

AUSTRALIAN  
TRANSACTION REPORTS  
AND ANALYSIS CENTRE



## Section 1: Overview, appropriations and budget measures summary

### 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, revenue and national security 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 2002–03 Budget is \$11.274m. Table 1.1 shows appropriations (2002–03) 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 2002–03

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

	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)			
Outcome	(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	11,274	-	11,274 99.5%	55	11,329	-	-	-	-	11,274
<b>Total</b>	<b>11,274</b>	<b>-</b>	<b>11,274</b>	<b>55</b>	<b>11,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,274</b>
Non-operating: equity injections, loans and previous years' outputs										-
Administered assets and liabilities										-
<b>Total appropriations</b>										<b>11,274</b>

**Notes:**

- Columns C, D, E and I refer to information provided in Table 2.1.
- Under the appropriation structure, Bill 2 includes appropriations for Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered assets and liabilities and equity injections, loans and previous years' outputs.
- Refer to Budgeted Departmental Statement of Financial Performance 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.
- 99.5% in column C indicates the percentage contribution of revenue from government (departmental appropriations) to the total price of outputs, by outcome.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

AUSTRAC has one outcome:

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

There are five outputs for AUSTRAC's outcome:

*Output 1.1: Deterring money laundering, serious crime and tax evasion*

*Output 1.2: Targeting money laundering, serious crime and tax evasion*

*Output 1.3: Advice on the effectiveness of the FTR Act*

*Output 1.4: Contributions to international efforts directed at the suppression of money laundering, major crime and tax evasion*

*Output 1.5: 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.

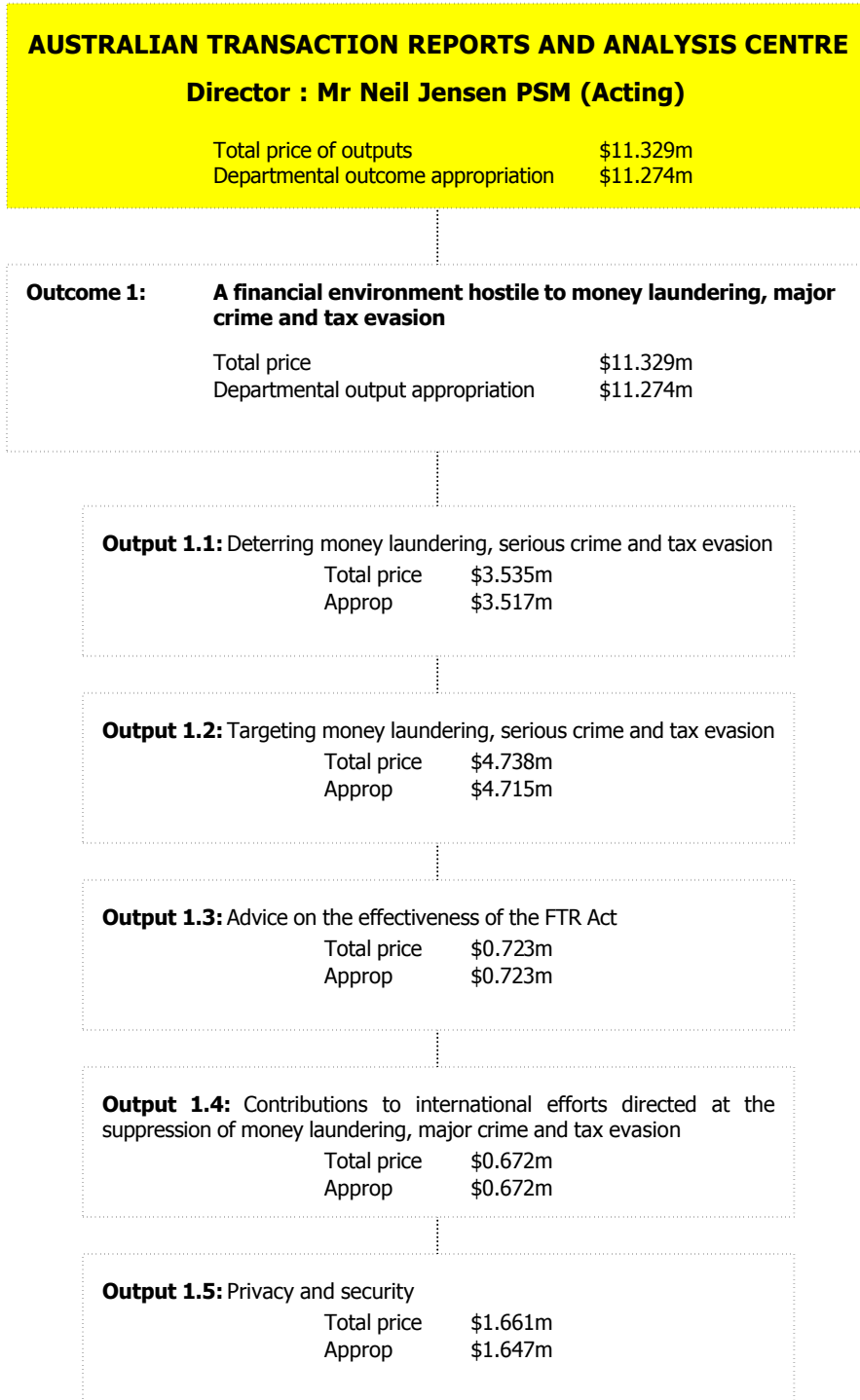
Table 2.1.1 - details financial information for outcome 1.

