

AUSTRALIAN FEDERAL POLICE

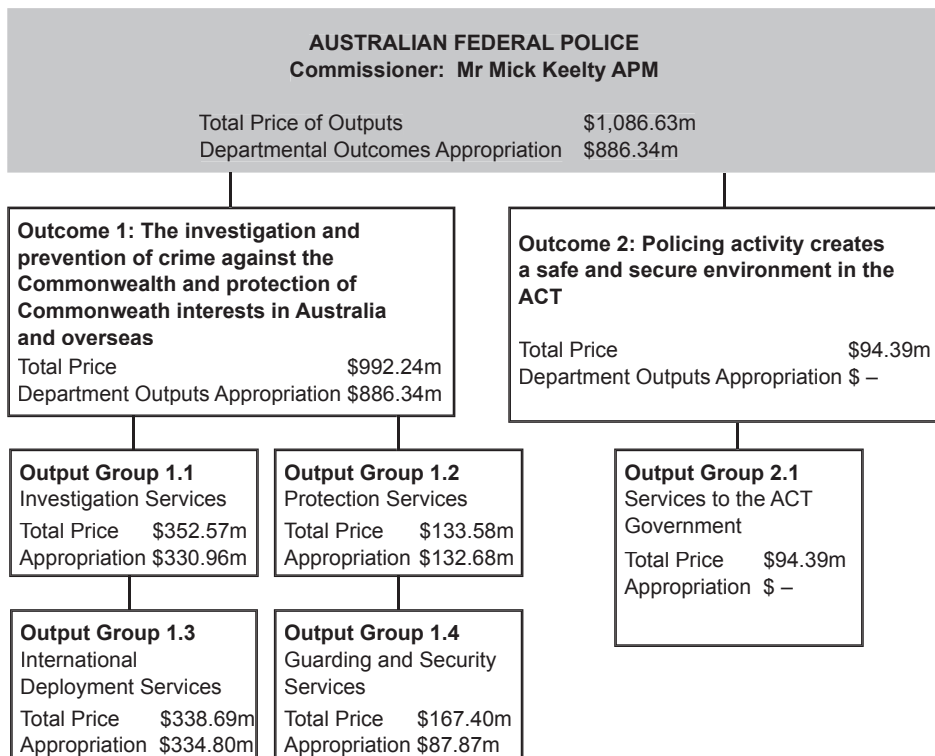
Section 1: Agency overview and resources; variations and measures

OVERVIEW

The Australian Federal Police (AFP) was established by the *Australian Federal Police Act 1979* and is the major provider of Commonwealth law enforcement. The AFP's primary responsibility is to enforce Commonwealth criminal law and protect Commonwealth and national interests from crime in Australia and overseas. In doing so, it is Australia's international law enforcement and policing representative and chief source of advice to the Government on policing issues.

AFP resources are focused on achieving the following outcomes agreed by the Government.

Table 1.1: Agency outcomes and output groups



Outcome 1: National-International focus

The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas.

Outcome 2: ACT community policing focus

Policing activity creates a safe and secure environment in the ACT.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

There are no additional or deleted outcomes or outputs for the AFP since Budget. Additional appropriations have been allocated for estimates variations and details of these additional appropriations and their impact on the achievement of the agency's outcomes and outputs are explained in this document. The variations to 2005-06 and forward year appropriation results are highlighted in the following tables.

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				
National security - establishing a Chemical, Biological, Radiological and Nuclear Data Centre	1,470	3,270	3,252	3,282
National security - establishing a Chemical Warfare Agent Laboratory Network	532	476	480	486
Nauru Development Assistance*	-	-	-	-
Aviation security - Airport Police Commanders	5,542	5,047	5,082	5,136
Aviation security - establishing Joint Airport Investigations Teams	9,232	9,015	9,080	9,178
Australia-Turkey Bilateral Relations and Cooperation	484	489	493	499
Sudan - providing an Australian Federal Police contribution for the UN Mission in Sudan	1,188	2,403	-	-
Aviation Security - Community Policing at Airports - Phase One	24,519	14,070	13,309	13,400
Aviation Security - Joint Airport Intelligence Groups	4,839	6,160	6,204	6,271
Aviation Security - CTFR Capability at relevant airports	18,138	36,717	39,528	40,144
Operation Wickenby - Investigations and Prosecutions	1,647	15,971	13,291	13,447
Total changes in Departmental appropriations	67,591	93,618	90,719	91,843

*Funding for Nauru Development Assistance to be sourced from International Deployment Group (IDG) funding.
 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				
Changes in departmental appropriations				
Changes in Price and Wage Indices	(749)	732	(729)	(1,126)
Total changes in Departmental appropriations	(749)	732	(729)	(1,126)

MEASURES — AGENCY SUMMARY

For a summary of the measures and funding see Tables 1.4.1 and 1.4.2.

