

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

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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; and
- 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.

As the financial services and consumer credit regulator, ASIC administers the Australian financial services 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

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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.

ASIC helps Australians to be in control of their financial lives. Our work aims to support people to make informed financial decisions, manage their money day-to-day, and plan for the future.

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 *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 2021-22 as at Budget May 2021

	2020-21 <i>Estimated actual</i> \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	126,031	126,031
Departmental appropriation (b)	441,235	423,034
s74 External Revenue (c)	55,883	16,552
Departmental capital budget (d)	20,856	20,875
Annual appropriations - other services - non-operating (e)		
Equity injection	6,904	1,752
Total departmental annual appropriations	<u>650,909</u>	<u>588,244</u>
Total departmental special appropriations (f)		
Special accounts (f)		
Appropriation receipts (g)	59,221	64,811
Non-appropriation receipts	-	-
<i>Total special accounts</i>	<u>59,221</u>	<u>64,811</u>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>59,221</u>	<u>64,811</u>
Total departmental resourcing	<u>650,909</u>	<u>588,244</u>

Table 1.1: Australian Securities and Investments Commission resource statement — Budget estimates for 2021-22 as at Budget May 2021 (continued)

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	9,708	9,952
Total administered annual appropriations	9,708	9,952
Total administered special appropriations	111,585	118,545
Total administered resourcing	121,293	128,497
Total resourcing for ASIC	772,202	716,741
<hr/>		
	2020-21	2021-22
Average staffing level (number)	2,096	1,878

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) 2021-22.
- (b) Excludes departmental capital budget (DCB).
- (c) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (d) 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'.
- (e) Appropriation Bill (No. 2) 2021-22.
- (f) 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 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.
- (g) Amounts credited to the special account(s) from ASIC's annual and special appropriations.

1.3 BUDGET MEASURES

ASIC has no new budget measures.

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 enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria 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 an entity's complete performance story.

The most recent corporate plan for ASIC can be found at: (<https://asic.gov.au/about-asic/what-we-do/our-role/asics-corporate-plan/>)

The most recent annual performance statement can be found in the Annual Reports at: (<http://asic.gov.au/about-asic/corporate-publications/asic-annual-reports/>)

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.

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Australian Securities and Investments Commission					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	7,692	7,691	5,226	5,247	5,267
Expenses not requiring appropriation in the Budget year (a)	76,049	80,007	81,217	81,488	82,663
Administered total	83,741	87,698	86,443	86,735	87,930
Departmental expenses					
Departmental appropriation	408,335	390,895	385,038	381,733	380,965
s74 Retained revenue receipts (b)	25,055	16,906	7,785	6,354	5,749
Expenses not requiring appropriation in the Budget year (c)	68,283	65,866	56,155	50,134	52,422
Departmental total	501,673	473,667	448,978	438,221	439,136
Total expenses for program 1.1	585,414	561,365	535,421	524,956	527,066
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	42,960	39,951	39,978	39,962	39,748
Ordinary annual services (Appropriation Bill No. 1)	2,027	2,261	2,472	2,718	2,935
Special appropriations					
<i>Banking Act 1959 - Banking Unclaimed Moneys</i>	115,368	53,092	54,154	56,398	56,545
<i>Life Insurance Act 1995 - Life Unclaimed Moneys</i>	25,162	4,418	3,540	5,492	5,866
Administered total	185,517	99,722	100,144	104,570	105,094
Total expenses for program 1.2	185,517	99,722	100,144	104,570	105,094

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Table 2.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	9,719	9,952	7,698	7,965	8,202
Special appropriations	140,530	57,510	57,694	61,890	62,411
Companies unclaimed monies - s77 of the PGPA ACT	42,960	39,951	39,978	39,962	39,748
Expenses not requiring appropriation in the Budget year (a)	76,049	80,007	81,217	81,488	82,663
Administered total	269,258	187,420	186,587	191,305	193,024
	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Departmental expenses					
Departmental appropriation	408,335	390,895	385,038	381,733	380,965
s74 Retained revenue receipts (b)	25,055	16,906	7,785	6,354	5,749
Expenses not requiring appropriation in the Budget year (c)	68,283	65,866	56,155	50,134	52,422
Departmental total	501,673	473,667	448,978	438,221	439,136
Total expenses for Outcome 1	770,931	661,087	635,565	629,526	632,160

	2020-21	2021-22
Average staffing level (number)	2,096	1,878

(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 expenses and amortisation expenses.

