

AUSTRALIAN CRIME COMMISSION

Section 1: Agency overview and resources; variations and measures

OVERVIEW

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

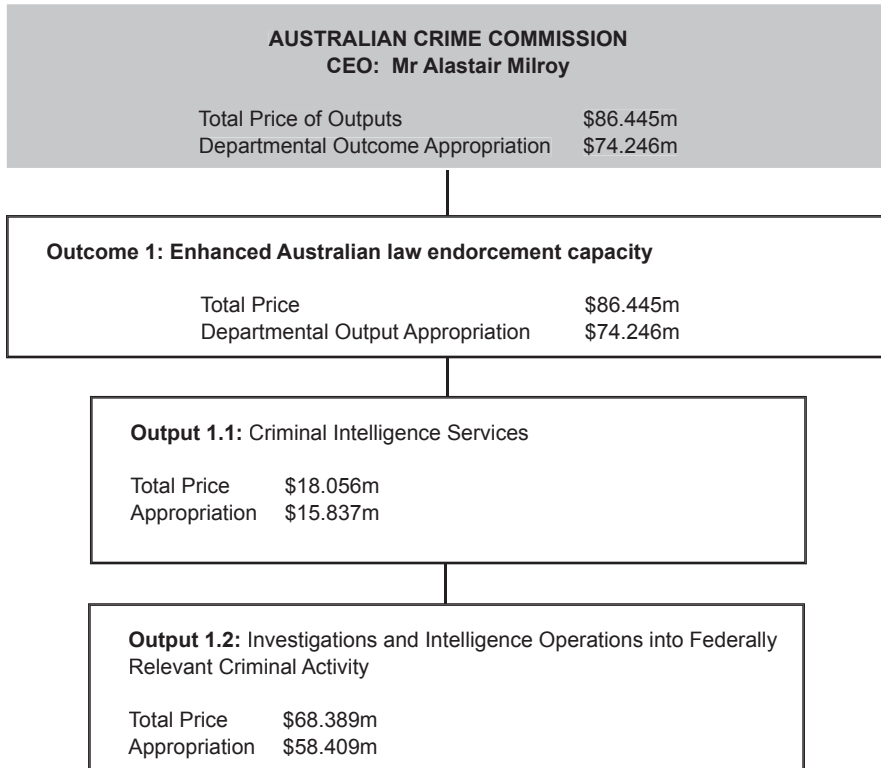
The primary goal of the ACC is to enhance Australian law enforcement's capacity to deal with serious and organised crime by providing advice on national criminal intelligence priorities, conducting intelligence operations, providing a range of criminal intelligence products and delivering national criminal 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.

There are no changes to ACC's role, mission or its outcomes and outputs structures as a result of Additional Estimates.

Table 1.1: Agency outcomes and output groups



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Government will provide \$40m to the ACC over five years for the following Additional Estimates:

- Aviation Security – Improving Security and Crime Information Exchange \$22.7m, and
- Operation Wickenby – Investigations and Prosecutions \$17.3m.

This additional funding will greatly assist law enforcement agencies to detect and successfully prosecute a range of national and trans-national criminal activities including crime in the airport sector and serious tax evasion.

Variations — Measures

Table 1.2: Additional estimates and variations to outcomes – measures

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
Outcome 1				
Increase in departmental appropriations				
Aviation security - improving security and crime information exchange	2,367	8,686	2,721	2,708
Operation Wickenby - Investigations and Prosecutions	2,411	3,923	3,190	3,158
Total changes in Departmental appropriations	4,778	12,609	5,911	5,866

Note: Figures in this table are fiscal balance consistent with MYEFO and Budget Paper No. 2 presentation.

Other variations to appropriations

Table 1.3: Additional estimates and variations to outcomes – other variations

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
Outcome 1				
Increase in departmental appropriations				
Changes in price and wages indices	(64)	64	(65)	(134)
Total changes in Departmental appropriations	(64)	64	(65)	(134)

MEASURES — AGENCY SUMMARY

The Government will provide \$22.7m over five years for Aviation Security – Improving Security and Crime Information Exchange. This funding is part of the cross portfolio response to the findings of the ‘Independent Review of Airport Security and Policing for the Government of Australia’ (ASPR). The ACC will deliver a program of criminal intelligence advice and information to law enforcement, government and the private sector relating to activity impacting on the security of Australia’s airports.

In addition, the Government will provide \$17.3m over five years for Operation Wickenby – Investigations and Prosecutions. Operation Wickenby is a joint operation by the Australian Tax Office (ATO), the ACC and other key agencies to attack international tax evasion designed by particular offshore promoters. The investigation is targeting both promoters and participants allegedly involved in concealing taxable income through the falsification of documents and transactions.

