

# AUSTRALIAN FEDERAL POLICE

## Section 1: Overview

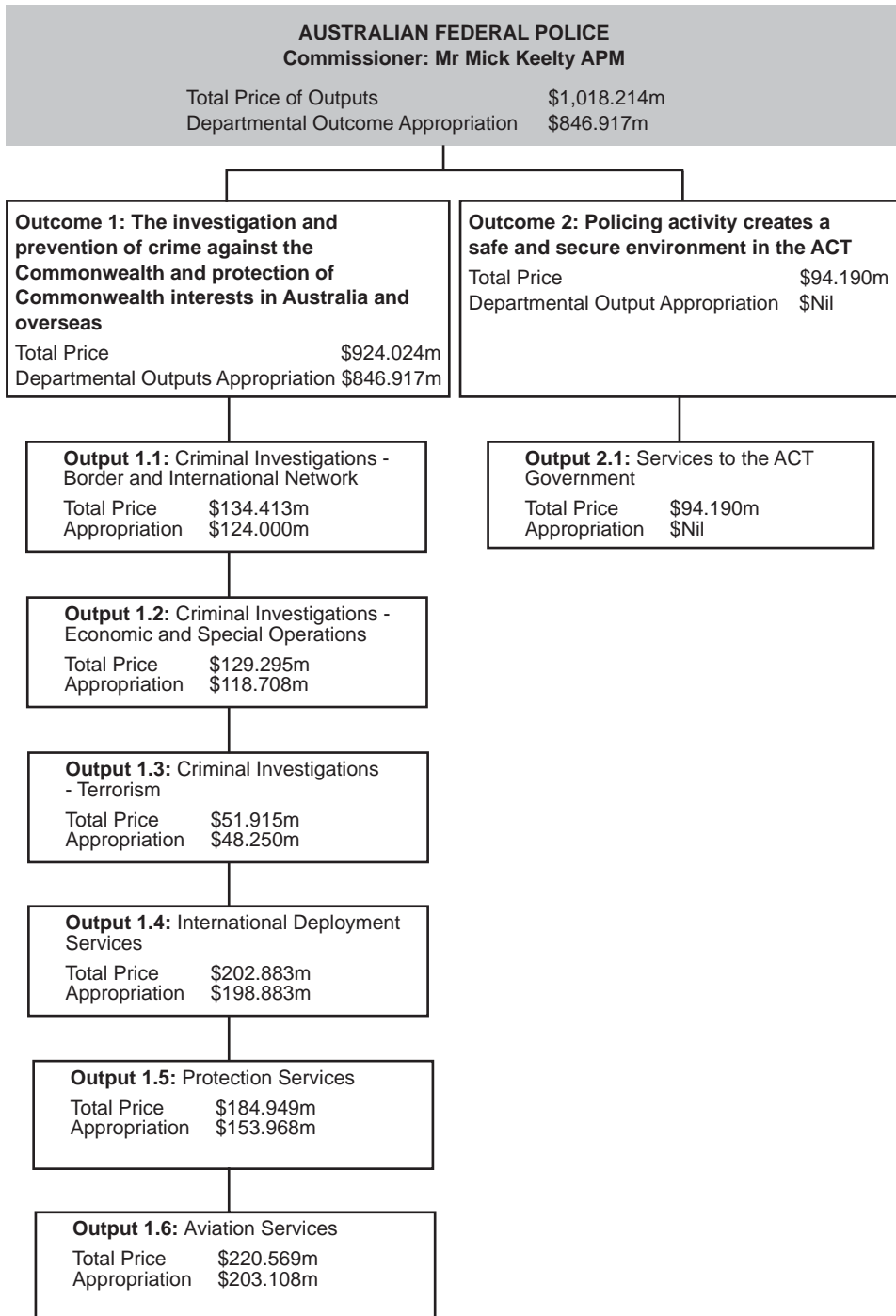
The Australian Federal Police (AFP) was established by the *Australian Federal Police Act 1979* (AFP Act) and is the major provider of Commonwealth law enforcement. The AFP's primary responsibility is to enforce Commonwealth criminal law and protect Commonwealth and national interests from crime in Australia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

The context for the AFP's future will continue to be formed by the increasing breadth, depth and complexity of the Commonwealth's law enforcement interests. In turn those interests will be heavily influenced by factors such as the extent of regional and international geopolitical instability, the dynamic nature of transnational crime and new applications of a range of technologies.

The challenges and opportunities of the next three years will be no less substantial than those of the last three. Many will flow from Government's national security priorities such as countering terrorism, and providing assistance to strengthen law and order in our region. Others will flow from developments in technology and society's responses.

During the 2005-06 financial year the AFP established a Unified Policing Model (UPM) which comprises AFP Airport Police Commanders, Protective Security Liaison Officers, Joint Airport Intelligence Groups, Joint Airport Investigation Teams and Airport Unified Police to enable a coordinated, intelligence-driven approach to terrorism and other criminality relating to designated airports. The establishment of the UPM is a result of the outcomes of the 'Independent Review of Airport Policing and Security' (the Wheeler Review).

**Table 1.1: Agency outcomes and output groups**



## Section 2: Resources for 2006-07

### **2.1 APPROPRIATIONS AND OTHER RESOURCES**

The total departmental appropriation for the AFP in the 2006-07 Budget is \$885.188m. Table 2.1 shows appropriations and other revenue by outcome. In summary, the appropriations for 2006-07 comprise of departmental appropriation of \$846.917m (Appropriation Bill 1) and departmental capital (equity injection) of \$38.271m, which includes previously agreed capital funding for 2006-07 (Appropriation Bill 2).

The AFP does not have any administered items.

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how appropriations will be applied by outcome.

