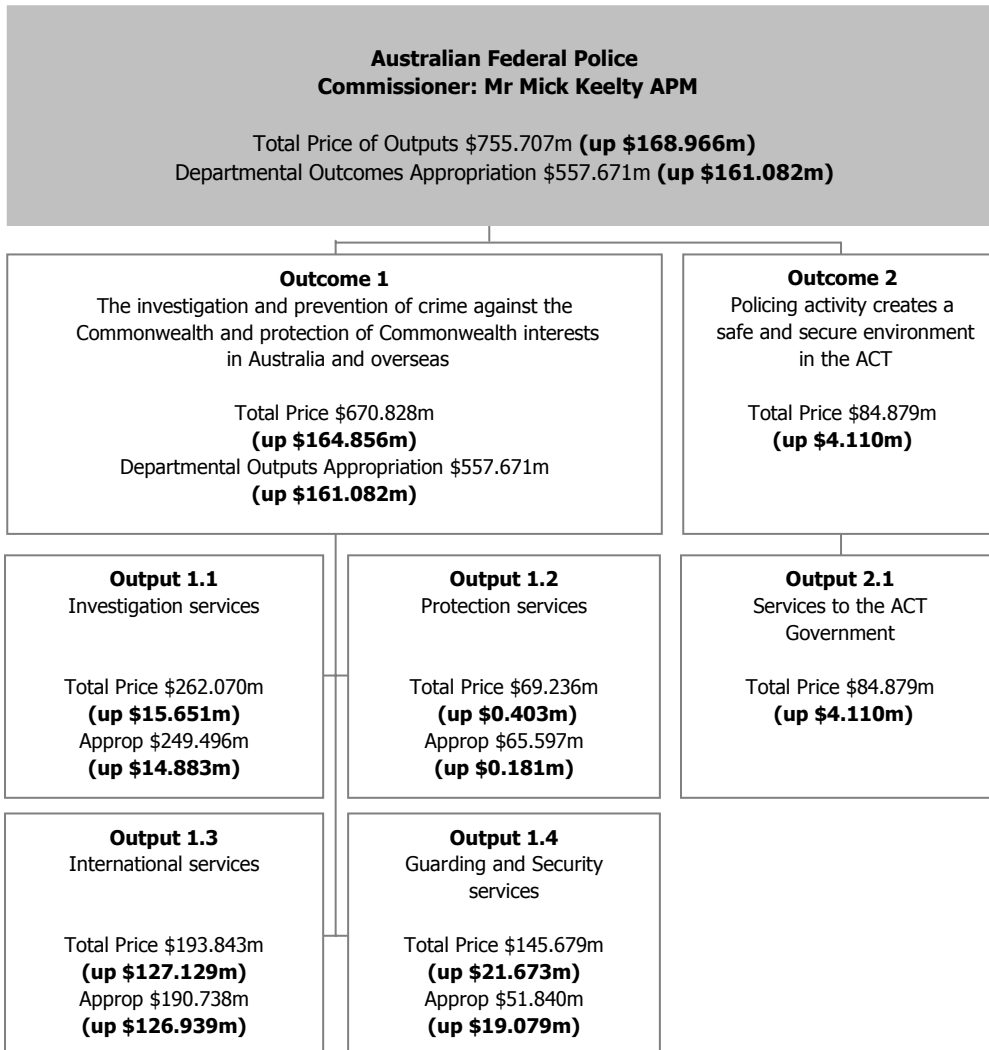


AUSTRALIAN FEDERAL POLICE

Outcomes and Outputs



Section 1: Overview, 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. Its role is to enforce Commonwealth criminal law and protect Commonwealth and national interests from crime in Australia and overseas. The AFP is Australia's international law enforcement and policing representative and chief source of advice to the Government on policing issues. The AFP has primary responsibility for ensuring that the Commonwealth's law enforcement interests are protected.