Table 1.4.1: Summary of expense measures since the 2005-06 Budget

Measure	Outcome	Outputs Affected	Appropriations 2005-06 \$'000			Appropriations 2006-07 \$'000			Appropriations 2007-08 \$'000			Appropriations 2008-09 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
EXPENSE MEASURES														
Aviation security - improving security and crime information exchange	1	1	-	2,367	2,367	-	8,686	8,686	-	2,721	2,721	-	2,708	2,708
Operation Wickenby - Investigations and Prosecutions	1	2	-	2,411	2,411	-	3,923	3,923	-	3,190	3,190	-	3,158	3,158
Total Expense Measures			-	4,778	4,778	-	12,609	12,609	-	5,911	5,911	-	5,866	5,866

Note: Figures in this table are fiscal balance consistent with MYEFO and Budget Paper No. 2 presentation.

Table 1.4.2: Summary of capital measures since the 2005-06 Budget

Measure	Outcome	Outputs Affected	Appropriations 2005-06 \$'000			Appropriations 2006-07 \$'000			Appropriations 2007-08 \$'000			Appropriations 2008-09 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
CAPITAL MEASURES														
Aviation security - improving security and crime information exchange	1	1	-	1,067	1,067	-	255	255	-	-	-	-	-	-
Operation Wickenby - Investigations and Prosecutions	1	2	-	600	600	-	-	-	-	-	-	-	-	-
Total Capital Measures			-	1,667	1,667	-	255	255	-	-	-	-	-	-

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2005-06

	2004-05 Available \$'000	2005-06 Budget \$'000	2005-06 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Enhance Australian law enforcement capacity	68,024	69,173	74,246	5,073	-
Total Australian Crime Commission	68,024	69,173	74,246	5,073	-

Table 1.6: Appropriation Bill (No. 4) 2005-06

	2004-05 Available \$'000	2005-06 Budget \$'000	2005-06 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections	-	-	1,667	1,667	-
Total Capital Australian Crime Commission	-	-	1,667	1,667	-

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2005-06 Budget	2005-06 Revised	Variation
Outcome 1			
Enhanced Australian law enforcement capacity	490	505	15
Total	490	505	15

The average staffing level for the Agency represents Australian Public Service employees and personnel seconded to the ACC from other Agencies. Seconded officers from Law Enforcement Agencies that are funded by ACC partner jurisdictions are not included in the above table.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include FMA s.31 receipts, special accounts (non-appropriation receipts) and resources received free of charge.

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

Other receipts represent the resources funded by partner jurisdictions and the earned component of lease incentives.

Table 1.9: Other receipts available to be used

	Budget Estimate 2005-06 \$'000	Revised Estimate 2005-06 \$'000
Outcome		
Departmental other receipts		
State and Territory funding	1,770	1,770
Other Receipts	5,329	8,429
Total Departmental other receipts available to be used	7,099	10,199

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

	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)	813	0	0	813	0
	1,279	1,362	1,828	-	813

The Asia Pacific Money Laundering Group special account was transferred to the Australian Federal Police effective 1 July 2005. The receipts from members were higher than expected in 2004-05. Payments were higher than previous years due to the timing of reimbursements to the ACC bank account for expenses paid on behalf of the Asia Pacific Group.
D = Departmental

There are no changes to Special Account Flows as a result of Additional Estimates.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 ‘Agency outcomes and outputs groups’ lists the outcome statements and output groups for the Agency.

The ACC works to achieve the outcome specified by Government ‘Enhanced Australian Law Enforcement Capacity’. The ACC has two outputs being:

- 1.1 Criminal Intelligence Services
- 1.2 Investigations and Intelligence Operations into Federally Relevant Criminal Activity

The ACC does not have any changes to outcomes and outputs as a direct result of Additional Estimates.

