

**AUSTRALIAN TRANSACTION
REPORTS AND ANALYSIS CENTRE**

Section 1: Overview and Appropriations

Overview

The mission of the Australian Transaction Reports and Analysis Centre (AUSTRAC) is to make a valued contribution towards a financial environment hostile to money laundering, major crime and tax evasion.

AUSTRAC administers the *Financial Transaction Reports Act, 1988* (FTR Act) which authorises the collection, analysis and dissemination of certain financial information as a deterrent to money laundering, major crime and tax evasion.

AUSTRAC works with its law enforcement and revenue agency partners to provide useful financial intelligence in relation to matters involving money laundering, major crime and tax evasion.

Appropriations

The total appropriations for AUSTRAC in the 2000–01 Budget is \$11.201m. Table 1.1 shows appropriations (2000–01) and other revenue by outcome.

Administered capital and departmental equity injections and loans

AUSTRAC does not have an appropriation for an equity injection or loan or an appropriation for administered capital.

Australian Transaction Reports and Analysis Centre- Appropriations 2000–01

Table 1.1 Appropriations and other revenue (\$'000)

Outcome	Departmental (price of outputs)					Administered				Total appropriations
	Revenue from government (appropriations)			Revenue from other sources	Price of outputs	Annual appropriations		Special approps	Total administered appropriations	
	Bill 1	Special approps	Total			Bill 1	Bill 2 (SPPs & NAOs)			
	(A)	(B)	(C=A+B)	(D)	(E= C+D)	(F)	(G)	(H)	(I=F+G+H)	(J=C+I)
A financial environment hostile to money laundering, major crime and tax evasion.	11 201	–	11 201 99.7%	30	11 231	–	–	–	–	11 201
Total	11 201	–	11 201	30	11 231	–	–	–	–	11 201
Departmental capital (equity injections and loans)									–	
Administered capital									–	
Total appropriations									11 201	

Notes:

- Columns C, D, E and I refer to information provided in Table 2.1.
- Under the appropriation structure, Bill 2 includes Specific Purpose Payments (SPP)'s, New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
- Refer to Budgeted Departmental Operating Statement for application of agency revenue.
- Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from other sources (eg sales of goods and services). Non-appropriated departmental and administered revenues are detailed in Appendix 1. Resources received free of charge are \$0.015m.
- Percentage figure indicates the percentage contribution of revenue from government (departmental appropriations) to the total price of outputs, by outcome.

Section 2: Outcome and Outputs Information

Outcome and outputs

The Australian Transaction Reports and Analysis Centre (AUSTRAC) has one outcome:

A financial environment hostile to money laundering, major crime and tax evasion.