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

Outcome 1: National–International focus

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

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. Additional appropriations have been allocated for estimates variations since the 2003–04 Budget. Details of these additional appropriations and their impact on the achievement of the agency's outcomes and outputs are explained below. The variations to 2003–04 and forward year appropriations results are set out in the following tables.

Measures

	2003–04 (\$'000)	2004–05 (\$'000)	2005–06 (\$'000)	2006–07 (\$'000)
Outcome 1				
Increase in departmental appropriations				
Papua New Guinea Deployment	65,504	152,356	180,013	177,977
Solomon Islands – Regional Assistance Mission	80,338	25,000*	-	-
Bali Investigation costs – supplementation	12,668	-	-	-
Combating trafficking in persons – whole of government strategy	1,304	1,692	1,748	1,806
Budget estimates – enhanced quality and timeliness	261	266	272	111
East Timor – Support for the police and justice institutions	-	4,449	4,911	3,960
Aviation Security – enhancement	-	3,671	2,831	2,933
Total	160,075	187,434	189,775	186,787

*Logistics Support Contract only (excluding Medical)

Other variations to appropriations

	2003-04	2004-05	2005-06	2006-07
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Outcome 1				
Increase in departmental appropriations				
Comcover Premium supplementation	1,007	-	-	-
Changes in Price and Wage Indices	-	(1,664)	(3,002)	(4,035)
Total	1,007	(1,664)	(3,002)	(4,035)

Comcover Premium supplementation

The government has agreed to fully supplement budget funded agencies for increases in Comcover premium rates for 2003-04. As a result of this decision the AFP has received a \$1.007m increase in 2003-04.

MEASURES – AGENCY SUMMARY

Papua New Guinea Deployment

Australia and Papua New Guinea (PNG) have agreed on a significant cooperation package to help PNG address its key challenges. As part of this arrangement, Australians will work side-by-side with Papua New Guineans in the areas of policing, law and justice and economic and public sector management.

The Government will provide additional funding of \$804.869m (which includes \$49.477m in capital funding) to the Australian Federal Police over 5 years as a component of this cross-portfolio measure. The AFP will be responsible for providing up to 230 Australian police personnel, who will collaborate with the Royal PNG Constabulary in Port Moresby, Bougainville, Lae, Mt Hagen and the Highlands Highway. Australian police assistance will also ensure that PNG Constabulary officers are better equipped and skilled.

In 2003-04 the AFP will receive a total of \$95.304 in funding, of which, \$29.800m is Capital and \$65.504m is Departmental Outputs revenue. The Australian Agency for International Development will absorb \$29.000 million of costs over five years (\$9.000m in 2003-04) for some aspects of the policing element. Some of the assistance and support measures will be provided directly to the Royal PNG Constabulary to enable it to engage in recruitment and training of new members and for some key new operational equipment.

Solomon Islands – Regional Assistance Mission

At the request of the Solomon Islands Government, Australia is leading a coalition to implement a package of strengthened assistance measures to the Solomon Islands. The Regional Assistance Mission to the Solomon Islands (RAMSI) is designed to reintroduce law and order. The overall aim is to establish a stable platform for the implementation of the necessary governance and economic reforms required to ensure that the Solomon Islands has a firm foundation on which to build its future security and prosperity.

As part of a cross portfolio measure, the government is providing funding of \$97.012m to the AFP in 2003–04 (including \$16.674m capital funding) to assist in the restoration of law and order in the Solomon Islands. Funding levels to cover the cost of the Solomon's deployment in 2004–05 will be determined in the next budget context. An additional \$25.000m funding will be provided for contracted logistics support to this activity in 2004–05.

Bali Investigation costs – supplementation

The Government will provide additional funding of \$12.668m in 2003–04 to supplement the Australian Federal Police for the costs incurred in investigating the Bali Bombings of 12 October 2002. In the aftermath of the bomb blasts, the AFP sent investigative and forensic officers to Bali to assist the Indonesian National Police in their investigation. Significant progress has been made on the investigation, with a significant number of arrests and convictions of those responsible for the tragedy.

