	<b>154,781</b>	<b>141,404</b>	<b>130,889</b>	<b>116,178</b>	<b>114,935</b>
<b>Current assets</b>	<b>107,057</b>	<b>101,075</b>	<b>96,460</b>	<b>94,098</b>	<b>95,561</b>
<b>Non-current assets</b>	<b>213,017</b>	<b>197,412</b>	<b>184,607</b>	<b>168,344</b>	<b>164,811</b>
<b>Current liabilities</b>	<b>80,798</b>	<b>76,971</b>	<b>73,587</b>	<b>71,669</b>	<b>71,264</b>
<b>Non-current liabilities</b>	<b>84,495</b>	<b>80,112</b>	<b>76,591</b>	<b>74,595</b>	<b>74,173</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	8,895	2,015	1,188	1,204	1,282
Appropriations	319,312	359,903	358,830	348,066	345,352
GST received	19,221	12,555	15,986	15,309	15,608
Other	31,032	1,767	835	840	865
<b>Total cash received</b>	<b>378,460</b>	<b>376,240</b>	<b>376,839</b>	<b>365,419</b>	<b>363,107</b>
<b>Cash used</b>					
Employees	211,883	232,643	219,229	216,513	221,149
Suppliers	109,118	134,608	140,470	132,609	126,350
GST paid	19,889	12,555	15,986	15,309	15,608
Other	36,042	40	-	250	-
<b>Total cash used</b>	<b>376,932</b>	<b>379,846</b>	<b>375,685</b>	<b>364,681</b>	<b>363,107</b>
<b>Net cash from or (used by) operating activities</b>	<b>1,528</b>	<b>(3,606)</b>	<b>1,154</b>	<b>738</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	56,346	29,879	27,921	16,993	25,236
<b>Total cash used</b>	<b>56,346</b>	<b>29,879</b>	<b>27,921</b>	<b>16,993</b>	<b>25,236</b>
<b>Net cash from or (used by) investing activities</b>	<b>(56,346)</b>	<b>(29,879)</b>	<b>(27,921)</b>	<b>(16,993)</b>	<b>(25,236)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	58,861	29,724	27,921	16,255	25,236
<b>Total cash received</b>	<b>58,861</b>	<b>29,724</b>	<b>27,921</b>	<b>16,255</b>	<b>25,236</b>
<b>Net cash from or (used by) financing activities</b>	<b>58,861</b>	<b>29,724</b>	<b>27,921</b>	<b>16,255</b>	<b>25,236</b>
<b>Net increase or (decrease) in cash held</b>	<b>4,043</b>	<b>(3,761)</b>	<b>1,154</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	4,734	8,777	5,016	6,170	6,170
<b>Cash at the end of the reporting period</b>	<b>8,777</b>	<b>5,016</b>	<b>6,170</b>	<b>6,170</b>	<b>6,170</b>

Prepared on Australian Accounting Standards basis.



**Table 3.2.4: Departmental statement of changes in equity — summary of movement (budget year 2012-13)**

	Retained earnings \$'000	revaluation reserve \$'000	Other reserves \$'000	equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	(56,857)	9,213	-	202,425	154,781
<b>Adjusted opening balance</b>	(56,857)	9,213	-	202,425	154,781
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(43,101)	-	-	-	(43,101)
<b>Transactions with owners</b>					
Appropriation (equity injection)	-	-	-	13,934	13,934
Appropriation (departmental capital budget)	-	-	-	15,790	15,790
<b>Subtotal transactions</b>	-	-	-	29,724	29,724
<b>Estimated closing balance as at 30 June 2013</b>	(99,958)	9,213	-	232,149	141,404

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 - DCB	39,065	15,790	18,741	10,305	24,795
Equity injections - Bill 2	17,281	13,934	9,180	5,950	441
<b>Total new capital appropriations</b>	56,346	29,724	27,921	16,255	25,236
<b>Provided for:</b>					
Purchase of non-financial assets	56,346	29,724	27,921	16,255	25,236
Other items					
<b>Total Items</b>	56,346	29,724	27,921	16,255	25,236
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	17,281	12,946	9,180	5,950	441
Funded by capital appropriation - DCB	39,065	15,750	18,741	10,055	24,795
Funded internally from departmental resources	-	1,183	-	988	-
<b>TOTAL</b>	56,346	29,879	27,921	16,993	25,236
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	56,346	29,879	27,921	16,993	25,236
<b>Total cash used to acquire assets</b>	56,346	29,879	27,921	16,993	25,236

Prepared on Australian Accounting Standards basis.

