

AUSTRALIAN FEDERAL POLICE

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Australian Federal Police (AFP) was established by the *Australian Federal Police Act 1979* 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.

From 1 July 2002 the AFP incorporated the Australian Protective Service (APS), established by the *Australian Protective Service Act 1987* as an operating division. The APS compliments the AFP's role through the guarding and security of designated Commonwealth establishments and national interests.

APPROPRIATIONS AND RESOURCING

The AFP delivers services under two Outcomes:

- Outcome 1 has a national and international focus in the investigation and prevention of crime along with the protection of Commonwealth interests; and
- Outcome 2 is focussed on the provision of community policing services to the ACT.

The 2003–04 Budget provides revenue from the Commonwealth Government for Outcome 1 functions. Outcome 2 activities are funded on a user-pays basis by the ACT Government.

The total 2003–04 operating budget of \$586.741m represents an increase (\$26.992m or 4.8%) on the 2002–03 Additional Estimates budget. Most of that increase (\$16.359m) relates to increased revenue from the sale of goods and services, in particular the provision of guarding and security services by the Australian Protection Service. The balance (\$10.633m) relates mainly to offsetting gains and losses but reflects increased appropriation funding for AFP strike teams, the Law Enforcement Cooperation Program, increased superannuation costs, and economic parameter adjustments.

The appropriation component of the total 2003–04 budget for the AFP is \$396.589m. Table 1.2 provides a summary of the new measures introduced in the 2003–04 Budget.

The price of the respective outputs contributing to each Outcome for the AFP is reflected in Map 2.1.

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The AFP does not have any administered items and will not receive any loans in 2003–04. An equity injection of \$3.780m reflects draw-down of capital/equity funding relative to 2002–03 new measures for the Law Enforcement Cooperation Program, strike team capacity, Project Axiom, and rapid response capability.

PLANNED INFRASTRUCTURE WORKS

During 2002–03 the AFP completed purchase of land and buildings at the Majura special purposes facility. That site will be progressively developed in the coming 3 to 4 years to relocate and enhance technical training facilities and to provide technical support for investigations. It is envisaged that the AFP forensic laboratories, firing ranges, information technology core facilities and specialist operation facilities will be transferred to this site. In addition, in the near future the AFP will be aiming to consolidate its administration accommodation leases in Canberra in order to provide an enhanced and cohesive response to service delivery requirements of clients and stakeholder agencies. The aggregation of these infrastructure works is designed to enhance the capability and flexibility in meeting such demands.

AUSTRALIAN FEDERAL POLICE — APPROPRIATIONS 2003–04

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 Appropriations	Total Administered Appropriations	
	Bill No. 1 (A)	Special appropriations (B)	Total (C = A+B)	(D)	(E = C+D)	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) (G)	(H)	(I = F+G+H)	
Outcome 1 - The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas	396,589	-	396,589 78.4%	109,383	505,972	-	-	-	-	396,589
Outcome 2 - Policing activity creates a safe and secure environment in the ACT	-	-	-	80,769	80,769	-	-	-	-	-
Total	396,589	-	396,589	190,152	586,741	-	-	-	-	396,589
Departmental capital (equity injections and loans)										3,780
Administered capital										-
Total appropriations										400,369

- Columns C, E and I refer to information provided in Total Resources for Outcome table at Table 2.1.1 and Table 2.1.2.
 - Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
 - Refer to Budgeted Statement of Financial Performance for application of agency revenue.
 - Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies). Non-appropriated departmental and administered revenues are detailed in Table 1.3.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

MEASURES — AUSTRALIAN FEDERAL POLICE - SUMMARY

Table 1.2: Summary of measures disclosed in the 2003–04 Budget

Measure	Outcome	Outputs affected	Appropriations Budget 2003–04 (\$'000)			Appropriations Forward Estimate 2004–05 (\$'000)			Appropriations Forward Estimate 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)		
			Dept outputs	Equity	Total	Dept outputs	Equity	Total	Dept outputs	Equity	Total	Dept outputs	Equity	Total
National Illicit Drug Strategy - Law Enforcement Cooperation Program (1)	1	1.3	-	-	-	-	-	-	-	-	-	-	-	-
National Illicit Drug Strategy - Enhanced technical capacity (1)	1	1.1	-	-	-	-	-	-	-	-	-	-	-	-
National Illicit Drug Strategy - Overseas Liaison Network (1)	1	1.3	-	-	-	-	-	-	-	-	-	-	-	-
National Illicit Drug Strategy - communications network (1)	1	1.3	-	-	-	-	-	-	-	-	-	-	-	-
A Safer Australia - enhanced checking of aviation security identification card holders (2)	1	1.4	-	-	-	-	-	-	-	-	-	-	-	-
Total			-	-	-	-	-	-	-	-	-	-	-	-

1. Renewal of the Law Enforcement Cooperation Program, enhanced technical capacity, Overseas Liaison Network, and connection of overseas posts to the AFP computer system under the National Illicit Drug Strategy funding provides formal authorisation/confirmation of the previously published forward estimates.
2. Eligibility requirements for airport staff holding an Aviation Security Identification Card (ASIC) will be tightened by including a requirement for a politically motivated violence check. The cost of this service will be met through cost recovery arrangements. Security checking requirements are regulated by the Department of Transport and Regional Services.