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														
National security - establishing a Chemical, Biological, Radiological and Nuclear Data Centre	1	1.1	-	1,470	1,470	-	3,270	3,270	-	3,252	3,252	-	3,282	3,282
National security - establishing a Chemical Warfare Agent Laboratory Network	1	1.1	-	532	532	-	476	476	-	480	480	-	486	486
Nauru Development Assistance*	1	1.3	-	-	-	-	-	-	-	-	-	-	-	-
Aviation security -Airport Police Commanders	1	1.2	-	5,542	5,542	-	5,047	5,047	-	5,082	5,082	-	5,136	5,136
Aviation security - establishing Joint Airport Investigations Teams	1	1.2	-	9,232	9,232	-	9,015	9,015	-	9,080	9,080	-	9,178	9,178
Australia-Turkey Bilateral Relations and Cooperation	1	1.2	-	484	484	-	489	489	-	493	493	-	499	499
Sudan - providing an Australian Federal Police contribution for the UN Mission in Sudan	1	1.3	-	1,188	1,188	-	2,403	2,403	-	-	-	-	-	-
Aviation Security - Community Policing at Airports - Phase One	1	1.2	-	24,519	24,519	-	14,070	14,070	-	13,309	13,309	-	13,400	13,400

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

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
Aviation Security - Joint Airport Intelligence Groups	1	1.2	-	4,839	4,839	-	6,160	6,160	-	6,204	6,204	-	6,271	6,271
Aviation Security - CTRF Capability at relevant airports	1	1.2	-	18,138	18,138	-	36,717	36,717	-	39,528	39,528	-	40,144	40,144
Operation Wickenby - Investigations and Prosecutions	1	1.1	-	1,647	1,647	-	15,971	15,971	-	13,291	13,291	-	13,447	13,447
Total Expense Measures			-	67,591	67,591	-	93,618	93,618	-	90,719	90,719	-	91,843	91,843

*Funding for Nauru to be sourced from International Deployment Group (IDG) funding.
 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														
National security - establishing a Chemical, Biological, Radiological and Nuclear Data Centre	1	1.1	-	1,423	1,423	-	373	373	-	300	300	-	300	300
Aviation security -Airport Police Commanders	1	1.2	-	435	435	-	-	-	-	-	-	-	-	-
Sudan - providing an Australian Federal Police contribution for the UN Mission in Sudan	1	1.3	-	65	65	-	-	-	-	-	-	-	-	-
Aviation Security - Community Policing at Airports - Phase One	1	1.2	-	33,499	33,499	-	-	-	-	-	-	-	-	-
Aviation Security - Joint Airport Intelligence Groups	1	1.2	-	765	765	-	-	-	-	-	-	-	-	-
Aviation Security -CTFR Capability at relevant airports	1	1.2	-	455	455	-	-	-	-	-	-	-	-	-
Operation Wickenby - Investigations and Prosecutions	1	1.1	-	1,307	1,307	-	-	-	-	-	-	-	-	-
Total Capital Measures			-	37,949	37,949	-	373	373	-	300	300	-	300	300

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					
The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas	746,954	816,463	886,340	69,877	-
Outcome 2					
Policing activity creates a safe and secure environment in the ACT	-	-	-	-	-
Total Australian Federal Police	746,954	816,463	886,340	69,877	-

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	29,732	43,548	81,497	37,949	-
Total Capital Australian Federal Police	29,732	43,548	81,497	37,949	-

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2005-06 Budget	2005-06 Revised	Variation
Outcome 1			
The investigation and prevention of crime against the Commonwealth and protection of commonwealth interests in Australia and overseas	4,397	4,773	376
Outcome 2			
Policing activity creates a safe and secure environment in the ACT	833	833	-
Total	5,230	5,606	376

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.

