

AUSTRALIAN CRIME COMMISSION

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AUSTRALIAN CRIME COMMISSION

Section 1: Agency overview

The Australian Crime Commission (ACC) is an independent statutory authority established on 1 January 2003 under the *Australian Crime Commission Act 2002*.

The primary goal of the ACC is to enhance Australian law enforcement's capacity to deal with serious and organised crime by providing advice on national criminal intelligence priorities, conducting intelligence operations, providing a range of criminal intelligence products and delivering national criminal intelligence information systems. The agency also undertakes ACC Board approved investigations into serious and organised criminal activity.

The ACC Board which consists of the heads of major Commonwealth, State and Territory law enforcement agencies determines national criminal intelligence priorities and oversees the strategic direction of, and the priorities for, the ACC. The Board approves the use of coercive powers which allow the ACC to examine witnesses under oath or demand the production of documents or other evidence.

The ACC works in partnership with all Australian law enforcement agencies under task force arrangements in pursuit of the Government outcome of an enhanced Australian law enforcement capacity.

Table 1.1: Agency outcomes and output groups

Australian Crime Commission	
CEO : Mr Alastair Milroy	
Total Price of Outputs	\$76.302m
Departmental Outcome Appropriation	\$69.173m

Outcome 1: Enhanced Australian law enforcement capacity	
Total Price	\$76.302m
Departmental Outcome Appropriation	\$69.173m

Output 1.1: Criminal intelligence services	
Total Price	\$14.913m
Appropriation	\$13.143m

Output 1.2: Investigations and intelligence operations into federally relevant criminal activity	
Total Price	\$61.390m
Appropriation	\$56.030m

Section 2: Agency resources for 2005–06

2.1: APPROPRIATIONS AND OTHER RESOURCES

The total appropriation for the ACC in the 2005–06 budget is \$69.173m. Table 2.1 shows appropriations (2005–06) and other revenue by outcome. The ACC does not have any administered expenses.

Table 2.1: Appropriations and other revenue 2005–06¹ ('000)

Outcome	Appropriations				Revenue from Other Sources ⁵		Total Resources ⁶	
	Bill No. 1	Bill No. 2 ²	Special approp ³	Total approp ⁴	%		%	
Outcome 1 Enhanced Australian law enforcement Capability	69,173	-	-	69,173	90.6	7,129	9.4	76,302
Total Outcome 1	69,173	-	-	69,173		7,129		76,302

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.

6 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the ACC as explained in the Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcome and outputs associated with each measure.

Table 2.2: Summary of measures disclosed in the 2005–06 Budget (impact on fiscal balance)

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)			Appropriations Forward Estimate 2007–08 (\$'000)			Appropriations Forward Estimate 2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1.1												
		1.2	-	(174)	(174)	-	(351)	(351)	-	(530)	(530)	-	(530)	(530)
Total			-	(174)	(174)	-	(351)	(351)	-	(530)	(530)	-	(530)	(530)

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Relevant receipts for the Commission are set out below.

Table 2.3: Other receipts available to be used

	Estimated Receipts 2004–05 \$'000	Budget Estimate 2005–06 \$'000
DEPARTMENTAL OTHER RECEIPTS		
State and territory funding	1,720	1,770
Other receipts	6,259	5,359
Total departmental other receipts available to be used	7,979	7,129

Receipts from State and Territory funding are for reimbursement of salaries in accordance with agreements for Intelligence Services with partner law enforcement agencies.

2.6: SPECIAL ACCOUNTS

The ACC receives independent funds which are deposited into a special account. These funds are members' contributions to the Asia Pacific Money Laundering Group (APG). The Australian Federal Police will host the APG from 1 July 2005 onwards; as a consequence the Special Account will be transferred effective the same date.

Table 2.6: Estimates of special account flows and balances

Special Accounts	Estimate - 2005–06, Heavy Figures				
	Opening Balance 2005–06 2004–05 \$'000	Receipts 2005–06 2004–05 \$'000	Payments 2005–06 2004–05 \$'000	Adjustments 2005–06 2004–05 \$'000	Closing Balance 2005–06 2004–05 \$'000
Asia Pacific Money Laundering Group (D)	-	-	-	-	-
	446	1,000	1,446	-	-
Services to Other Governments (D)	-	-	-	-	-
	-	-	-	-	-
Law Enforcement Projects (D)	-	-	-	-	-
	-	-	-	-	-
Other Trust Money (A)	-	-	-	-	-
	-	-	-	-	-
Total Special Accounts 2005–06 Budget Estimate	-	-	-	-	-
<i>Total Special Accounts 2004–05 Estimate Actual</i>	446	1,000	1,446	-	-

D = Departmental A = Administered

Acts Glossary:

FMA Act = *Financial Management and Accountability Act 1997*

Section 3: Agency outcomes

3.1: SUMMARY OF OUTCOMES AND OUTPUTS

The ACC works to achieve the outcome specified by Government. The following section provides a departmental overview, then each outcome is discussed in turn. The following map shows the relationship between the outcome and the outputs.