Table 2.2.1 - details non-financial information for outcome 1.

### CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the outcome and outputs structure for AUSTRAC.

**Map 2.1: Outcome and output groups**



## 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, revenue and national security agency partners to provide useful financial intelligence in relation to matters involving money laundering, major crime and tax evasion.

### OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2002–03 appropriations translate to total resourcing for AUSTRAC for outcome 1: revenue from government (appropriations), revenue from other sources and the total price of the output.

**Table 2.1.1: Total resources for outcome 1 (\$'000)**

	<b>Estimated Actual 2001–02 (\$'000)</b>	<b>Budget Estimate 2002–03 (\$'000)</b>
<b>DEPARTMENTAL APPROPRIATIONS</b>		
Output 1.1: Deterring money laundering	3,511	3,517
Output 1.2: Targeting money laundering	4,705	4,715
Output 1.3 Advice on effectiveness of FTR Act	721	723
Output 1.4 Contributions to international efforts	670	672
Output 1.5 Privacy and security	1,644	1,647
<b>Total revenue from government (appropriations) contributing to price of outcome</b>	<b>11,251 99.5%</b>	<b>11,274 99.5%</b>
<b>REVENUE FROM OTHER SOURCES</b>		
Output 1.1: Deterring money laundering	20	18
Output 1.2: Targeting money laundering	25	23
Output 1.3 Advice on effectiveness of FTR Act	-	-
Output 1.4 Contributions to international efforts	-	-
Output 1.5 Privacy and security	15	14
<b>Total revenue from other sources</b>	<b>60</b>	<b>55</b>
<b>Total price of departmental outputs</b> (Total revenue from government and other sources)	<b>11,311</b>	<b>11,329</b>
<b>Total estimated resourcing for outcome 1</b> (Total administered expenses)	<b>11,311</b>	<b>11,329</b>
<b>AVERAGE STAFFING LEVEL</b>	61	60

## OUTCOME 1 — PERFORMANCE INFORMATION

Table 2.2.1 provides information on the strategies chosen to deliver outcome 1, and shows the links between the outputs and the outcome.

