

AUSTRALIAN CRIME COMMISSION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION FOR 2008–09

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 is different from other law enforcement agencies in that it is able to collect criminal information that is not obtainable through traditional investigative techniques. It then uses its capabilities to transform that information into intelligence and evidence, producing valuable and unique understandings about the nature of serious and organised crime nationally.

The ACC Board – which consists of the heads of major Commonwealth, state and territory law enforcement and related 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 that 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, joint operation or intelligence-sharing arrangements in pursuit of the Australian Government outcome of an enhanced Australian law enforcement capacity. The ACC also works in partnership with Commonwealth and state and territory government departments and private sector organisations in pursuit of the same outcome.

In 2008–09, the ACC in consultation with the ACC Board will streamline its approach to addressing key high-risk criminal activities to ensure its capabilities are developed efficiently and are aligned with its key objective of disrupting serious criminal activity.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows total resources from all origins. The table summarises how resources will be applied by departmental classification.

Table 1.1: Resource statement—Budget estimates for 2008–09 (as at Budget May 2008)

	Estimate of prior year amounts available in 2008–09 (\$'000)	+ Proposed at Budget 2008–09 (\$'000)	= Total estimate 2008–09 (\$'000)	Estimated appropriation available 2007–08 (\$'000)
ORDINARY ANNUAL SERVICES				
Departmental outputs				
Departmental outputs	9,543 ⁴	96,663 ¹	106,206	99,378
S 31 relevant agency receipts	–	2,158 ³	2,158	2,083
Total ordinary annual services	9,543	98,821	108,364⁵	101,461
OTHER SERVICES				
Departmental non-operating				
Equity injections	–	– ²	–	2,009
Total other services	–	–	–	2,009
Total resourcing for the Australian Crime Commission	9,543	98,821	108,364	103,470

All figures are GST exclusive.

Notes:

1. Appropriation Bill (No. 1) 2008–09.

2. Appropriation Bill (No. 2) 2008–09.

3. Section 31 relevant agency receipts—estimate.

4. Estimated adjusted balance carried forward from previous year for annual appropriations. This budget estimate does not include the expected trade debtors balance of \$780,000 as at 30 June 2008.

5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the outcome resource statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.

1.3 BUDGET MEASURES

Budget measures relating to the ACC are detailed in Budget Paper No. 2. The ACC has one new measure, as shown in Table 1.2.

Table 1.2: Agency 2008–09 Budget measures

	Output group	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)
EXPENSE MEASURES						
Responsible Economic Management—Document Verification Service—Lost and Stolen Document Register						
	1.1					
Departmental outputs		(494)	–		–	–
Closing the Gap—Northern Territory—extension of the National Indigenous Violence and Child Abuse Intelligence Task Force						
	1.2					
Departmental outputs		–	4,200	–	–	–
Total expense measures	Departmental	(494)	4,200	–	–	–
CAPITAL MEASURES						
Responsible Economic Management—Document Verification Service—Lost and Stolen Document Register						
	1.1					
Departmental capital		(210)	–	–	–	–
Total capital measures	Departmental	(210)	–	–	–	–

Prepared on a Government Financial Statistics (fiscal) basis.

The ACC identified that the Lost and Stolen Document Register did not represent the best method for ensuring that lost and stolen documents are not fraudulently used to establish false identities and recommended an alternate approach to ensure that the document issuing agencies develop common protocols to manage lost and stolen documents.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the government on the Australian community. Agencies are required to identify the output groups that demonstrate their contribution to government outcomes over the coming year.

The ACC’s outcome is described below by output groups, including the indicators and targets used to assess and monitor performance.

2.1.1 Outcome 1: Enhanced Australian law enforcement capacity

Outcome 1 strategy

The ACC will achieve its outcome through its contribution to identifying and understanding threats posed to Australian society by individuals and criminal networks and by the coordinated provision of its specific intelligence and investigative services to counteract those threats.

Outcome 1 resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing available for Outcome 1.

Table 2.1: Total resources available for Outcome 1

	2008–09 total estimate of available resources (\$'000)	2007–08 estimated actual (\$'000)
Outcome 1		
Output Group 1.1: Criminal intelligence services		
Departmental outputs	21,670	21,507
Revenues from other sources (s 31)	2,158	2,083
Subtotal for Output Group 1.1	23,828	23,590
Output Group 1.2: Investigations and intelligence operations into federally relevant criminal activity		
Departmental outputs	74,993	77,871
Subtotal for Output Group 1.2	74,993	77,871
Total resources for Outcome 1	98,821	101,461
Average staffing level (number)	578	628

Departmental appropriation splits and totals by output group are indicative estimates and may change in the course of the Budget year as government priorities change.