Combating trafficking in persons – whole of government strategy

The Government will provide an additional \$7.000m to the AFP over four years to address crimes related to trafficking in people, specifically sexual servitude and slavery. The departmental funding in 2003–04 for this measure is \$1.304m and will significantly enhance the AFPs' ability to detect, investigate and prosecute traffickers, and help prevent trafficking of persons. These funds will provide for the establishment of a Transnational Sexual Exploitation and Trafficking (mobile strike) Team with an additional investigational and surveillance capacity. A core intelligence component will exist for the collection, analysis and dissemination of intelligence relating to the crimes of sexual servitude and slavery. The measure will also provide for extensive training to assist and build the capacity of law enforcement through the delivery of a People Trafficking Specialist Investigations Training program, which will advance expertise in a number of related areas, including investigative methodologies, and victim liaison and support. The measure includes an additional amount of \$0.450m capital in 2003–04 for surveillance and standard-issue equipment for AFP officers. This \$7.000m adds to an existing \$4.743m to be absorbed by the AFP.

Budget estimates – enhanced quality and timeliness

The Government will provide additional funding to agencies of \$88.5m over five years (including \$0.1m in 2007–08) to implement the Budget Estimates and Framework Review (BEFR) recommendations. This funding includes capital of \$7.4m over four years.

In the 2003–04 Budget the Government made provision for \$78.0m over five years to improve the accuracy, responsiveness and effectiveness of agencies' contribution to the Commonwealth's budget estimates and framework system and to assist agencies to drive improved financial management and reporting within their organisations. The Government has provided an extra \$10.5m over five years to fund agencies to implement BEFR recommendations.

Departmental funding of \$0.261m has been provided to the AFP in 2003–04 (\$1.024m over 5 years) to implement the recommendations of the review with an additional \$0.467m being provided in Capital. Funding for each financial year from 2003–04 to 2006–07 is shown in Table 1.1 below.

East Timor – support for the police and justice institutions

The government will continue to assist the East Timor Government in a long term program of 'capability building' for the East Timor Police Service and Justice Sector from 2003–04 to 2007–08. This assistance will take the form of training and development expertise and follows the withdrawal of the United Nations Transitional Administration East Timor (UNTAET) police presence in June 2004. Total funding for this 'policing assistance' measure is \$16.834m (including \$3.514m in 2007–08) and will commence in 2004–05. The AFP will absorb \$3.200m to cover the first 6 months of the program from within existing resources.

Aviation Security – enhancement

The creation of an Australian Federal Police Protective Security Liaison Officer (PSLO) network will enhance the protection of Australia's national security interests in the commercial aviation transport environment. The PSLO network will coordinate aviation security-related intelligence and contribute to information sharing between intelligence and law enforcement agencies and the aviation industry (both airports and airlines) at each airport and nation-wide. The Government will provide a total of \$12.777m (including \$0.302m in capital) to the AFP over four years from 2004–05 onwards.