Outcome 1

Revised performance information — 2005-06

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1

Output	Performance Information 2005-06 Budget	Performance Information 2005-06 Revised
Output 1.1.1 Criminal Intelligence Services	<p>Quality:</p> <p>Provision and maintenance of effective and efficient criminal intelligence systems</p> <p>Quality and value of strategic criminal intelligence assessments, threat assessments and other products and services</p> <p>Timely, high quality advice provided to ACC Board on National Criminal Intelligence Priorities</p> <p>Quantity:</p> <p>Number and value of disseminations to law enforcement agencies</p> <p>Price: \$14.912m</p>	<p>Quality:</p> <p>Provision and maintenance of effective and efficient criminal intelligence systems</p> <p>Quality and value of strategic criminal intelligence assessments, threat assessments and other products and services</p> <p>Timely, high quality advice provided to ACC Board on National Criminal Intelligence Priorities</p> <p>Quantity:</p> <p>Number and value of disseminations to law enforcement agencies</p> <p>Price: \$18.056m</p>

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (continued)

Output	Performance Information 2005-06 Budget	Performance Information 2005-06 Revised
Output 1.1.2		
Investigations and Intelligence Operations into Federally Relevant Criminal Activities	Quality: Collaboration with partner law enforcement agencies Effective use of coercive powers to support operational objectives Disruption and / or dismantling of criminal syndicates Efficient and effective delivery of Board approved operational and investigative priorities Quantity: Number and significance of arrests and charges Value of proceeds of crime Price: \$61.390m	Quality: Collaboration with partner law enforcement agencies Effective use of coercive powers to support operational objectives Disruption and / or dismantling of criminal syndicates Efficient and effective delivery of Board approved operational and investigative priorities Quantity: Number and significance of arrests and charges Value of proceeds of crime Price: \$68.389m

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The accounting policies used in the preparation of these budgeted financial statements are consistent with those used in prior years.

The budgeted financial statements have been prepared in accordance with applicable accounting standards and Finance Minister’s Orders made under the *Financial Management and Accountability Act 1997*.

The Australian Crime Commission is finalising the Opening and Closing AIFRS Balance Sheets for the year ended 30 June 2005. The AEIFRS adjustments are immaterial and will be included in 2005-06.

Refer to the Notes to the Financial Statement below for explanations for movements in financial statements.

Table 3.1: Budgeted departmental income statement for the period ended 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
INCOME					
Revenue					
Revenues from Government	69,666	74,246	83,683	77,526	78,909
State and Territory Funding	1,669	1,770	1,820	1,870	1,920
Other	7,205	8,429	9,929	10,080	10,229
Total revenue	78,540	84,445	95,432	89,476	91,058
Gains					
Reversals of previous asset	69	-	-	-	-
Total gains	69	-	-	-	-
Total income	78,609	84,445	95,432	89,476	91,058
EXPENSE					
Employees	35,030	38,631	40,875	41,878	42,528
Suppliers	23,197	27,753	33,400	26,498	28,302
Depreciation and amortisation	3,644	4,177	4,516	5,006	4,639
Finance costs	7	-	-	-	-
Write-down of assets and impairment of assets	169	-	-	-	-
Net losses from sale of assets	18	-	-	-	-
Other	16,434	15,884	16,641	16,094	15,589
Total expenses	78,499	86,445	95,432	89,476	91,058
Operating result	110	(2,000)	-	-	-
Net surplus or (deficit) attributable to the Australian Government	110	(2,000)	-	-	-

Table 3.2: Budgeted departmental balance sheet as at 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	8,797	3,463	4,317	2,969	4,217
Receivables	2,613	4,613	2,414	2,414	2,414
Total financial assets	11,410	8,076	6,731	5,383	6,631
Non-financial assets					
Land and buildings	4,522	10,409	12,580	12,662	11,668
Infrastructure, plant and equipment	4,460	4,448	3,476	4,339	3,176
Intangibles	623	974	926	796	741
Other	1,403	1,441	1,502	1,550	1,603
Total non-financial assets	11,008	17,272	18,484	19,347	17,188
Total assets	22,418	25,348	25,215	24,730	23,819
LIABILITIES					
Interest bearing liabilities					
Other	218	3,490	3,070	2,658	1,810
Total interest bearing liabilities	218	3,490	3,070	2,658	1,810
Provisions					
Employees	9,299	9,305	9,201	9,103	9,015
Total provisions	9,299	9,305	9,201	9,103	9,015
Payables					
Suppliers	5,504	5,489	5,625	5,650	5,675
Total payables	5,504	5,489	5,625	5,650	5,675
Total liabilities	15,021	18,284	17,896	17,411	16,500
EQUITY*					
Parent entity interest					
Contributed equity	9,595	11,262	11,517	11,517	11,517
Reserves	987	987	987	987	987
Retained surpluses or accumulated deficits	(3,185)	(5,185)	(5,185)	(5,185)	(5,185)
Total parent entity interest	7,397	7,064	7,319	7,319	7,319
Total equity	7,397	7,064	7,319	7,319	7,319
Current assets	12,732	9,517	8,233	6,933	8,234
Non-current assets	9,686	15,831	16,982	17,797	15,585
Current liabilities	12,900	11,723	11,790	11,749	11,715
Non-current liabilities	2,121	6,561	6,106	5,662	4,785