**Table 2.1: Appropriations and other revenue 2006-07**

Outcome	Departmental			Administered				Total		
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation SPP \$'000	Other \$'000		Special Appropriation \$'000	Receipts (a) \$'000
Outcome 1 - The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas	846,917	-	-	77,107	-	-	-	-	-	924,024
Outcome 2 - Policing activity creates a safe and secure environment in the ACT	-	-	-	94,190	-	-	-	-	-	94,190
Equity injections	-	38,271	-	-	-	-	-	-	-	38,271
<b>TOTAL</b>	<b>846,917</b>	<b>38,271</b>	<b>-</b>	<b>171,297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,056,485</b>

(a) Departmental and administered receipts from other sources that are available to be used.

## 2.2 2006-07 BUDGET MEASURES

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

**Table 2.2: Agency measures**

Measure	Outcome	Output Groups Affected	Appropriations Budget 2006-07 \$'000			Appropriations Forward Estimate 2007-08 \$'000			Appropriations Forward Estimate 2008-09 \$'000			Appropriations Forward Estimate 2009-10 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
<b>Expense Measures</b>														
Identity Security - establishing new strike teams	1	1.2	-	2,589	2,589	-	3,019	3,019	-	2,926	2,926	-	2,952	2,952
National Security - enhancing the collection, assessment and storage of sensitive intelligence	1	1.2	-	9,394	9,394	-	11,447	11,447	-	11,010	11,010	-	11,091	11,091
National Security - enhancing technical surveillance capacity	1	1.2	-	494	494	-	1,959	1,959	-	3,473	3,473	-	3,782	3,782
Missing Persons - improving national coordination	1	1.2	-	1,004	1,004	-	1,020	1,020	-	761	761	-	771	771
National Security - improving community policing at airports <sup>1</sup>	1	1.6	-	57,088	57,088	-	73,831	73,831	-	71,928	71,928	-	72,447	72,447
National Security - continuing enhanced protective security services	1	1.5	-	-	-	-	-	-	-	-	-	-	-	-
National Security - maintaining telecommunications interception capability	1	1.1	-	(336)	(336)	-	937	937	-	1,167	1,167	-	1,253	1,253

Table 2.2: Agency measures (continued)

Measure	Outcome	Output Groups Affected	Appropriations Budget 2006-07 \$'000			Appropriations Forward Estimate 2007-08 \$'000			Appropriations Forward Estimate 2008-09 \$'000			Appropriations Forward Estimate 2009-10 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
<b>Expense Measures (cont)</b>														
National Security - Implementing the <i>Anti-Terrorism Act (No. 2) 2005</i>	1	1.3	-	1,944	1,944	-	-	-	-	-	-	-	-	-
National Security - regional law enforcement liaison and capacity building	1	1.3	-	5,782	5,782	-	7,958	-	5,257	-	5,138	-	5,138	5,138
Securing Borders against illegal Foreign Fishing - enhanced regional engagement	1	1.1	-	372	372	-	361	-	370	-	383	-	383	383
<b>Total Expense Measures</b>			-	<b>78,331</b>	<b>78,331</b>	-	<b>100,532</b>	-	<b>96,892</b>	-	<b>97,817</b>	-	<b>97,817</b>	<b>97,817</b>
<b>Capital Measure</b>														
Identity Security - establishing new strike teams	1	1.2	-	1,530	1,530	-	-	-	-	-	-	-	-	-
National Security - enhancing the collection, assessment and storage of sensitive intelligence	1	1.2	-	4,195	4,195	-	4,137	-	156	-	159	-	159	159
National Security - enhancing technical surveillance capacity	1	1.2	-	1,126	1,126	-	8,791	-	8,444	-	6,911	-	6,911	6,911

Table 2.2: Agency measures (continued)

Measure	Outcome	Output Groups Affected	Appropriations Budget 2006-07 \$'000			Appropriations Forward Estimate 2007-08 \$'000			Appropriations Forward Estimate 2008-09 \$'000			Appropriations Forward Estimate 2009-10 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
Missing Persons - improving national coordination	1	1.2	-	376	376	-	-	-	-	-	-	-	-	-
National Security - improving community policing at airports	1	1.6	-	13,204	13,204	-	8,124	-	-	-	-	-	-	-
National Security - maintaining telecommunications interception capability	1	1.1	-	2,248	2,248	-	2,296	-	-	626	-	-	-	458
National Security - Implementing the <i>Anti-Terrorism Act (No. 2) 2005</i>	1	1.3	-	701	701	-	-	-	-	-	-	-	-	-
National Security - regional law enforcement liaison and capacity building	1	1.3	-	584	584	-	255	-	-	-	-	-	-	-
<b>Total Capital Measure</b>			-	<b>23,964</b>	<b>23,964</b>	-	<b>23,603</b>	-	<b>9,226</b>	-	<b>7,528</b>	-	<b>7,528</b>	-
<b>Total All Measures</b>			-	<b>102,295</b>	<b>102,295</b>	-	<b>124,135</b>	-	<b>106,118</b>	-	<b>105,345</b>	-	<b>105,345</b>	-

Footnote 1. Funding in this measure includes the funding published previously in the 2005-06 PAES, which is \$14.070m in 2006-07, \$13.309m in 2007-08 and \$13.400m in 2008-09.