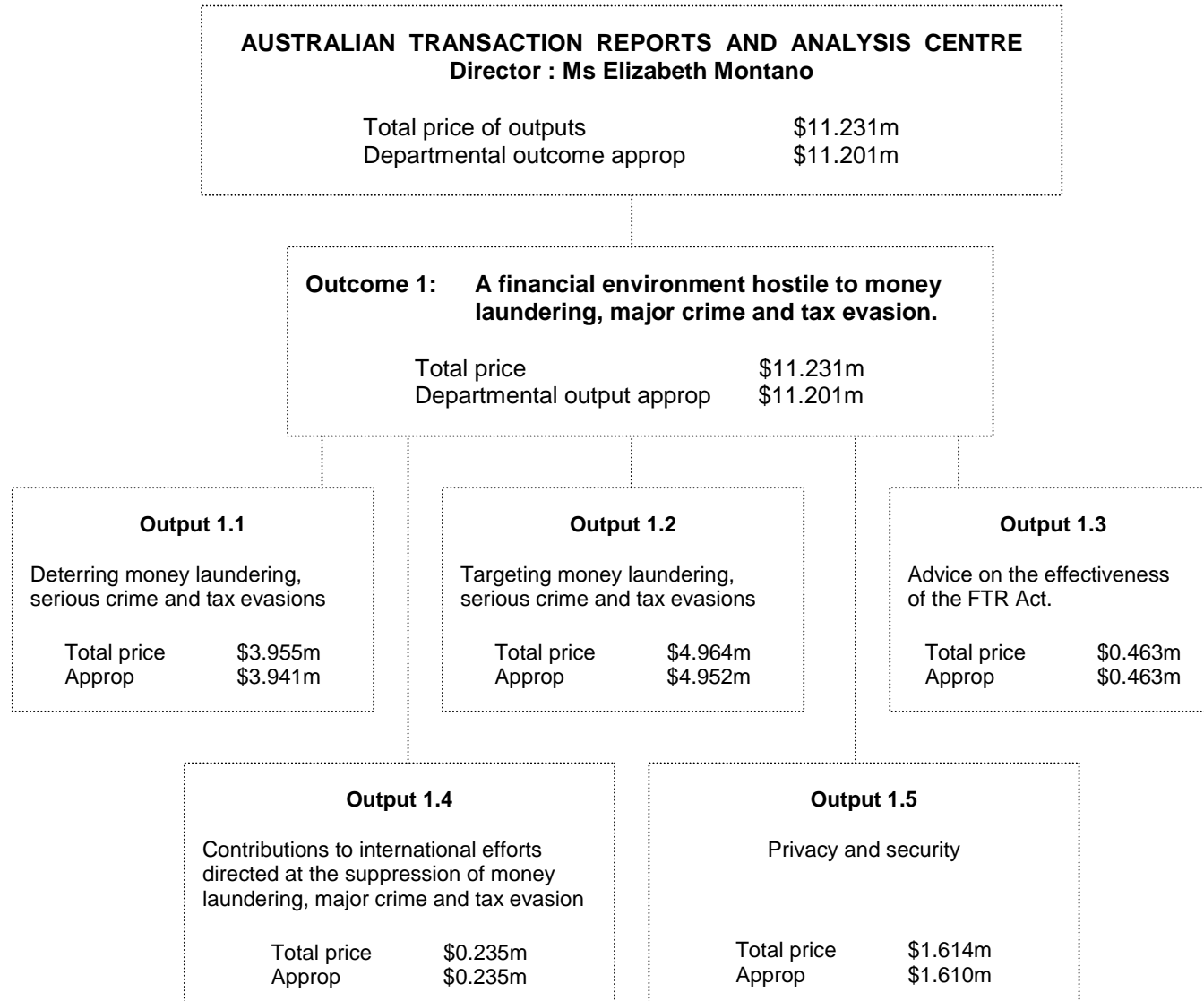
There are five outputs for AUSTRAC's outcome:

- *Deterring money laundering, serious crime and tax evasion*
- *Targeting money laundering, serious crime and tax evasion*
- *Advice on the effectiveness of the FTR Act*
- *Contributions to international efforts directed at the suppression of money laundering, major crime and tax evasion*
- *Privacy and security*

Financial and non financial information is provided as follows:

- Map 2.1 - details outcome and output resourcing and illustrates the relationship between the outcome and contributing outputs.
- Table 2.1 - details financial information for outcome 1.
- Table 2.2 - details non-financial information for outcome 1.

Map 2.1 Outcome and outputs



Outcome 1: A financial environment hostile to money laundering, major crime and tax evasion.

AUSTRAC administers the FTR Act which authorises the collection, analysis and dissemination of certain financial information as a deterrence to money laundering, major crime and tax evasion.

AUSTRAC works with its law enforcement and revenue agency partners to provide useful financial intelligence in relation to matters involving money laundering, major crime and tax evasion.

Resourcing

Table 2.1 shows how the 2000–01 appropriations translate to total resourcing for AUSTRAC's outcome: revenue from government (appropriations), revenue from other sources and the total price of outputs.

