

## **CORPORATIONS AND MARKETS ADVISORY COMMITTEE**

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# CORPORATIONS AND MARKETS ADVISORY COMMITTEE

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Corporations and Markets Advisory Committee (CAMAC) is constituted under Part 9 of the *Australian Securities and Investments Commission Act 2001* (ASIC Act). Its functions, as reflected in paragraph 1(1)(c) and section 148 of the ASIC Act, are to provide informed and expert advice to the Government about corporate, financial product and financial market matters, on its own initiative or when requested by the Minister. CAMAC seeks to promote a sound and effective regulatory environment through the provision of timely advice to the Minister about relevant policy and law design issues.

CAMAC's members are appointed by the Minister following consultation with State and Territory Governments. CAMAC is supported by specialist legal advice from its Legal Committee and by a full-time executive located in Sydney.

In 2013-14, CAMAC will settle its report to the Government on the annual general meeting. CAMAC may also be in a position to settle its report on managed investment schemes.

CAMAC will also respond to other requests for advice from the Government and keep under consideration other areas that may be suitable for review.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources for CAMAC.

**Table 1.1: Corporations and Markets Advisory Committee resource statement — Budget estimates for 2013-14 as at Budget May 2013**

	Estimate of prior year amounts available in 2013-14 \$'000	+	Proposed at Budget 2013-14 \$'000	=	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
<b>Ordinary annual services</b>						
<b>Departmental</b>						
Prior year departmental appropriation	758 <sup>2</sup>		-		758	-
Departmental appropriation <sup>3</sup>	-		1,030 <sup>1</sup>		1,030	1,001
<b>Total net resourcing for CAMAC</b>	<b>758</b>		<b>1,030</b>		<b>1,788</b>	<b>1,001</b>

1. Appropriation Bill (No. 1) 2013-14.

2. Estimated adjusted balance carried from previous year for annual appropriations.

3. Includes \$0.04 million in 2013-14 for the departmental capital budget (also refer to Table 3.2.5).

## 1.3 Budget measures

Budget measures relating to CAMAC are summarised below.

**Table 1.2: Corporations and Markets Advisory Committee 2013-14 Budget measures**

	2012-13 Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Expense measures</b>					
Targeted savings – public service efficiencies <sup>1</sup>	1.1	(5)	(7)	(6)	(5)
<b>Total expense measures</b>		<b>(5)</b>	<b>(7)</b>	<b>(6)</b>	<b>(5)</b>

1. This measure was included as a cross portfolio measure in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

Prepared on a Government Finance Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

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 agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the budget and forward years.

CAMAC's outcome is described below, specifying the strategy, program objective, program deliverables and program key performance indicators used to assess and monitor the performance of CAMAC.

**Outcome 1: Informed decisions by Government on issues relating to corporations regulation and financial products, services and markets through independent and expert advice**

#### **Outcome 1 strategy**

To achieve its outcome, CAMAC will:

- conduct thorough research on matters under review, canvassing relevant law and policy considerations, with a view to preparing discussion papers where appropriate;
- conduct roundtable discussions with interested parties where appropriate;
- consider submissions on discussion papers; and
- develop recommendations for inclusion in reports to the Government.

## Outcome expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1.

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

Outcome 1: Informed decisions by Government on issues relating to corporations regulation and financial products, services and markets through independent and expert advice	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
<b>Program 1.1: Corporations and Markets Advisory Committee</b>		
Departmental expenses		
Departmental appropriation	985	986
Expenses not requiring appropriation in the budget year	31	31
<b>Total expenses for Outcome 1</b>	<b>1,016</b>	<b>1,017</b>
	2012-13	2013-14
<b>Average staffing level (number)</b>	<b>3</b>	<b>3</b>

## Contributions to Outcome 1

### Program 1.1: Corporations and Markets Advisory Committee

#### Program objective

CAMAC focuses on legislation related to corporations and financial markets. Its operations involve, either on its own initiative or at the request of the Government, the conducting of major policy reviews, which may include analysing procedural and other issues in current practice. CAMAC:

- seeks to stimulate and lead public debate on the enhancement of standards for corporations and participants in financial markets, and proposes regulatory reform where necessary; and
- builds on the public consultation process by thoroughly reviewing all submissions on discussion papers and providing timely advice to the Government in the form of CAMAC reports, containing detailed law reform recommendations, where appropriate.