Contributions to Outcome 1

Output Group 1.1

Output Group 1.1: Criminal intelligence services	
The ACC contributes to achieving law enforcement objectives. The ACC collects, collates, analyses and disseminates intelligence, provides and maintains effective and efficient criminal intelligence information systems, and provides advice to the ACC Board regarding national criminal intelligence priorities.	
Key performance indicators	2008–09 target
Provision and maintenance of effective and efficient criminal intelligence systems	Increased accessibility and usability of criminal intelligence systems for users Minimise downtime of criminal intelligence systems
Quality and value of strategic criminal intelligence assessments, threat assessments and other products and services	Increased value placed on strategic criminal intelligence products by law enforcement and other relevant agencies
Provision of timely, high-quality advice to ACC Board on national criminal intelligence priorities	Enhanced reporting to the ACC Board on the alignment of ACC activities to national criminal intelligence priorities Increased value placed on ACC advice regarding national criminal intelligence priorities by ACC Board members
Number and value of disseminations to law enforcement and other relevant agencies	Recipients report increased value placed on ACC disseminations Intelligence disseminations reach a wider range of stakeholders

Output Group 1.2

Output Group 1.2: Investigations and intelligence operations into federally relevant criminal activity	
The ACC aims to disrupt and deter serious and organised criminal activity by conducting intelligence operations and investigations into federally relevant criminal activity. These are conducted in collaboration with partner law enforcement agencies.	
Key performance indicators	2008–09 target
Effective collaboration with partner law enforcement and other relevant agencies to progress criminal intelligence and investigative priorities	<p>Minimum of 80% of ACC intelligence operations and investigations are conducted under joint agency task forces or operations</p> <p>Board member agencies support ACC intelligence operations and investigations through continuing to provide free of charge resources</p>
Effective use of coercive powers to support criminal intelligence and investigative objectives	<p>Enhanced law enforcement knowledge of methodologies used to support criminal activities</p> <p>Successful defence to legal challenges to ACC coercive powers</p> <p>Advance legislative and administrative enhancements of coercive powers</p>
Disruption of criminal syndicates	Increased levels of disruption of serious crime
Effective and efficient delivery of ACC Board-approved criminal intelligence and investigative priorities	<p>Increase the return on investment in ACC investigations</p> <p>Demonstrated progress against Board-approved menu of work</p> <p>Level of ACC Board member agencies' contribution of resources to ACC-led work</p>
Number and value of disseminations to law enforcement and other relevant agencies	<p>Recipients report increased value placed on ACC disseminations</p> <p>Disseminations to a wider range of stakeholders</p> <p>Increased number of information reports uploaded onto Australian Criminal Intelligence Database</p> <p>Increased number of operational disseminations</p>
Number and significance of arrests and charges	Increase in significant organised criminal entity arrests
Value of proceeds of crime	Increased intelligence disseminations on the assets and financial structures of significant organised criminals

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2008–09. It explains how budget plans are incorporated into the financial statements and provides further details of Australian Government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Reconciliation of total available appropriation and outcomes

The agency resource statement (Table 1.1) details the total available appropriation from all sources. For departmental operating appropriation (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities (generally depreciation and employee entitlements), the total amount of departmental operating appropriation available to an agency is unlikely to be fully used in the Budget year.

The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009–10 Budget year, including amounts related to meeting future obligations to maintain the agency’s asset base and to meet employee entitlement liabilities.

Table 3.1.1 reconciles the total available appropriation and amounts attributable to outcomes.

Table 3.1.1: Reconciliation of total available appropriation and outcomes

	(\$'000)
Total available departmental operating appropriation (outputs)	108,364
Less estimated payments in 2008–09	(98,531)
Estimated departmental outputs carried forward and available for 2009–10	9,833

3.1.2 Movement of administered funds between years

The ACC has no administered funds.

3.1.3 Special accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister’s determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation.

Table 3.1.3 shows that there are no expected additions (receipts) and reductions (payments) for the accounts used by the ACC.

Table 3.1.3: Estimates of special account cash flows and balances

		Opening balance 2008–09 2007–08	Receipts 2008–09 2007–08	Payments 2008–09 2007–08	Closing balance 2008–09 2007–08
	Outcome	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Services to Other Governments and Non-Agency Bodies—FMA Act s 20 (D)	1 1	– –	– –	– –	– –
Other Trust Moneys—FMA Act s 20 (D)	1 1	– –	– –	– –	– –
Total special accounts 2008–09 Budget estimate		–	–	–	–
Total special accounts 2007–08 estimated actual		–	–	–	–

(D) = Departmental.