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows for the period ended 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	74,714	72,246	85,882	77,526	78,909
Other	6,304	4,545	5,160	4,520	4,750
Total cash received	81,018	76,791	91,042	82,046	83,659
Cash used					
Employees	33,792	38,625	40,979	41,976	42,616
Suppliers	28,985	30,581	36,665	29,171	31,160
Financing costs	7	-	-	-	-
Other	9,016	7,455	6,712	6,014	5,360
Total cash used	71,800	76,661	84,356	77,161	79,136
Net cash from or (used by) operating activities	9,218	130	6,686	4,885	4,523
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	7	-	-	-	-
Total cash received	7	-	-	-	-
Cash used					
Purchase of property, plant and equipment	5,006	7,131	6,087	6,233	3,275
Total cash used	5,006	7,131	6,087	6,233	3,275
Net cash from or (used by) investing activities	(4,999)	(7,131)	(6,087)	(6,233)	(3,275)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	1,667	255	-	-
Total cash received	-	1,667	255	-	-
Net cash from or (used by) financing activities	-	1667	255	-	-
Net increase or (decrease) in cash held	4,219	(5,334)	854	(1,348)	1,248
Cash at the beginning of the reporting period	4,578	8,797	3,463	4,317	2,969
Cash at the end of the reporting period	8,797	3,463	4,317	2,969	4,217

Table 3.4: Departmental statement of changes in equity — summary of movement Budget year 2005-06

	Accumulated Results \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2005				
Balance carried forward from previous period	(3,185)	987	9,595	7,397
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	(3,185)	987	9,595	7,397
Income and Expense	-	-	-	-
Net operating result	(2,000)	-	-	(2,000)
Total income and expenses recognised directly in equity	(2,000)	-	-	(2,000)
Transactions with owners				
Appropriation (equity injection)	-	-	1,667	1,667
Sub-total transactions with owners	-	-	1,667	1,667
Closing balance as at 30 June 2006	(5,185)	987	11,262	7,064

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

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	1,667	255	-	-
Total capital appropriations	-	1,667	255	-	-
Represented by:					
Purchase of non-financial assets	-	1,667	255	-	-
Total represented by	-	1,667	255	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	1,667	255	-	-
Funded internally by Departmental resources	5,006	8,736	5,413	5,820	2,427
Total	5,006	10,403	5,668	5,820	2,427

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement Budget year 2005-06

	Buildings	Other Infrastructure Plant and Equipment	Computer Software	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005				
Gross book value	7,171	8,304	1,937	17,412
Accumulated depreciation	2,649	3,844	1,314	7,807
Opening net book value	4,522	4,460	623	9,605
Additions:				
by purchase	6,850	2,867	686	10,403
Depreciation/amortisation expense	963	2,879	335	4,177
As at 30 June 2006				
Gross book value	14,021	11,171	2,623	27,815
Accumulated depreciation	3,612	6,723	1,649	11,984
Closing net book value	10,409	4,448	974	15,831

NOTES TO THE FINANCIAL STATEMENTS

Departmental

Budgeted departmental income statement

The budgeted statements incorporate a \$2m operational loss to remedy transitional issues in 2005-06 that include separations, improving work environments and corporate systems.

Budgeted departmental balance sheet

The ACC cash on hand reduces in 2005-06 and onwards as a consequence of significant investment in information technology and leasehold improvements.

Receivables include undrawn appropriations from Government and a small component of trade debtors. The receivables balance for 2005-06 will diminish significantly as the ACC utilises undrawn appropriations to fund leasehold improvements in 2005-06 and 2007-08.

The Australian Crime Commission's assets increase in value due to investments in leasehold improvements and information technology. Other non-financial assets consist of prepayments for information technology and property operating expenses.

The ACC received a significant lease incentive in 2005-06 which will be earned over the period of the lease; this is accounted for in Liabilities Other.

Budgeted departmental statement of cash flows

Explanations for cash flow movements in operating, investing and financing activities are provided in the above analysis in the Budgeted Departmental Income Statement and Budgeted Departmental Balance Sheet.

Departmental statement of changes in equity — summary of movement

The ACC is budgeting a \$2.0m operating loss in 2005-06 which is predominantly offset by capital funding received through the Additional Estimates process.

Departmental capital budget statement

Changes in the Capital Budget Statement are as a result of Additional Estimates funding for 'Aviation Security - Improving Security and Crime Information Exchange' \$1.067m and 'Operation Wickenby - Investigations and Prosecutions' \$0.6m.