



Australian Government
Corporations and Markets
Advisory Committee

CAMAC

Annual Report

2011–2012

**Corporations and Markets
Advisory Committee**

**Annual Report
2011–12**

© Corporations and Markets Advisory Committee 2012

ISSN 1447 8048 (print version)

ISSN 1449 0099 (online version)

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney-General's Department, Robert Garran Offices, National Circuit, Barton ACT 2600 or posted at <http://www.ag.gov.au/cca>.

Contact details

For information about this report or about the work of the Committee, please contact:

John Kluver
Executive Director
Corporations and Markets Advisory Committee
GPO Box 3967
SYDNEY NSW 2001

Tel: 02 9911 2950
Fax: 02 9911 2955
Email: camac@camac.gov.au

The Advisory Committee's homepage is:

www.camac.gov.au

This report can be found at:

www.camac.gov.au

The Advisory Committee's location is:

Level 16
60 Margaret Street
SYDNEY



Australian Government

Corporations and Markets Advisory Committee

Level 16, 60 Margaret Street, Sydney
Telephone: (02) 9911 2950
Email: camac@camac.gov.au

GPO Box 3967 Sydney NSW 2001
Facsimile: (02) 9911 2955
Website: www.camac.gov.au

21 September 2012

The Hon. Bernie Ripoll MP
Parliamentary Secretary to the Treasurer
Parliament House
CANBERRA ACT 2600

Dear Mr Ripoll

I am enclosing the annual report for 2011–12 of the Corporations and Markets Advisory Committee.

The report has been prepared in accordance with s 162 of the *Australian Securities and Investments Commission Act 2001* (the ASIC Act) and the *Requirements for Annual Reports for departments, executive agencies and FMA Act bodies*, approved by the Joint Committee of Public Accounts and Audit in June 2012.

I note that, under subsection 162(3) of the ASIC Act, a copy of this report is to be tabled in each House of the Parliament within 15 sitting days of that House after the day on which you receive the report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Rees', written in a cursive style.

Joanne Rees
Convenor

Contents

Convenor’s review	1
CAMAC’s achievements.....	1
Governance.....	1
Outlook.....	1
Acknowledgements	2
Issues and developments	3
Derivatives.....	3
Managed investment schemes	5
The AGM and shareholder engagement	7
Implementation of recommendations	9
Outlook for 2012–13	10
References to CAMAC reviews	11
Managed investment schemes	11
Derivatives.....	11
Executive remuneration.....	11
Guidance for directors	11
Members’ schemes of arrangement.....	11
Market integrity.....	12
Diversity on boards of directors	12
Issues in external administration	12
Long-tail liabilities	12
Past reports	13
The Committee.....	15
Overview	15
Functions	15
Membership.....	16
Sub-committees	21
Audit Committee	21
Legal Committee	22
Executive.....	25
Coordination with other bodies	25

Other information	27
Financial performance.....	27
Ethics.....	27
Fraud	27
External scrutiny	27
Management of human resources.....	28
Purchasing	29
Consultants.....	29
Competitive tendering and contracting	29
Australian National Audit Office Access Clauses.....	29
Exempt contracts.....	29
Commonwealth Disability Strategy	29
Work health and safety.....	30
Freedom of information	30
Advertising and market research.....	30
Ecologically sustainable development and environmental performance	30
Discretionary grants	31
Legal services expenditure	31
Glossary.....	32
Date and signing of report	33
Auditor’s report.....	34
Financial statements.....	36
Appendix 1 Agency resource statement.....	71
Appendix 2 Expenses for outcome 1	72
Appendix 3 List of requirements.....	73
Index	77

Convenor's review

CAMAC's achievements

The 2011–12 financial year was very productive for CAMAC.

Following the success of the Roundtable on executive remuneration, in September 2011 CAMAC held a further Roundtable on derivatives, involving representatives of peak bodies with an interest in the area as well as other interested industry participants. The contribution of the industry participants greatly assisted CAMAC in preparing its report to the Government, which was submitted in December 2011.

CAMAC also finalised its recommendations on the reconstruction and winding up of managed investment schemes and the report was submitted to the Government in July 2012 and published in August 2012. I wish to acknowledge the outstanding work done by the managed investments sub-committee in bringing this report to completion.

In December 2011, the Government asked CAMAC to consider various matters relating to company annual general meetings. Substantial progress was made by June 2012 in developing a discussion paper, which was subsequently completed and published in September 2012.

Governance

During the 2010–11 financial year, CAMAC initiated a sub-committee system to provide strategic thought leadership on terms of reference. At the commencement of each new reference, a sub-committee of experts from CAMAC and the Legal Committee (and sources external to CAMAC if appropriate) is formed to provide this strategic thought leadership and recommendations to CAMAC.

The sub-committee system has proved to be very successful in assisting CAMAC to efficiently perform its functions.

Outlook

In the coming financial year, CAMAC will consider submissions on its annual general meetings discussion paper and develop its recommendations.

CAMAC will continue its work on managed investment schemes, to complement the recommendations it made in its July 2012 report, *Managed Investment Schemes*. This second round of work will concentrate on issues relating to the day-to-day functioning of viable schemes.

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

Acknowledgements

The Committee maintains close contact with officers of Treasury and appreciates the attendance by representatives of that department at its meetings. It also receives administrative assistance from ASIC officers, including in relation to financial management, payroll, library services and information technology, and appreciates that support.

I thank the members of CAMAC and the Legal Committee, who contribute their experience and expertise on a part-time basis and have other commitments. I particularly wish to acknowledge Bob Seidler's significant contribution as chair of the managed investments sub-committee. I also acknowledge and thank the small, long-serving Executive which supports CAMAC's operations.

Issues and developments

The Committee's work in 2011–12 in meeting the outcome and program described in the Treasury Portfolio Budget Statement in a timely manner is summarised below.

The independent and expert advice in the Committee's reports is supported by detailed research and analysis to enable the Government to reach informed decisions on the questions relating to corporations regulation and financial products, services and markets that it refers to the Committee.

Derivatives

Terms of reference

In November 2010, the then Parliamentary Secretary to the Treasurer, the Hon. David Bradbury MP (the PST), referred to CAMAC for consideration and advice various matters concerning the definition of derivative in s 761D of the Corporations Act and the related Corporations Regulation.

The PST drew CAMAC's attention to various matters, including:

- the fact that, under the Corporations Regulations, the future time at which consideration may be payable by a person under a derivative could be less than one day
- the view of many market participants that physically settled forward contracts over shares are derivatives
- concern about a possible amendment which would have provided, if it had been enacted, that an arrangement is not a derivative for the purposes of the Corporations Act if the arrangement would not be covered by the definition but for the fact that the value of the arrangement is ultimately determined by reference to the time value of money
- significant confusion surrounding s 761D generally and the implication that there may be significant non-compliance with the current legal requirements.

Given these matters and a lack of clarity about what changes might be required, the PST requested that CAMAC:

- examine the definition of a derivative

- examine the way in which such a definition may be changed to clarify the position of physically settled forward contracts
- suggest options to decrease complexity in this area of the law.

The PST noted that CAMAC was closely involved in the original development of the section (the definition of derivative in the Corporations Act is a result of the report *Regulation of On-exchange and OTC Derivatives Markets* (1997) of the Companies and Securities Advisory Committee (CASAC), which became CAMAC in 2002) and has the technical skills and knowledge required to appreciate both the legal meaning of the section and the ways in which it is currently applied and to assess possible ways of revising the definition.

Roundtable

In September 2011, CAMAC hosted a Roundtable of relevant peak bodies and industry participants. Participants included representatives from the Australian Bankers Association, the Australian Financial Markets Association, ANZ, the Australian Securities Exchange, the Commonwealth Bank, Credit Suisse, Ernst & Young, Goldman Sachs, Henry Davis York, KPMG, Macquarie Bank, Mallesons Stephen Jaques, National Australia Bank, the Stockbrokers Association of Australia and Westpac, and Ian Shepherd. Representatives from Treasury, ASIC, APRA and the Department of Sustainability, Environment, Water, Population and Communities also attended.

The Roundtable provided an opportunity to discuss a range of general matters impinging on the role and regulation of derivatives, as well as specific definitional issues arising from the questions on which the PST sought advice. The information and views provided by Roundtable participants assisted CAMAC in developing a report that set the answers to those questions in a broader context. The Committee expresses its appreciation to all who participated in this consultation process.

Report

CAMAC submitted its report *Derivatives* to the Government in December 2011 and published it in January 2012.

CAMAC concluded that the current definition suitably aligns with market and regulatory perceptions of what constitutes a derivative and is not unduly complex. The definition is intentionally broad, to allow for its application to new derivative products without disruption to the regulatory structure of derivatives markets.

CAMAC considered that Australian derivatives markets are appropriately regulated through the general licensing and disclosure requirements

applicable to all financial products, including derivatives, as well as the provisions specifically tailored for derivatives.

The report outlined some differences between the regulation of derivatives and securities which could, at an appropriate time, be rationalised.

Managed investment schemes

Terms of reference

In November 2010, the then Parliamentary Secretary to the Treasurer, the Hon. David Bradbury MP (the PST), referred various matters concerning the regulation of managed investment schemes to CAMAC for consideration and advice. The PST asked CAMAC to:

- examine whether the current temporary responsible entity (RE) framework enables the transfer of viable scheme businesses where the original RE is under financial stress, and if not whether it should be reformed or replaced
- examine whether REs are unable to restructure a financially viable scheme and advise if the current legislative methods available to companies under the Corporations Act should be adapted to managed schemes
- examine whether the current statutory framework is adequate for the winding up of schemes, and agribusinesses in particular, and whether it provides the necessary guidance for liquidators, creditors, investors and growers
- advise what legislative amendments should be made if the current legislative framework does not provide the necessary legislative tools with respect to the arrangements for dealing with non-viable schemes
- examine other proposals to improve Chapter 5C of the Corporations Act, including in relation to convening scheme meetings, cross-guarantees entered into by REs on behalf of other group members and statutory limited liability.

Discussion paper

In June 2011, CAMAC published its discussion paper *Managed Investment Schemes*.

The submissions received on the discussion paper are available on the CAMAC website.

Report

In July 2012, CAMAC submitted its report *Managed Investment Schemes* to the Government and published it in August 2012.

CAMAC considered the matters referred to it within the broader context of significant developments that have occurred with the use of schemes in the decade since the current legislation was introduced, in particular the greater use of contract-based ‘common enterprise’ entrepreneurial schemes (such as horticultural or forestry schemes) alongside more traditional trust-based ‘pooled’ investment schemes (such as cash management trusts or property funds). Also, it has become more commonplace for responsible entities (REs) (which manage schemes) to operate a number of schemes or to have other business operations of their own (multi-function REs). This contrasts with REs whose only function is to operate one scheme (sole-function REs).

These developments have raised complex issues concerning the adequacy of the current legal framework, both for the regulation of ongoing schemes and for the regulation of schemes or their REs that experience financial stress.