Table 1.1: Summary of Measures since the 2003–04 Budget

Measure	Outcome	Output Groups Affected	Appropriations 2003–04 (\$'000)			Appropriations 2004–05 (\$'000)			Appropriations 2005–06 (\$'000)			Appropriations 2006–07 (\$'000)		
			Dept Outputs	Equity	Total	Dept Outputs	Equity	Total	Dept Outputs	Equity	Total	Dept Outputs	Equity	Total
Papua New Guinea (PNG) Deployment ^	1	1.3	65,504	29,800	95,304	152,356	1,080	153,436	180,013	17,567	197,580	177,977	500	178,477
Solomon Islands – Regional Assistance Mission	1	1.3 1.4	80,338	16,674	97,012	25,000	-	25,000	-	-	-	-	-	-
Bali Investigation costs	1	1.1	12,668	-	12,668	-	-	-	-	-	-	-	-	-
Combating trafficking in persons – whole of government strategy	1	1.1	1,304	450	1,754	1,692	-	1,692	1,748	-	1,748	1,806	-	1,806
Budget estimates – enhanced quality and timeliness +	1	1.1	261	467	728	266	-	266	272	-	272	111	-	111
East Timor – support for the police and justice institutions *	1	1.3	-	-	-	4,449	-	4,449	4,911	-	4,911	3,960	-	3,960
Aviation Security – enhancement #	1	1.2	-	-	-	3,671	302	3,973	2,831	-	2,831	2,933	-	2,933
Total			160,075	47,391	207,466	187,434	1,382	188,816	189,775	17,567	207,342	186,787	500	187,287

^ Departmental output funding of \$179.572m to be received in 2007–08

+ Departmental output funding of \$0.114m to be received in 2007–08

* Departmental output funding of \$3.514m to be received in 2007–08

Departmental output funding of \$3.040m to be received in 2007–08

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No 3) 2003–04

	2002–03 Available \$'000	2003–04 Budget \$'000	2003–04 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	383,400	396,589	557,671	161,082	-
Outcome 2					
Policing activity creates a safe and secure environment in the ACT	-	-	-	-	-
Total	383,400	396,589	557,671	161,082	-

Table 1.3: Appropriation Bill (No 4) 2003–04

	2002–03 Available \$'000	2003–04 Budget \$'000	2003–04 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-Operating					
Equity injections	4,876	3,780	51,171	47,391	-
Total AFP Capital	4,876	3,780	51,171	47,391	-

SUMMARY OF STAFFING CHANGES

Table 1.4: Average Staffing Level (ASL)

	Budget 2003-04	Revised 2003-04	Variation
Outcome 1			
The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas	3,920	3,922	2
Outcome 2			
Policing activity creates a safe and secure environment in the ACT	758	769	11
Total	4,678	4,691	13

The revised total for AFP of 4,691 represents the estimated average staffing level for the 2003-04 financial year. It should be noted that the 2003-04 budget estimate as provided in the 2003-04 Portfolio Budget Statements was overstated in that the original estimate anticipated a higher level of Australian Protective Service (APS) recruitment that was either deferred or is not now expected to eventuate. Given this, the variation shown above does not reflect the actual staffing changes for the AFP including APS. In addition to the above, up to 100 police from other state and territory police services will participate in the assistance package for Papua New Guinea.

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

Table 1.5: Changes to Net Annotated Appropriations (Section 31) Receipts

	Total Approp 2003-04 Budget \$'000	Total Approp 2003-04 Revised \$'000	Receipts from Independent Sources Budget \$'000	Receipts from Independent Sources Revised \$'000	Variation in Non-Govt Revenue \$'000
Outcome 1					
The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas	396,589	557,671	109,383	113,157	3,774
Outcome 2					
Policing activity creates a safe and secure environment in the ACT	-	-	80,769	84,879	4,110
Total	396,589	557,671	190,152	198,036	7,884

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUTS

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

Outcome 1

Explanation of variations

The changes to appropriation from Government of \$161.082m (an increase of 40.62%) since the 2003–04 Budget reflects the following new measures and variations funding:

- Papua New Guinea Deployment – receives \$65.504m in departmental outputs funding in 2003–04 attributable to Output 1.3
- Solomon Islands – Regional Assistance Mission measure receives \$80.338m in 2003–04 departmental outputs funding. Of this, \$61.259m has been allocated to Output 1.3 and \$19.079m has been allocated to Output 1.4
- Bali Investigation costs – supplementation in departmental outputs funding of \$12.668m attributable to Output 1.1
- Combating trafficking in persons – whole of government strategy receives \$1.304m in funding attributable to Output 1.1
- Budget estimates – enhanced quality and timeliness supplementation of \$0.261m attributable to Output 1.1, and
- Comcover Premium supplementation of \$1.007m attributable to Outputs 1.1 to 1.3 (Output 1.4 is excluded due to its commercial activity)

An anticipated \$3.774m net increase in 2003–04 revenue from non–government sources since budget mainly reflects higher sales of security and guarding services under Output 1.4.

