

# **AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE**

## Section 1: Agency overview and resources; variations and measures

### **OVERVIEW**

There are no changes to the Australian Transaction Reports and Analysis Centre's (AUSTRAC) role, mission or its outcome and output structure as a result of Additional Estimates.

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

<b>AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE</b>	
<b>CEO: Mr Neil Jensen PSM</b>	
Total Price of Outputs	\$34.605m
Departmental Outcome Appropriation	\$34.250m
Total Administered Expenses	\$1.495m

  

<b>Outcome 1: A financial environment hostile to money laundering, major crime and tax evasion</b>	
Total price	\$34.605m
Departmental Outputs Appropriation	\$34.250m
Administered Expenses Appropriation	\$1.495m

  

<b>Output 1.1: Deterring money laundering, serious crime and tax evasion</b>	
Total Price	\$7.701m
Appropriation	\$7.692m
Administered Expenses	\$0.997m

  

<b>Output 1.2: Targeting money laundering, serious crime and tax evasion</b>	
Total Price	\$13.535m
Appropriation	\$13.427m
Administered Expenses	\$0.498m

  

<b>Output 1.3: Advice on the effectiveness of the FTR Act</b>	
Total Price	\$5.428m
Appropriation	\$5.425m

  

<b>Output 1.4: Contributions to international efforts directed at the suppression of money laundering, major crime and tax evasion</b>	
Total Price	\$6.285m
Appropriation	\$6.052m

  

<b>Output 1.5: Privacy and Security</b>	
Total Price	\$1.656m
Appropriation	\$1.654m

## ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Government has agreed to increase appropriation to fund Anti-money laundering and counter-terrorism financing (AML/CTF) reforms.

**Table 1.2: Additional estimates and variations to outcomes – Measures**

	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000
<b>Outcome 1</b>				
<b>Variation in Departmental appropriations</b>				
Anti-money laundering and counter-terrorism financing reforms	2,465	29,023	31,610	32,592
<b>Total changes in Departmental appropriations</b>	<b>2,465</b>	<b>29,023</b>	<b>31,610</b>	<b>32,592</b>

Note:

Financial year 2010-11 departmental appropriation has increased by \$32.913m. Capital funding of \$7.716m has also been agreed by Government for the above measure.

## MEASURES — AGENCY SUMMARY

The Agency is being provided with additional funding by way of a single measure as shown in Table 1.4.

**Table 1.4: Summary of measures since the 2006-07 Budget**

Measure	Outcome	Output Groups Affected	Appropriations 2006-07 \$'000			Appropriations 2007-08 \$'000			Appropriations 2008-09 \$'000			Appropriations 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>														
Anti-money laundering and counter-terrorism financing reforms	1	1-5	-	2,465	2,465	-	29,023	29,023	-	31,610	31,610	-	32,592	32,592
<b>CAPITAL MEASURES</b>														
Anti-money laundering and counter-terrorism financing reforms	1	1-5	-	680	680	-	7,036	7,036	-	-	-	-	-	-
<b>Total All Measures</b>			-	<b>3,145</b>	<b>3,145</b>	-	<b>36,059</b>	<b>36,059</b>	-	<b>31,610</b>	<b>31,610</b>	-	<b>32,592</b>	<b>32,592</b>

Note:

Financial year 2010-11 departmental appropriation has increased by \$32.913m.

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

**Table 1.5: Appropriation Bill (No. 3) 2006-07**

	2005-06 Available \$'000	2006-07 Budget \$'000	2006-07 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
A financial environment hostile to money laundering, major crime and tax evasion					
	20,870	31,681	34,250	2,569	-
<b>Total AUSTRAC</b>	<b>20,870</b>	<b>31,681</b>	<b>34,250</b>	<b>2,569</b>	<b>-</b>

**Table 1.6: Appropriation Bill (No. 4) 2006-07**

	2005-06 Available \$'000	2006-07 Budget \$'000	2006-07 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Non-operating</b>					
Equity injections					
	-	1,763	2,443	680	-
<b>Total AUSTRAC</b>	<b>-</b>	<b>1,763</b>	<b>2,443</b>	<b>680</b>	<b>-</b>

## SUMMARY OF STAFFING CHANGES

**Table 1.7: Average Staffing Level (ASL)**

	2006-07 Budget	2006-07 Revised	Variation
<b>Outcome 1</b>			
A financial environment hostile to money laundering, major crime and tax evasion			
	183	203	20
<b>Total</b>	<b>183</b>	<b>203</b>	<b>20</b>

## Section 2: Revisions to agency outcomes

### **OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS**

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statement and output groups for AUSTRAC.

There are no changes to the outcome and output structure as a result of Additional Estimates variations and measures.

Apart from price per output in Table 1.1 there have been no changes in performance information.

## Section 3: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **BUDGETED FINANCIAL STATEMENTS**

##### **Departmental financial statements**

###### **Budgeted departmental income statement**

AUSTRAC's break-even operating position remains unchanged.