The report recommended:

- a prohibition on the creation of new common enterprise schemes
- a new regulatory structure for the operation of schemes, described as the Separate Legal Entity Proposal (SLE Proposal), which would simplify the procedures for making claims against scheme property, transferring the liability of an RE and putting a scheme into external administration
- a requirement that new schemes be operated only by sole-function REs (unnecessary if the SLE Proposal is introduced)
- a series of other reforms, including:
 - requiring each scheme to have a definitive register of scheme agreements and a definitive register of scheme property
 - various ways to overcome the disincentives for an entity to act as a temporary responsible entity (TRE), including limiting the liabilities of the TRE (which would be necessary if the SLE Proposal is not adopted) and modifying the duties of a TRE to be commensurate with the temporary nature of that office
 - adopting a statutory concept of insolvency for schemes, similar to corporations

- facilitative provisions to permit a financially stressed scheme to be placed in voluntary administration, with the approach under the SLE Proposal being the preferred option
- a winding up procedure for an insolvent scheme, comparable to that for winding up an insolvent company
- giving scheme members statutory limited liability, similar to shareholders, and regardless of any contrary provision in a scheme constitution.

CAMAC will examine other proposals to improve Chapter 5C of the Corporations Act in a subsequent review.

The AGM and shareholder engagement

By letter of 5 December 2011, the then Parliamentary Secretary to the Treasurer, the Hon. David Bradbury MP (the PST), requested CAMAC to consider a number of matters concerning the annual general meeting (AGM).

The PST requested that CAMAC inform the Government on:

- the future of the annual general meeting in Australia, including how documents and meeting forms should change to meet the needs of shareholders in the future
- the risks and opportunities presented by advancements in technology, in the context of maintaining the ongoing relevance and efficacy of the AGM
- the challenges posed to the structure of the AGM by globalisation, including potential increases in international share ownership and dual-listing.

CAMAC sees the request from the Government as entailing a consideration of three overarching issues:

- the role of the AGM within the broader context of the ongoing relationship between the board and the institutional and retail shareholders of the company, often referred to as shareholder engagement
- the content of the annual report, being the principal document for consideration at the AGM that provides information to shareholders on the state of the company and the stewardship of the board
- the future role of the AGM and the processes for conducting the meeting.

In September 2012, CAMAC published a discussion paper containing detailed background information on these issues and raising various specific questions on which it sought comment.

Implementation of recommendations

The *Corporations Amendment (Phoenixing and Other Measures) Act 2012* amended the Corporations Act to include a regulation-making power for the Governor-General to prescribe methods of publication of notices relating to events before, during and after the external administration of a company. The Explanatory Statement to the Governor-General's proclamation pointed out that a transition from newspaper notices to electronic publication on a single website administered by ASIC was recommended by CAMAC in its 2008 report *Issues in External Administration*.

Outlook for 2012–13

In the coming financial year, CAMAC will consider submissions on its discussion paper on the annual general meeting and shareholder engagement.

It will also consider proposals for improving the operation of the managed investment provisions in Chapter 5C of the Corporations Act that were not covered in its July 2012 report *Managed Investment Schemes*.

As well as responding to any further requests for advice from the Minister, CAMAC will keep under consideration other areas that may be suitable for review.

References to CAMAC reviews

During 2011–12 CAMAC’s work was referred to in various articles in the daily media. It was also referred to in other publications, including:

Managed investment schemes

- M Duffy, ‘Barely managing? Troubles with agricultural managed investment schemes’ (2012) 27 *Australian Journal of Corporate Law* 91
- N D’Angelo, ‘Shares and units: The parity myth and the truth about limited liability’ (2011) 29 *Company and Securities Law Journal* 477

Derivatives

- N Andrews, ‘Editorial Note: The continuing quest for regulatory certainty’ (2011) 26 *Australian Journal of Corporate Law* 249

Executive remuneration

- M Morrow and B Limnalong, ‘New rules on executive pay’ *Charter* (August 2011) 24
- E Goodwin, ‘Remodelling executive remuneration’ *Law Institute Journal* (March 2012) 52

Guidance for directors

- M Adams, ‘Australian corporate law reform or evolution?’ [2012] ALRS 1

Members’ schemes of arrangement

- *Auvex Resources Ltd, in the matter of Auvex Resources Ltd* [2011] FCA 820
- N Andrews, ‘Editorial Note: The continuing quest for regulatory certainty’ (2011) 26 *Australian Journal of Corporate Law* 249

- D Lam, ‘Whither headcount test in scheme privatisations of Hong Kong listed companies?’ (2011) 26 *Australian Journal of Corporate Law* 277
- SH Goo, ‘Should the headcount test for a scheme of arrangement be abolished?’ (2011) 32 *The Company Lawyer* 185

Market integrity

- G North, ‘Continuous disclosure in Australia: The empirical uncertainties’ (2011) 29 *Company and Securities Law Journal* 394
- Ashley Black, ‘Insider trading and market misconduct’ (2011) 29 *Company and Securities Law Journal* 313
- I Ramsay and C Shekhar, ‘Company securities trading policies: An empirical study’ (2012) 30 *Company and Securities Law Journal* 55
- J Overland and K Li, ‘Room for improvement: Insider trading and Chinese walls’ (2012) 40 *Australian Business Law Review* 223

Diversity on boards of directors

- A McIntyre, ‘Quotas are not the answer’ *Company Director* Vol 27 Issue 8 (September 2011) 35

Issues in external administration

- H Anderson, ‘Voluntary administration and the protection of employee entitlements’ (2012) 30 *Company and Securities Law Journal* 170
- C Anderson, ‘Editorial’ (2012) 20 *Insolvency Law Journal* 3

Long-tail liabilities

- P von Nessen and A Herzberg, ‘James Hardie’s asbestos liability legacy in Australia: Disclosure, corporate social responsibility and the power of persuasion’ (2011) 26 *Australian Journal of Corporate Law* 55.

These references, and other references to CAMAC reviews, can be found under Publications/Reports on the CAMAC website www.camac.gov.au

Past reports

The following CAMAC reports and related papers are available at www.camac.gov.au:

- Managed investment schemes (July 2012)
- Derivatives (December 2011)
- Executive remuneration (April 2011)
- Executive remuneration information paper (July 2010)
- Guidance for directors (April 2010)
- Members' schemes of arrangement (December 2009)
- Aspects of market integrity (June 2009)
- Diversity on boards of directors (March 2009)
- Shareholder claims against insolvent companies: implications of the *Sons of Gwalia* decision (December 2008)
- Issues in external administration (November 2008)
- Long-tail liabilities: the treatment of unascertained future personal injury claims (May 2008)
- The social responsibility of corporations (December 2006)
- Personal liability for corporate fault (September 2006)
- Corporate duties below board level (April 2006)
- Rehabilitating large and complex enterprises in financial difficulties (October 2004)
- Directors and officers insurance (June 2004)
- Insider trading (November 2003)
- Retail client compensation in financial markets (September 2001)
- Charges over uncertificated securities (April 2001)
- Sections 181 and 189 of the Corporations Law (October 2000)

- Qualifications and experience for secretaries of public companies (August 2000)
- Shareholder participation in the modern listed public company (Company meetings) (June 2000)
- Corporate groups (May 2000)
- Jurisdictional legal risk for collateral securities (May 2000)
- Liability of members of managed investment schemes (March 2000)
- Compulsory acquisitions (March 2000)
- Compulsory acquisitions and buy-outs (March 1999)
- Reform of ss 621(4) and 623(2) and (3) of the Corporate Law Economic Reform Program Bill 1998 (December 1998)
- Corporate voluntary administration (June 1998)
- Netting in financial markets transactions (June 1997)
- Regulation of on-exchange and OTC derivatives markets (June 1997)
- Continuous disclosure (November 1996)
- Compulsory acquisitions (January 1996)
- Law of derivatives: an international comparison (January 1995)
- Anomalies in the takeovers provisions of the Corporations Law (March 1994)
- Collective investments: other people's money (September 1993) (in conjunction with the Australian Law Reform Commission)
- Statutory derivative actions (July 1993)
- Collective investments: superannuation (March 1992) (in conjunction with the Australian Law Reform Commission)
- Prospectus law reform (March 1992)
- Company directors and officers: indemnification, relief and insurance (February 1992)
- An enhanced statutory disclosure system (September 1991)
- Report on reform of the law governing corporate financial transactions (Related party financial transactions) (July 1991).

The Committee

Overview

CAMAC is established under the *Australian Securities and Investments Commission Act 2001* (the ASIC Act) to provide informed and expert advice to the Minister about corporate, financial product and financial market matters (ss 1(1)(c) and 148).

Its members are appointed by the Minister following consultation with the States and Territories.

CAMAC receives specialist legal advice from its Legal Committee, whose members are also appointed by the Minister.

The CAMAC Convenor has appointed three CAMAC members to an audit committee.

During 2011–12, there were CAMAC sub-committees for derivatives, managed investments and annual general meetings.

CAMAC comes under the *Financial Management and Accountability Act 1997* for the purpose of financial accountability.

The Committee is supported by a full-time Executive located in Sydney.

For CAMAC's outcome and program structure, see Appendix 2.

Functions

The Committee's statutory functions are 'on its own initiative or when requested by the Minister, to advise the Minister, and to make to the Minister such recommendations as it thinks fit, about any matter' relating to corporations and financial services law, administration and practice. The Committee sees its role as being to provide informed, objective and independent advice to the Minister on such matters. In so doing, it seeks to promote a sound and effective regulatory framework for corporate activity and financial services and efficient financial markets.

CAMAC comes under the Treasury Portfolio.

In fulfilling its functions, CAMAC undertakes reviews, resulting in the presentation and publication of reports, and also responds to particular

requests from the Minister for advice. Its general practice for conducting a major review is to establish a sub-committee that includes CAMAC and Legal Committee members with relevant expertise and interest, invite and consider submissions from interested persons, and take into account the expert advice of its Legal Committee, before settling a report to the Minister. In matters where the Minister requires urgent advice, CAMAC prepares a report on the basis of its own deliberations, in consultation with its Legal Committee.

Through consultation and the provision of timely advice to the Minister, CAMAC seeks to ensure that Australian financial markets and corporations operate in a commercial environment of the highest standard, supported by appropriate legislation.

Membership

CAMAC is a body corporate, comprising part-time members appointed in their personal capacity by the Minister. The Minister appoints one of the members as the Convenor.

The members are selected, following consultation between the Commonwealth and the States, on the basis of their knowledge of, or experience in, business, the administration of companies, the financial markets, financial products and financial services, law, economics or accounting. The Chairperson of the Australian Securities and Investments Commission (ASIC) is a member of CAMAC by virtue of s 147 of the ASIC Act. The ASIC Chairperson may nominate a member of ASIC or an SES employee or acting SES employee of ASIC to attend in his or her place (s 153(1A), (1B)).