Financial and non-financial information is provided as follows:

- Table 3.1. – details financial information for outcome 1.
- Table 3.2 – details non-financial information for outcome 1.

The ACC cost model is based on a purchaser/provider methodology where costs directly linked to an output are attributed to it. Internal resource costs are allocated to outputs on a time attribution basis and general overhead costs are attributed to reflect the projected percentage of costs to be incurred by the output.

3.2: OUTCOMES — DEPARTMENTAL

Departmental appropriations by outcome

The ACC has only one outcome for the 2005–06 financial year.

3.3: OUTCOMES RESOURCING

Outcome 1 resourcing

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome one, including administered expenses, revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

Table 3.1 Total resources for Outcome 1

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000
DEPARTMENTAL APPROPRIATIONS		
Output Group 1.1 - Criminal Intelligence Services	12,916	13,143
Output Group 1.2 - Investigations and Intelligence Operation into Federally Relevant Criminal Activity	55,065	56,030
Total departmental appropriations	67,981	69,173
Total revenue from Government (appropriations) Contributing to price of departmental outputs	67,981	69,173
REVENUE FROM OTHER SOURCES		
Output Group 1.1 - Criminal Intelligence Services	1,720	1,770
Output Group 1.2 - Investigations and Intelligence Operations into Federally Relevant Criminal Activity	6,259	5,359
Total revenue from other sources	7,979	7,129
Total price from departmental outputs (Total revenue from government and from other sources)	75,960	76,302
from Special Accounts (estimated payments from Special Account balances)²		
Asia Pacific Money Laundering Group	1,000	-
Services to Other Government	-	-
Law Enforcement Projects	-	-
Other Trust Money	-	-
Total departmental Special Account outflows	1,000	-
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	75,960	76,302
	2004–05	2005–06
Average staffing level (number)*	475	490

Note: * The average staffing figures include APS staff and personnel seconded to the ACC from other agencies.

Performance information for Outcome 1

Effectiveness — overall achievement of the outcome	
<i>Effectiveness indicators</i>	
<p>Enhanced capacity of Australian law enforcement to deal with threats posed to Australian society by serious and organised criminal activity.</p> <p>Disruption to serious and organised crime resulting from provision of ACC intelligence services and the conduct of ACC intelligence operations and investigations.</p>	
Performance information for departmental outputs	
<i>Output description</i>	<i>Performance measure</i>
<p>Output 1.1: Criminal Intelligence Services</p>	<p><i>Price:</i> \$14.912m</p> <p><i>Quality & Quantity:</i></p> <ul style="list-style-type: none"> • Number and value of disseminations to law enforcement agencies • Provision and maintenance of effective and efficient criminal intelligence systems • Quality and value of strategic criminal intelligence assessments, threat assessments and other products and services • Timely, high quality advice provided to ACC Board on National Criminal Intelligence Priorities
<p>Output 1.2: Investigations and Intelligence Operations into Federally Relevant Criminal Activity</p>	<p><i>Price:</i> \$61.390m</p> <p><i>Quality & Quantity:</i></p> <ul style="list-style-type: none"> • Collaboration with partner law enforcement agencies • Effective use of coercive powers to support operational objectives • Number and significance of arrests and charges • Disruption and/or dismantling of criminal syndicates • Efficient and effective delivery of Board approved operational and investigative priorities • Value of proceeds of crime

The achievement of the ACC outcome, Enhanced Australian law enforcement capacity, is determined by the contribution made to identifying threats posed to Australian society by individuals and criminal networks and by the effective provision of intelligence and investigative services to counteract the threats.

Output 1.1 Criminal Intelligence Services

Effectiveness indicators of this output include the ACC’s ability to provide strategic and tactical criminal intelligence and information to Commonwealth, State and Territory law enforcement agencies and to successfully advise the ACC Board on national criminal intelligence priorities.