Revenue from Government has increased from \$22.789m in 2005-06 to \$34.250m in 2006-07, reflecting funding for additional measures agreed by Government in the 2006-07 Budget as well as funding for measures agreed after the 2006-07 Budget.

Employee expenses are expected to increase from \$10.417m in 2005-06 to \$15.018m in 2006-07. Supplier expenses are expected to increase from \$12.149m in 2005-06 to \$17.772m in 2006-07, in line with the increased revenue. Depreciation expenses are projected to increase in line with recent expansion of leasehold property and IT infrastructure requirements.

### **Budgeted departmental balance sheet**

In 2006-07, AUSTRAC's total assets are expected to grow from \$7.193m to \$9.656m. After deductions for liabilities, net assets are expected to be \$6.440m compared to \$3.997m in 2005-06.

The increase in non-current assets from \$3.870m in 2005-06 to \$6.209m in 2006-07 represents growth in leasehold improvements and IT capital required.

Funding for investment in accommodation, technologies and technical capabilities that are of a capital nature in the 2005-06 Budget have seen an increase in equity contribution by Government from \$2.528m in 2005-06 to \$4.971m in 2006-07.

### **Budgeted departmental statement of cash flows**

Explanations for cash flow movements in operating, investing and financing activities are provided in the above analysis in the budgeted departmental Income Statement and budgeted departmental Balance Sheet.

### **Departmental statement of changes in equity — summary of movement**

An equity injection of \$0.680m to fund the purchase of non-financial assets has been agreed by Government since the 2006-07 Budget.

### **Departmental capital budget statement**

This statement shows the planned capital expenditure of \$2.443m in 2006-07 funded through equity injections as opposed to funding from internal sources.

### **Departmental property, plant, equipment and intangibles — summary of movement**

This summary shows the budgeted acquisitions and disposals of assets by asset category in the budget year.

**Table 3.1: Budgeted departmental income statement for the period ended 30 June**

	Actual 2005-06 \$'000	Revised Budget 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	22,789	34,250	52,238	54,928	56,136
Other	440	355	360	327	327
<b>Total income</b>	<b>23,229</b>	<b>34,605</b>	<b>52,598</b>	<b>55,255</b>	<b>56,463</b>
<b>EXPENSE</b>					
Employees	10,417	15,018	22,718	26,617	28,311
Suppliers	12,149	17,722	26,658	25,416	25,072
Depreciation and amortisation	831	1,865	3,222	3,222	3,080
<b>Total expenses</b>	<b>23,397</b>	<b>34,605</b>	<b>52,598</b>	<b>55,255</b>	<b>56,463</b>
<b>Operating result from continuing operations</b>	<b>(168)</b>	-	-	-	-
Net credit to revaluation reserve in equity	200	-	-	-	-
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>32</b>	-	-	-	-

Table 3.2: Budgeted departmental balance sheet as at 30 June

	Actual 2005-06 \$'000	Revised Budget 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	647	647	778	959	790
Receivables	2,148	2,294	4,115	5,876	7,525
Other	528	506	536	516	516
<b>Total financial assets</b>	<b>3,323</b>	<b>3,447</b>	<b>5,429</b>	<b>7,351</b>	<b>8,831</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	3,870	6,209	11,323	9,351	7,871
<b>Total non-financial assets</b>	<b>3,870</b>	<b>6,209</b>	<b>11,323</b>	<b>9,351</b>	<b>7,871</b>
<b>Total assets</b>	<b>7,193</b>	<b>9,656</b>	<b>16,752</b>	<b>16,702</b>	<b>16,702</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	34	74	83	33	33
Other payables	851	800	800	800	800
<b>Total payables</b>	<b>885</b>	<b>874</b>	<b>883</b>	<b>833</b>	<b>833</b>
<b>Provisions</b>					
Employees	2,192	2,242	2,292	2,292	2,292
Other provisions	119	100	100	100	100
<b>Total payables</b>	<b>2,311</b>	<b>2,342</b>	<b>2,392</b>	<b>2,392</b>	<b>2,392</b>
<b>Total liabilities</b>	<b>3,196</b>	<b>3,216</b>	<b>3,275</b>	<b>3,225</b>	<b>3,225</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	2,528	4,971	12,008	12,008	12,008
Reserves	698	698	698	698	698
Retained surpluses or accumulated deficits	771	771	771	771	771
<b>Total parent entity interest</b>	<b>3,997</b>	<b>6,440</b>	<b>13,477</b>	<b>13,477</b>	<b>13,477</b>
<b>Total equity</b>	<b>3,997</b>	<b>6,440</b>	<b>13,477</b>	<b>13,477</b>	<b>13,477</b>
<b>Current assets</b>	<b>3,323</b>	<b>3,447</b>	<b>5,429</b>	<b>7,351</b>	<b>8,831</b>
<b>Non-current assets</b>	<b>3,870</b>	<b>6,209</b>	<b>11,323</b>	<b>9,351</b>	<b>7,871</b>
<b>Current liabilities</b>	<b>2,158</b>	<b>2,216</b>	<b>2,225</b>	<b>2,125</b>	<b>2,075</b>
<b>Non-current liabilities</b>	<b>1,038</b>	<b>1,000</b>	<b>1,050</b>	<b>1,100</b>	<b>1,150</b>