**Program expenses**

There are no significant changes to estimates across the forward years.

**Table 2.2: Program expenses**

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental items	1,016	1,017	1,024	1,033	1,043
<b>Total departmental expenses</b>	<b>1,016</b>	<b>1,017</b>	<b>1,024</b>	<b>1,033</b>	<b>1,043</b>

**Program deliverables**

CAMAC's deliverables are the discussion papers and reports that it publishes on matters as they arise.

**Program key performance indicators**

CAMAC's key performance indicator is:

- timely advice to the Minister in the form of CAMAC reports and other papers.

## **Section 3: Explanatory tables and budgeted financial statements**

Section 3 presents explanatory tables and budgeted financial statements, which provide a comprehensive snapshot of agency finances for the budget year 2013-14. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations, program expenses and special accounts.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

CAMAC does not have any administered funds.

#### **3.1.2 Special accounts**

CAMAC does not have any special accounts.

#### **3.1.3 Australian Government Indigenous Expenditure**

CAMAC does not have any Australian Government Indigenous Expenditure.

### **3.2 BUDGETED FINANCIAL STATEMENTS**

#### **3.2.1 Differences in agency resourcing and financial statements**

There are no material differences between agency resourcing and financial statements.

#### **3.2.2 Analysis of budgeted financial statements**

The financial statements have been prepared on an Australian Accounting Standards basis.

CAMAC is budgeting for a break-even result for 2013-14 and the forward estimates. This break-even result will occur after adding back non-appropriated depreciation and amortisation expenses.



### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)  
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>EXPENSES</b>					
Employee benefits	650	650	650	652	673
Supplier	350	351	358	365	354
Depreciation and amortisation	15	15	15	15	15
Finance costs	1	1	1	1	1
<b>Total expenses</b>	<b>1,016</b>	<b>1,017</b>	<b>1,024</b>	<b>1,033</b>	<b>1,043</b>
<b>LESS:</b>					
<b>OWN SOURCE INCOME</b>					
<b>Gains</b>					
Other	16	16	16	16	16
<b>Total gains</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Total own-source income</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Net cost of (contribution by) services</b>	<b>1,000</b>	<b>1,001</b>	<b>1,008</b>	<b>1,017</b>	<b>1,027</b>
Appropriation revenue	985	986	993	1,002	1,012
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>
<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations</b>	-	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations	(15)	(15)	(15)	(15)	(15)
<b>Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	66	66	66	66	66
Trade and other receivables	765	723	732	732	732
Other	8	8	8	8	8
<b>Total financial assets</b>	<b>839</b>	<b>797</b>	<b>806</b>	<b>806</b>	<b>806</b>
<b>Non-financial assets</b>					
Land and buildings	24	50	32	21	20
Infrastructure, plant and equipment	19	22	25	28	31
<b>Total non-financial assets</b>	<b>43</b>	<b>72</b>	<b>57</b>	<b>49</b>	<b>51</b>
<b>Total assets</b>	<b>882</b>	<b>869</b>	<b>863</b>	<b>855</b>	<b>857</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	383	393	403	403	403
<b>Total provisions</b>	<b>383</b>	<b>393</b>	<b>403</b>	<b>403</b>	<b>403</b>
<b>Payables</b>					
Suppliers	28	21	19	19	19
Other	45	-	1	1	1
<b>Total payables</b>	<b>73</b>	<b>21</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Total liabilities</b>	<b>456</b>	<b>414</b>	<b>423</b>	<b>423</b>	<b>423</b>
<b>Net assets</b>	<b>426</b>	<b>455</b>	<b>440</b>	<b>432</b>	<b>434</b>
<b>EQUITY</b>					
Contributed equity	56	100	100	107	124
Reserves	23	23	23	23	23
Retained surpluses or accumulated deficits	347	332	317	302	287
<b>Total equity</b>	<b>426</b>	<b>455</b>	<b>440</b>	<b>432</b>	<b>434</b>
<b>Current assets</b>	<b>839</b>	<b>797</b>	<b>806</b>	<b>806</b>	<b>806</b>
<b>Non-current assets</b>	<b>43</b>	<b>72</b>	<b>57</b>	<b>49</b>	<b>51</b>
<b>Current liabilities</b>	<b>239</b>	<b>196</b>	<b>204</b>	<b>203</b>	<b>203</b>
<b>Non-current liabilities</b>	<b>217</b>	<b>218</b>	<b>219</b>	<b>220</b>	<b>220</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	39	39	41	39	39
Appropriations	985	1,028	1,001	1,010	1,012
<b>Total cash received</b>	<b>1,024</b>	<b>1,067</b>	<b>1,042</b>	<b>1,049</b>	<b>1,051</b>
<b>Cash used</b>					
Employees	650	650	650	652	673
Suppliers	334	378	353	358	339
Other	40	39	39	39	39
<b>Total cash used</b>	<b>1,024</b>	<b>1,067</b>	<b>1,042</b>	<b>1,049</b>	<b>1,051</b>
<b>Net cash from or (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	16	44	-	7	17
<b>Total cash used</b>	<b>16</b>	<b>44</b>	<b>-</b>	<b>7</b>	<b>17</b>
<b>Net cash from or (used by) investing activities</b>	<b>(16)</b>	<b>(44)</b>	<b>-</b>	<b>(7)</b>	<b>(17)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital Injections	16	44	-	7	17
<b>Total cash received</b>	<b>16</b>	<b>44</b>	<b>-</b>	<b>7</b>	<b>17</b>
<b>Net cash from or (used by) financing activities</b>	<b>16</b>	<b>44</b>	<b>-</b>	<b>7</b>	<b>17</b>
<b>Net increase or (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	66	66	66	66	66
<b>Cash at the end of the reporting period</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2013-14)**