Outcome 2

The original price of \$80.769m included in the Budget was a result of previous Purchase Agreement negotiations with the A.C.T. Government for cost-recovery of ACT Community Policing Services. The upwards increase of \$4.110m to \$84.879m reflects the final negotiated price for the Outcome 2 contract.

Section 3: Budgeted Financial Statements

Revisions to the budgeted departmental financial statements for the AFP since the 2003–04 Portfolio Budget Statements are presented in this section.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Statement of Financial Performance

Total revenue is estimated to be \$755.707m, an increase of \$168.966m since 2003–04 budget. The net increase is a result of:

- Appropriation revenue of \$161.082m resulting from new measures funding and variations to appropriation
- Increased funding for Outcome 2 (up \$4.110m) resulting from the final price set with the ACT Government
- An upwards rise in the Sales of Goods and Services of \$4.228m for Outcome 1
- The elimination of accrued interest revenue of \$0.561m, and
- Increase in revenue received free of charge of \$0.107m

Total expenses from ordinary activities are estimated to be \$744.818m, an increase of \$159.325m from the previously published 2003–04 estimate. The increase is mainly due to additional expenses for guarding and security services provided by the Australian Protective Service (Output 1.4), increased employee costs and total costs associated with the deployment of personnel to the Solomon Islands and PNG. Depreciation charges have increased (\$3.192m) in 2003–04 as a result of increased Capital funding for new measures. Other expenses now include \$3.801m in competitive neutrality costs (payroll tax equivalent) which has been re-classified. The AFP is budgeting for a net surplus (after dividends) of \$9.240m in 2003–04.

Statement of Financial Position

There have been no major variances to total financial assets since budget. The variances occur between cash and receivables. Cash holdings for the Australian Protective Service have increased by \$16.589m in 2003–04 to \$24.676m. The AFP (excluding APS) has a remaining 'working Capital' balance of \$8.000m resulting from the requested transfer of remaining excess cash balances to the Department of Finance and Administration which are held as 'receivables'.

The audited value of the AFP's non-financial assets were down by \$20.265 from the original budget estimate in 2002–03 of \$133.278m which resulted from an under-spend in the 2002–03 Capital program of some \$19.878m. As a result, the lag in expenditure of carryover funding and additional new measures capital funding (\$47.391m) has increased the 2003–04 Capital budget and thus increased the value of non-financial assets (up from \$139.374m to \$187.319m) in the same year.

The AFP's revised 2003-04 equity position of \$136.755m represents a net increase of \$49.684m since budget. The position largely reflects increases attributable to the \$47.391m equity injection received in new measures capital funding and upwards asset revaluations of \$2.578m in Reserves. Decreases resulting from differences between the estimated \$6.567m loss and actual loss of \$14.833m in 2002-03 arising from the investigations into the Bali bombing will be offset by the planned \$9.240m budget surplus in 2003-04.

The AFP's major liability continues to be accrued employee entitlements (\$98.699m in 2003-04) which have increased as a result of 2002-03 audited actual results. The 'Salary and wages' component of this liability will decrease in 2004-05 to \$90.599m as a result of 27 pays.

Total assets are expected to increase marginally (from \$272.771m in 2003-04 to \$291.413m in 2006-07) This increase is predominantly due to a \$17.567m equity injection in 2005-06 for purchases of non-financial assets associated with the PNG deployment new measure. Total liabilities remain stable for the same period (from \$136.016m in 2003-04 to \$130.955m in 2006-07).

Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

	Note	Actual 2002-03 \$'000	Revised Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
Revenues from ordinary activities						
Revenues from government	1	383,400	557,671	553,877	556,202	554,503
Goods and services	2	196,228	197,725	201,055	205,750	210,616
Interest		3,379	-	-	-	-
Revenue from sales of assets		61	13	13	13	13
Other	3	525	298	298	298	298
Revenues from ordinary activities		583,593	755,707	755,243	762,263	765,430
Expenses from ordinary activities (excluding borrowing costs expense)						
Employees		362,858	423,730	461,028	481,468	497,432
Suppliers		184,392	285,976	255,226	237,930	225,839
Depreciation and amortisation		24,361	29,344	33,086	36,828	35,960
Write-down of assets		836	-	-	-	-
Value of Assets sold		40	-	-	-	-
Other	4	9,214	5,768	5,903	6,037	6,199
Expenses from ordinary activities (excluding borrowing costs expense)		581,701	744,818	755,243	762,263	765,430
Borrowing costs expense		7	-	-	-	-
Operating surplus or (deficit) from ordinary activities		1,885	10,889	-	-	-
Income Tax expense		(2,489)	(761)	-	-	-
Net surplus or (deficit)		(604)	10,128	-	-	-
Dividends #		(4,320)	(888)	-	-	-
Capital Use Charge *		(9,909)	-	-	-	-
Net surplus or (deficit) after CUC and Dividends	5	(14,833)	9,240	-	-	-

includes prior year adjustment to dividend of \$1.417m

* Capital Use Charge was discontinued from 1 July 2003

Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

	Note	Actual 2002-03 \$'000	Revised Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
ASSETS						
Financial Assets						
Cash	6	71,701	32,676	27,861	24,603	19,981
Receivables		25,169	46,745	38,977	39,867	45,412
Accrued revenues		35	35	35	35	35
Other		7,834	5,996	5,996	5,996	5,996
Total financial assets		104,739	85,452	72,869	70,501	71,424
Non-financial assets						
Land and buildings	7	2,670	10,323	9,876	10,203	9,540
Infrastructure, plant and equipment		80,976	142,050	154,199	179,096	186,543
Intangibles		18,095	23,625	19,580	15,039	12,584
Inventories		75	49	50	50	50
Other		11,197	11,272	11,272	11,272	11,272
Total non-financial assets		113,013	187,319	194,977	215,660	219,989
Total assets		217,752	272,771	267,846	286,161	291,413
LIABILITIES						
Interest bearing liabilities						
Loans	8	-	-	-	-	-
Total interest bearing liabilities		-	-	-	-	-
Provisions and Payables						
Employees	9	97,893	98,699	90,599	90,505	95,258
Suppliers		23,693	23,693	23,693	23,693	23,693
Other		19,822	13,624	12,006	12,005	12,004
Total Provisions and Payables		141,408	136,016	126,298	126,203	130,955
Total liabilities		141,408	136,016	126,298	126,203	130,955
EQUITY						
Parent equity interest						
Contributed equity		133,340	184,511	189,304	207,714	208,214
Reserves		17,256	17,256	17,256	17,256	17,256
Retained surpluses or (accumulated deficits)		(74,252)	(65,012)	(65,012)	(65,012)	(65,012)
Total parent equity interest		76,344	136,755	141,548	159,958	160,458
Total equity		76,344	136,755	141,548	159,958	160,458
Total assets and liabilities		217,752	272,771	267,846	286,161	291,413
Current assets		115,746	96,689	84,106	81,738	82,661
Non-current assets		102,006	176,082	183,740	204,423	208,752
Current liabilities		82,876	79,749	74,839	74,792	77,133
Non-current liabilities		58,532	56,267	51,459	51,411	53,822

Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

	Note	Actual 2002–03 \$'000	Revised Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000
OPERATING ACTIVITIES						
Cash Received						
Appropriations for outputs	10	383,400	537,932	561,645	555,312	548,958
Sales of goods & services		207,356	207,747	211,246	216,179	221,291
GST input tax credit	11	10,710	29,276	20,846	19,422	16,389
Interest		3,373	-	-	-	-
Total cash received		604,839	774,955	793,737	790,913	786,638
Cash used						
Employees		357,459	422,924	469,128	481,374	492,409
Suppliers		164,285	330,025	285,966	267,671	252,875
Taxes Paid		2,479	7,328	4,645	4,033	4,154
Other	12	4,800	1,967	1,988	2,005	2,046
Total cash used		529,023	762,244	761,727	755,083	751,484
Net cash from operating activities		75,816	12,711	32,010	35,830	35,154
INVESTING ACTIVITIES						
Cash received						
Proceeds from sales of property, plant and equipment		61	13	13	13	13
Proceeds from Investments		20,000	-	-	-	-
Total cash received		20,061	13	13	13	13
Cash used						
Purchase of property, plant and equipment		52,079	103,599	40,743	57,511	40,289
Total cash used		52,079	103,599	40,743	57,511	40,289
Net cash from investing activities		(32,018)	(103,586)	(40,730)	(57,498)	(40,276)
FINANCIAL ACTIVITIES						
Cash received						
Appropriations – contributed equity	13	9,876	56,171	4,793	18,410	500
Australian Protective Service		24,234	-	-	-	-
Total cash received		34,110	56,171	4,793	18,410	500
Cash used						
Capital use charge paid		9,909	-	-	-	-
Dividends paid		1,650	4,321	888	-	-
Total cash used		11,559	4,321	888	-	-
Net cash from financing activities		22,551	51,850	3,905	18,410	500
Net increase in cash held		66,349	(39,025)	(4,815)	(3,258)	(4,622)
Cash at the beginning of the reporting period		5,352	71,701	32,676	27,861	24,603
Cash at the end of the reporting period		71,701	32,676	27,861	24,603	19,981

Table 3.4: Departmental Capital Budget Statement

	Note	Actual 2002-03 \$'000	Revised Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
CAPITAL APPROPRIATIONS						
Total equity injections		4,876	51,171	4,793	18,410	500
Total loans		-	-	-	-	-
Represented By						
Purchase of non-financial assets		4,876	51,171	4,793	18,410	500
Total		4,876	51,171	4,793	18,410	500
PURCHASE OF NON-FINANCIAL ASSETS						
Funded by capital appropriations		4,876	51,171	4,793	18,410	500
Funded internally by departmental resources		47,203	52,428	35,950	39,101	39,789
Total	14	52,079	103,599	40,743	57,511	40,289

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget Year 2003–04)

	Land \$'000	Buildings \$'000	Total Land and buildings \$'000	Other Infrastructure Plant and Equipment \$'000	Intangibles (Computer Software) \$'000	Total \$'000
Carrying amount at the start of year	222	2,447	2,669	80,978	18,096	101,743
Additions	-	8,000	8,000	86,553	9,046	103,599
Disposals	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-
Depreciation/amortisation expense	-	(346)	(346)	(25,481)	(3,517)	(29,344)
Write-off of assets	-	-	-	-	-	-
Carrying amount at the end of year	222	10,101	10,323	142,050	23,625	175,998
Total additions						
Self funded	-	2,000	2,000	43,099	7,329	52,428
Appropriations	-	6,000	6,000	43,454	1,717	51,171
Total	-	8,000	8,000	86,553	9,046	103,599

NOTES TO THE FINANCIAL STATEMENTS

Budgeted Statement of Financial Performance

1. Appropriations from government

The additional 2003–04 appropriation revenue increase of \$161.0821m from budget includes new measures funding for Solomon Islands (\$80.338m), Papua New Guinea Deployment (\$65.504m), Bali Investigation costs (\$12.668m), People Trafficking (\$1.304m), Budget estimates enhancement (\$0.261m) and Comcover Premium supplementation (\$1.007m).