Table 2.1 Total resources for outcome 1 (\$'000)

	Estimated Actual 1999–2000 (\$'000)	Budget Estimate 2000–01 (\$'000)
Departmental appropriations		
Output 1.1 – Deterring money laundering	4 436	3 941
Output 1.2 – Targeting money laundering	5 104	4 952
Output 1.3 – Advice on effectiveness of FTR Act	426	463
Output 1.4 – Contributions to international efforts	221	235
Output 1.5 – Privacy and security	1 567	1 610
Total revenue from government (appropriations) contributing to price of departmental outputs	11 754 99.7%	11 201 99.7%
Revenue from other sources		
Output 1.1 – Deterring money laundering	14	14
Output 1.2 – Targeting money laundering	12	12
Output 1.3 – Advice on effectiveness of FTR Act	–	–
Output 1.4 – Contributions to international efforts	–	–
Output 1.5 – Privacy and security	4	4
Total revenue from other sources	30	30
Total Price of departmental outputs <i>(Total revenue from government and other sources)</i>	11 784	11 231
Total estimated resourcing for outcome 1 <i>(Total price of outputs and administered expenses)</i>	11 784	11 231
Average Staffing Level (number)	67	69

Performance information

Table 2.2 provides information on the strategies chosen to deliver the outcome, and shows the links between the output and the outcome.

Table 2.2 Performance information for outcome 1

Effectiveness — overall achievement of the outcome	
<i>Effectiveness indicators</i>	<i>Measures</i>
Deterrence program including collection of FTR information and promotion and enforcement of compliance	The extent to which the deterrence program can be demonstrated to foster an environment hostile to money laundering, serious crime and tax evasion
Targeting program	The extent to which the targeting program can be demonstrated to retard and identify financial activity which facilitates money laundering, serious crime and tax evasion
Advice program	The extent to which the advice program can be demonstrated to maintain and increase the value of the overall program in fostering an environment hostile to money laundering, major crime and tax evasion
International program	The extent to which the international program can be demonstrated to maintain and increase the value of the overall program in fostering an environment hostile to money laundering, major crime and tax evasion
Privacy and security	The extent to which the FTR Information is seen to be maintained securely and with due regard to the privacy interests of stakeholders
Performance information for departmental outputs	
Output 1.1	
Deterring money laundering, serious crime and tax evasion	<i>Price:</i> \$3.955m
Sub-output 1.1.1	<i>Quality:</i> Integrity of the reports
Collection of FTR information	<i>Quantity:</i> The volume of the reports/support functions
Sub-output 1.1.2	<i>Quality:</i> Feedback from cash dealers and the public
Promotion of the FTR Act compliance	<i>Quantity:</i> The number of support functions provided
Sub-output 1.1.3	<i>Quality:</i> Effectiveness of the compliance improvement program
Individual cash dealer compliance improvement	<i>Quantity:</i> Number of evaluations and compliance issues identified

Table 2.2 Performance information for outcome 1 (continued)

Output 1.2	
Targeting money laundering, serious crime and tax evasion	<i>Price:</i> \$4.964m
Sub-output 1.2.1	<i>Quality:</i> Level of system availability
Dissemination of FTR information	<i>Quantity:</i> Number of access logons and disseminations
Sub-output 1.2.2	<i>Quality:</i> Feedback from partner agencies
Value added FTR information through analysis	<i>Quantity:</i> The number of matters value added and the number of matters taken up by partner agencies
Sub-output 1.2.3	<i>Quality:</i> Feedback from partner agencies
Promotion of effective use of FTR information	<i>Quantity:</i> Increase in the number of accessions to the system and the number of support functions provided
Output 1.3	
Advice on effectiveness of the FTR Act	<i>Quality:</i> Significance of issues and response to issues advised upon <i>Quantity:</i> Number of issues identified and advised <i>Price:</i> \$0.463m
Output 1.4	
Contribution to international efforts directed at the suppression of money laundering, major crime and tax evasion	<i>Quality:</i> Significance of issues and response to issues <i>Quantity:</i> Number and extent of issues identified <i>Price:</i> \$0.235m
Output 1.5	
Privacy and security	<i>Quality:</i> Significance of risks identified; effectiveness of security safeguards; level of compliance with government guidelines; and extent to which AUSTRAC adopts a security culture <i>Quantity:</i> Number of significant issues and incidents identified and addressed <i>Price:</i> \$1.614m