The members during 2011–12 are set out below.

- **Joanne Rees, Convenor (Sydney) (appointed until April 2013).** Joanne is Chief Executive Officer of Allygroup and has a diverse range of senior experience in consulting and legal services. Over the past 17 years she has focussed on advising both federal and state governments as a lawyer and consultant. As managing partner of Phillips Fox in Canberra from 1992–1999, Joanne handled key accounts for many federal government agencies including the Department of Health and Aged Services, Comcare, Defence, ComSuper, Health Insurance Commission, AusAID, Department of Finance and Administration, Centrelink, the Public Service Commission and the Department of Social Security. In 2001 Joanne was hired by the Australian Securities and Investments Commission to manage its most significant civil penalty prosecutions following major corporate collapses. Joanne was subsequently the lead partner in establishing Ernst & Young's NSW Government practice and has brought her expertise in governance, law

and risk management to her role as a non-executive director on a number of government boards and committees. As CEO of Allygroup she currently advises the Australian Taxation Office, Attorney-General's Department and Defence. Throughout her diverse career, Joanne has managed to drive change in organizations to improve the long-term sustainability and integrity of organizational practices.

- **Belinda Gibson (Sydney) (nominee of ASIC Chairman until April 2012).** Belinda is Deputy Chairman of the Australian Securities and Investments Commission. She has responsibility to the Commission for regulation of corporations and also markets and for market integrity issues. Belinda was a Partner at Mallesons Stephen Jaques, where she specialised in transactional advice and in corporate and securities law. She has extensive knowledge of corporate governance and accounting practices in Australia. She was a director of Airlines Australia from 2000 to 2004.

Pursuant to s 153(1A), (1B) of the ASIC Act, Belinda attended CAMAC meetings as the nominee of the ASIC Chairman.

- **David Gomez (Darwin) (appointed until May 2014).** David is the Principal of Audit and Assurance Services with Merit Partners Chartered Accountants, with responsibility for audit and assurance engagements in the Northern Territory, Western Australia and East Timor. He manages audits on behalf of the Northern Territory Auditor General and the Australian National Audit Office. His previous positions include as Director Operations at ASIC's Northern Territory Regional Office, as a lawyer with the Australian Government Solicitor, as State Manager of Fraud Prevention and Internal Audit for the Commonwealth Department of Employment Education Training and Youth Affairs, and as an insolvency accountant with PKF Chartered Accountants. He has lectured in corporations law at Charles Darwin University. He is currently a member of the ASIC Regional Liaison Committee and the Northern Territory Local Government Accounting Advisory Committee. He is a fellow of CPA Australia and a member of the Law Society of the Northern Territory.
- **Jane McAloon (Melbourne) (appointed until May 2014).** Jane has been the Group Company Secretary, BHP Billiton since 2007. Her previous role was Group Manager, Corporate & External Services & Company Secretary at the Australian Gas Light Company (AGL). She spent six years working for the New South Wales Government, holding senior positions in the NSW Cabinet Office, the Department of Energy and Utilities and the Department of Land and Water Conservation. Her experience encompasses non-executive director roles on both private sector and government boards.

- **Alice McCleary (Adelaide) (appointed until May 2014).** Alice is a professional director and chartered accountant. She is a member of several boards and committees in the private and public sectors. Her professional background is in corporate taxation.
- **Denise McComish (Perth) (appointed until May 2014).** Denise has been a partner at KPMG for over 20 years, with significant experience in providing audit and assurance services to major companies operating in Western Australia, nationally and globally, particularly in the financial services, infrastructure and mining sectors. She regularly reports on internal controls, governance and risk issues to Boards and Audit Committees. She also has expertise in International Financial Reporting Standards, and served for six years on the Australian Accounting Standards Board. She is a fellow of the Institute of Chartered Accountants in Australia, a Council member and Chair of the Audit Committee of Edith Cowan University, and a director of other not-for-profit organizations.
- **Greg Medcraft (Sydney).** Greg is Chairman of the Australian Securities and Investments Commission, having been appointed to that position in May 2011. He joined ASIC as a Commissioner in February 2009, taking responsibility for the oversight of investment banking, investment managers, super funds and financial advisers. Before that, he had nearly 30 years' experience at global investment bank Société Générale in Australia, Asia, Europe and the Americas, including key leadership roles in securitisation and structured finance. He has been Chief Executive Officer of the Australian Securitisation Forum, after co-founding the American Securitisation Forum in 2002.
- **Marian Micalizzi (Brisbane) (appointed until April 2013).** Marian is a chartered accountant and director, with expertise in corporate and financial advisory areas. She is a current member of several boards and advisory committees.
- **Michael Murray (Sydney) (appointed until May 2014).** Michael is the Legal Director of the Insolvency Practitioners Association (IPA). He was previously a lawyer with the Australian Government Solicitor working in insolvency, tax and regulatory law. He was a solicitor assisting on the HIH Royal Commission from 2001 to 2003. Michael has written and presented widely on a range of issues in corporate and personal insolvency and is the author of *Keay's Insolvency* (7th ed, with Jason Harris) and of CCH's *Australian Insolvency Management Practice*. He is a member of INSOL International's Academics Group.
- **Geoffrey Nicoll (Canberra) (appointed until May 2014).** Geoff is an Executive Member of the Business Law Section of the Law Council of Australia. Since 2003, he has also sat as the Law Council's

representative on the Business Advisory Committee of ASIC. At the University of Canberra, Geoff was the Director of the National Centre for Corporate Law and Policy Research (from 2006 to 2009), Acting Head of the Law School (2005), Director of the University's Governance Research Area (2004), and an Academic Director of the National Institute for Governance (from 2000 to 2003).

- **John Price (Melbourne) (nominee of ASIC Chairman from May 2012).** John commenced as an ASIC Commissioner on 21 March 2012. Since joining ASIC in 1999, John has held a number of senior roles including most recently as Senior Executive Leader, Strategy and Policy. John's previous roles at ASIC include Senior Executive Leader, Corporations, Acting Executive Director, Regulation and Director, Applications and Licensing. In these roles John has been closely involved in the development and implementation of regulatory policy, the regulatory aspects of major transactions, and the identification and development of regulatory responses to emerging issues and risks. His regulatory experience includes matters relating to fundraising, mergers and acquisitions, financial services and accounting and audit. Prior to joining ASIC, John worked in the Gold Coast and Brisbane offices of Corrs Chambers Westgarth, a national law firm.

Pursuant to s 153(1A), (1B) of the ASIC Act, John attended the June 2012 CAMAC meeting as the nominee of the ASIC Chairman.

- **Ian Ramsay (Melbourne) (appointed until May 2014).** Ian is the Harold Ford Professor of Commercial Law in the Faculty of Law at the University of Melbourne where he is Director of the Centre for Corporate Law and Securities Regulation. He has practised law with firms in New York and Sydney. He is a member of the Takeovers Panel, the Companies Auditors and Liquidators Disciplinary Board, the Law Committee of the Australian Institute of Company Directors and the Corporations Law Committee of the Law Council of Australia. Former positions he has held include Dean of the Faculty of Law at the University of Melbourne, Head of the Federal Government inquiry on auditor independence and member of the International Federation of Accountants taskforce on rebuilding confidence in financial reporting. Ian has published extensively on corporate law issues both internationally and in Australia.
- **Robert Seidler AM (Sydney) (appointed until April 2013).** Bob is a consultant at Ashurst (formerly known as Blake Dawson). He has been practising law for more than 30 years, including nearly 10 years as a partner of an international firm based in Sydney and Tokyo. While working in Tokyo, he became the first Australian lawyer licensed to practise foreign law in Japan and was a member of The Ministry of

International Trade and Industry Import Board, being appointed by the Japanese Prime Minister to represent Australia and New Zealand. He has been a director of various Australian subsidiaries of international banks and is currently a director of a large institutional property trust and on the board of a listed Australian company.

- **Greg Vickery AM (Brisbane) (appointed until May 2014).** Greg is Special Counsel at Norton Rose Australia. He practised law as a Partner for 40 years, primarily in the corporate and commercial areas. He is a former President of the Queensland Law Society. He is an Adjunct Professor of Law at the University of Queensland and regularly speaks on aspects of company law. He is a member of the Regional ASIC Committee in Queensland and of several Boards. He is the immediate past President of Australian Red Cross and is now Chairman of the International Standing Commission of the Red Cross and Red Crescent Societies.

During 2011–12, CAMAC met 6 times. The members attended the following number of meetings:

- Joanne Rees—5
- David Gomez—6
- Jane McAloon—3
- Alice McCleary—5
- Denise McComish—6
- Marian Micalizzi—6
- Michael Murray—6
- Geoffrey Nicoll—5
- Ian Ramsay—6
- Robert Seidler—5
- Greg Vickery—5
- Nominee of ASIC Chairman—5 (Belinda Gibson, Deputy Chairman—3; John Price, Commissioner—1; Andrew Fawcett, Senior Executive Leader, Strategy & Policy—1).

Sub-committees

During 2011–12, CAMAC had sub-committees for each of its current terms of reference.

Members of CAMAC sub-committees include CAMAC and Legal Committee members with relevant expertise and interest.

Derivatives

The derivatives sub-committee comprised Joanne Rees (chair), Robert Seidler, Denise McComish and Marian Micalizzi. The sub-committee met once in 2011–12.

Managed investment schemes

The managed investment schemes sub-committee (the schemes sub-committee) comprised Robert Seidler (chair), Michael Murray and Geoffrey Nicoll of CAMAC, James Marshall and David Proudman of the Legal Committee and Pamela Hanrahan. Pamela was the Queensland Regional Commissioner of ASIC and attended sub-committee meetings on behalf of Belinda Gibson. She continued as a member of the schemes sub-committee after the end of her term as an ASIC Regional Commissioner. The sub-committee met four times in 2011–12.

The AGM and shareholder engagement

The AGM and shareholder engagement sub-committee (the AGM sub-committee) comprised Joanne Rees (chair), Jane McAloon, Denise McComish and Geoff Nicoll from CAMAC, Elizabeth Boros and Brian Salter from the Legal Committee, Diane Brown from ASIC (until January 2012) and Jane Eccleston from ASIC (from February 2012). The sub-committee met three times in 2011–12.

Audit Committee

The Convenor, as Chief Executive of CAMAC, has established an audit committee, with the terms of reference required by regulation 22C of the *Financial Management and Accountability Regulations 1997*, in compliance with s 46 of the *Financial Management and Accountability Act 1997*.

During 2011–12, Alice McCleary was chair of the Audit Committee. The other members were David Gomez and Denise McComish.

During 2011–12, the Audit Committee met three times.

Work of the Committee during 2011–12 included:

- conferring with a representative of the Australian National Audit Office (ANAO) to discuss audit issues affecting CAMAC
- a review of CAMAC's 2010–11 financial statements, with a recommendation that they be adopted with some minor amendments
- development of a new fraud control plan for CAMAC
- consideration of procedural issues relating to CAMAC's system for making payments, including the signing of cheques.