Table 1.9: Other receipts available to be used

Outcome	Budget Estimate	Revised Estimate
	2005-06	2005-06
	\$'000	\$'000
Departmental other receipts		
ACT Government	91,980	94,391
Sales of goods and services	111,431	105,899
Other revenue	13	13
Resources received free of charge	298	298
Total Departmental other receipts available to be used	203,722	200,601

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

Name of account	Opening Balance	Receipts	Payments	Adjustments	Closing Balance
	2005-06	2005-06	2005-06	2005-06	2005-06
	2004-05	2004-05	2004-05	2004-05	2004-05
	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Federal Police - Protective Service - s20 FMA Act 1997 (D)	55,976	156,348	151,474	-	60,850
	41,900	166,319	166,068	-	42,151
Comcare - Special Public Money - Safety, Rehabilitation and Compensation Act 1998 (D)	862	2,200	2,200	-	862
	1,155	3,566	2,924	-	1,797
AFP official MPR and Warrants trust Account - Other trust monies - s20 FMA Act 1997 (D)	163	100	100	-	163
	164	109	200	-	73
AFP Official Exhibits and Sized Money Trust Account - other trust monies - s20 FMA Act 1997 (D)	1,065	1,050	1,050	-	1,065
	1,797	9,535	9,620	-	1,712
Total special accounts	58,066	159,698	154,824	-	62,940

Note:

D = Departmental

The revised Opening Balance for 2005-06 is the same as the final closing balance for 2004-05.

Acts Glossary: FMA Act = *Financial Management and Accountability Act 1997*

Section 2: Revisions to agency outcomes

OUTCOMES AND OUTPUT GROUPS

There are no changes to the outcome and output structure as a result of additional estimates since Budget. All new measures since Budget are directly applicable to Outcome 1.

Explanation of variations

Outcome 1

The change to appropriation from Government is \$69.87m, an increase of 8.56% since Budget.

Outcome 2

The original price of \$91.98m included in the Budget was a result of the Purchase Agreement negotiations with the ACT Government for cost-recovery of ACT Community Policing Services. The increase of \$2.41m to \$94.39m is a result of an ACT Government Budget initiative to increase police numbers.

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 Investigation Services	<i>Quality:</i> Disruptive effect of AFP operations on the criminal environment. Client satisfaction with AFP investigations. <i>Quantity:</i> Number of criminal Investigations. <i>Price:</i> \$343.74m	<i>Quality:</i> Disruptive effect of AFP operations on the criminal environment. Client satisfaction with AFP investigations. <i>Quantity:</i> Number of criminal Investigations. <i>Price:</i> \$352.57m
Output 1.2 Protection Services	<i>Quality:</i> Prevention of avoidable incidents. Client satisfaction with protection services. <i>Quantity:</i> Number of protection services. <i>Price:</i> \$67.84m	<i>Quality:</i> Prevention of avoidable incidents. Client satisfaction with protection services. <i>Quantity:</i> Number of protection services. <i>Price:</i> \$133.58m
Output 1.3 International Deployment Group	<i>Quality:</i> Extent to which Commonwealth international obligations are met. Client satisfaction with international services. <i>Quantity:</i> Number of international services. <i>Price:</i> \$334.10m	<i>Quality:</i> Extent to which Commonwealth international obligations are met. Client satisfaction with international services. <i>Quantity:</i> Number of international services. <i>Price:</i> \$338.69m
Output 1.4 Guarding and Security Services	<i>Quality:</i> Prevented attempts to disrupt the safety of Australia's aviation passenger industry and client and stakeholder satisfaction. <i>Quantity:</i> Volume of contracted security and related specialist services. <i>Price:</i> \$182.60m	<i>Quality:</i> Prevented attempts to disrupt the safety of Australia's aviation passenger industry and client and stakeholder satisfaction. <i>Quantity:</i> Volume of contracted security and related specialist services. <i>Price:</i> \$167.40m

Section 3: Budgeted financial statements

Revisions to the budgeted departmental financial statements since the 2005-06 Portfolio Budget Statements are presented in this section.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Statement of Financial Performance

Total revenue is estimated to be \$1,086.63, a net increase of \$66.44m since 2005-06 Budget. The net increase is a result of:

- Appropriation revenue of \$69.87m resulting from new measures funding (see Table 1.4.1)
- A reduction to appropriations of \$0.749m
- Increased funding for Outcome 2 (up by \$2.41m) resulting from ACT Government Initiatives, and
- Reduced estimate of revenue of \$5.54m for Protection and Guarding.