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 criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

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		
<p>Program 1.1 contributes to Outcome 1 by strategically identifying and responding to conduct which presents the greatest risk of harm. This includes:</p> <ul style="list-style-type: none"> • detecting misconduct through risk-based surveillance, breach reports, reports from the whistleblowers and the public, monitoring trends and emerging risks, data gathering and analysis; • understanding and analysing the intelligence we receive to assess harms early and respond quickly; and • responding to misconduct or the risk of misconduct through education, disrupting harmful behaviour, enforcement, engaging with industry and stakeholders, and providing guidance and policy advice. <p>This program also seeks to improve ASIC's registry services and reduce costs for businesses, consumers and the public.</p>		
Delivery	ASIC will deliver this program through strategic use of a range of regulatory tools most appropriate to disrupt harm and poor behaviour in the financial system.	
Performance information		
Year	Performance criteria	Targets
2020-21	<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 • Fair and efficient processes are in place for the resolution of disputes • Financial markets are fair, strong and efficient • Our published reports and industry messages on surveillance and enforcement outcomes provide transparency to stakeholders about good and poor practices and articulate our standards and expectations, including naming entities where appropriate • 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>On track to meet the performance criteria for 2020-21.</p> <p>Evidenced by qualitative and quantitative measures, including:</p> <p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • 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 • External data (e.g. reports and data published by AFCA) • Measures of the cleanliness of the Australian listed equity market • Operational data (e.g. number of meetings and other engagement with stakeholders, regulatory guidance and industry reports published) • 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 measures resulting from the outputs of our regulatory actions will include published reports

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Performance information		
Year	Performance criteria	Targets
	<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 (e.g. court enforceable undertakings, infringement notices, cancellation or suspension of licences) 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>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • 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 • Operational data (e.g. number of surveillance and enforcement actions undertaken and results achieved) • Public outcomes (e.g. civil, criminal and administrative actions taken, including bannings) • Published ASIC reports, including the enforcement report and market integrity report • We publish reports and other outputs we plan to deliver • Number and nature of misconduct-related complaints, including through internal and external dispute resolution channels
	<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 • We promote improved efficiency and reduced compliance costs among our regulated population • 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 	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • Stakeholder feedback through the Digital Finance Advisory Panel • Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox • Operational data, including relief applications assessed and legislative instruments made • 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 • We publish reports and other outputs we plan to deliver

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Performance information		
Year	Performance criteria	Targets
	<p>Help Australians to be in control of their financial lives</p> <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 	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • External survey data (e.g. the ANZ Survey of Adult Financial Literacy in Australia and the Australian Financial Attitudes and Behaviour Tracker) • Operational data, including ASIC Moneysmart accessibility and usage • Personal financial capability tools and resources produced • Collaboration with the formal education sector to support better financial literacy education, as measured by the number of schools using Moneysmart teaching resources • 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
	<p>Provide efficient and accessible business registers that make it easier to do business</p> <ul style="list-style-type: none"> • Registration is cost-effective and easy for businesses to manage • Businesses comply with their ongoing registration obligations • The public has easy access to information in ASIC registers • Information in our registers is accurate and up to date 	<p>Provide efficient and accessible business registers that make it</p> <ul style="list-style-type: none"> • Stakeholder feedback through the Business Advisory Panel • Performance against the ASIC service charter targets • Progress in migrating registry services online • Operational data (e.g. volume and efficiency of registry activity) • Case studies of instances where we have provided efficient and accessible registration to make it easier for Australians to do business
2021-22	<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 • Fair and efficient processes are in place for the resolution of disputes • Financial markets are fair, strong and efficient • Our industry messages on surveillance and enforcement outcomes provide transparency to stakeholders about good and poor practices and articulate our standards and expectations, 	<p>Evidenced by qualitative and quantitative measures, including:</p> <p>Change behaviours to drive good consumer and investor outcomes</p> <ul style="list-style-type: none"> • 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 • External data (e.g. reports and data published by AFCA) • Measures of the cleanliness of the Australian listed equity market • Operational data (e.g. number of meetings and other engagement