Output 1.2 Investigations and Intelligence Operations into Federally Relevant Criminal Activity

This output covers ACC board approved intelligence operations and investigations into serious and organised crime which is an offence against a law of the Commonwealth or of a territory, or where it is an offence against a law of a State and has a federal aspect. Effectiveness indicators include the disruption and/or dismantling of criminal networks, the recovery of proceeds of crime and the effective use of coercive powers to support operational objectives.

Evaluations for Outcome 1

The ACC will review its performance as part of an integrated performance management process. The ACC Business Plan and Business Unit Plans will be assessed against performance objectives for all operational and corporate areas.

Section 4: Other reporting requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

Cross agency overview

The ACC seconded personnel from the Australian Federal Police (AFP), the Australian Taxation Office (ATO) and the Australian Customs Service (ACS) to work in intelligence services and operations and in investigations. The ACC reimburses the direct costs of these personnel except where arrangements are made for contributing agencies to pay these costs.

Similar arrangements apply to secondees from State Police forces except where arrangements are made for the contributing agencies to pay these costs.

Responsibility and control arrangements

Personnel seconded to the ACC, remain under the control and direction of the ACC; however, they retain the terms and conditions and disciplinary regime of their home agency.

Resourcing

The services purchased from seconding agencies contribute to both ACC outputs and are reported in 'Other Expenses' in Table 5.1.

4.2: COST RECOVERY ARRANGEMENTS

Summary of cost recovery impact statement

The ACC has a cost recovery policy which is premised on establishing Memorandums Of Understanding (MOU) with partner agencies to cover services the ACC provides.

Cost recovery for the ACC covers payments by jurisdictions for use of ACC national criminal intelligence information and services and reimbursements by partner law enforcement agencies for some costs incurred in the course of an investigation as disclosed in Table 2.3: Other Receipts Available to be Used – State and Territory funding.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted departmental statement of financial performance

The ACC has prepared the PBS on the basis of a balanced budget. The revenue from ordinary activities is consistent with previous year appropriations with the exception of revenue from other sources which has decreased in 2005–06 with the transfer of the APG to the AFP.

The employee expenses are in two components being employees and other, which includes paid and free of charge secondees. In 2005–06 the ACC has marginally increased APS employees and secondees have decreased as a result. The net movement in total employee expenditure is minimal

Supplier expenses are expected to decrease in 2005–06 and onwards. The major factors include the transfer of APG to the AFP, improved contractual arrangements and revised funding arrangements for information technology equipment. As a consequence the ACC no longer participates in finance leases.

The ACC adjusted the useful life of assets in accordance with the Australian Valuation Office Report in the 2003–04 financial year and as a consequence depreciation for 2004–05 is significant. The ACC is undertaking substantial investments in information technology and leasehold improvements as a consequence of relocating multiple sites over the coming four years.

Budgeted departmental statement of financial position

The ACC cash on hand reduces in 2005-06 and onwards as a consequence of the ACC decision to invest significantly in information technology and leasehold improvements.

Receivables include undrawn appropriations, trade debtors and in 2004-05 member contributions not yet received for the APG. The receivables will diminish significantly as the ACC utilises undrawn appropriations to fund leasehold improvements in 2005-06 and 2007-08.

The ACC's assets increase in value in all years as a consequence of investments in information technology every three to four years and leasehold improvements. Other non-financial assets consist of prepayments for information technology and property operating expenses.

The decrease in employee liabilities in 2005-06 is due to a reduction in the average employee leave balances and the transfer of APG employees to the AFP. No significant change is expected in unpaid supplier expenses.

Budgeted Departmental Statement of Cash Flows

Explanations of cash flow in operating, investing and financing activities is provided in the above analysis in the Budgeted Statement of Financial Performance and Budgeted Statement of Financial Position.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	67,981	69,173	70,541	71,387	73,062
State and Territory Funding	1,720	1,770	1,820	1,870	1,920
Other	6,259	5,359	5,459	5,560	5,659
Revenues from ordinary activities	75,960	76,302	77,820	78,817	80,641
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	33,985	35,759	36,708	37,681	38,774
Suppliers	23,785	23,192	24,048	23,848	25,714
Depreciation and amortisation	3,900	3,505	3,709	4,332	3,565
Other	14,290	13,846	13,355	12,956	12,588
Expenses from ordinary activities (excluding borrowing costs expense)	75,960	76,302	77,820	78,817	80,641
Borrowing costs expense	-	-	-	-	-
Operating surplus or (deficit) from ordinary activities	-	-	-	-	-