Legal Committee

CAMAC, under s 154 of the ASIC Act, may inform itself in such manner as it sees fit. Pursuant to that provision, the Legal Committee was formally established in September 1991. Its function is to provide expert legal analysis, assessment and advice to CAMAC in relation to such matters as are referred to it by CAMAC.

The members of the Legal Committee are appointed in their personal capacity by the Minister. They are selected from throughout Australia, following consultation between the Commonwealth and the States, on the basis of their expertise in corporate law.

The members during 2011–12 are set out below.

- **Greg Vickery AM (Brisbane) (appointed until May 2014).** Greg is Special Counsel at Norton Rose Australia. He practised law as a Partner for 40 years, primarily in the corporate and commercial areas. He is a former President of the Queensland Law Society. He is an Adjunct Professor of Law at the University of Queensland and regularly speaks on aspects of company law. He is a member of the Regional ASIC Committee in Queensland and of several Boards. He is the immediate past President of Australian Red Cross and is now Chairman of the International Standing Commission of the Red Cross and Red Crescent Societies.
- **Rosey Batt (Adelaide) (appointed until May 2014).** Rosey is the Principal of Rosey Batt and Associates, which she founded in 2001 after spending a number of years as a partner with Minter Ellison and then Norman Waterhouse. Her primary areas of practice are in Business Transactions, Trade Practices, Commercialisation of Business Opportunities, Intellectual Property, Agriculture and Corporate Governance. She has had extensive commercial legal experience acting for Publicly Listed Corporations, SME's and individuals and in complex Aviation, Corporations Law, Banking and Finance and Trade

Practices litigation. As well as being a facilitator for the Australian Institute of Company Directors in their Company Directors Course, she has extensive Board experience and currently sits on several Private and Not for Profit Boards.

- **Lyn Bennett (Darwin) (appointed until November 2012).** Lyn is a partner with Minter Ellison, practising in commercial law. She has broad experience over 25 years, practising in Victoria and in recent years in Darwin. She is the chair of the commercial law sub-committee of the Law Society of the Northern Territory and a member of the Property and Commercial Law Taskforce assisting the Northern Territory government, and is also an appointed member of the Northern Territory Architects Board. She has been actively involved over many years in boards of various private community organizations and corporate entities.
- **Elizabeth Boros (Melbourne) (appointed until April 2013).** Elizabeth is a barrister based in Melbourne. Before coming to the Bar, she held the Sir Keith Aickin Chair of Company Law at Monash University and was a consultant in the corporate group at Blake Dawson. She is the author of *Minority Shareholders' Remedies* and the co-author of *Corporate Law*. She is a member of the Executive of the Law Council of Australia's Business Law Section, as well as that section's Corporations and E-Commerce committees. Her former external roles include terms as a director of ASX Supervisory Review Pty Ltd and External Expert to the Law Department at the London School of Economics.
- **Damian Egan (Hobart) (appointed until September 2014).** Damian is a commercial law partner with Murdoch Clarke and President of the Retirement Benefits Fund Board (Tasmania) and chair of its Investment Committee. He is a board member of Hobart Airport and several responsible entities (trustees) concerning mortgage funds and mortgage backed securities. Damian is also a member of the governing board of Hobart City Mission.
- **Jennifer Hill (Sydney) (appointed until April 2013).** Jennifer is a Professor of Law at the University of Sydney. She teaches, and has written widely in, corporate law and corporate governance, and has been a Visiting Professor at a number of US law schools, including the University of Virginia, the University of Texas at Austin and Vanderbilt University. She is a Research Associate of the European Corporate Governance Institute (ECGI) and a member of several international editorial boards, including *International Corporate Law and Financial Regulation* for Cambridge University Press.

- **James Marshall (Sydney) (appointed until April 2013).** James is a partner of Ashurst (formerly known as Blake Dawson) and is the Head of the Restructuring and Insolvency Group of that firm. He practises in the areas of business turnaround and restructuring and has been active in the distressed debt markets. He has a longstanding interest in insolvency law reform and was a member of the Insolvency Law Advisory Group, which was commissioned by Treasury to advise it in relation to the proposed amendments to the corporate insolvency legislation. He lectures on insolvency topics at the Law School of the University of Sydney. James is also a member of the Financial Services Institute of Australasia and the Insolvency Practitioners Association.
- **David Proudman (Adelaide) (appointed until April 2013).** David is a partner of Johnson Winter & Slattery and was admitted as a practitioner in South Australia in 1986. He is a past National Chair of the Insolvency & Reconstruction Committee of the Law Council of Australia. He was a member of the Insolvency Law Advisory Group appointed by the Parliamentary Secretary to the Treasurer to advise on the Corporations Amendment (Insolvency) Bill 2007 and is a member of the Consultative Group on Personal Property Security Reform, having been appointed by the Attorney-General. David advises banks, financial institutions, corporations and insolvency practitioners in all aspects of corporate insolvency, workouts, reconstructions and recoveries.
- **Brian Salter (Sydney) (appointed until September 2014).** Brian is the General Counsel at AMP. Brian has 30 years' experience in the legal profession advising many of Australia's leading financial and wealth management companies. Prior to joining AMP, he was a partner with law firm Clayton Utz for 19 years. Brian is also a member of the Legal Committee of the Australian Institute of Company Directors and the Corporations Committee of the Business Law Section of the Law Council of Australia. He is a former Chairman and National Committee member of the Australian Securitisation Forum and is presently a director of AMP Superannuation Limited and SCECGS Redlands Limited. Brian was appointed to the Legal Committee in September 2011.
- **Rachel Webber (Perth) (appointed until September 2014).** Rachel is a Special Counsel at Jackson McDonald, practising in corporate and commercial law. Her primary areas of expertise include corporations law advice, with an emphasis on financial services regulation, corporate fundraising, ASX compliance, managed investments, mergers and acquisitions and general commercial law. She is the convenor of the Commercial Law Committee of the Law Society of

Western Australia and is a member of the Corporations Committee of the Business Law Section of the Law Council of Australia.

During 2011–12, the Legal Committee met twice. The members attended the following number of meetings:

- Greg Vickery—2
- Rosey Batt—2
- Lyn Bennett—2
- Elizabeth Boros—2
- Damian Egan—2
- Jennifer Hill—0
- James Marshall—1
- David Proudman—2
- Brian Salter—1
- Rachel Webber—2.

A representative of the Australian Securities and Investments Commission attended Legal Committee meetings as an invitee. During 2011–12, Andrew Fawcett and Grant Moodie attended Legal Committee meetings in that capacity.

Executive

As at 30 June 2012, CAMAC had a full-time Executive of three officers, being John Kluver (Executive Director), Vincent Jewell (Deputy Director) and Thaumani (Timmi) Parrino (Office Manager).

The Executive carries out research, liaises with interested organizations and individuals and prepares, on the basis of the Committee's deliberations, draft papers and other material for the Committee's consideration.

John Kluver presented on managed investments and on the annual general meeting at two conferences.

Coordination with other bodies

CAMAC, through the Executive, maintains contact with officers of the Commonwealth Treasury, ASIC and other relevant government and private sector bodies. Representatives of Treasury attend CAMAC and Legal Committee meetings, at the invitation of the Committees. A senior officer

of ASIC also attends Legal Committee meetings, at that Committee's invitation.

CAMAC also receives administrative support from ASIC, including, in particular, from ASIC's Finance Section in Sydney, its Payroll Section in Brisbane, its information technology officers and the ASIC Library.

Other information

Financial performance

CAMAC operated within budget during the 2011–12 financial year.

Ethics

CAMAC staff members are required to adhere to the Australian Public Service values and code of conduct under the *Public Service Act 1999*.

Australian Public Service values include performing functions impartially and professionally, the highest ethical standards, open accountability, providing frank, honest, comprehensive, accurate and timely advice to government and promoting communication, consultation, co-operation and input from employees.

The requirements of the code of conduct include honesty, care and diligence, courtesy, compliance with the law, avoiding conflicts of interest and proper use of Commonwealth resources and information.

Fraud

During 2011–12, the CAMAC Audit Committee, in conjunction with the Executive, conducted a fraud business risk assessment. Subsequently, the Convenor approved a new fraud control plan for CAMAC, which takes into account the *Commonwealth Fraud Control Guidelines 2011* and is implemented with the assistance of the ASIC fraud control section.

CAMAC has appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet its needs and comply with the Commonwealth Fraud Control Guidelines (including the reporting aspects of those guidelines).

CAMAC has taken all reasonable measures to minimise the possibility of fraud and to ensure that any fraud against CAMAC will be investigated and the proceeds of that fraud recovered. These measures have proved effective, as there have been no known incidents of fraud.

External scrutiny

CAMAC's accounting records are audited each year by the Australian National Audit Office.

During the financial year, there were no judicial decisions or decisions of administrative tribunals or reports by the Auditor-General (other than the annual independent auditor's report prepared by the Australian National Audit Office on CAMAC's financial statements), a Parliamentary Committee or the Commonwealth Ombudsman concerning, or that may have a significant impact on, the operations of CAMAC.

The Parliamentary Joint Committee on Corporations and Financial Services in its *Report on the 2010–11 annual reports of bodies established under the ASIC Act* made suggestions to enhance CAMAC's annual report. Those suggestions have been implemented in this report.

The Senate Economics Legislation Committee also prepares reports on the annual reports of agencies which come under the Treasury portfolio.

Management of human resources

As at 30 June 2012, CAMAC had three full-time ongoing APS employees based in Sydney (two male and one female), being:

- an Executive Director (SES level)
- a Deputy Director (Executive Level 2)
- an Office Manager (APS 6).

The Executive Director is employed pursuant to a contract for services with CAMAC, with his salary and other entitlements being linked to Treasury SES salary scales and other entitlements. The Executive Director does not receive performance pay.

The salaries and other entitlements of the Deputy Director and the Office Manager are linked to relevant ASIC officer salary scales and entitlements, which are determined under a collective agreement for ASIC staff. The Deputy Director and the Office Manager each received a performance bonus in the 2011–12 financial year. The performance bonus for the Deputy Director is disclosed in Note 13c to the financial statements. The performance bonus for the Office Manager was \$7,242.

Staff members attend seminars from time to time on relevant matters to assist CAMAC in performing its policy and administrative functions.

No work health and safety issues arose during the 2011–12 financial year.

CAMAC is giving ongoing consideration to questions of workforce planning, taking into account the small size of the Executive.

Purchasing

CAMAC's general policy is that any major capital items are purchased through arrangement with ASIC, which follows the *Commonwealth Procurement Guidelines*. CAMAC did not have any major capital purchases in 2011–12.

Consultants

During 2011–12, CAMAC did not enter into any new consultancy contracts and there were no active ongoing consultancy contracts.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website www.tenders.gov.au.