FMA Act = *Financial Management and Accountability Act 1997*.

3.1.4 Australian Government Indigenous expenditure

The Australian Government is providing \$11.489m over four years from 2006–07 to 2009–10 for the National Indigenous Violence and Child Abuse Intelligence Task Force. It provides the ACC resources to lead a multi-agency national task force to support existing intelligence and investigatory capacity. The task force will collect, analyse and disseminate intelligence to state and territory law enforcement agencies.

The government will provide the ACC with \$4.200m in 2008–09 to expand its activities currently conducted under the National Indigenous Violence and Child Abuse Intelligence Task Force, primarily in the Northern Territory. This funding will enable the ACC to collect more contemporary intelligence through the use of its coercive powers to assist police investigations.

The expenditure for the ACC’s National Indigenous Violence and Child Abuse Intelligence Task Force, which contributes to overall Australian Government Indigenous expenditure, is shown in Table 3.1.4.

Table 3.1.4: Australian Government Indigenous expenditure (AGIE)

Outcome	Appropriations				Output group
	Bill No. 1 (\$'000)	Bill No. 2 (\$'000)	Special appropriation (\$'000)	Total appropriation (\$'000)	
Outcome 1					
Departmental 2008–09	6,109	–	–	6,109	1.2
<i>Departmental 2007–08</i>	<i>8,339</i>	<i>706</i>	–	<i>9,045</i>	1.2
Total AGIE 2008–09	6,109	–	–	6,109	
Total AGIE 2007–08	8,339	706	–	9,045	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences between agency resourcing and financial statements

Except for the returned appropriations in relation to the 'Identity Security – establishing a document verification service', there are no significant differences between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Income statement

The budgeted position in the statement of performance for 2007–08 is a \$3.000m operating loss due to changes in timing of implementing programs, which were delayed due to external factors outside the control of the ACC. The ACC anticipates a balanced budget in forward years.

The primary reason for the decrease in appropriations in 2008–09 is the impact of the 2% efficiency dividend. The revenue decreases in 2009–10 as the Northern Territory Emergency Response measure terminates. The underlying pattern of expenditure for the remaining forward years is consistent.

Balance sheet

The ACC's financial assets will increase in the forward estimate years as the ACC investment in non-financial assets will reduce compared to the significant capability enhancement that occurred in the 2007–08 financial year.

The ACC's non-financial assets will reduce in the forward estimate years as significant capability enhancement occurred in 2007–08. Other non-financial assets consists of prepayments for information technology and property operating expenses.

Other interest-bearing liabilities consist of lease incentives received in 2005–06 which will be earned over the period of the lease.

The employee provisions and supplier payables will reduce in a pattern consistent with the reductions in appropriations.

Statement of cash flows

Cash flow movements in operating, investing and financing activities are a reflection of the movements in the income statement and balance sheet.

Statement of changes in equity

The ACC does not anticipate any considerable change in equity in 2008–09 as the ACC's budget is balanced and no equity injections have been approved.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
INCOME					
Revenue					
Revenue from government	99,368	96,663	87,915	88,687	89,036
State and territory funding	2,033	2,083	2,133	2,183	2,233
Other	50	75	100	125	150
Total revenue	101,451	98,821	90,148	90,995	91,419
Gains					
Other	10,063	10,178	10,314	10,361	10,300
Total gains	10,063	10,178	10,314	10,361	10,300
Total income	111,514	108,999	100,462	101,356	101,719
EXPENSES					
Employees	58,685	56,454	48,934	49,240	50,087
Suppliers	36,943	29,930	28,366	28,366	29,028
Depreciation and amortisation	5,189	8,032	8,410	8,876	7,716
Other	13,697	14,583	14,752	14,874	14,888
Total expenses	114,514	108,999	100,462	101,356	101,719
Surplus (deficit) attributable to the Australian Government	(3,000)	–	–	–	–