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	<p>including naming entities where appropriate</p> <ul style="list-style-type: none"> • 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>with stakeholders, regulatory guidance and industry reports published)</p> <ul style="list-style-type: none"> • 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 measures resulting from the outputs of our regulatory actions will include published reports
	<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 (e.g. court enforceable undertakings, infringement notices, cancellation or suspension of licences) 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>Act against misconduct to maintain trust and integrity in the financial system</p> <ul style="list-style-type: none"> • 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 • Operational data (e.g. number of surveillance and enforcement actions undertaken and results achieved) • Public outcomes (e.g. civil, criminal and administrative actions taken, including bannings) • Published ASIC reports, including the enforcement report and market integrity report • We publish reports and other outputs we plan to deliver • Number and nature of misconduct-related complaints, including through internal and external dispute resolution channels
	<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 • We promote improved efficiency and reduced compliance costs among our regulated population • 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 	<p>Promote strong and innovative development of the financial system</p> <ul style="list-style-type: none"> • Stakeholder feedback through the Digital Finance Advisory Panel • Use of the ASIC Innovation Hub by innovative financial firms, including the enhanced regulatory sandbox • Operational data, including relief applications assessed and legislative instruments made • 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

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	<p>Australia and support cross-border activity</p> <ul style="list-style-type: none"> • 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 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 • We publish reports and other outputs we plan to deliver
	<p>Help Australians to be in control of their financial lives</p> <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 	<p>Help Australians to be in control of their financial lives</p> <ul style="list-style-type: none"> • External survey data (e.g. the ANZ Survey of Adult Financial Literacy in Australia and the Australian Financial Attitudes and Behaviour Tracker) • Operational data, including ASIC Moneysmart accessibility and usage • Personal financial capability tools and resources produced • Collaboration with the formal education sector to support better financial literacy education, as measured by the number of schools using Moneysmart teaching resources • 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
2022-23 and beyond	As per 2021-22	As per 2021-22
Purposes	ASIC is Australia's integrated corporate, financial services and consumer credit regulator. Its role includes maintaining and facilitating the performance of the financial system and promoting confident and informed participation by investors and consumers in that system.	

Table 2.2: Performance criteria 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		
Delivery	Provide an accurate register of unclaimed money and special accounts administered by ASIC.	
Performance information		
Year	Performance criteria	Targets
2020-21	<ul style="list-style-type: none"> • ensure that refunds of unclaimed monies are paid to successful claimants promptly; and • 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.
2021-22	As per 2020-21	As per 2020-21
2022-23 and beyond	As per 2020-21	As per 2020-21
Purposes	ASIC is Australia's integrated corporate, financial services and consumer credit regulator. Its role includes maintaining and facilitating the performance of the financial system and promoting confident and informed participation by investors and consumers in that system.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021-22 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Machinery of Government Changes

As part of the Government's deregulation agenda, the Modernisation of Business Registers (MBR) program will establish a new registry service for Government called Australian Business Registry Services (ABRS) that will unify 31 registers administered by ASIC and the Australian Business Register (administered by the ATO) on a contemporary, digital registry system.

The Commissioner of Taxation was appointed as the Commonwealth Registrar of the ABRS and the ASIC Registry functions have been transferred to the ATO. The budgeted financial statements presented reflect resultant funding, expenses, assets, liabilities and average staffing levels associated with the transfer.

Budgeted departmental income statement

ASIC is budgeting for a \$9.4 million operating surplus for 2021-22, after adding back non-appropriated depreciation and amortisation expenses, depreciation of right of use assets and principal repayments of lease liabilities. The operating surplus is a combination of other revenue received from the Department of Home Affairs (DHA) and the Australian Taxation Office (ATO) for the purpose of funding capital expenditure, less additional spending of the Enforcement Special Account reserves from prior years. The funding from DHA and ATO continues in the forward years.

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 2021-22 is \$134 million.