Competitive tendering and contracting

CAMAC did not undertake any competitive tendering or contracting during the 2011–12 financial year.

Australian National Audit Office Access Clauses

CAMAC has not entered into any contract of \$100,000 or more during the reporting period that does not provide for the Auditor-General to have access to the contractor's premises.

Exempt contracts

CAMAC has no contracts or standing offers that have been exempted from being published in AusTender on the basis that publication would disclose exempt matters under the *Freedom of Information Act 1982*.

Commonwealth Disability Strategy

General information on the Commonwealth Disability Strategy and the National Disability Strategy is available in the Australian Public Service Commission's *State of the Service Report* and the *APS Statistical Bulletin*, available at www.apsc.gov.au. Further information on progress for people with a disability will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at www.fahcsia.gov.au.

The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on

disability matters. More detail on social inclusion matters can be found at www.socialinclusion.gov.au.

Work health and safety

CAMAC, through its Executive, monitors the workplace environment on an ongoing basis to ensure the health, safety and welfare of workers who carry out work for CAMAC. No accidents or dangerous occurrences, or relevant investigations, took place during the 2011–12 financial year.

All employees, and CAMAC and Legal Committee members when attending meetings, are covered under Comcare and Comcover.

Freedom of information

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. This information appears on the CAMAC website under the FOI tab.

Advertising and market research

CAMAC does not carry out any advertising or market research.

Ecologically sustainable development and environmental performance

Section 516A of the *Environment Protection And Biodiversity Conservation Act 1999* requires CAMAC to report on matters relevant to environmentally sustainable development (ESD). CAMAC reports that:

- the only activities relevant to ESD principles concern procurement of goods and services
- CAMAC's legislative function is not related to ESD principles
- the outcome specified for CAMAC in the annual Appropriation Act (No. 1) does not have ESD implications
- CAMAC is a small agency with only three full-time staff operating from a single location in Sydney and has a limited environmental impact. The CAMAC Executive seeks to use the minimum energy, water, paper and other resources necessary to perform its functions and

keeps under constant review possible measures to reduce its environmental impact.

Discretionary grants

CAMAC does not administer any discretionary grant programs.

Legal services expenditure

CAMAC had no legal services expenditure during the 2011–12 financial year.

Glossary

AGM	annual general meeting
APRA	Australian Prudential Regulation Authority
APS	Australian Public Service
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASX	Australian Securities Exchange
CAMAC	Corporations and Markets Advisory Committee
ESD	environmentally sustainable development
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FOI Act	<i>Freedom of Information Act 1982</i>
IPS	Information Publication Scheme
RE	responsible entity
SES	Senior Executive Service

Date and signing of report

This Annual Report is signed by the Convenor, Joanne Rees, as Agency Head of the Corporations and Markets Advisory Committee.

A handwritten signature in black ink, appearing to read 'J. Rees', is positioned above the printed name and title.

Joanne Rees
Convenor
21 September 2012



INDEPENDENT AUDITOR'S REPORT

To the Parliamentary Secretary to the Treasurer

I have audited the accompanying financial statements of the Corporations and Markets Advisory Committee for the year ended 30 June 2012, which comprise: a Statement by the Chief Executive and Executive Director; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Statement of Cash Flows; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the agency is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the agency's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the

Chief Executive of the agency, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Corporations and Markets Advisory Committee:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Corporations and Markets Advisory Committee financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Carla Jago
Engagement Executive
Delegate of the Auditor-General
Canberra
30 August 2012

Financial statements

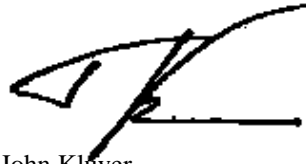
for the year ended 30 June 2012

STATEMENT BY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR

In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Joanne Rees
Convenor (Chief Executive)
30 August 2012



John Kliver
Executive Director
30 August 2012

Statement of comprehensive income

for the year ended 30 June 2012

	Note	2012 \$	2011 \$
EXPENSES			
Employees	4(a)	638,432	563,944
Suppliers	4(b)	355,520	357,985
Depreciation and amortisation	4(c)	6,381	6,764
Write down and impairment of assets	4(d)	–	65,703
Finance costs	5	2,173	2,791
Total expenses		1,002,506	997,187
Gains			
Resources received free of charge	6(a)	15,000	15,100
Total own-source income		15,000	15,100
Net cost of services		987,506	982,087
Revenues from Government	6(b)	1,030,000	1,021,000
Surplus attributable to the Australian Government		42,494	38,913
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserve		–	21,453
Total comprehensive income attributable to the Australian Government	19	42,494	60,366

The above statement should be read in conjunction with the accompanying notes.

Balance sheet*as at 30 June 2012*

	Note	2012 \$	2011 \$
ASSETS			
Financial assets			
Cash	7(a)	65,708	64,781
Receivables	7(b)	761,405	631,619
<i>Total financial assets</i>		827,113	696,400
Non-financial assets			
Leasehold improvements	8(a)	25,078	28,177
Plant and equipment	8(b)	16,654	12,351
Other non-financial assets	8(d)	24,914	44,878
<i>Total non-financial assets</i>		66,646	85,406
TOTAL ASSETS		893,759	781,806
LIABILITIES			
Payables			
Suppliers	9(a)	14,379	12,714
Other payables	9(b)	73,067	84,850
<i>Total payables</i>		87,446	97,564
Provisions			
Employees	10(a)	338,152	280,748
Other provisions	10(b)	44,135	41,962
<i>Total provisions</i>		382,287	322,710
TOTAL LIABILITIES		469,733	420,274
NET ASSETS		424,026	361,532
EQUITY			
Contributed equity		40,000	20,000
Reserves		22,141	22,141
Accumulated surplus		361,885	319,391
TOTAL EQUITY		424,026	361,532

The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2012

	Accumulated results		Asset revaluation reserve		Contributed equity		TOTAL EQUITY	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	319,391	280,478	22,141	688	20,000	–	361,532	281,166
Operating surplus	42,494	38,913	–	–	–	–	42,494	38,913
Revaluation	–	–	–	21,453	–	–	–	21,453
<i>Total comprehensive income attributable to the Australian Government</i>	42,494	38,913	–	21,453	–	–	42,494	60,366
Transactions with owners:								
Appropriations—departmental capital budget	–	–	–	–	20,000	20,000	20,000	20,000
	–	–	–	–	20,000	20,000	20,000	20,000
Closing balance attributable to the Australian Government	361,885	319,391	22,141	22,141	40,000	20,000	424,026	361,532

The above statement should be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 30 June 2012

	Note	2012 \$	2011 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		902,561	848,332
GST recovered from ATO		33,704	34,486
Total cash received		936,265	882,818
Cash used			
Employees		(581,028)	(540,666)
Suppliers		(366,726)	(368,001)
Total cash used		(947,754)	(908,667)
Net cash from operating activities	11	(11,489)	(25,849)
INVESTING ACTIVITIES			
Cash used			
Purchase of leasehold improvements, plant and equipment		(7,584)	(7,453)
Net cash (used) by investing activities		(7,584)	(7,453)
FINANCING ACTIVITIES			
Cash received			
Appropriations—contributed equity		20,000	20,000
Net cash (used) by financing activities		20,000	20,000
Net increase/(decrease) in cash held		927	(13,302)
Cash at the beginning of the reporting period		64,781	78,083
Cash at the end of the reporting period	7(a)	65,708	64,781

The above statement should be read in conjunction with the accompanying notes.

Schedule of commitments

as at 30 June 2012

	Note	2012 \$	2011 \$
BY TYPE			
Other commitments			
Operating leases	(a)	287,507	460,643
Total other commitments		287,507	460,643
Commitments receivable	(b)	(26,137)	(41,877)
Net commitments by type		261,370	418,766
BY MATURITY			
Operating lease commitment:			
One year or less		180,061	173,135
From one to five years		107,446	287,508
Total operating lease commitments		287,507	460,643
Commitments receivable			
Operating lease commitment:			
One year or less		(16,369)	(15,740)
From one to five years		(9,768)	(26,137)
Total commitments receivable	(b)	(26,137)	(41,877)
Net commitments by maturity		261,370	418,766

Notes:

(a) Operating leases included are effectively non-cancellable and comprise:

<i>Nature of lease</i>	<i>General description of leasing</i>
Leases for office accommodation	. Subject to fixed annual increase . No contingent rentals exist

(b) Commitments receivable consist of GST recoverable in respect of operating leases. All commitments are GST inclusive.

The above schedule should be read in conjunction with the accompanying notes.

Schedule of contingencies

as at 30 June 2012

Contingent liabilities

There were no quantifiable contingent liabilities as at 30 June 2012 (2011: nil).

Contingent assets

There were no quantifiable contingent assets as at 30 June 2012 (2011: nil).

Unquantifiable contingent liabilities

There were no unquantifiable contingent liabilities as at 30 June 2012 (2011: nil).

Unquantifiable contingent assets

There were no unquantifiable contingent assets as at 30 June 2012 (2011: nil).

The above schedule should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements

for the year ended 30 June 2012

Notes

- 1 Summary of significant accounting policies
- 2 Events after the balance sheet date
- 3 Economic dependency
- 4 Operating expenses
- 5 Finance costs
- 6 Operating revenue
- 7 Financial assets
- 8 Non-financial assets
- 9 Payables
- 10 Provisions
- 11 Cash flow reconciliation
- 12 Related party disclosures
- 13 Remuneration of members and executive officer
- 14 Remuneration of auditor
- 15 Average staffing levels
- 16 Financial instruments
- 17 Appropriations
- 18 Reporting of outcomes
- 19 Net cash appropriation arrangements
- 20 Compliance with Statutory Conditions for payments from Consolidated Revenue Fund

1 Summary of significant accounting policies

1.1 Objective of Corporations and Markets Advisory Committee

The Corporations and Markets Advisory Committee (CAMAC) is an independent body operating under the *Australian Securities and Investments Commission Act 2001* to provide informed and expert advice to the Minister about corporate, financial product and financial market matters.

The objectives of CAMAC are to stimulate and lead the debate on the enhancement of standards for corporations and participants in financial markets and to provide the Australian Government with advice of the highest quality on any steps needed to achieve this, including suitable regulatory reform where necessary.

CAMAC is an agency prescribed under Schedule 1, Part 1 of the *Financial Management and Accountability Regulations 1997* (FMA Regulations).

1.2 Basis of preparation of the financial statements

The financial statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* (FMA Act) and are a general purpose financial report.