Total expenses are estimated to be \$967.52m, a reduction of \$50m from the previously published 2005-06 estimate mainly due to an expected underspend in PNG.

Statement of Financial Position

The differences between the previously published estimates and the revised estimate are a result of the inclusion of actual 2004-05 results.

The AFP's revised 2005–06 total asset position of \$626.98m represents a net increase of \$264.63m since 2005-06 Budget. The increase is largely attributable to 2004-05 audited actual results and \$81.49m capital funding received in new measures.

The AFP's major liability continues to be accrued employee entitlements (\$118.89m in 2005-06) which has increased as a result of 2004-05 audited actual results.

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	611,954	886,340	905,013	895,882	719,117
Goods and services	220,622	200,290	208,192	210,675	210,675
Total revenue	832,576	1,086,630	1,113,205	1,106,557	929,792
Gains					
Other	436	311	311	311	311
Total gains	436	311	311	311	311
Total income	833,012	1,086,941	1,113,516	1,106,868	930,103
EXPENSE					
Employees	469,242	494,775	518,202	517,730	524,671
Suppliers	291,321	412,746	398,644	391,715	345,760
Depreciation and amortisation	39,985	54,019	62,364	62,517	53,491
Write-down of assets and impairment of assets	1,520	-	-	-	-
Net losses from sale of assets	364	-	-	-	-
Other	-	5,980	6,078	6,181	6,181
Total expenses	802,432	967,520	985,288	978,143	930,103
Net surplus or (deficit) attributable to the Australian Government	23,265	119,421	128,228	128,725	-
Transfer (to)/from Official Public Account	(135,000)	-	-	-	-

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	27,965	37,308	54,626	70,904	84,992
Receivables	286,819	401,118	548,460	697,430	701,407
Total financial assets	314,784	438,426	603,086	768,334	786,399
Non-financial assets					
Land and buildings	27,471	27,269	27,067	26,865	26,663
Infrastructure, plant and equipment	64,216	140,789	126,145	112,120	110,496
Inventories	478	478	478	478	478
Intangibles	12,546	13,289	10,592	5,350	108
Other	6,724	6,724	6,724	6,724	6,724
Total non-financial assets	111,435	188,549	171,006	151,537	144,469
Total assets	426,219	626,975	774,092	919,871	930,868
LIABILITIES					
Provisions					
Employees	118,976	118,891	123,636	128,524	128,480
Other	13,491	13,491	13,491	13,491	13,491
Total provisions	132,467	132,382	137,127	142,015	141,971
Payables					
Suppliers	38,681	38,681	38,681	38,629	38,681
Other	4,455	4,378	4,215	4,082	4,030
Total payables	43,136	43,059	42,896	42,711	42,711
Total liabilities	175,603	175,441	180,023	184,726	184,682
EQUITY*					
Parent entity interest					
Contributed equity	199,843	281,340	295,647	307,998	319,039
Reserves	12,749	12,749	12,749	12,749	12,749
Retained surpluses or accumulated deficits	38,024	157,445	285,673	414,398	414,398
Total parent entity interest	250,616	451,534	594,069	735,145	746,186
Total equity	250,616	451,534	594,069	735,145	746,186
Current assets	321,508	445,150	609,810	775,058	793,123
Non-current assets	104,711	181,825	164,282	144,813	137,745
Current liabilities	94,826	94,738	97,212	99,752	99,728
Non-current liabilities	80,777	80,703	82,811	84,974	84,954