The 2021-22 equity position reflects the cumulative effect of capital injections of \$1.7 million received during 2021-22.

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 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 2021-22 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 2021-22 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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	279,733	256,624	240,932	240,154	239,513
Suppliers	151,437	147,697	148,454	144,544	145,964
Depreciation and amortisation (a)	68,283	65,866	56,155	50,134	52,422
Finance costs	2,220	3,480	3,437	3,389	1,237
Total expenses	501,673	473,667	448,978	438,221	439,136
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,000	2,000	2,000	2,000	2,000
Rental income	625	625	605	605	-
Royalties	165	165	165	165	165
Other revenue	22,265	14,116	5,015	3,584	3,584
Total own-source revenue	25,055	16,906	7,785	6,354	5,749
Net (cost of)/contribution by services	(476,618)	(456,761)	(441,193)	(431,867)	(433,387)
Revenue from Government	441,235	423,034	408,541	409,630	410,085
Surplus/(deficit) attributable to the Australian Government	(35,383)	(33,727)	(32,652)	(22,237)	(23,302)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(35,383)	(33,727)	(32,652)	(22,237)	(23,302)
Total comprehensive income/(loss) attributable to the Australian Government	(35,383)	(33,727)	(32,652)	(22,237)	(23,302)

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

	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	7,575	9,363	640	-	-
plus: depreciation/amortisation expenses previously funded through revenue appropriations (a)	41,523	39,106	29,395	23,374	25,662
plus: depreciation/amortisation expenses for ROU assets (b)	26,760	26,760	26,760	26,760	26,760
less: principal repayments on leased assets (b)	25,325	22,776	22,863	27,897	29,120
Total comprehensive income/(loss) - as per the statement of comprehensive income	(35,383)	(33,727)	(32,652)	(22,237)	(23,302)

Prepared on Australian Accounting Standards basis.

(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.

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	30,307	30,307	30,307	30,307	30,307
Trade and other receivables	136,497	132,008	131,701	131,394	130,258
Total financial assets	166,804	162,315	162,008	161,701	160,565
Non-financial assets					
Land and buildings	247,516	221,678	195,563	169,098	139,142
Property, plant and equipment	13,113	7,818	4,342	3,517	3,165
Intangibles	77,379	78,818	75,071	73,284	72,309
Other non-financial assets	17,706	17,706	17,706	17,706	17,706
Total non-financial assets	355,714	326,020	292,682	263,605	232,322
Total assets	522,518	488,335	454,690	425,306	392,887
LIABILITIES					
Payables					
Suppliers	28,754	27,618	26,482	25,346	25,346
Other payables	31,031	31,031	31,031	31,031	29,895
Total payables	59,785	58,649	57,513	56,377	55,241
Interest bearing liabilities					
Leases	222,225	199,449	176,586	148,689	119,569
Total interest bearing liabilities	222,225	199,449	176,586	148,689	119,569
Provisions					
Employee provisions	82,255	82,255	82,255	82,255	82,255
Other provisions	12,749	13,578	14,407	15,236	15,236
Total provisions	95,004	95,833	96,662	97,491	97,491
Total liabilities	377,014	353,931	330,761	302,557	272,301
Net assets	145,504	134,404	123,929	122,749	120,586
EQUITY*					
Parent entity interest					
Contributed equity	502,393	525,020	547,197	568,254	589,393
Reserves	22,500	22,500	22,500	22,500	22,500
Retained surplus (accumulated deficit)	(379,389)	(413,116)	(445,768)	(468,005)	(491,307)
Total parent entity interest	145,504	134,404	123,929	122,749	120,586
Total equity	145,504	134,404	123,929	122,749	120,586

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021				
Balance carried forward from previous period	(379,389)	22,500	502,393	145,504
Adjusted opening balance	(379,389)	22,500	502,393	145,504
Comprehensive income				
Other comprehensive income				-
Surplus/(deficit) for the period	(33,727)	-	-	(33,727)
Total comprehensive income	(33,727)	-	-	(33,727)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriation	-	-	1,752	1,752
Departmental Capital Budget (DCB)	-	-	20,875	20,875
Sub-total transactions with owners	-	-	22,627	22,627
Estimated closing balance as at 30 June 2022	(413,116)	22,500	525,020	134,404
Closing balance attributable to the Australian Government	(413,116)	22,500	525,020	134,404

Prepared on Australian Accounting Standards basis.