	Asset		Contributed		Total equity \$'000
	Retained surpluses \$'000	revaluation reserve \$'000	Other reserves \$'000	equity/ capital \$'000	
<b>Opening balance as at 1 July 2013</b>					
Balance carried forward from previous period	347	23	-	56	426
<b>Adjusted opening balance</b>	347	23	-	56	426
<b>Comprehensive income</b>					
Surplus (deficit) for the period	(15)	-	-	-	(15)
<b>Total comprehensive income recognised directly in equity</b>	(15)	-	-	-	(15)
<b>Transactions with owners</b>					
Contributions by owners					
Appropriation (departmental capital budget)	-	-	-	44	44
<b>Total transaction with owners</b>	-	-	-	44	44
<b>Estimated closing balance as at 30 June 2014</b>	332	23	-	100	455

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget (DCB) statement**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 - DCB	16	44	-	7	17
<b>Total new capital appropriations</b>	16	44	-	7	17
<b>Provided for:</b>					
Purchase of non-financial assets	16	44	-	7	17
<b>Total Items</b>	16	44	-	7	17
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB	16	44	-	7	17
<b>TOTAL</b>	16	44	-	7	17
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	16	44	-	7	17
<b>Total cash used to acquire assets</b>	16	44	-	7	17

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	L&B, IP&E held for sale \$'000	Total \$'000
<b>As at 1 July 2013</b>					
Gross book value	19	46	-	-	65
Accumulated depreciation/amortisation and impairment	(5)	27			22
<b>Opening net book balance</b>	<b>24</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>43</b>
<b>Capital asset additions</b>					
By purchase - appropriation ordinary annual services	27	17			44
<b>Total asset additions</b>	<b>27</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>44</b>
<b>Other movements</b>					
Depreciation/amortisation expense	1	14			15
<b>Total other movements</b>	<b>1</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>15</b>
<b>As at 30 June 2014</b>					
Gross book value	46	63	-	-	109
Accumulated depreciation/amortisation and impairment	-	41	-	-	37
<b>Closing net book balance</b>	<b>46</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>72</b>

Prepared on Australian Accounting Standards basis.