*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					
Goods and services	218,737	200,290	208,192	210,675	210,675
Appropriations	542,268	772,041	757,508	746,779	715,088
Other	11,730	221	298	298	298
Total cash received	772,735	972,552	965,998	957,752	926,061
Cash used					
Employees	447,780	494,860	513,457	512,842	524,715
Suppliers	301,835	418,726	404,722	397,948	351,889
Other	1,634	-	-	-	-
Total cash used	751,249	913,586	918,179	910,790	876,604
Net cash from or (used by) operating activities	21,486	58,966	47,819	46,962	49,457
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	20	13	13	13	13
Total cash received	20	13	13	13	13
Cash used					
Purchase of property, plant and equipment	45,305	131,133	44,821	43,048	46,423
Other	169	-	-	-	-
Total cash used	45,474	131,133	44,821	43,048	46,423
Net cash from or (used by) investing activities	(45,454)	(131,120)	(44,808)	(43,035)	(46,410)
FINANCING ACTIVITIES					
Cash received					
Cash from capital injections	29,732	81,497	14,307	12,351	11,041
Total cash received	29,732	81,497	14,307	12,351	11,041
Cash used					
Dividends paid	2,175	-	-	-	-
Cash to the Official Public Account (financing)	35,371	-	-	-	-
Total cash used	37,546	-	-	-	-
Net cash from or (used by) financing activities	(7,814)	81,497	14,307	12,351	11,041
Net increase or (decrease) in cash held	(31,782)	9,343	17,318	16,278	14,088
Cash at the beginning of the reporting period	59,747	27,965	37,308	54,626	70,904
Cash at the end of the reporting period	27,965	37,308	54,626	70,904	84,992

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	38,024	12,749	199,843	250,616
Balance carried forward from previous period	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	38,024	12,749	199,843	250,616
Income and expense	-	-	-	-
Net operating result	119,421	-	-	119,421
Total income and expenses recognised directly in equity	157,445	12,749	199,843	370,037
Transactions with owners				
Appropriation (equity injection)	-	-	81,497	81,497
Sub-total transactions with owners	157,445	12,749	281,340	451,534
Transfers between equity components	-	-	-	-
Closing balance as at 30 June 2006	157,445	12,749	281,340	451,534

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	29,732	81,497	14,307	12,351	11,041
Total capital appropriations	29,732	81,497	14,307	12,351	11,041
Represented by:					
Purchase of non-financial assets	-	81,497	14,307	12,351	11,041
Total represented by	29,732	81,497	14,307	12,351	11,041
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	29,732	81,497	14,307	12,351	11,041
Funded internally by Departmental resources	93,428	49,636	30,514	30,697	35,382
Total	123,160	131,133	44,821	43,048	46,423

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

	Land	Buildings	Other Infrastructure Plant and Equipment	Other Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005					
Gross book value	262	50,128	107,299	23,833	181,522
Accumulated depreciation	-	22,919	43,083	11,287	77,289
Opening net book value	262	27,209	64,216	12,546	104,233
Additions:	-	-	125,133	6,000	131,133
Depreciation/amortisation expense	-	202	48,560	5,257	54,019
As at 30 June 2006					
Gross book value	262	50,128	232,432	29,833	312,655
Accumulated depreciation	-	23,121	91,643	16,544	131,308
Closing net book value	262	27,007	140,789	13,289	181,347

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The budgeted financial statements have been prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Accounting Standards Board (Accounting Guidance Releases), and having regard to the Statements of Accounting Concepts.

1. Appropriations from Government

The net increase to appropriation revenue on previously published figures is primarily due to new measures funding for establishing a Chemical, Biological, Radiological and Nuclear Data Centre (\$2.06m), Airport Police Commanders (\$5.63m), Joint Airport Intelligence Team (\$9.23m), Australia-Turkey Bilateral Relations and Cooperation (\$0.5m), AFP's contribution to the UN's Mission in Sudan (\$1.2m), Community Policing at airports - Phase 1 (\$27.22m), Joint Airport Intelligence Groups (\$4.87m), CTFR Capability at relevant airports (\$18.27m) and Operation Wickenby (\$1.65m). The increases in appropriation in the forward years are detailed in Table 1.4.1.

2. Sales of Goods and Services

Overall reduction in the sales of goods and services revenue of \$3.12m for 2005-06 is due to the net effect of:

- A reduction in estimated other sales of goods and services revenue for the AFP Protective Services (AFPPS) of \$5.53m; and
- An increase of \$2.41m in sales of goods and services to the ACT Government, an increase from \$91.98m at Budget to \$94.39m.

3. Employee Expenses

The net reduction to employees expenditure of \$36.92m on previously published figures is primarily due to an estimated underspend in Papua New Guinea.

4. Supplier Expenses

The net reduction to supplier expenditure of \$17.04m on previously published figures is primarily due to an estimated underspend in Papua New Guinea.

5. Infrastructure, Plant and Equipment

The details of new capital funding received are presented in Table 1.4.2. Self-funded acquisitions relate to the replacement and upgrade of existing infrastructure, plant and equipment.