Evaluations

The Senate Standing Committee on Legal and Constitutional Affairs in “Checking the Cash” in 1993, recommended a further review of the FTR Act and AUSTRAC by a Parliamentary Committee. A regulation review of the FTR Act is now being conducted under the auspices of the Office of Regulation Review.

Competitive contracting and tendering

AUSTRAC has, since 1989, outsourced Information Technology (IT) management and operations, whilst retaining ownership of the IT infrastructure. Competitive tendering arrangements have been and will continue to be applied.

AUSTRAC currently outsources a number of services other than IT. These include data entry, physical security, specialist human resource management and other specialist services. For 2000–2001 AUSTRAC will continue to test the market for services and to structure our business units in order to maximise our capacity to take advantage of a competitive service delivery environment.

Section 3: Budgeted Financial Statements

Table 3.1 Departmental Operating Statement (for the year ended 30 June)

	Estimated Actual 1999–00 \$'000	Budget Estimate 2000–01 \$'000	Forward Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000
OPERATING REVENUE					
Revenues from government	11 754	11 201	11 127	11 113	11 517
Other	30	30	30	30	30
Total operating revenues (before abnormal items)	11 784	11 231	11 157	11 143	11 547
OPERATING EXPENSES					
Employees	3 450	3 990	3 982	3 979	4 100
Suppliers	6 426	5 183	5 199	5 155	5 538
Depreciation and amortisation	1 500	1 700	1 618	1 651	1 551
Other	50	–	–	–	–
Total operating expenses	11 426	10 873	10 799	10 785	11 189
Operating surplus or (deficit) before abnormal and extraordinary items	358	358	358	358	358
Abnormal and extraordinary items	–	–	–	–	–
Operating surplus or (deficit) after abnormal and extraordinary items	358	358	358	358	358
Capital use charge paid	358	358	358	358	358
Operating surplus or (deficit) after abnormal and extraordinary items and CUC	–	–	–	–	–

Table 3.2 Departmental Balance Sheet (as at 30 June)

	Estimated Actual 1999–00 \$'000	Budget Estimate 2000–01 \$'000	Forward Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000
ASSETS					
Financial assets					
Cash	5	5	5	5	5
Receivables	10	60	65	80	100
Other	407	406	246	231	211
Total financial assets	422	471	316	316	316
Non-financial assets					
Infrastructure, plant and equipment	3 430	3 371	3 371	3 371	3 371
Total non-financial assets	3 430	3 371	3 371	3 371	3 371
Total Assets	3 852	3 842	3 687	3 687	3 687
LIABILITIES					
Provisions and payables					
Employees	710	700	629	629	629
Suppliers	159	159	75	75	75
Total provisions and payables	869	859	704	704	704
Total liabilities	869	859	704	704	704
EQUITY					
Reserves	41	41	41	41	41
Accumulated surpluses or (deficits)	2 942	2 942	2 942	2 942	2 942
Total equity	2 983	2 983	2 983	2 983	2 983
Current liabilities	587	582	469	469	469
Non-current liabilities	282	277	235	235	235
Current assets	422	471	316	316	316
Non-current assets	3 430	3 371	3 371	3 371	3 371

Table 3.3 Departmental Statement of Cash Flows (for the year ended 30 June)