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

	Buildings \$'000	Other infrastructure, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2012</b>				
Gross book value	90,707	54,895	210,118	355,720
/less Accumulated depreciation/amortisation	35,095	28,467	79,141	142,703
<b>Opening net book balance</b>	<b>55,612</b>	<b>26,428</b>	<b>130,977</b>	<b>213,017</b>
<b>Asset movements</b>				
Additions	1,000	9,551	19,328	29,879
/less Depreciation/amortisation expense	7,127	5,502	32,855	45,484
<b>Total asset movements</b>	<b>(6,127)</b>	<b>4,049</b>	<b>(13,527)</b>	<b>(15,605)</b>
<b>As at 30 June 2013</b>				
Gross book value	91,707	64,446	229,446	385,599
/less Accumulated depreciation/amortisation	42,222	33,969	111,996	188,187
<b>Closing net book balance</b>	<b>49,485</b>	<b>30,477</b>	<b>117,450</b>	<b>197,412</b>

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 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	733,606	1,076,512	833,315	852,292	872,215
<b>Total revenues administered on behalf of Government</b>	<b>733,606</b>	<b>1,076,512</b>	<b>833,315</b>	<b>852,292</b>	<b>872,215</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	1,823	3,566	3,551	3,573	3,605
Write down and impairment of assets	43,040	34,090	34,499	34,913	35,332
Interest expense	-	19,610	-	-	-
Other	37,371	50,996	55,433	60,618	62,117
<b>Total expenses administered on behalf of Government</b>	<b>82,234</b>	<b>108,262</b>	<b>93,483</b>	<b>99,104</b>	<b>101,054</b>

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 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,373	1,373	1,373	1,373	1,373
Receivables	104,716	104,345	103,705	102,919	102,045
<b>Total assets administered on behalf of Government</b>	<b>106,089</b>	<b>105,718</b>	<b>105,078</b>	<b>104,292</b>	<b>103,418</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants payable	761	761	761	761	761
Other payables	14,284	354,932	220,886	146,229	105,312
<b>Total liabilities administered on behalf of Government</b>	<b>15,045</b>	<b>355,693</b>	<b>221,647</b>	<b>146,990</b>	<b>106,073</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2011-12 \$'000	Revised budget 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	688,266	1,342,649	815,303	828,826	844,401
Net GST received	83	324	323	325	328
<b>Total cash received</b>	<b>688,349</b>	<b>1,342,973</b>	<b>815,626</b>	<b>829,151</b>	<b>844,729</b>
<b>Cash used</b>					
Grants	2,147	3,566	3,551	3,573	3,605
GST	-	324	323	325	328
Other	37,371	29,814	205,325	145,936	109,678
<b>Total cash used</b>	<b>39,518</b>	<b>33,704</b>	<b>209,199</b>	<b>149,834</b>	<b>113,611</b>
<b>Net cash from or (used by) operating activities</b>	<b>648,831</b>	<b>1,309,269</b>	<b>606,427</b>	<b>679,317</b>	<b>731,118</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from Official Public Account	41,146	69,380	215,552	156,974	121,228
<b>Total cash received</b>	<b>41,146</b>	<b>69,380</b>	<b>215,552</b>	<b>156,974</b>	<b>121,228</b>
<b>Cash used</b>					
Cash to Official Public Account	691,771	1,378,649	821,303	834,826	850,401
Cash to Agencies (Finance)	-	-	676	1,465	1,945
<b>Total cash used</b>	<b>691,771</b>	<b>1,378,649</b>	<b>821,979</b>	<b>836,291</b>	<b>852,346</b>
<b>Net cash from or (used by) financing activities</b>	<b>(650,625)</b>	<b>(1,309,269)</b>	<b>(606,427)</b>	<b>(679,317)</b>	<b>(731,118)</b>
<b>Net increase or (decrease) in cash held</b>	<b>(1,794)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	3,167	1,373	1,373	1,373	1,373
<b>Cash at end of reporting period</b>	<b>1,373</b>	<b>1,373</b>	<b>1,373</b>	<b>1,373</b>	<b>1,373</b>

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 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**

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 corporation's law fees.

#### **Schedule of budgeted assets and liabilities administered on behalf of government**

##### **Financial assets**

The financial assets include corporation's 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 monies and *Life Insurance Act 1995* unclaimed monies is transferred to the OPA when received.

From 5 December 2012, cash collected for unclaimed monies under the *Corporations Act 2001* is also transferred to the OPA when received.