Table 5.2: Budgeted Departmental Statement of Financial Position as at 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
ASSETS					
Financial assets					
Cash	4,605	3,548	1,767	107	585
Receivables	6,389	2,945	3,333	2,577	3,075
Total financial assets	10,994	6,493	5,100	2,684	3,660
Non-financial assets					
Land and buildings	2,831	6,081	7,182	8,652	7,785
Infrastructure, plant and equipment	4,518	4,046	3,752	4,140	3,537
Intangibles	93	267	444	557	724
Other non-financial assets	400	500	600	700	800
Total non-financial assets	7,842	10,894	11,978	14,049	12,846
Total assets	18,836	17,387	17,078	16,733	16,506
LIABILITIES					
Provisions					
Employees	8,465	7,042	6,690	6,355	6,037
Total provisions	8,465	7,042	6,690	6,355	6,037
Payables					
Suppliers	3,189	3,163	3,206	3,196	3,287
Total payables	3,189	3,163	3,206	3,196	3,287
Total liabilities	11,654	10,205	9,896	9,551	9,324
EQUITY*					
Parent entity interest					
Contributed equity	11,341	11,341	11,341	11,341	11,341
Retained surpluses or accumulated deficits	(4,159)	(4,159)	(4,159)	(4,159)	(4,159)
Total equity	7,182	7,182	7,182	7,182	7,182
TOTAL ASSETS AND LIABILITY BY MATURITY					
Current assets	10,994	6,493	5,100	2,685	3,659
Non-current assets	7,842	10,894	11,978	14,048	12,847
Current liabilities	10,554	9,290	9,026	8,725	8,539
Non-current liabilities	1,100	915	870	826	785

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

Table 5.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	67,981	69,173	70,541	71,387	73,062
Other	6,690	5,275	5,472	5,451	5,665
Total cash received	74,671	74,448	76,013	76,838	78,727
Cash used					
Employees	33,581	37,298	37,176	37,984	39,123
Suppliers	39,113	34,450	35,925	35,212	36,862
Total cash used	72,694	71,748	73,101	73,196	75,985
Net cash from or (used by) operating activities	1,977	2,700	2,912	3,642	2,742
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	1,950	6,457	4,693	6,302	2,264
Total cash used	1,950	6,457	4,693	6,302	2,264
Net cash from or (used by) investing activities	(1,950)	(6,457)	(4,693)	(6,302)	(2,264)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	2,700	-	1,000	-
Other	-	-	-	-	-
Total cash received	-	2,700	-	1,000	-
Cash used					
Repayments of debt	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	-	2,700	-	1,000	-
Net increase or (decrease) in cash held	27	(1,057)	(1,781)	(1,660)	478
Cash at the beginning of the reporting period	4,578	4,605	3,548	1,767	107
Cash at the end of the reporting period	4,605	3,548	1,767	107	585

Table 5.4: Departmental Capital Budget Statement for the period ended 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	1,950	6,457	4,693	6,302	2,264
Total	1,950	6,457	4,693	6,302	2,264

**Table 5.5: Departmental Property, Plant, Equipment and Intangibles —
Summary of Movement (Budget year 2005–06)**

	Buildings \$'000	Intangibles \$'000	Other Infrastructure Plant and Equipment \$'000	Total \$'000
As at 1 July 2005				
Gross book value	5,046	362	6,743	12,151
Accumulated depreciation	2,215	269	2,225	4,709
Opening net book value	2,831	93	4,518	7,442
Additions:				
by purchase	4,650	306	1,500	6,456
Depreciation/amortisation expense	1,400	132	1,973	3,505
Disposals:				
other disposals	-	-	-	-
As at 30 June 2006				
Gross book value	9,696	668	8,243	18,607
Accumulated depreciation	3,615	401	4,198	8,214
Closing net book value	6,081	267	4,045	10,393

5.3: NOTES TO THE FINANCIAL STATEMENTS

1. Basis of accounting

The ACC financial statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs), being the Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2004)
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board, and
- Consensus Views of the Urgent Issues Group.

The Portfolio Budget Statements (PBS) have been prepared on the same basis of accounting as the previous financial years. The ACC does not anticipate any significant accounting policy changes to the operating structure of the Agency except for the transfer of the APG to the AFP from 1 July 2005.