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	441,235	423,341	408,848	409,937	411,221
Sale of goods and rendering of services	40,803	2,625	2,605	2,605	2,000
Net GST received	-	-	-	-	-
Other	15,080	13,927	4,826	3,395	3,395
Total cash received	497,118	439,893	416,279	415,937	416,616
Cash used					
Employees	279,733	256,624	240,932	240,154	239,513
Suppliers	153,310	148,479	149,236	145,326	146,746
Interest payments on lease liability	2,210	2,651	2,608	2,560	1,237
s74 External Revenue transferred to the OPA	-	-	-	-	-
Total cash used	435,253	407,754	392,776	388,040	387,496
Net cash from/(used by) operating activities	61,865	32,139	23,503	27,897	29,120
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	70,962	36,172	22,817	21,057	21,139
Total cash used	70,962	36,172	22,817	21,057	21,139
Net cash from/(used by) investing activities	(70,962)	(36,172)	(22,817)	(21,057)	(21,139)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	23,578	26,809	22,177	21,057	21,139
Total cash received	23,578	26,809	22,177	21,057	21,139
Cash used					
Principal payments on lease liability	25,325	22,776	22,863	27,897	29,120
Total cash used	25,325	22,776	22,863	27,897	29,120
Net cash from/(used by) financing activities	(1,747)	4,033	(686)	(6,840)	(7,981)
Net increase/(decrease) in cash held	(10,844)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	41,151	30,307	30,307	30,307	30,307
Cash and cash equivalents at the end of the reporting period	30,307	30,307	30,307	30,307	30,307

Prepared on Australian Accounting Standards basis.

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

	2020-2021 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	20,856	20,875	20,975	21,057	21,139
Equity injections - Bill 2	6,904	1,752	1,202	-	-
Total new capital appropriations	27,760	22,627	22,177	21,057	21,139
Provided for:					
<i>Purchase of non-financial assets</i>	27,750	21,798	21,348	20,228	21,139
<i>Other Items</i>	10	829	829	829	-
Total items	27,760	22,627	22,177	21,057	21,139
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	9,548	5,446	1,202	-	-
Funded by capital appropriation - DCB (b)	20,368	21,363	20,975	21,057	21,139
Funded internally from departmental resources (c)	41,046	9,363	640	-	-
TOTAL	70,962	36,172	22,817	21,057	21,139
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	70,962	36,172	22,817	21,057	21,139
Total cash used to acquire assets	70,962	36,172	22,817	21,057	21,139

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- internally developed assets; and
- s74 External Revenue.

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Table 3.6: Statement of asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	136,876	71,298	429,769	637,943
Gross book value - ROU assets	228,075	-	-	228,075
Accumulated depreciation/ amortisation and impairment	(75,215)	(58,185)	(352,390)	(485,790)
Accumulated depreciation/amortisation and impairment - ROU assets	(42,220)	-	-	(42,220)
Opening net book balance	247,516	13,113	77,379	338,008
Capital asset additions or replacement assets				
By purchase - appropriation equity (a)	-	-	5,446	5,446
By purchase - appropriation ordinary annual services (b)	-	550	26,547	27,097
By purchase - other - ROU assets	-	-	-	-
By purchase - other	3,629	-	-	3,629
Total additions	3,629	550	31,993	36,172
Other movements				
Depreciation/amortisation expense	(6,247)	(5,845)	(30,554)	(42,646)
Depreciation/amortisation on ROU assets	(23,220)	-	-	(23,220)
Total other movements	(29,467)	(5,845)	(30,554)	(65,866)
As at 30 June 2022				
Gross book value	140,505	71,848	461,762	674,115
Gross book value - ROU assets	228,075	-	-	228,075
Accumulated depreciation/ amortisation and impairment	(81,462)	(64,030)	(382,944)	(528,436)
Accumulated depreciation/amortisation and impairment - ROU assets	(65,440)	-	-	(65,440)
Closing net book balance	221,678	7,818	78,818	308,314