**Table 2.2.1 Performance information for outcome 1**

<b>Effectiveness — overall achievement of the outcome</b>	
<i>Effectiveness indicators</i>	Measures
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
<b>Performance information for departmental outputs</b>	
<i>Output description</i>	Performance measure
<b>Output 1.1:</b> Deterring money laundering, serious crime and tax evasion	Price: \$3.535m
Sub-output 1.1.1: Collection of FTR information	Quality: Integrity of the reports Quantity: The volume of the reports/support functions
Sub-output 1.1.2: Promotion of the FTR Act compliance	Quality: Feedback from cash dealers and the public Quantity: The number of support functions provided
Sub-output 1.1.3: Individual cash dealer compliance improvement	Quality: Effectiveness of the compliance improvement program Quantity: Number of evaluations and compliance issues identified

Table 2.2.1 Performance information for outcome 1 (continued)

<i>Output description</i>	<i>Performance measure</i>
<p><b>Output 1.2:</b> Targeting money laundering, serious crime and tax evasion</p> <p>Sub-output 1.2.1: Dissemination of FTR information</p> <p>Sub-output 1.2.2: Value added FTR information through analysis</p> <p>Sub-output 1.2.3: Promotion of effective use of FTR information</p>	<p>Price: \$4.738m</p> <p>Quality: Level of system availability</p> <p>Quantity: Number of access logons and disseminations</p> <p>Quality: Feedback from partner agencies</p> <p>Quantity: The number of matters value added and the number of matters taken up by partner agencies</p> <p>Quality: Feedback from partner agencies</p> <p>Quantity: Increase in the number of accessions to the system and the number of support functions provided</p>
<p><b>Output 1.3:</b> Advice on effectiveness of the FTR Act</p>	<p>Price: \$0.723m</p> <p>Quality: Significance of issues and response to issues advised upon</p> <p>Quantity: Number of issues identified and advised</p>
<p><b>Output 1.4:</b> Contribution to international efforts directed at the suppression of money laundering, major crime and tax evasion</p>	<p>Price: \$0.672m</p> <p>Quality: Significance of issues and response to issues</p> <p>Quantity: Number and extent of issues identified</p>
<p><b>Output 1.5:</b> Privacy and security</p>	<p>Price: \$1.661m</p> <p>Quality: Significance of risks identified; effectiveness of security safeguards; level of compliance with government guidelines; and extent to which Australian Transaction Reports and Analysis Centre adopts a security culture</p> <p>Quantity: Number of significant issues and incidents identified and addressed</p>

## **EVALUATIONS**

AUSTRAC seeks regular feedback from its cash dealers and partner agencies on the effectiveness of FTR information and its systems for collection and dissemination of FTR information. The agency seeks this information through a variety of feedback channels.

## **COMPETITIVE TENDERING AND CONTRACTING**

Since 1989 AUSTRAC has outsourced information technology management and operations, whilst retaining ownership of the information technology infrastructure. Competitive tendering and contracting arrangements have been and will continue to be applied.

AUSTRAC currently outsources a number of other services including data entry, personnel security vetting, training, specialist human resource management and other specialist services. The agency also forms part of a travel cluster arrangement with other APS agencies in order to reduce overall travel costs.

For 2002–03 AUSTRAC will continue to test the market in accordance with competitive tendering and contracting processes for non-core services and to structure its business units in order to maximise its capacity to take advantage of a competitive service delivery environment.