The financial statements and notes have been prepared in accordance with the:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets, which are at fair value. Except where stated, no allowance is made for the effect of changing prices on results or the financial position of CAMAC. The financial report is presented in Australian dollars.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to CAMAC or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets

that are not recognised are reported in the Schedule of Commitments or the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new accounting standards, amendments to standards and interpretations applicable to the current reporting period were issued by the Australian Accounting Standards Board prior to the signing date, but have not had a material financial impact on CAMAC:

- AASB 1054 *Australian Additional Disclosures*—May 2011 (Compilation)
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13)—June 2010
- AASB 2010-6 *Amendments to Australian Accounting Standards—Disclosures on Transfers of Financial Assets* (AASB 1 & AASB 7)—November 2010
- AASB 2011-5 *Amendments to Australian Accounting Standards—Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation* (AASB 127, AASB 128 & AASB 131)—July 2011
- AASB 2011-3 *Amendments to Australian Accounting Standards—Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments* (AASB 1049)—May 2011 (Compilation)
- AASB 2011-9 *Amendments to Australian Accounting Standards—Presentation of Items of Other Comprehensive Income* (AASB 1, AASB 5, AASB 7, AASB 101, AASB 112, AASB 120, AASB 121, AASB 132, AASB 133, AASB 134, AASB 1039 & AASB 1049)—September 2011 (Compilation)
- AASB 2011-13 *Amendments to Australian Accounting Standard—Improvements to AASB 1049*—December 2011 (Compilation).

Other new standards or revised standards that were issued prior to the signing date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact, on CAMAC.

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations that have been issued by the Australian Accounting Standards Board and are effective for future reporting periods are expected to have a material financial impact on CAMAC:

- AASB 13 *Fair Value Measurement*
- AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*
- AASB 9 *Financial Instruments*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9.*

1.4 Revenue

Revenues from Government

Amounts appropriated for departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when CAMAC gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Resources received free of charge

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

1.5 Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave, as all sick leave is non-vesting and the average sick leave taken in future years by employees of CAMAC is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including CAMAC's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

Superannuation

CAMAC employees are members of the Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS).

The CSS and PSS are defined benefit schemes of the Australian Government.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

CAMAC makes employer contributions to the CSS & PSS at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of CAMAC's employees.

1.6 Leases

All leased assets have been classified as operating leases, as substantially all the risks and benefits incidental to the ownership of the leased assets remain with the lessor.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.7 Finance costs

Finance costs are expensed as incurred.

1.8 Cash

Cash means petty cash and deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.9 Other non-financial assets

These assets are recognised at their nominal amounts, being cost.

1.10 Financial assets and financial liabilities

Financial assets

CAMAC's financial assets are classified as 'loans and receivables' for the purposes of AASB139 *Financial Instruments: Recognition and Measurement*.

Financial assets are recognised and derecognised at transaction date.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

Financial assets are held at amortised cost. If there is objective evidence that an impairment loss has been incurred for 'loans and receivables' financial assets, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial liabilities

Financial liabilities are classified as ‘other financial liabilities’ for the purposes of AASB139 *Financial Instruments: Recognition and Measurement*.

Financial liabilities are recognised and derecognised at transaction date.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of whether they have been invoiced).

1.11 Acquisition of assets

Assets are recorded at cost on acquisition, provided the asset recognition threshold is satisfied (refer to note 1.12). The cost on acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

1.12 Leasehold improvements, plant and equipment

Asset recognition threshold

Acquisitions of leasehold improvements, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located, if restoration is contractually required. ‘Make good’ provisions in property leases are accounted for on this basis. These costs are included in the value of CAMAC’s leasehold improvements with a corresponding restoration provision recognised.

Revaluations

Fair values of each class of asset are determined as shown below:

Asset class	Fair value measured at:
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market value

Following initial recognition at cost, leasehold improvements, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are 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. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/(deficit). Revaluation decrements for a class of assets are recognised directly in the surplus/(deficit) except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Assets that are surplus to requirements are measured at their net realisable value. At 30 June 2012 CAMAC held no surplus assets.

Depreciation and amortisation

Depreciable plant and equipment assets (including library books) are written down to their estimated residual values over their estimated useful lives to CAMAC using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current reporting period, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

	2012	2011
Leasehold improvements	Lease Term	Lease Term
Plant and equipment	2–40 years	2–40 years

1.13 Impairment of non-current assets

Leasehold improvements, plant and equipment are assessed for impairment at the end of each financial year. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if CAMAC were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.14 Other provisions

In accordance with AASB 116 *Property, Plant & Equipment* and AASB Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*, CAMAC recognises a liability for estimated restoration costs relating to leased premises where the lease creates an obligation for CAMAC to make good those premises.

1.15 Taxation

CAMAC is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST). CAMAC recovers GST from the Australian Taxation Office.

Revenues, expenses, assets and liabilities are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.16 Insurance

CAMAC has insured for risks through Comcover, the Government's insurable risk managed fund. Workers' compensation is insured through Comcare Australia.

1.17 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or

represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.18 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

1.19 Changes in accounting policy

There have been no changes in accounting policies during the year ended 30 June 2012.

1.20 Rounding

The figures in these financial statements have been rounded to the nearest dollar.

2 Events after the balance sheet date

There were no events occurring after balance sheet date that had a material effect on the financial statements.

3 Economic dependency

CAMAC is controlled by the Commonwealth of Australia. Accordingly, CAMAC is dependent on appropriations from the Parliament of the Commonwealth for its continued existence and ability to carry out its normal activities and functions as set out in section 148 of the *Australian Securities and Investments Commission Act 2001*.

4 Operating expenses

	Notes	2012	2011
		\$	\$
4a Employees and members			
Salaries		472,349	463,173
Superannuation	(i)	71,356	66,967
Leave and other entitlements		94,727	33,804
Total employee expenses		638,432	563,944

(i) Contributions to superannuation schemes are at rates calculated to cover existing and emerging obligations. Superannuation payments for members are paid into private superannuation funds or the Public Sector Superannuation Scheme (PSS). Refer to Note 13d for remuneration of members.

	Notes	2012	2011
		\$	\$

4b Suppliers

Goods and Services

Audit fee		15,000	15,100
Management fee		70,000	69,000
Office requisites		13,888	13,920
Postage		4,724	5,631
Property-related outgoings		19,073	16,828
Stationery		1,384	2,940
Subscriptions		11,556	12,358
Travel		60,388	62,869
Other goods and services		16,000	16,652
Total Goods and Services		212,013	215,298

Goods and services are made up of:

Rendering of services - related entities		85,000	85,595
Rendering of services - external parties		100,223	117,345
Provision of goods - external parties		26,790	12,358
Total goods and services expenses		212,013	215,298

Other supplier expenses

Operating lease rentals	(i)	140,749	140,749
Workers compensation premiums		2,758	1,938
Total other supplier expenses		143,507	142,687
Total supplier expenses		355,520	357,985

(i) These comprise minimum lease payments only.

	Note	2012	2011
		\$	\$

4c Depreciation and amortisation

Depreciation of plant and equipment	8c	3,282	2,858
Amortisation of leasehold improvements	8c	3,099	3,906
Total depreciation and amortisation expense	8c	6,381	6,764

	Note	2012	2011
		\$	\$

4d Write down and impairment of assets

Write down and impairment of assets	8c, (i)	–	65,703
-------------------------------------	---------	---	--------

(i) During 2010–11 CAMAC wrote off library assets, as the online resource material is now more efficient and effective for meeting CAMAC's needs.

5 Finance costs

	2012	2011
	\$	\$
Unwinding of discount on other provisions	2,173	2,791

6 Operating revenue

	Note	2012	2011
		\$	\$

6a Gains

Resources received free of charge	(i)	15,000	15,100
-----------------------------------	-----	--------	--------

6b Revenues from Government

Departmental outputs		1,030,000	1,021,000
----------------------	--	-----------	-----------

(i) As a prescribed agency, CAMAC receives audit services from the Australian National Audit Office free of charge. The fair value of the service received for the reporting period is \$15,000 (2011: \$15,100).

7 Financial assets

	Note	2012	2011
		\$	\$

7a Cash

Cash on hand		1,000	1,000
Cash at bank		64,708	63,781
Total cash		65,708	64,781

7b Receivables

Appropriation receivable		752,718	625,279
GST receivable		8,687	6,340
Total receivables	(i)	761,405	631,619

Receivables are expected to be recovered:

No more than 12 months		761,405	631,619
		761,405	631,619

(i) The amount for Total receivables as at 30 June 2011 is \$40,650 lower than the amount reported in the 2010–11 financial statements. The decrease relates to a reclassification of the lease incentive asset to non-financial assets.

8 Non-financial assets

	Note	2012	2011
		\$	\$

8a Leasehold improvements

Leasehold improvements—at fair value		28,609	28,609
Accumulated amortisation		(3,531)	(432)
Total leasehold improvements	8c	25,078	28,177

8b Plant and equipment

Plant and equipment—at fair value		20,258	12,673
Accumulated depreciation		(3,604)	(322)
Total plant and equipment	8c	16,654	12,351

A valuation was undertaken by the Australian Valuation Office as at 30 June 2011. The valuation confirmed there was no material difference between the fair value and carrying value of plant and equipment assets and leasehold improvements.

No indicators of impairment were found for plant and equipment or leasehold improvements at 30 June 2012.

8c Analysis of leasehold improvements, plant and equipment

Table A Reconciliation of opening and closing balances of leasehold improvements and plant and equipment 2011–12

	Leasehold improvements	Plant and equipment	Total
	\$	\$	\$
As at 1 July 2011			
Gross book value	28,609	12,673	41,282
Accumulated depreciation/amortisation	(432)	(322)	(754)
Opening net book value	28,177	12,351	40,528
Additions			
by purchase	–	7,585	7,585
Depreciation/amortisation expense	(3,099)	(3,282)	(6,381)
As at 30 June 2012			
Gross book value	28,609	20,258	48,867
Accumulated depreciation/amortisation	(3,531)	(3,604)	(7,135)
Closing net book value	25,078	16,654	41,732

Table B Reconciliation of opening and closing balances of leasehold improvements, plant and equipment 2010–11

	Leasehold improvements	Plant and equipment	Total
As at 1 July 2010	\$	\$	\$
Gross book value	42,685	83,447	126,132
Accumulated depreciation/amortisation	(24,856)	(6,988)	(31,844)
<i>Opening net book value</i>	17,829	76,459	94,288
Additions			
by purchase	3,000	4,453	7,453
Revaluation adjustment	11,254	(403)	10,851
Write off		(65,300)	(65,300)
Depreciation/amortisation expense	(3,906)	(2,858)	(6,764)
As at 30 June 2011			
Gross book value	28,609	12,673	41,282
Accumulated depreciation/amortisation	(432)	(322)	(754)
<i>Closing net book value</i>	28,177	12,351	40,528

8d Other non-financial assets

	2012	2011
	\$	\$
Prepayments	–	4,228
Lease incentive asset (i)	24,914	40,650
<i>Total other non-financial assets</i>	24,914	44,878

(i) The balance as at 30 June 2012 represents CAMAC's lease incentive receivable from the office accommodation lease that was renewed during the 2008–09 financial year. The amount for Other non-financial assets as at 30 June 2011 is \$40,650 higher than the amount reported in the 2010–11 financial statements. The increase relates to a reclassification of the lease incentive asset from receivables to non-financial assets. Prepayments are expected to be recovered in less than 12 months.