Notes:

- A. The table above does not include return of PNG Deployment Funding which is (\$121.472m) in 2006-07 and (\$127.077) in 2007-08.
- B. The table does not include reduction of Comcover premium due to PNG, the amounts are (\$2.350m) in 2006-07 and (\$2.4m) in 2007-08.
- C. Reduction of appropriation due to application of WCI parameters are not included in the table above, (\$0.824m) in 2006-07, (\$1.631m) in 2007-08, (\$1.954m) in 2008-09 and (\$1.964) in 2009-10.
- D. The Australian Government announced, following MYEFO, new expense and capital measures:
  - National Security – establishing Joint Airport Intelligence Groups. This was published in PAES 2005-06. Expense appropriations increased by \$6.2m in 2006-07 and 2007-08, and \$6.3m in 2008-09 and 2009-10.
  - National Security – funding Counter-Terrorism First Response teams at airports. This was published in PAES 2005-06. Expense appropriations increased by \$36.8m in 2006-07, \$39.6m in 2007-08, \$40.2m 2008-09, and \$40.9m in 2009-10.
  - Operation Wickenby – addressing offshore tax schemes. This was published in PAES 2005-06. Expense appropriations increased by \$16.0m in 2006-07, \$13.3m in 2007-08, \$13.4m in 2008-09, and \$13.5m in 2009-10.

## 2.3 OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include FMA s31 receipts, special accounts (non-appropriation receipts) and resources received free of charge.

**Table 2.3: Other receipts available to be used<sup>1</sup>**

	Estimated Resources 2005-06 \$'000	Budget Estimate 2006-07 \$'000
<b>Departmental resources</b>		
ACT Government	94,391	94,190
Sales of goods and services	87,309	76,796
Other revenue	13	13
Resources received free of charge	298	298
<b>Total departmental other resources available to be used</b>	<b>182,011</b>	<b>171,297</b>

1. This table replaces the former table 'Receipts from Other sources'. It represents own source receipts available for spending on departmental purposes.

## 2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

The AFP does not have any administered appropriations.

## 2.5 SPECIAL APPROPRIATIONS

The AFP will not draw upon any special appropriations in 2006-07.

## 2.6 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* (FMA Act). These Determinations may be disallowed by the Parliament. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by the AFP.

**Table 2.6: Estimates of special account flows and balances**

	Opening Balance	Receipts	Payments	Adjustments	Closing Balance
	2006-07	2006-07	2006-07	2006-07	2006-07
	2005-06	2005-06	2005-06	2005-06	2005-06
	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Federal Police - Protective Service - s20 FMA Act (D) <sup>1</sup>	2,558 6,769	159,262 162,602	157,215 166,813	- -	4,605 2,558
Comcare - Special Public Money - <i>Safety, Rehabilitation and Compensation Act 1998</i> (D)	3,646 1,796	2,975 3,935	2,975 2,085	- -	3,646 3,646
AFP Official MPR and Warrants trust Account - Other trust monies - s20 FMA Act (D)	9 13	105 109	105 113	- -	9 9
AFP Official Exhibits and Sized Money Trust Account - other trust monies - s20 FMA Act (D)	1,143 1,135	89 82	93 74	- -	1,139 1,143
AFP Official Trust Salary Packaging Account - s20 FMA Act (D)	2,144 896	8,862 8,392	7,283 7,144	- -	3,723 2,144
AFP Official National Police Memorial Trust Account - s20 FMA Act (D)	15 72	2,657 2,969	2,498 3,026	- -	174 15
Asia Pacific Group on Money Laundering Special Account - s20 FMA Act (D)	250 0	1,500 2,312	1,650 2,062	- -	100 250
<b>Total special accounts 2006-07 Budget Estimate</b>	<b>9,765</b>	<b>175,450</b>	<b>171,819</b>	<b>-</b>	<b>13,396</b>
<i>Total special accounts 2005-06 Estimated Actual</i>	10,681	180,401	181,317	-	9,765

Footnote 1. Receipts for Protective Service special account are sourced from appropriation revenue and other revenue.

D = Departmental

## **2.7 DEPARTMENTAL EQUITY INJECTIONS**

The AFP will receive an additional equity injection of \$23.964m in 2006-07. This funding relates to the following measures: Identity Security – establishing new strike teams (\$1.530m), National Security – enhancing the collection, assessment and storage of sensitive intelligence (\$4.195m), National Security – enhancing technical surveillance capacity (\$1.126m), Missing persons – improving national coordination (\$0.376m), National Security – improving community policing at airports (\$13.204m), National Security – maintaining telecommunications capability (\$2.248m), interception National Security - implementing the *Anti-Terrorism Act (No. 2) 2005* (\$0.701m), National Security – regional law enforcement liaison and capacity building (\$0.584m).

## **Section 3: Agency outcomes**

This section explains how the resources identified in Section 2 will be used to deliver outputs to contribute to the two outcomes for the AFP.

### **3.1 SUMMARY OF OUTCOMES AND OUTPUTS**

AFP resources concentrate on the achievement of the two outcomes agreed to by the Australian Government.

Outcome 1 - reflecting the AFP's national and internationally focused policing services provided to the Commonwealth, encompasses the investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas.

Outcome 2 - focuses upon the provision of community policing to create a safe and secure environment in the ACT.

AFP has changed its output structure since the last published PAES for Outcome 1. The new output structure will provide consistency between reporting through the PBS, the AFP Annual Report and internal AFP reports. The new output structure will contribute to greater accountability and transparency to the Government for AFP activities.

## Outcome 1

Outcome 1 - reflecting the AFP's national and internationally focused policing services provided to the Commonwealth, encompasses the investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas.

### **Output 1.1: Criminal Investigations – Border and International Network**

Border and International Network has principal responsibility for managing border crime incident types and the activities of the AFP's International Network.

Border crimes collectively include drug trafficking, people smuggling, transnational sex offences, transnational child sex tourism, and other crimes ancillary to border and international operations.