**Table 3.3: Budgeted departmental statement of cash flows for the period ended 30 June**

	Actual 2005-06 \$'000	Revised Budget 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>					
Appropriations	19,129	33,360	45,935	48,892	49,945
Net GST received from the ATO	1,167	1,500	3,000	3,000	3,000
Other	3,111	1,050	1,512	1,572	1,542
<b>Total cash received</b>	<b>23,407</b>	<b>35,910</b>	<b>50,447</b>	<b>53,464</b>	<b>54,487</b>
<b>Cash used</b>					
Employees	10,222	15,018	22,718	26,617	28,311
Suppliers	13,821	17,722	26,658	25,416	24,745
Other	17	1,408	940	-	-
<b>Total cash used</b>	<b>24,060</b>	<b>34,148</b>	<b>50,316</b>	<b>52,033</b>	<b>53,056</b>
<b>Net cash from or (used by) operating activities</b>	<b>(653)</b>	<b>1,762</b>	<b>131</b>	<b>1,431</b>	<b>1,431</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Purchase of property, plant and equipment	1,919	4,205	7,036	1,250	1,600
<b>Total cash used</b>	<b>1,919</b>	<b>4,205</b>	<b>7,036</b>	<b>1,250</b>	<b>1,600</b>
<b>Net cash from or (used by) investing activities</b>	<b>(1,919)</b>	<b>(4,205)</b>	<b>(7,036)</b>	<b>(1,250)</b>	<b>(1,600)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations – contributed equity	-	2,443	7,036	-	-
<b>Total cash received</b>	-	<b>2,443</b>	<b>7,036</b>	-	-
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from or (used by) financing activities</b>	-	<b>2,443</b>	<b>7,036</b>	-	-
<b>Net increase or (decrease) in cash held</b>	<b>(2,572)</b>	-	131	181	(169)
Cash at the beginning of the reporting period	3,219	647	647	778	959
<b>Cash at the end of the reporting period</b>	<b>647</b>	<b>647</b>	<b>778</b>	<b>959</b>	<b>790</b>

**Table 3.4: Departmental statement of changes in equity — summary of movement Budget year 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	771	698	2,528	3,997
<b>Adjusted opening balance</b>	<b>771</b>	<b>698</b>	<b>2,528</b>	<b>3,997</b>
<b>Transactions with owners</b>				
Appropriation (equity injection)	-	-	2,443	2,443
<b>Sub-total transaction with owners</b>	<b>-</b>	<b>-</b>	<b>2,443</b>	<b>2,443</b>
<b>Estimated closing balance as at 30 June 2007</b>	<b>771</b>	<b>698</b>	<b>4,971</b>	<b>6,440</b>

**Table 3.5: Departmental capital budget statement**

	Actual 2005-06 \$'000	Revised Budget 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	-	2,443	7,036	-	-
<b>Total capital appropriations</b>	<b>-</b>	<b>2,443</b>	<b>7,036</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets	1,409	2,443	7,036	-	-
<b>Total represented by</b>	<b>1,409</b>	<b>2,443</b>	<b>7,036</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	2,443	7,036	-	-
Funded internally by departmental resources	1,409	1,762	1,300	1,250	1,600
<b>Total</b>	<b>1,409</b>	<b>4,205</b>	<b>8,336</b>	<b>1,250</b>	<b>1,600</b>

**Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement Budget year 2006-07**

	Other Infrastructure Plant and Equipment \$'000	Total \$'000
<b>As at 1 July 2006</b>		
Gross book value	7,660	7,660
Accumulated depreciation	(3,791)	(3,791)
<b>Opening net book value</b>	<b>3,869</b>	<b>3,869</b>
Additions:		
by purchase	4,205	4,205
Depreciation/amortisation expense	(1,865)	(1,865)
<b>As at 30 June 2007</b>		
Gross book value	11,865	11,865
Accumulated depreciation	(5,656)	(5,656)
<b>Estimated closing net book value</b>	<b>6,209</b>	<b>6,209</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

The budgeted financial statements have been prepared on an accrual basis, in accordance with historical cost convention and consistent with Australian Accounting Standards.

### Revenue from Government

Amounts appropriated are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

### Employee expenses

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

### Suppliers

Supplier expenses consist of administrative costs, consultants, travel expenses and property operating expenses.

### **Cash**

Cash includes notes and coins held and any deposits held at call with a bank or financial institutions.

### **Assets**

The assets are made up of cash, receivables, leasehold improvements and plant and equipment. All assets are held at fair value.

### **Liabilities**

The liabilities are made up of employee salary and leave entitlements, property lease make-good provisions and unpaid creditors.