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	1,546	2,046	2,181	2,106	2,056
Trade and other receivables	8,994	8,277	7,779	11,415	11,906
Total financial assets	10,540	10,323	9,960	13,521	13,962
Non-financial assets					
Land and buildings	19,152	17,358	15,297	13,664	12,246
Infrastructure, plant and equipment	5,908	4,653	2,840	1,714	3,347
Intangibles	6,262	4,779	4,243	3,210	2,040
Other	1,702	1,702	1,703	1,705	1,707
Total non-financial assets	33,024	28,492	24,083	20,293	19,340
Total assets	43,564	38,815	34,043	33,814	33,302
LIABILITIES					
Interest-bearing liabilities					
Other	5,169	4,929	2,229	1,829	1,429
Total interest-bearing liabilities	5,169	4,929	2,229	1,829	1,429
Provisions					
Employees	12,165	9,656	8,208	8,304	7,959
Other	642	642	471	421	431
Total provisions	12,807	10,298	8,679	8,725	8,390
Payables					
Suppliers	9,564	7,564	7,111	7,236	7,459
Total payables	9,564	7,564	7,111	7,236	7,459
Total liabilities	27,540	22,791	18,019	17,790	17,278
Net assets	16,024	16,024	16,024	16,024	16,024
EQUITY¹					
Parent entity interest					
Contributed equity	15,315	15,315	15,315	15,315	15,315
Reserves	2,334	2,334	2,334	2,334	2,334
Retained surpluses or accumulated deficits	(1,625)	(1,625)	(1,625)	(1,625)	(1,625)
Total parent entity interest	16,024	16,024	16,024	16,024	16,024
Total equity	16,024	16,024	16,024	16,024	16,024
Current assets	12,242	12,025	11,663	15,226	15,669
Non-current assets	31,322	26,790	22,380	18,588	17,633
Current liabilities	18,452	15,270	12,073	11,919	11,576
Non-current liabilities	9,088	7,521	5,946	5,871	5,702

Note:

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

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Estimated actual 2007–08 (\$'000)	Budget estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services					
Appropriations	111,601	97,380	88,413	85,051	88,545
State and territory funding	2,033	2,083	2,133	2,183	2,233
Other	3,744	3,068	2,937	2,962	3,053
Total cash received	117,378	102,531	93,483	90,196	93,831
Cash used					
Employees	57,485	58,963	50,382	49,144	50,432
Suppliers	43,500	34,923	31,828	31,130	31,700
Other	1,664	4,645	7,138	4,913	4,988
Total cash used	102,649	98,531	89,348	85,187	87,120
Net cash from (used by) operating activities	14,729	4,000	4,135	5,009	6,711
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	20,918	3,500	4,000	5,084	6,761
Total cash used	20,918	3,500	4,000	5,084	6,761
Net cash from (used by) investing activities	(20,918)	(3,500)	(4,000)	(5,084)	(6,761)
FINANCING ACTIVITIES					
Cash received					
Appropriations—contributed equity	2,009	–	–	–	–
Total cash received	2,009	–	–	–	–
Net cash from (used by) financing activities	2,009	–	–	–	–
Net increase (decrease) in cash held	(4,180)	500	135	(75)	(50)
Cash at the beginning of the reporting period	5,726	1,546	2,046	2,181	2,106
Cash at the end of the reporting period	1,546	2,046	2,181	2,106	2,056

Table 3.2.4: Departmental statement of changes in equity—summary of movement (Budget year 2008–09)

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2008				
Balance carried forward from previous period	(1,625)	2,334	15,315	16,024
Income and expenses				
Net operating result	–	–	–	–
Total income and expenses	–	–	–	–
Estimated closing balance as at 30 June 2009	(1,625)	2,334	15,315	16,024

3.2.4 Notes to the financial statements

Basis of accounting

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister’s Orders, Australian Accounting Standards, Australian Equivalents to International Financial Reporting Standards and Accounting Guidance Releases, and having regard to the Statements of Accounting Concepts.

Revenue from government

Amounts appropriated for departmental outputs are recognised as revenue, 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.

State and territory funding

The ACC receives funding from state and territory law enforcement agencies under various memorandums of understanding.

Gains

Gains consist of resources received free of charge that are recognised as revenue when a fair value can be reliably measured and the service would have been purchased if it had not been donated. Use of those resources is recognised as an expense.

Employee expenses

Employee expenses consist of salaries, leave entitlements, redundancy expenses, superannuation and non-salary benefits.

Supplier expenses

Supplier expenses consist of infrastructure, operational expenditure, consultants' costs, travel expenses and legal costs.

Other expenses

Other expenses consist of resources received free of charge and paid resources received from partner law enforcement agencies.

Assets

Assets are made up of cash, receivables, leasehold improvements, plant and equipment, intangibles and other assets (prepaid expenses). All assets are held at fair value.

Liabilities

Liabilities are made up of unearned leasehold incentives, employee entitlement, property lease make-good provisions and amounts owed to creditors.