9 Payables

	Note	2012	2011
		\$	\$
9a Supplier payables			
Trade creditors		14,379	12,714
<i>Total supplier payables</i>		14,379	12,714
9b Other payables			
Rent payable		15,869	18,211
Property lease incentive		22,650	36,955
Salaries and bonuses		34,548	29,684
<i>Total other payables</i>		73,067	84,850
Payables are expected to be settled:			
No more than 12 months		57,492	56,383
More than 12 months		15,575	28,467
		73,067	84,850

Suppliers are expected to be settled within 12 months.

10 Provisions

	2012	2011
	\$	\$
10a Employees		
Leave entitlements	338,152	280,748
<i>Total employee provisions</i>	338,152	280,748
Employee provisions are expected to be settled:		
No more than 12 months	24,807	23,978
More than 12 months	313,345	256,770
	338,152	280,748
10b Other		
Restoration obligations—leased premises	44,135	41,962
<i>Total other provisions</i>	44,135	41,962
<i>Reconciliation of the opening and closing balance of restoration provision</i>		
Carrying amount 1 July	41,962	49,370
Revaluation adjustment	–	(10,199)
Unwinding of discount or change in discount rate	2,173	2,791
<i>Closing balance 30 June</i>	44,135	41,962

Settlement of the restoration obligation is expected to occur more than 12 months after the date of these financial statements.

11 Cash flow reconciliation

Reconciliation of cash per Balance Sheet to Statement of Cash Flows	Note	2012 \$	2011 \$
Cash and cash equivalents as per:			
Cash flow statement		65,708	64,781
Reconciliation of net cost of services to net cash from operating activities:			
Net cost of services		(987,506)	(982,087)
Add revenue from Government		1,030,000	1,021,000
Surplus attributable to the Australian Government		42,494	38,913
Adjustments for non-cash items			
Depreciation and amortisation		6,381	6,764
Finance costs		2,173	2,791
Write down and impairment of non-financial assets		–	65,703
<i>Changes in assets and liabilities resulting from operating activities</i>			
Increase in employee provisions		57,404	18,387
(Increase)/decrease in other non-financial assets		19,964	1,546
(Increase) in receivables		(129,786)	(158,284)
Increase/(decrease) in payables		(10,118)	(1,669)
Net cash received from operating activities		(11,488)	(25,849)

12 Related party disclosures

12a The members of the Advisory Committee during the financial year and to the date of this report were:

- Joanne Rees—Convenor
- Belinda Gibson (Nominee of ASIC's Chairman until April 2012)
- David Gomez
- Jane McAloon
- Alice McCleary
- Denise McComish
- Greg Medcraft (ASIC Chairman)
- Marian Micalizzi
- Michael Murray
- Geoffrey Nicoll
- John Price (Nominee of ASIC's Chairman from May 2012)

- Ian Ramsay
- Robert Seidler
- Greg Vickery.

12b The members of the Legal Committee during the financial year and to the date of this report were:

- Greg Vickery—Convenor
- Rosey Batt
- Lyn Bennett
- Elizabeth Boros
- Damian Egan
- Jennifer Hill
- James Marshall
- David Proudman
- Brian Salter
- Rachel Webber.

12c During the financial year there were no related party transactions with Advisory Committee members or Legal Committee members, except for the payment of \$70,000 to ASIC of which Greg Medcraft is the Chairman, Belinda Gibson is the Deputy Chairman and John Price is a Commissioner (2011: \$69,000). The payment to ASIC is for administrative support, including financial management, payroll, library services and information technology.

The sitting fees payable to members and the aggregate remuneration of members are disclosed in note 13d.

13 Remuneration of members and executive officer

Note 13a and Note 13b disclose the remuneration of those senior executives who are either classified in Groups 9–11 of the Public Service Classification Rules 2000 or those who perform functions controlling operational activities that have a direct impact on the economic function and viability of CAMAC and whose employment conditions are equivalent to SES employment conditions of service.

Note 13b discloses only those senior executives in a substantive capacity during the reporting period. Note 13a is prepared on an

accruals basis: therefore the total expense in note 13a may differ from the average annual reportable remuneration paid in Note 13b.

The executive remuneration includes the sole Executive Officer concerned with or taking part in the management of CAMAC during 2011–12 except for the members of the Committee. Details in relation to members of the Committee have been incorporated into Note 13d Sitting members.

13a Total expense recognised in relation to employment of senior executives

	2012 \$	2011 \$
Short-term employee benefits:		
Salary and performance bonuses	212,040	202,627
Annual leave accrued	16,308	15,705
Total short-term employee benefits	228,348	218,332
Post-employment benefits:		
Superannuation	27,084	26,550
Other long-term benefits:		
Long service leave accrued	6,463	5,940
<i>Total remuneration expense for senior executives</i>	261,895	250,822

13b Average annual reportable remuneration paid to substantive¹ senior executives during the reporting period

As at 30 June 2012					
Average annual reportable remuneration	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Bonus paid ⁴ \$	Total \$
Total remuneration:					
\$210,000 to \$239,999	1	166,220	73,543	–	239,763

As at 30 June 2011					
Average annual reportable remuneration	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Bonus paid ⁴ \$	Total \$
Total remuneration:					
\$210,000 to \$239,999	1	171,344	60,032	–	231,376

1 This table reports on substantive senior executives who were employed by CAMAC during the reporting period.

2 'Reportable salary' includes the following:

- a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'Bonus paid' column);
- b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
- c) exempt foreign employment income.

3 The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts as per the individuals' payslips.

4 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving CAMAC during the financial year.

There were no allowances paid to the senior executive during the year.

13c Other highly paid staff¹

As at 30 June 2012

Average annual reportable remuneration	No. of staff	Reportable salary ² \$	Contributed superannuation ³ \$	Bonus paid ⁴ \$	Total \$
Total remuneration:					
\$150,000 to \$179,999	1	126,368	25,714	13,581	165,663

As at 30 June 2011

Average annual reportable remuneration	No. of staff	Reportable salary ² \$	Contributed superannuation ³ \$	Bonus paid ⁴ \$	Total \$
Total remuneration:					
\$150,000 to \$179,999	1	124,248	24,937	13,186	162,371

¹This table reports on other highly paid staff who were employed by CAMAC during the reporting period.

²Reportable salary² includes the following:

- a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'Bonus paid' column);
- b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
- c) exempt foreign employment income.

³The 'contributed superannuation' amount is the average actual superannuation contributions paid to other highly paid staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts as per the individuals' payslips.

⁴'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving CAMAC during the financial year.

There were no allowances paid to the other highly paid staff member during the year.

13d Sitting members

The number of Advisory Committee and Legal Committee members paid sitting fees is shown below in the relevant remuneration bands. Some members waived sitting fees. Section 152 of the *Australian Securities and Investments Commission Act 2001* provides for the remuneration payable to CAMAC members to be determined by the Remuneration Tribunal. The sitting fees payable during the 2011–12 financial year, as determined by the Tribunal, were \$803 for the Convenor and \$731 for other members.

Bands of remuneration	2012	2011
	Members	Members
\$0–\$14,999	17	17

	2012	2011
	\$	\$
Aggregate amount of superannuation payments in connection with the future retirements of Committee members, including Legal Committee members	2,434	2,042
Other remuneration received or due and receivable by Committee members, including Legal Committee members	63,645	43,507
<i>Total remuneration received or due and receivable by Committee members, including Legal Committee members</i>	66,079	45,549

14 Remuneration of auditor

	2012	2011
	\$	\$
Financial statements audit services by the Auditor-General are provided free of charge to CAMAC. No other services were provided by the Auditor-General. For further explanation of this item, see the Statement of Comprehensive Income under the heading Gains, note 1.4 under the heading <i>Resources received free of charge</i> and note 6a.	15,000	15,100

15 Average staffing levels

	2012	2011
The average staffing levels for CAMAC during the year were	3	3

16 Financial instruments

16a Market risk exposures

Currency risk

CAMAC's exposure to 'Currency risk' is minimal, as only a small number of contracts are in currencies other than Australian dollars.

Interest rate risk

CAMAC financial instruments are not exposed to interest rate risk.

16b Net fair values of financial instruments

	2012		2011	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial assets				
Cash	65,708	65,708	64,781	64,781
Total financial assets	65,708	65,708	64,781	64,781
Financial liabilities				
Trade creditors	14,379	14,379	12,714	12,714
Total financial liabilities	14,379	14,379	12,714	12,714

16c Credit risk exposures

CAMAC has no exposure to credit risk.

16d Liquidity risk exposures

CAMAC's financial liabilities are payables.

CAMAC receives appropriations from the Federal Government to deliver the outcomes defined in Note 1.1. CAMAC is an FMA agency and is therefore required to comply with government policies, including the prompt payment of suppliers.

CAMAC does not expect to have difficulty meeting its financial liability obligations as and when they become payable.

Financial instruments reconciliation

	2012 \$	2011 \$
Total financial assets as per balance sheet	827,113	696,400
Less: non-financial instrument components:		
Appropriations receivable	752,718	625,279
GST receivable included in financial assets	8,687	6,340
Total non-financial instrument components	761,405	631,619
Total financial assets as per financial instruments note	65,708	64,781

17 Appropriations

Table A1: Annual appropriations ('recoverable GST exclusive')

	2012 appropriations				Appropriations applied in 2012 (current and prior years)	Variance ²
	Appropriation Act		FMA Act			
	Annual appropriation	Appropriations reduced ¹	Section 31	Total appropriation		
Departmental						
Ordinary annual services	1,050,000	-	-	1,050,000	917,745	132,255
Other services						
Equity	-	-	-	-	-	-
Total departmental	1,050,000	-	-	1,050,000	917,745	132,255

¹Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. No reduction has been made by the Finance Minister in respect of CAMAC's Appropriation Act (No. 1) 2011–12.

²The underspend in departmental ordinary annual service 2011–12 primarily relates to members attending meetings by phone. There were also fewer Legal Committee meetings, which resulted in lower expenditure for sitting fees and travel.

Table A2: Annual appropriations ('recoverable GST exclusive')

	2011 appropriations			Total appropriation	Appropriations applied in 2011 (current and prior years)	Variance ¹
	Appropriation Act		FMA Act			
	Annual appropriation	Appropriations reduced	Section 31			
Departmental						
Ordinary annual services	1,041,000	–	–	1,041,000	881,714	159,286
Other services						
Equity	–	–		–	–	–
Total departmental	1,041,000	–	–	1,041,000	881,714	159,286

¹Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. No reduction was made by the Finance Minister in respect of CAMAC's Appropriation Act (No. 1) 2010–11.

²The underspend in departmental ordinary annual service 2010–11 primarily related to members attending meetings by phone. There were also fewer Legal Committee meetings, which resulted in lower expenditure for sitting fees and travel. Also printing expenditure was reduced as one publication was published only online.