	Estimated Actual 1999–00 \$'000	Budget Estimate 2000–01 \$'000	Forward Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	11 754	11 201	11 127	11 113	11 517
Other	15	15	15	15	15
Total cash received	11 769	11 216	11 142	11 128	11 532
Cash used					
Employees	3 350	3 700	3 700	3 750	3 750
Suppliers	6 807	5 816	5 824	5 727	6 231
Total cash used	10 157	9 516	9 524	9 477	9 981
Net cash from operating activities	1 612	1 700	1 618	1 651	1 551
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	25	–	–	–	–
Total cash received	25	–	–	–	–
Cash used					
Purchase of property, plant and equipment	1 662	1 700	1 618	1 651	1 551
Total cash used	1 662	1 700	1 618	1 651	1 551
Net cash from investing activities	(1 637)	(1 700)	(1 618)	(1 651)	(1 551)
FINANCING ACTIVITIES					
Cash Received					
Other	–	–	–	–	–
Total cash received	–	–	–	–	–
Cash used					
Other	–	–	–	–	–
Total cash used	–	–	–	–	–
Net cash from financing activities	–	–	–	–	–
Net increase in cash held	(25)	–	–	–	–
Cash at the beginning of the reporting period	30	5	5	5	5
Cash at the end of the reporting period	5	5	5	5	5

Table 3.4 Departmental Capital Budget Statement

	Estimated Actual 1999-00 \$'000	Budget Estimate 2000-01 \$'000	Forward Estimate 2001-02 \$'000	Forward Estimate 2002-03 \$'000	Forward Estimate 2003-04 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Represented by:					
Purchase of non-current assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally by departmental resources	1 662	1 700	1 618	1 651	1 551

Table 3.5 Departmental Non-Financial Assets — Summary of Movement for Budget Year 2000–01

	Land	Buildings	Total land and buildings	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value							
<i>As at 1 July 2000 (opening)</i>	–	–	–	7 446	7 446	–	7 446
Additions	–	–	–	1 700	1 700	–	1 700
Disposals	–	–	–	(500)	(500)	–	(500)
Other movements	–	–	–	–	–	–	–
<i>As at 30 June 2001 (closing)</i>	–	–	–	8 646	8 646	–	8 646
ACCUMULATED DEPRECIATION							
<i>As at 1 July 2000 (opening)</i>	–	–	–	4 016	4 016	–	4 016
Disposals	–	–	–	(500)	(500)	–	(500)
Charge for the reporting period	–	–	–	1 759	1 759	–	1 759
Other movements	–	–	–	–	–	–	–
<i>As at 30 June 2001 (closing)</i>	–	–	–	5 275	5 275	–	5 275
Net book value as at 30 June 2001 (closing book value)	–	–	–	3 371	3 371	–	3 371
Net book value as at 1 July 2000 (opening book value)	–	–	–	3 430	3 430	–	3 430
TOTAL ADDITIONS							
Self funded	–	–	–	1 700	1 700	–	1 700
Appropriations	–	–	–	–	–	–	–
Total	–	–	–	1 700	1 700	–	1 700

Section 4: Purchaser/Provider Arrangements

Cross Agency Overview

The Australian Securities and Investment Commission (ASIC) has a contract with AUSTRAC to provide data entry of paper based FTR information in a secure environment.

Responsibility

ASIC takes responsibility for the collection of data entry and storage of the paper reports at their facility in Traralgon, Victoria. AUSTRAC provides hardware and software at Traralgon to facilitate this.

Control Arrangements

The control arrangements are covered under the contract. Performance is regularly monitored.

Resourcing

The contract is valued at \$277 000 in 1999–2000 and \$277 000 in 2000–01. The cost of this contract is resourced through output 1.1 – Collection of FTR information.

Appendix 1

Non-appropriation departmental revenue

	Estimated Revenue 1999–2000 \$'000	Estimated Revenue 2000–01 \$'000
Section 31 (FMA Act) Receipts	15	15
Resources received free of charge	15	15
Total Estimated Revenue	30	30