Strategies include:

- countering and otherwise investigating illicit drugs trafficking and the interception of assets involved in, or derived from, those activities
- contributing effectively to the implementation of the Government's Tough on Drugs strategy
- contributing effectively to a whole-of-government approach to unauthorised arrivals, and
- contributing effectively to a whole of government approach in combating trafficking in persons (which includes dealing with Transnational Sex Offences and Transnational Sex Tourism).

An International Network of AFP liaison officers facilitates the investigation and prevention of crimes against the Commonwealth and the protection of Commonwealth interests in Australia and overseas.

Strategies include:

- contributing effectively to international cooperative and collaborative efforts to counteract and prevent criminal activities of major concern to the Government
- continuing the development of the capacity overseas law enforcement agencies to deal with new forms of criminal activity particularly in regard to transnational crime

- facilitating enhanced cooperation and collaboration with overseas law enforcement agencies through targeted Law Enforcement Cooperation Program (LECP) funding to partner agencies in support of law enforcement initiatives of benefit to Australia, and
- contributing effectively to the operation of the Australian National Central Bureau for the International Criminal Police Organisation (INTERPOL).

### **Output 1.2: Criminal Investigations – Economic and Special Operations**

The Economic and Special Operations portfolio carries responsibility for managing a wide range of crime-types contained within the spectrum of Commonwealth statutes. The portfolio can be divided into two major streams: Economic Operations and Special Operations.

The Economic Operations stream delivers a Commonwealth law enforcement response to the incidence of serious and complex fraud activity, money-laundering, criminal tax offences, identity crime, currency crime, and other financial criminality.

The Special Operations stream delivers a law enforcement response to the incidence of a range of Commonwealth offences including war crimes, foreign official bribery, intellectual property, corruption and unauthorised disclosures, illegal fishing, environmental crime, electronic and high-tech crime, family law, and on-line child sexual exploitation.

Strategies to deliver the outputs within both these streams are implemented both domestically and internationally.

Strategies include:

- focusing on the financial bases of crime by pursuing the proceeds of crime and money laundering
- attacking identity crime as the key facilitator to a broad range of crime types, and
- engaging in national and international law enforcement partnerships in combating transnational and organised economic criminal activity.

### **Output 1.3: Criminal Investigations – Terrorism**

Counter-terrorism has primary responsibility for managing activity relating to countering terrorist threats to, and preventing terrorist incidents against, Australia and Australian interests, domestically and internationally.

Strategies include:

- inter-jurisdictional Joint Counter Terrorism Teams to coordinate investigations across State/Territories that impact on national security
- validating and assessing Australia’s domestic and international counter-terrorism capacity and capabilities through national and offshore exercise regimes
- international counter-terrorism liaison officers that undertake operational and capacity building activities, working closely with the AFP’s broader International Network
- rapid response capability to manage crises, and the consequences of such events, impacting on the economic, social and political stability of Australia’s local and global interests
- regional Counter Terrorism Cooperation and Operations Support Teams that encourage the transferability of skills and knowledge, and
- enhancement of the Jakarta Centre for LECP through the delivery of technical, specialist and leadership programs that encourage transformational change within the region.

### **Output 1.4: International Deployment Services**

As a leader within the law and justice sector, the International Deployment Group contributes to regional and international stability and security on behalf of the Australian Government by implementing capacity building programs and offshore law enforcement initiatives.

Strategies include:

- multilateral law enforcement capacity building missions
- bilateral law enforcement capacity building programs under the auspices of the LECP

- international monitoring missions, and
- international peace operations missions as civilian police with the United Nations.

### **Output 1.5: Protection Services**

Protection Services contribute to the outcome through the prevention of crime and protection of Commonwealth interests within Australia and overseas.

The objective of Protection Services is to ensure that individuals and interests identified to be at risk by the Commonwealth are kept safe and that their dignity is preserved. This is achieved in partnership with other state, territory and Commonwealth agencies and departments.

Strategies include:

- provision of close personal protection
- administration of the national witness protection program
- planning and coordination with strategic partners for special events that are of a national interest, and
- provision of specialised security services at premises considered by Government to be at risk.

### **Output 1.6: Aviation Services**

Aviation Services contribute to the maintenance of a safe and secure environment for Australian domestic and international aviation passenger transport. This requires the AFP to develop and maintain strong relationships with State and Territory police services, Commonwealth agencies and the wider aviation community to ensure highly coordinated action against terrorist and other criminal threats to aviation safety and security.

Strategies include:

- active participation in inter-agency and aviation industry security forums
- contributing to the prevention of in-flight attack on Australian registered aircraft through deployment of Air Security Officers on selected domestic and international sectors

- implementing the UPM at designated airports to provide centralised command and control, liaison and intelligence capabilities, a counter-terrorism deterrence and response capability, community policing and the ability to investigate serious and organised crime in the aviation sector
- the maintenance of specialist bomb appraisal and firearms and explosives detection canine capabilities to support aviation law enforcement, and
- contributing to the aviation security deterrence and response capability of regional aviation participants by providing a deployable counter-terrorism deterrence and response capability to regional airports on a pre-planned or intelligence-driven basis.

## **Outcome 2**

Outcome 2 reflects the AFP's community policing services in the ACT. There is a small proportion of Outcome 1 resources which, for the purpose of operational efficiency and effectiveness, are under the day to day control and management of ACT Policing. Throughout the year, these resources are drawn down by Outcome 1 in carrying out its obligations to the Commonwealth.

### **Output 2.1: Services to the ACT Government**

The primary aim of Outcome 2 is provision of community policing capacity to the ACT Government.

The objectives of this outcome are defined in the annually negotiated Purchase Agreement between the AFP and the ACT Government for the provision of police services. ACT community policing services are provided for under s8 of the AFP Act.