Table B1: Departmental capital budget ('recoverable GST exclusive')

	2012 capital budget appropriation			Capital budget appropriations applied in 2012 (current and prior years)				
	Appropriation Act		FMA Act	Total capital budget appropriation	Payment for non-financial assets ³	Payment for other purposes	Total payments	Variance ⁴
	Annual capital appropriation	Appropriations reduced ²	Section 32					
Departmental								
Ordinary annual services— Departmental Capital Budget ¹	20,000	–	–	20,000	7,584	–	7,584	12,416

¹Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

²Appropriations reduced under Appropriation Acts (No.1,3,5) 2011–12 sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

³Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

⁴The primary reasons for the underspend in the departmental capital budget for 2011–12 were, first, that CAMAC was able to use printing services provided by ASIC and therefore did not need to purchase a printer/photocopier and, secondly, that CAMAC's increasing use of online services reduces the need to purchase printed library services and other publications.

Table B2: Departmental capital budget ('recoverable GST exclusive')

	2011 capital budget appropriation			Capital budget appropriations applied in 2011 (current and prior years)				Variance ⁴
	Appropriation Act		FMA Act	Total capital budget appropriation	Payment for non-financial assets ³	Payment for other purposes	Total payments	
	Annual capital appropriation	Appropriations reduced ²	Section 32					
Departmental								
Ordinary annual services— Departmental Capital Budget ¹	20,000	–	–	20,000	7,453	–	7,453	12,547

¹Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

²Appropriations reduced under Appropriation Acts (No.1,3,5) 2010–11 sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

³Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

⁴The underspend in the departmental capital budget 2010–11 primarily related to the greater use of online library services.

Table C: Unspent departmental appropriations ('recoverable GST exclusive')

Authority	2012	2011
	\$	\$
Appropriation Act (No.1) 2008–2009	74,969	74,969
Appropriation Act (No.1) 2009–2010	169,759	169,759
Appropriation Act (No.1) 2010–2011	380,551	380,551
Appropriation Act (No.1) 2011–2012	127,439	–
Total	752,718	625,279

18 Reporting of outcomes

CAMAC seeks to stimulate and lead the debate on the enhancement of standards for corporations and participants in financial markets and propose suitable regulatory reform where necessary. CAMAC operates solely from Sydney, Australia.

CAMAC's operations and activities that give effect to its role as a corporations and financial markets adviser are summarised in CAMAC's Outcome as follows:

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

Table A Net cost of outcome delivery

	Outcome 1	
	2012	2011
	\$	\$
Expenses		
Departmental	1,002,506	997,187
Total expenses	1,002,506	997,187
Income from non-government sector		
Departmental	–	–
Total income from non-government sector	–	–
Total net cost of outcome delivery (a)	1,002,506	997,187

(a) The net cost of outcome delivery represents the expenses incurred by CAMAC less the revenue earned by CAMAC from other sources—each of these amounts is detailed in the Statement of Comprehensive Income.

Table B Major classes of departmental expense, income, assets and liabilities by outcomes

All CAMAC's major classes of departmental expenses, income, assets and liabilities can be attributed to Outcome 1.

19 Net cash appropriation arrangements

From 2010–11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required. The ‘Departmental Capital Budget’ is used to fund the replacement of CAMAC’s business as usual assets (ie individual assets with a value of less than \$10m).

	2012	2011
	\$	\$
Total comprehensive income/(loss) attributable to CAMAC		
Total comprehensive income excluding depreciation/amortisation expenses previously funded through revenue appropriations attributable to CAMAC	48,875	67,130
Less: non-appropriated expenses		
Depreciation and amortisation expense	6,381	6,764
<i>Total comprehensive income/(loss) as per the Statement of Comprehensive Income</i>	42,494	60,366

20. Compliance with statutory conditions for payments from Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance and Deregulation provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts.

CAMAC does not have any special accounts or special appropriation as at 30 June 2012.

End of financial statements

Appendix 1 Agency resource statement

	Actual available appropriation for 2011–12 \$'000	Payments made 2011–12 \$'000	Balance remaining 2011–12 \$'000
Ordinary annual services Departmental appropriation ¹	1,050	918	132
Total	1,050	918	132

¹Includes \$0.02 million in 2011–12 for the Departmental Capital Budget.

Appendix 2 Expenses for outcome 1

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.	Budget ¹ 2011–12 \$'000	Actual expenses 2011–12 \$'000	Variation 2011–12 \$'000
Program 1.1: Corporations and Markets Advisory Committee			
Departmental expenses			
Departmental appropriation ²	1,050	1,003	47
Special appropriations	0	0	0
Special accounts	0	0	0
Expenses not requiring appropriation in the Budget year	0	0	0
Total for Program 1.1	1,050	1,003	47
Total expenses for Outcome 1	1,050	1,003	47
Average staffing level (number)	3	3	3

¹Full year budget, including any subsequent adjustment made to the 2011–12 Budget.

²Includes \$0.02 million in 2011–12 for the Departmental Capital Budget.

Appendix 3 List of requirements

This appendix contains the list of requirements set out in Attachment F of *Requirements for Annual Reports for departments, executive agencies and FMA Act bodies*, approved by the Joint Committee of Public Accounts and Audit under ss 63(2) and 70(2) of the *Public Service Act 1999*, and issued by the Department of the Prime Minister and Cabinet on 28 June 2012.

The column headed ‘Location of item in the PM&C guidelines’ identifies the relevant part of those guidelines (for instance, ‘A.4’ refers to the fourth item in Attachment A).

Location of item in the PM&C guidelines	Part of report	Description	Requirement	Page(s) of this report
8(3) & A.4		Letter of transmittal	Mandatory	lii
A.5		Table of contents	Mandatory	v-vi
A.5		Index	Mandatory	77
A.5		Glossary	Mandatory	32
A.5		Contact officer(s)	Mandatory	li
A.5		Internet home page address and Internet address for report	Mandatory	li
9	Review by Secretary (Convenor)		Mandatory	1-2
9(1)		Review by departmental secretary (Convenor)	Mandatory	1-2
9(2)		Summary of significant issues and developments	Suggested	3-8
9(2)		Overview of department’s performance and financial results	Suggested	27
9(2)		Outlook for following year	Suggested	1-2, 10
9(3)		Significant issues and developments – portfolio	Portfolio departments – suggested	N/A
10	Departmental Overview		Mandatory	15
10(1)		Role and functions	Mandatory	15-16
10(1)		Organizational structure	Mandatory	15
10(1)		Outcome and program structure	Mandatory	15, 72
10(2)		Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	N/A
10(3)		Portfolio structure	Mandatory for portfolio departments	N/A

Location of item in the PM&C guidelines	Part of report	Description	Requirement	Page(s) of this report
11	Report on Performance		Mandatory	3-8
11(1)		Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	3-8
11(2)		Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	3-8
11(2)		Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	N/A
11(2)		Narrative discussion and analysis of performance	Mandatory	3-8
11(2)		Trend information	Mandatory	N/A
11(3)		Significant changes in nature of principal functions/services	Suggested	N/A
11(3)		Performance of purchaser/provider arrangements	If applicable, suggested	N/A
11(3)		Factors, events or trends influencing departmental performance	Suggested	N/A
11(3)		Contribution of risk management in achieving objectives	Suggested	N/A
11(4)		Social inclusion outcomes	If applicable, mandatory	N/A
11(5)		Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	N/A
11(6)		Discussion and analysis of the department's financial performance	Mandatory	27
11(7)		Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations.	Suggested	N/A
11(8)		Agency resource statement and summary resource tables by outcomes	Mandatory	71, 72
12	Management Accountability Corporate Governance			
12(1)		Agency head is required to certify that her agency complies with the Commonwealth Fraud Control Guidelines	Mandatory	27
12(2)		Statement of the main corporate governance practices	Mandatory	21-22, 27-29
12(3)		Name of the senior executive and his responsibilities	Suggested	25

Location of item in the PM&C guidelines	Part of report	Description	Requirement	Page(s) of this report
12(3)		Senior management committees and their roles	Suggested	21-22
12(3)		Corporate and operational planning and associated performance reporting and review	Suggested	N/A
12(3)		Approach adopted to identifying areas of significant financial or operational risk	Suggested	27
12(3)		Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	27
12(3)		How nature and amount of remuneration for SES officers are determined	Suggested	28
	External Scrutiny			
12(4)		Significant developments in external scrutiny	Mandatory	27-28
12(4)		Judicial decisions and decisions of administrative tribunals	Mandatory	28
12(4)		Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	28
	Management of Human Resources			
12(5)		Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	28
12(6)		Workforce planning, staff turnover and retention	Suggested	28
12(6)		Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	N/A
12(6)		Training and development undertaken and its impact	Suggested	28
12(6)		Work health and safety performance	Suggested	30
12(6)		Productivity gains	Suggested	N/A
12(7)		Statistics on staffing	Mandatory	28
12(8)		Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	28
12(9) & B		Performance pay	Mandatory	28, 62
12(10)-(11)	Assets management	Assessment of effectiveness of assets management	If applicable, mandatory	N/A
12(12)	Purchasing	Assessment of purchasing against core policies and principles	Mandatory	29

Location of item in the PM&C guidelines	Part of report	Description	Requirement	Page(s) of this report
12(13)-(24)	Consultants	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	29
12(25)	Australian National Audit Office Access Clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	29
12(26)	Exempt contracts	Contracts exempt from the AusTender	Mandatory	29
13	Financial Statements	Financial Statements	Mandatory	36-70
Other Mandatory Information				
14(1) & C.1		Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory	30
14(1) & C.2		Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	30
14(1) & C.3		Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	30-31
14(1)		Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	N/A
14(2) & D.1		Grant programs	Mandatory	31
14(3) & D.2		Disability reporting – explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	29-30
14(4) & D.3		Correction of material errors in previous annual report	If applicable, mandatory	N/A
F		List of Requirements	Mandatory	73-76

Index

Advertising and market research	30
Agency resource statement	71
Annual general meetings	1, 7, 21
Audit Committee	21
Auditor's report	34
Australian National Audit Office Access Clauses	29
Commonwealth Disability Strategy	29
Competitive tendering and contracting	29
Constitution of the Committee	15
Consultants	29
Coordination with other bodies	25
Derivatives	1, 3, 21
Discretionary grants	31
Environmental performance	30
Ethics	27
Executive	25
Exempt contracts	29
Expenses for outcomes	72
External scrutiny	27
Financial performance	27
Financial statements	36
Fraud	27
Freedom of information	30
Functions of the Committee	15
Glossary	32
Governance	1, 15
Human resources	28
Implementation of recommendations	9
Legal Committee	1, 16, 22
Legal services expenditure	31
Managed investment schemes	1, 2, 5
Membership of the Committee	16
Outlook for 2012–13	1, 10
Past reports	13
Purchasing	29
Shareholder engagement	7, 10
Significant issues and developments	3
Sub-committees	1, 21
Work health and safety	30