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2021-22 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)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Suppliers	574	575	577	579	581
Grants	7,118	7,116	4,649	4,668	4,686
Write-down and impairment of assets	76,049	80,007	81,217	81,488	82,663
Interest expense	3,935	4,591	4,864	5,479	5,938
Other expenses	181,582	95,131	95,280	99,091	99,156
Total expenses administered on behalf of Government	269,258	187,420	186,587	191,305	193,024
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other levies	61,853	76,937	82,490	77,499	78,582
Other taxes	855,473	883,980	906,694	930,053	954,077
Total taxation revenue	917,326	960,917	989,184	1,007,552	1,032,659
Non-taxation revenue					
Fines and penalties	276,899	207,859	208,838	209,838	210,859
Other fees from regulatory services	287,930	188,174	188,174	188,174	187,999
Other revenue	271,791	301,247	301,116	288,213	292,246
Total non-taxation revenue	836,620	697,280	698,128	686,225	691,104
Total own-source revenue administered on behalf of Government	1,753,946	1,658,197	1,687,312	1,693,777	1,723,763
Total own-sourced income administered on behalf of Government	1,753,946	1,658,197	1,687,312	1,693,777	1,723,763
Net (cost of)/contribution by services	1,484,688	1,470,777	1,500,725	1,502,472	1,530,739
Surplus/(deficit)	1,484,688	1,470,777	1,500,725	1,502,472	1,530,739
Total comprehensive income/(loss)	1,484,688	1,470,777	1,500,725	1,502,472	1,530,739

Prepared on Australian Accounting Standards basis.

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

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,418	1,418	1,418	1,418	1,418
Taxation receivables	215,104	237,967	231,757	241,428	244,914
Trade and other receivables	285,681	316,568	317,350	300,975	303,793
Total financial assets	502,203	555,953	550,525	543,821	550,125
Total assets administered on behalf of Government	502,203	555,953	550,525	543,821	550,125
LIABILITIES					
Payables					
Suppliers	30,729	32,273	32,870	32,975	33,102
Grants	3,992	3,992	3,992	3,992	3,992
Other payables	7,521	7,914	8,066	8,093	8,010
Total payables	42,242	44,179	44,928	45,060	45,104
Provisions					
Other provisions	499,188	488,104	490,766	497,654	505,093
Total provisions	499,188	488,104	490,766	497,654	505,093
Total liabilities administered on behalf of Government	541,430	532,283	535,694	542,714	550,197
Net assets/(liabilities)	(39,227)	23,670	14,831	1,107	(72)

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	346,166	247,896	247,524	247,158	246,623
Taxes	829,216	862,852	919,058	921,288	951,431
Net GST received	-	-	-	-	-
Other	479,510	413,692	444,941	450,547	436,742
Total cash received	1,654,892	1,524,440	1,611,523	1,618,993	1,634,796
Cash used					
Grant	7,118	7,116	4,649	4,668	4,686
Suppliers	(826)	(969)	(20)	474	454
Borrowing costs	3,935	4,591	4,864	5,479	5,938
Other	99,669	105,822	92,466	92,176	91,800
Total cash used	109,896	116,560	101,959	102,797	102,878
Net cash from/(used by) operating activities	1,544,996	1,407,880	1,509,564	1,516,196	1,531,918
Net increase/(decrease) in cash held	1,544,996	1,407,880	1,509,564	1,516,196	1,531,918
Cash and cash equivalents at beginning of reporting period	1,435	1,418	1,418	1,418	1,418
Cash from Official Public Account for:					
- Appropriations	121,304	128,497	112,708	112,929	112,922
Total cash from Official Public Account	121,304	128,497	112,708	112,929	112,922
Cash to Official Public Account for:					
- Appropriations	(1,666,317)	(1,536,377)	(1,622,272)	(1,629,125)	(1,644,840)
Total cash to Official Public Account	(1,666,317)	(1,536,377)	(1,622,272)	(1,629,125)	(1,644,840)
Cash and cash equivalents at end of reporting period	1,418	1,418	1,418	1,418	1,418

Prepared on Australian Accounting Standards basis.