AFP activities include public order and community confidence, investigations, road safety, traffic enforcement prosecution and judicial support and the provision of information services.

The Policing Arrangement for the ACT was established between the Commonwealth and ACT Governments in March 2000 for a period of five years. This fee for service arrangement has been extended indefinitely pending the finalisation of a new five year arrangement between the Commonwealth and ACT Governments. That arrangement requires an annual negotiation of a Purchase Agreement that incorporates outputs required by the ACT Government and performance measures associated with those outputs.

### **Cost allocation to outputs**

Outputs are costed using the Police Real-Time On-line Management Information System time recording tool which captures data by case, accumulates it by incident type and subsequently apportions it to outputs. Corporate overhead and support costs are apportioned to each output in relation to the time spent on the categorised operational activity.

## **3.2 OUTCOMES — DEPARTMENTAL**

### **Departmental appropriations by outcome**

The AFP departmental appropriation is wholly attributable to Outcome 1.

## **3.3 OUTCOMES RESOURCING**

### **Outcome 1 resourcing**

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

**Table 3.1: Total resources for Outcome 1**

	<b>Estimated actual 2005-06<sup>1</sup> \$'000</b>	<b>Budget estimate 2006-07 \$'000</b>
<b>DEPARTMENTAL APPROPRIATIONS</b>		
Output 1.1 - Criminal Investigations – Border and International Network	-	124,000
Output 1.2 - Criminal Investigations – Economic and Special Operations	-	118,708
Output 1.3 - Criminal Investigations – Terrorism	-	48,250
Output 1.4 - International Deployment Services	-	198,883
Output 1.5 - Protection Services	-	153,968
Output 1.6 - Aviation Services	-	203,108
<b>Total revenue from Government (appropriations)<sup>2</sup> contributing to price of departmental outputs</b>	<b>-</b>	<b>846,917</b>
<b>OTHER RESOURCES AVAILABLE TO BE USED</b>		
Output 1.1 - Criminal Investigations – Border and International Network	-	10,415
Output 1.2 - Criminal Investigations – Economic and Special Operations	-	10,587
Output 1.3 - Criminal Investigations – Terrorism	-	3,664
Output 1.4 - International Deployment Services	-	4,000
Output 1.5 - Protection Services	-	30,981
Output 1.6 - Aviation Services	-	17,460
<b>Total revenue from other sources</b>	<b>-</b>	<b>77,107</b>
<b>Total resources (total revenue from Government and from other sources)</b>	<b>-</b>	<b>924,024</b>
<b>From special accounts (estimated payments from special account balances)<sup>3</sup></b>		
AFP - Protective Service (s20 FMA Act)	166,813	157,215
Comcare (SRC Act)	2,085	2,975
AFP Official MPR and Warrants Trust Account (s20 FMA Act)	113	105
AFP Official Exhibits and Seized Moneys Trust Account (s20 FMA Act)	74	93
AFP Official Trust Salary Packaging Account (s20 FMA Act)	7,144	7,283
AFP Official National Police Memorial Trust Account (s20 FMA Act)	3,026	2,498
Asia Pacific Group on Money Laundering Special Account (s20 FMA Act)	2,062	1,650
<b>Total departmental special account outflows</b>	<b>181,317</b>	<b>171,819</b>
<b>Total estimated resourcing for Outcome 1 (total price of outputs and administered appropriations)</b>	<b>-</b>	<b>924,024</b>
<b>Average staffing level (number)</b>	<b>4,770</b>	<b>4,793</b>

Notes

1. Estimated actual for 2005-06 cannot be provided as the outputs structure has been changed effective 2006-07 PBS.

2. AFP has responsibility for a special appropriation in the AFP ACT s54(6) and this appropriation has not been drawn upon in 2005-06.

3. Special account outflows are shown in the payments column of the special account table in Table 2.6. The estimated payments from special account balances are provided by way of note only and do not form part of the total estimated resourcing.

## Measures affecting Outcome 1

A summary of the measures for the 2006-07 Budget are found in Table 2.2.

### Performance information for Outcome 1

#### Outcome 1

Overall, Outcome 1 is measured through a set of performance indicators and a variety of indicators specific to the individual outputs. These are:

- disruptive effects of AFP operations on the criminal environment nationally and internationally
- levels of client satisfaction with AFP service provision, and
- cost effectiveness of AFP service delivery results.

Output performance measurement focuses on the following indicators:

#### Output 1.1 measurements:

- disruptive effect of AFP investigations on the criminal environment
- client satisfaction with AFP investigations, and
- the level of financial performance of the AFP in delivering cost effective results.

#### Output 1.2 measurements:

- disruptive effect of AFP investigations on the criminal environment
- client satisfaction with AFP investigations, and
- the level of financial performance of the AFP in delivering cost effective results.

#### Output 1.3 measurements:

- disruptive effect of AFP investigations on the criminal environment
- client satisfaction with AFP investigations, and
- the level of financial performance of the AFP in delivering cost effective results.

**Output 1.4 measurements:**

- extent to which Commonwealth obligations are met
- client satisfaction with AFP international deployment services, and
- cost effectiveness of service delivery.

**Output 1.5 measurements:**

- prevention of avoidable incidents
- satisfaction of clients and stakeholders with service provision, and
- cost effectiveness of service delivery.

**Output 1.6 measurements:**

- prevention of attempts to disrupt the safety of Australia's aviation passenger industry
- satisfaction of clients and stakeholders with service provision, and
- cost effectiveness of service delivery.