## Section 3: Budgeted Financial Statements

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

	Estimated Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
<b>Revenues from ordinary activities</b>					
Revenues from government	11,251	11,274	11,694	11,724	11,963
Other	60	55	55	55	55
<b>Total revenues from ordinary activities</b>	<b>11,311</b>	<b>11,329</b>	<b>11,749</b>	<b>11,779</b>	<b>12,018</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	3,980	4,065	4,195	4,310	4,406
Suppliers	5,584	6,126	6,416	6,331	6,474
Depreciation and amortisation	1,409	800	800	800	800
Other	10	10	10	10	10
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>10,983</b>	<b>11,001</b>	<b>11,421</b>	<b>11,451</b>	<b>11,690</b>
Borrowing costs expense	-	-	-	-	-
<b>Net surplus or (deficit) from ordinary activities</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>328</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or (deficit)</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>328</b>
Capital use charge	(328)	(328)	(328)	(328)	(328)
<b>Net surplus or (deficit) after capital use charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	600	600	600	600	600
Receivables	100	100	100	80	100
Other	450	441	472	442	422
<b>Total financial assets</b>	<b>1,150</b>	<b>1,141</b>	<b>1,172</b>	<b>1,122</b>	<b>1,122</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	2,702	2,601	2,570	2,620	2,620
<b>Total non-financial assets</b>	<b>2,702</b>	<b>2,601</b>	<b>2,570</b>	<b>2,620</b>	<b>2,620</b>
<b>Total assets</b>	<b>3,852</b>	<b>3,742</b>	<b>3,742</b>	<b>3,742</b>	<b>3,742</b>
<b>LIABILITIES</b>					
<b>Provisions and payables</b>					
Employees	670	650	660	660	660
Suppliers	160	110	100	100	100
Other	40	-	-	-	-
<b>Total provisions and payables</b>	<b>870</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>
<b>Total liabilities</b>	<b>870</b>	<b>760</b>	<b>760</b>	<b>760</b>	<b>760</b>
<b>EQUITY</b>					
Reserves	41	41	41	41	41
Accumulated surpluses or (deficits)	2,941	2,941	2,941	2,941	2,941
<b>Total equity</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>	<b>2,982</b>
<b>Liabilities and equity</b>	<b>3,852</b>	<b>3,742</b>	<b>3,742</b>	<b>3,742</b>	<b>3,742</b>

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

	Estimated Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	11,251	11,274	11,694	11,724	11,963
Interest	30	25	25	25	25
Other	30	30	30	30	30
<b>Total cash received</b>	<b>11,311</b>	<b>11,329</b>	<b>11,749</b>	<b>11,779</b>	<b>12,018</b>
<b>Cash used</b>					
Employees	4,100	4,215	4,699	4,290	4,449
Suppliers	6,348	5,986	5,972	6,411	6,491
<b>Total cash used</b>	<b>10,448</b>	<b>10,201</b>	<b>10,671</b>	<b>10,701</b>	<b>10,940</b>
<b>Net cash from operating activities</b>	<b>863</b>	<b>1,128</b>	<b>1,078</b>	<b>1,078</b>	<b>1,078</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	27	-	-	-	-
<b>Total cash received</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	910	800	750	750	750
<b>Total cash used</b>	<b>910</b>	<b>800</b>	<b>750</b>	<b>750</b>	<b>750</b>
<b>Net cash from investing activities</b>	<b>(883)</b>	<b>(800)</b>	<b>(750)</b>	<b>(750)</b>	<b>(750)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Capital use paid	328	328	328	328	328
<b>Total cash used</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>328</b>
<b>Net cash from financing activities</b>	<b>(328)</b>	<b>(328)</b>	<b>(328)</b>	<b>(328)</b>	<b>(328)</b>
<b>Net increase in cash held</b>	<b>(348)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	978	630	630	630	630
<b>Cash at the end of the reporting period</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>	<b>630</b>

Table 3.4: Departmental Capital Budget Statement

	Estimated Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally by departmental resources	910	800	750	750	750
<b>Total</b>	<b>910</b>	<b>800</b>	<b>750</b>	<b>750</b>	<b>750</b>

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget Year 2002–03)**

	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
Carrying amount at the start of year	-	-	-	2,702	-	-	-
Additions	-	-	-	800	-	-	-
Disposals	-	-	-	(101)	-	-	-
Revaluation increments	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-
Depreciation/amortisation expenses	-	-	-	(800)	-	-	-
Write-off of assets	-	-	-	-	-	-	-
Carrying amount at the end of year	-	-	-	2,601	-	-	-
<b>Total Additions</b>							
Self funded	-	-	-	800	-	-	-
Appropriations	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>800</b>	-	-	-

**APPENDIX 1****Receipts from Independent Sources**

	<b>Estimated Revenue 2001–02 \$'000</b>	<b>Estimated Revenue 2002–03 \$'000</b>
<b>DEPARTMENTAL REVENUE</b>		
Interest	30	25
Resources received free of charge	15	15
Section 31 (FMA Act) receipts	15	15
<b>Total Estimated Departmental Revenue</b>	<b>60</b>	<b>55</b>