2. Sales of goods and services

Increased revenue of \$8.338m from budget estimates for the sale of goods and services in 2003–04 are due to the net effect of:

- An increase in estimated other sales of goods and services revenue for the Australian Protective Services of \$2.871m
- A further \$4.110m in Sales of Goods and Services to the ACT Government, an increase from \$80.769m at budget to \$84.879m, and
- A general AFP revenue increase of \$1.357m.

3. Other revenue

For 2003–04 and the out years 'Other Revenue' reflects Revenue received free of charge (\$0.298m) for services provided by the Australian National Audit Office (ANAO). AFP Receipts received from seized monies paid into Consolidated Revenue (e.g. proceeds of crime) are held in trust on behalf of the Commonwealth and are not deemed to be or associated with any AFP revenue component.

4. Other expenses

Payments to the Australian Institute of Police Management and the Australian Centre for Police Research are \$1.967m in 2003–04. The balances are payments of remaining competitive neutrality costs (e.g. Payroll tax equivalent) incurred by the APS.

5. Net Surplus (deficit) after capital use charge and dividend

The actual deficit of \$14.833m in 2002–03 (after capital use charge and dividends) resulted primarily from unplanned costs associated with the initial and ongoing investigations by the AFP into the Bali Bombing which occurred in October 2002. The budget surplus of \$9.240m in 2003–04 reflects an estimated profit of \$0.120m from APS operating activities and \$9.120m from unspent new appropriation for the Bali Investigations measure.

6. Cash

Estimates of cash holdings for the Australian Protective Service have increased by \$16.589m in 2003–04 to \$24.676m. The AFP (excluding APS) has a 'working Capital' balance of \$8.000m. Any cash surpluses are held as a 'receivable' to the AFP by the Department of Finance and Administration (DoFA) under new finance arrangements.

Budgeted Departmental Statement of Financial Position

7. Land & buildings, Infrastructure plant equipment, & Intangibles

Actual capitalisation of computer software was higher in 2002–03 than the estimated budget which resulted in a higher carrying value in the current and outyears for Intangibles. The Capital Works program will see an additional \$6.000m spent on new buildings in 2003–04 resulting from current new measures. No decision has yet been made about future options relating to the long term accommodation strategy of the AFP. The increase in value of these non-current assets is mainly due to current new measures and 2002–03 carryover (see note '14').

8. Loans

The AFP has no loan commitments.

9. Employee Provisions

Reduction in provision from 2003–04 to 2004–05 reflects payment of additional 'Salaries and wages' in cash in 2004–05 (27th Pay).

Budgeted Departmental Statement of Cash Flows

10. Appropriations for outputs

Reflects Appropriation receipts received for current year as well as movements in transfers of cash between AFP and DoFA as a part of new banking arrangements.

11. Operating Activities – Cash received GST input Tax credit

Goods and Services Tax (GST) receipt payments from the Australian Taxation Office resulting from the net transactions between total GST cash payments to suppliers and the GST receipts received from 'GST withholding-payments' from customers for services provided by AFP.

12. Operating Activities – Cash used – other

This includes amounts provided to the Australian Institute of Police Management and the Australasian Centre for Police Research.

13. Appropriations – contributed equity (Capital Injections)

Includes additional \$5.000m cash received in 2002–03 and \$5.000m in 2003–04 for payment of Australian Federal Police Adjustments scheme (see PAES 2001–02, p.81). The remaining \$51.171m contains current new measures (\$47.391m) and previous budget measures (\$3.780m) – See table 1.3.

Budgeted Departmental Capital Budget Statement

14. Purchase of Non-Financial Assets

AFP Capital budget has increased since budget by \$64.376m. This has primarily resulted from new measures capital funding increase of \$47.391m (see Table 1.4) and a carryover of unspent funds for uncompleted Capital projects in 2002–03 of \$19.878m.