**Table 3.2: Performance information for Outcome 1**

<b>Performance Indicators for Individual Outputs</b>	
<i>Output Description</i>	<i>Performance Measure</i>
Output 1.1: Criminal Investigations - Border and International Network	Price: \$134.413m  Quality: Drug Harm Index, client satisfaction, cases resulting in conviction  Quantity: Number of cases  Target: 80%
Output 1.2: Criminal Investigations - Economic and Special Operations	Price: \$129.295m  Quality: Estimated financial return, client satisfaction, cases resulting in conviction  Quantity: Number of cases  Target: 65%
Output 1.3: Criminal Investigations - Terrorism	Price: \$51.915m  Quality: Client satisfaction, case hours by purpose  Quantity: Number of cases  Target: 100%
Output 1.4: International Deployment Services	Price: \$202.883m  Quality: Client satisfaction, case hours by purpose  Quantity: Number of resource hours delivered  Target: 90%
Output 1.5: Protection Services	Price: \$184.949m  Quality: Client satisfaction, avoidable incidents  Quantity: Number of protection movements  Target: 85%
Output 1.6: Aviation Services	Price: \$220.569m  Quality: Client satisfaction  Quantity: Number of cases  Target: 65%

Notes

Clients - AFP clients include Commonwealth, State and Territory agencies, and the representatives, embassies or agencies of foreign governments to which AFP provides a service.

Target - Targets relate to each outputs' resources devoted to high or very high impact matters.

## Evaluations for Outcome 1

In determining the resources to be applied to each service, the AFP uses a variety of tools across all outputs. These include:

- business planning, including regular business activity analysis of operations
- action plans
- the Case Categorisation and Prioritisation Model
- services targets and client satisfaction surveys, and
- the Performance Improvement Cycle.

Where practical and appropriate, components of service delivery under various outputs are also benchmarked annually against international organisations and OECD countries.

## Outcome 2 resourcing

Outcome 2 is funded through the Policing Agreement between the Commonwealth and ACT Governments.

## Performance information for Outcome 2

### Outcome 2

Overall, Outcome 2 performance is measured through seven key indicators across the four Outputs.

- level of crime
- fear of crime
- police responsiveness
- public confidence in police
- road safety
- supporting the judicial process, and
- crime prevention.

## **Evaluations for Outcome 2**

The provision of community policing services to the ACT is subject to annual negotiation by the AFP of a Purchase Agreement with the ACT Government. Service delivery price and performance achievements against measures and associated targets set by the ACT Government are subject to independent audit.

## **Section 4: Other reporting requirements**

### **4.1 PURCHASER-PROVIDER ARRANGEMENTS**

The AFP does not participate in purchaser-provider arrangements.

### **4.2 COST RECOVERY ARRANGEMENTS**

The AFP applies the principles of the cost recovery guidelines to all its revenue raising activities, although the majority of the AFP's cost recovery revenue relates to intra-governmental arrangements which are exempt from the Commonwealth Cost Recovery Guidelines. The main cost recovery streams include:

- criminal records information for non-criminal purposes to agencies, corporations and individuals
- protection and guarding services, and
- policing services to the ACT Government (Outcome 2).

### **Summary of cost recovery impact statement**

Those activities that are subject to the cost recovery guidelines will be reviewed in accordance with the Commonwealth Cost Recovery Guidelines Schedule. The AFP is scheduled to complete Cost Recovery Impact Statement in 2006-07.

## 4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Table 4.1: Australian Government Indigenous Expenditure

Outcome	Appropriations			Total Approp \$'000	Other \$'000	Total \$'000
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000			
<b>Australian Federal Police</b>						
<b>Outcome 1 - The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas</b>						
Departmental 2006-07	301	-	-	301	-	301
Departmental 2005-06	252	-	-	252	-	252
<b>Total Outcome 1 2006-07</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>301</b>	<b>-</b>	<b>301</b>
<b>Total Outcome 1 2005-06</b>	<b>252</b>	<b>-</b>	<b>-</b>	<b>252</b>	<b>-</b>	<b>252</b>
<b>Outcome 2 - Policing activity creates a safe and secure environment in the ACT</b>						
Departmental 2006-07	-	-	-	-	94	94
Departmental 2005-06	-	-	-	-	145	145
<b>Total Outcome 2 2006-07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94</b>	<b>94</b>
<b>Total Outcome 2 2005-06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145</b>	<b>145</b>
<b>Total Departmental 2006-07</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>301</b>	<b>94</b>	<b>395</b>
<b>Total Departmental 2005-06</b>	<b>252</b>	<b>-</b>	<b>-</b>	<b>252</b>	<b>145</b>	<b>397</b>
<b>Total AGIE 2006-07</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>301</b>	<b>94</b>	<b>395</b>
<b>Total AGIE 2005-06</b>	<b>252</b>	<b>-</b>	<b>-</b>	<b>252</b>	<b>145</b>	<b>397</b>

## Section 5: Budgeted financial statements

### 5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

#### Statement of financial performance

Total revenue for 2006-07 is estimated to be \$1,018.525m, a decrease of \$94.991m from the previously published estimate of \$1,113.51m. For 2006-07 the Government has approved a number of new measures totalling \$78.331m, including some funding published previously (see footnote 1 to Table 2.2). The decrease in revenue is mainly due to the return of Papua New Guinea (PNG) appropriation funding no longer required.

Total expenses are estimated to be \$1,018.525m, an increase of \$33.237m from the previously published estimate of \$985.288m. This increase is related to the new measures funding.

For the 2005-06 financial year the AFP is anticipating an operating surplus of \$4.000m which is mainly attributable to unspent funds in relation to the Regional Counter Terrorism Assistance – Biometric Technology proposal, as well as the commercial activity of the AFP Protective Service.

**Statement of financial position**

The AFP's estimated 2006-07 net asset position of \$357.384m represents a net decrease of \$236.685m against the previously published estimate. The decrease is mainly attributable to the \$253.000m reduction in receivables largely due to PNG.

The AFP's major liability continues to be accrued employee entitlements (estimated to be \$123.636m in 2006-07).

## 5.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June**

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	735,628	846,917	859,500	809,647	817,348
Goods and services	182,011	171,297	170,866	170,273	169,651
<b>Total revenue</b>	<b>917,639</b>	<b>1,018,214</b>	<b>1,030,366</b>	<b>979,920</b>	<b>986,999</b>
<b>Gains</b>					
Net gains from sale of assets	13	13	13	13	13
Other	298	298	298	298	298
<b>Total gains</b>	<b>311</b>	<b>311</b>	<b>311</b>	<b>311</b>	<b>311</b>
<b>Total income</b>	<b>917,950</b>	<b>1,018,525</b>	<b>1,030,677</b>	<b>980,231</b>	<b>987,310</b>
<b>EXPENSE</b>					
Employees	475,419	541,564	550,648	556,805	563,206
Suppliers	378,635	405,509	403,933	354,866	352,134
Depreciation and amortisation	53,916	65,374	69,915	62,379	65,789
Other	5,980	6,078	6,181	6,181	6,181
<b>Total expenses</b>	<b>913,950</b>	<b>1,018,525</b>	<b>1,030,677</b>	<b>980,231</b>	<b>987,310</b>
<b>Operating result from continuing operations</b>	<b>4,000</b>	-	-	-	-
<b>Operating result</b>	<b>4,000</b>	-	-	-	-
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>4,000</b>	-	-	-	-

Table 5.2: Budgeted departmental balance sheet as at 30 June

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	47,887	66,977	84,530	98,618	98,148
Receivables	275,015	295,470	321,941	334,909	351,377
<b>Total financial assets</b>	<b>322,902</b>	<b>362,447</b>	<b>406,471</b>	<b>433,527</b>	<b>449,525</b>
<b>Non-financial assets</b>					
Land and buildings	27,269	27,067	26,865	26,663	26,663
Infrastructure, plant and equipment	123,892	130,099	132,176	130,787	118,617
Inventories	478	478	478	478	478
Intangibles	13,289	10,592	5,350	108	4,108
Other	6,724	6,724	6,724	6,724	6,724
<b>Total non-financial assets</b>	<b>171,652</b>	<b>174,960</b>	<b>171,593</b>	<b>164,760</b>	<b>156,590</b>
<b>Total assets</b>	<b>494,554</b>	<b>537,407</b>	<b>578,064</b>	<b>598,287</b>	<b>606,115</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	118,891	123,636	128,524	128,480	128,480
Other	7,947	7,947	7,947	7,947	7,947
<b>Total provisions</b>	<b>126,838</b>	<b>131,583</b>	<b>136,471</b>	<b>136,427</b>	<b>136,427</b>
<b>Payables</b>					
Suppliers	38,681	38,681	38,629	38,681	38,681
Other	9,922	9,759	9,626	9,574	9,574
<b>Total payables</b>	<b>48,603</b>	<b>48,440</b>	<b>48,255</b>	<b>48,255</b>	<b>48,255</b>
<b>Total liabilities</b>	<b>175,441</b>	<b>180,023</b>	<b>184,726</b>	<b>184,682</b>	<b>184,682</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	264,340	302,611	338,565	358,832	366,660
Reserves	12,749	12,749	12,749	12,749	12,749
Retained surpluses or accumulated deficits	42,024	42,024	42,024	42,024	42,024
<b>Total parent entity interest</b>	<b>319,113</b>	<b>357,384</b>	<b>393,338</b>	<b>413,605</b>	<b>421,433</b>
<b>Total equity</b>	<b>319,113</b>	<b>357,384</b>	<b>393,338</b>	<b>413,605</b>	<b>421,433</b>
<b>Current assets</b>	<b>323,380</b>	<b>362,925</b>	<b>406,949</b>	<b>434,005</b>	<b>450,003</b>
<b>Non-current assets</b>	<b>171,174</b>	<b>174,482</b>	<b>171,115</b>	<b>164,282</b>	<b>156,112</b>
<b>Current liabilities</b>	<b>48,603</b>	<b>48,440</b>	<b>48,255</b>	<b>48,255</b>	<b>48,255</b>
<b>Non-current liabilities</b>	<b>126,838</b>	<b>131,583</b>	<b>136,471</b>	<b>136,427</b>	<b>136,427</b>

\*Note: '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 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	182,011	171,297	170,866	170,273	169,651
GST Receipts	11,442	12,200	12,200	12,200	12,200
Appropriations	735,913	814,099	820,696	784,427	788,680
Other	298	298	298	298	298
<b>Total cash received</b>	<b>929,664</b>	<b>997,894</b>	<b>1,004,060</b>	<b>967,198</b>	<b>970,829</b>
<b>Cash used</b>					
Employees	475,504	536,819	545,760	556,849	563,206
Suppliers	353,099	379,387	377,966	328,795	326,115
GST Payments	31,516	32,200	32,200	32,200	32,200
<b>Total cash used</b>	<b>860,119</b>	<b>948,406</b>	<b>955,926</b>	<b>917,844</b>	<b>921,521</b>
<b>Net cash from or (used by) operating activities</b>	<b>69,545</b>	<b>49,488</b>	<b>48,134</b>	<b>49,354</b>	<b>49,308</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	13	13	13	13	13
<b>Total cash received</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	114,133	68,682	66,548	55,546	57,619
<b>Total cash used</b>	<b>114,133</b>	<b>68,682</b>	<b>66,548</b>	<b>55,546</b>	<b>57,619</b>
<b>Net cash from or (used by) investing activities</b>	<b>(114,120)</b>	<b>(68,669)</b>	<b>(66,535)</b>	<b>(55,533)</b>	<b>(57,606)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	64,497	38,271	35,954	20,267	7,828
<b>Total cash received</b>	<b>64,497</b>	<b>38,271</b>	<b>35,954</b>	<b>20,267</b>	<b>7,828</b>
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>64,497</b>	<b>38,271</b>	<b>35,954</b>	<b>20,267</b>	<b>7,828</b>
<b>Net increase or (decrease) in cash held</b>	<b>19,922</b>	<b>19,090</b>	<b>17,553</b>	<b>14,088</b>	<b>(470)</b>
Cash at the beginning of the reporting period	27,965	47,887	66,977	84,530	98,618
<b>Cash at the end of the reporting period</b>	<b>47,887</b>	<b>66,977</b>	<b>84,530</b>	<b>98,618</b>	<b>98,148</b>

**Table 5.4: Departmental statement of changes in equity — summary of movement Budget 2006-07**

	Accumulated Results \$'000	Asset Revaluation Reserve \$'000	Contributed Equity Capital \$'000	Total Equity \$'000
<b>Opening balance as at 1 July 2006</b>				
Balance carried forward from previous period	42,024	12,749	264,340	319,113
<b>Adjusted opening balance</b>	<b>42,024</b>	<b>12,749</b>	<b>264,340</b>	<b>319,113</b>
<b>Sub-total income and expense</b>	-	-	-	-
Net operating result	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>42,024</b>	<b>12,749</b>	<b>264,340</b>	<b>319,113</b>
<b>Transactions with owners</b>				
Appropriation (equity injection)	-	-	38,271	38,271
<b>Sub-total transactions with owners</b>	<b>42,024</b>	<b>12,749</b>	<b>302,611</b>	<b>357,384</b>
<b>Estimated closing balance as at 30 June 2007</b>	<b>42,024</b>	<b>12,749</b>	<b>302,611</b>	<b>357,384</b>

**Table 5.5: Departmental capital budget statement**

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	64,497	38,271	35,954	20,267	7,828
<b>Total capital appropriations</b>	<b>64,497</b>	<b>38,271</b>	<b>35,954</b>	<b>20,267</b>	<b>7,828</b>
<b>Represented by:</b>					
Purchase of non-financial assets	64,497	38,271	35,954	20,267	7,828
<b>Total represented by</b>	<b>64,497</b>	<b>38,271</b>	<b>35,954</b>	<b>20,267</b>	<b>7,828</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	64,497	38,271	35,954	20,267	7,828
Funded internally by departmental resources	49,636	30,411	30,594	35,279	49,791
<b>Total</b>	<b>114,133</b>	<b>68,682</b>	<b>66,548</b>	<b>55,546</b>	<b>57,619</b>

**Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement Budget year 2006-07**

	Land	Buildings	Other Infrastructure Plant and Equipment	Other Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2006</b>					
Gross book value	262	50,128	215,432	29,833	295,655
Accumulated depreciation	-	23,121	91,540	16,544	131,205
<b>Opening net book value</b>	<b>262</b>	<b>73,249</b>	<b>306,972</b>	<b>46,377</b>	<b>426,860</b>
Additions	-	-	63,682	5,000	68,682
Depreciation/amortisation expense	-	202	57,475	7,697	65,374
<b>As at 30 June 2007</b>					
Gross book value	262	50,128	279,114	34,833	364,337
Accumulated depreciation	-	23,323	149,015	24,241	196,579
<b>Estimated closing net book value</b>	<b>262</b>	<b>26,805</b>	<b>130,099</b>	<b>10,592</b>	<b>167,758</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Basis for accounting

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

### Appropriations in the accrual budgeting framework

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- departmental price of outputs appropriations – representing the Government's purchase of outputs from agencies, and
- departmental capital appropriations – for investments by the Government for additional equity injections.

## Revenue from Government

The increase in appropriations revenue over previously published figures is primarily due to new measures funding for National Security – improving community policing at airports (\$44.127m), National Security – enhancing the collection, assessment and storage of sensitive intelligence (\$9.862m), National Security – regional law enforcement liaison and capacity building (\$5.888m), Identity Security – establishing new strike teams (\$2.858m), National Security - implementing the *Anti-Terrorism Act (No. 2) 2005* (\$2.081m), Missing Persons – improving national coordination (\$1.124m), National Security – maintaining telecommunications interception capability (\$0.226m) and Securing Borders against Illegal Foreign Fishing – enhanced regional engagement (\$0.372m), which is offset by a reduction in revenue due to the return of funding from PNG no longer required (\$121.472m).

## Employees

The net increase to employees expenditure of \$23.362m on previously published figures is primarily due to the extra staff required for new measures, in particular National Security – improving policing at airports.

## Suppliers

The net increase to suppliers on previously published figures is also primarily due to new measures funding.

## Other expenses

This category includes payments to the Australian Institute of Police Management and the Australian Centre for Police Research as well as payments for a payroll tax equivalent on behalf of the AFP Protective Service as a result of competitive neutrality arrangements.

## Net surplus attributable to the Australian Government

The AFP is anticipating an operating surplus of \$4.000m for 2005-06. This surplus is mainly attributable to unspent funds in relation to the Regional Counter Terrorism Assistance – Biometric Technology proposal, as well as the commercial activity of the AFP Protective Service.

## Transfer to Official Public Account (OPA)

There will be no transfer to the OPA in 2005-06.

## **Infrastructure, plant and equipment**

The increase in infrastructure is attributable to the \$23.964m in equity injections for infrastructure, plant and equipment received during the 2006-07 Budget process. Self funding acquisitions relate to the replacement and upgrade of existing infrastructure, plant and equipment.