RECEIPTS FROM INDEPENDENT SOURCES

Table 1.3: Receipts from independent sources

	Estimated Revenue 2002–03 \$'000	Estimated Revenue 2003–04 \$'000
Australian Protective Service – guarding and security activity	80,950	91,245
ACT Government (Outcome 2 – ACT Community Policing)	81,171	80,769
Sale of IT services and criminal history checks	25,169	18,000
Miscellaneous – including gain on asset sales	2,283	138
Total estimated revenue	189,573	190,152

Guarding and security services are provided by the APS on a competitive neutrality basis, ie as a semi-commercial operation. Community policing services are provided to the ACT Government on a cost-recovery basis in accordance with an inter-Government Arrangement of March 2000 and are subject to a negotiated annual Purchase Agreement. Criminal history checks are provided for a range of client and relative to, for example, security clearances for employment in the Australian Public Service and particular areas within the aviation industry.

SPECIAL APPROPRIATIONS

The AFP does not have any special appropriations.

SPECIAL ACCOUNTS

Table 1.5: Estimates of special account flows and balances

Special Accounts	Estimate - 2003-04, Heavy Figures			
	Opening Balance	Receipts	Payments	Closing Balance
	2003-04	2003-04	2003-04	2003-04
	2002-03	2002-03	2002-03	2002-03
	\$'000	\$'000	\$'000	\$'000
Australian Protective Service - <i>s20 Financial Management and Accountability Act 1997</i> (D)	21,675 24,233	125,170 116,230	128,882 118,788	17,963 21,675
Comcare - Special public money - <i>Safety, Rehabilitation and Compensation Act 1998</i> (D)	245 319	1,901 1,837	1,987 1,911	159 245
AFP Official MPR and Warrants Trust Account – Other trust monies - <i>s20 Financial Management and Accountability Act 1997</i> (D)	8 5	120 120	117 117	11 8
AFP Official Exhibits and Seized Moneys Trust Account - Other trust monies - <i>s20 Financial Management and Accountability Act 1997</i> (D)	389 985	1,805 830	1,483 1,426	711 389
Services for other Governments and non-departmental bodies account <i>Financial Management and Accountability Act 1997</i> (D)	6 6	- -	- -	- -
Total Special Accounts	22,323 25,548	128,996 119,017	132,469 122,242	18,850 22,323

D = Departmental

A = Administered

Note 1 The Opening Balance for 2003-04 is the same as the closing balance for 2002-03

Note 2 Receipts from appropriations and other sources are further specified in the Total Resources for Outcome tables 2.1.1 and 2.1.2 Section 2: Outcomes and outputs information.
Bank accounts that were previously held for Law Enforcement Projects and Sponsored Activities have been closed.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUT GROUPS

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.

The following section provides a departmental overview, and then each outcome is discussed in turn. Map 2.1 shows the relationship between the outcomes and outputs.

Outcome 1 - The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas

Section 37 (2) of the Australian Federal Police Act 1979 empowers the Minister for Justice and Customs to direct general policy to be pursued by the AFP in performing its functions. The current focus of AFP activity is:

- providing counter-terrorist capacity including close personnel protection and security intelligence;
- countering and otherwise investigating acts of terrorism, illicit drugs trafficking, organised crime, serious fraud against the Commonwealth, money laundering and the interception of assets involved in, or derived from, those activities;
- investigating special references and performing special taskings from the Government;
- providing an effective contribution to the implementation of the Government's Tough on Drugs strategy;
- continuing to develop a capacity to deal with new forms of criminal activity requiring special attention to be directed at the investigation of economic crime, in all its forms, trans-national crime and crime involving information technology and communications (including electronic commerce);
- countering and otherwise investigating organised people smuggling;
- providing an effective contribution to the whole-of-government approach to unauthorised arrivals;

- providing guarding and security services for some diplomatic and consular missions, parliamentary offices, and designated Government establishments; and
- providing counter terrorism first-response capability in relation to the aviation industry.

The AFP strives to achieve mutual cooperation in its international liaison role. Acceptance of such cooperation in the South East Asia region has proved critical with the current focus on the combat of trans-national crime including terrorism. The role the AFP played in investigation and provision of technical support services to the Bali bombing investigation has, while drawing heavily on resources from other activities across the organisation, enhanced the standing of the AFP, not only in the immediate region but also globally.

The AFP also continues to make a significant contribution across the Pacific region to the improvement of law enforcement capability and cooperation in relation to regional security and trans-national crime. It also services the Government's commitment to ongoing peace monitoring in Cyprus and has police officers deployed in United Nations Mission In Support of East Timor (UNMISET) operations.

Service provision under the *Australian Protective Service Act 1987* is largely delivered on a user-pays basis and subject to contractual arrangements with client bodies requiring guarding and security services. Since the attack of September 2001 service delivery has been expanded to include a range of activities specific to the security of Australia's aviation passenger industry.

The AFP provides support on behalf of the Commonwealth for the following Australian common police services:

- the Australasian Centre for Policing Research; and
- the Australian Institute of Police Management.

The operations of the Australian Bureau of Criminal Intelligence were funded from within the AFP appropriation until 1 January 2003 when that organisation was transferred to the Australian Crime Commission.

Outcome 2 - Policing activity creates a safe and secure environment in the ACT

An inter-government policing arrangement of March 2000 commits the AFP to provision of community policing services to the ACT Government until 2005, with a review of that agreement scheduled to commence in 2003. Cost-recovery service provision is subject to Purchase Agreement arrangements negotiated annually between the ACT Government and the AFP. Performance measures agreed with the ACT Government are incorporated in that annual Purchase Agreement.

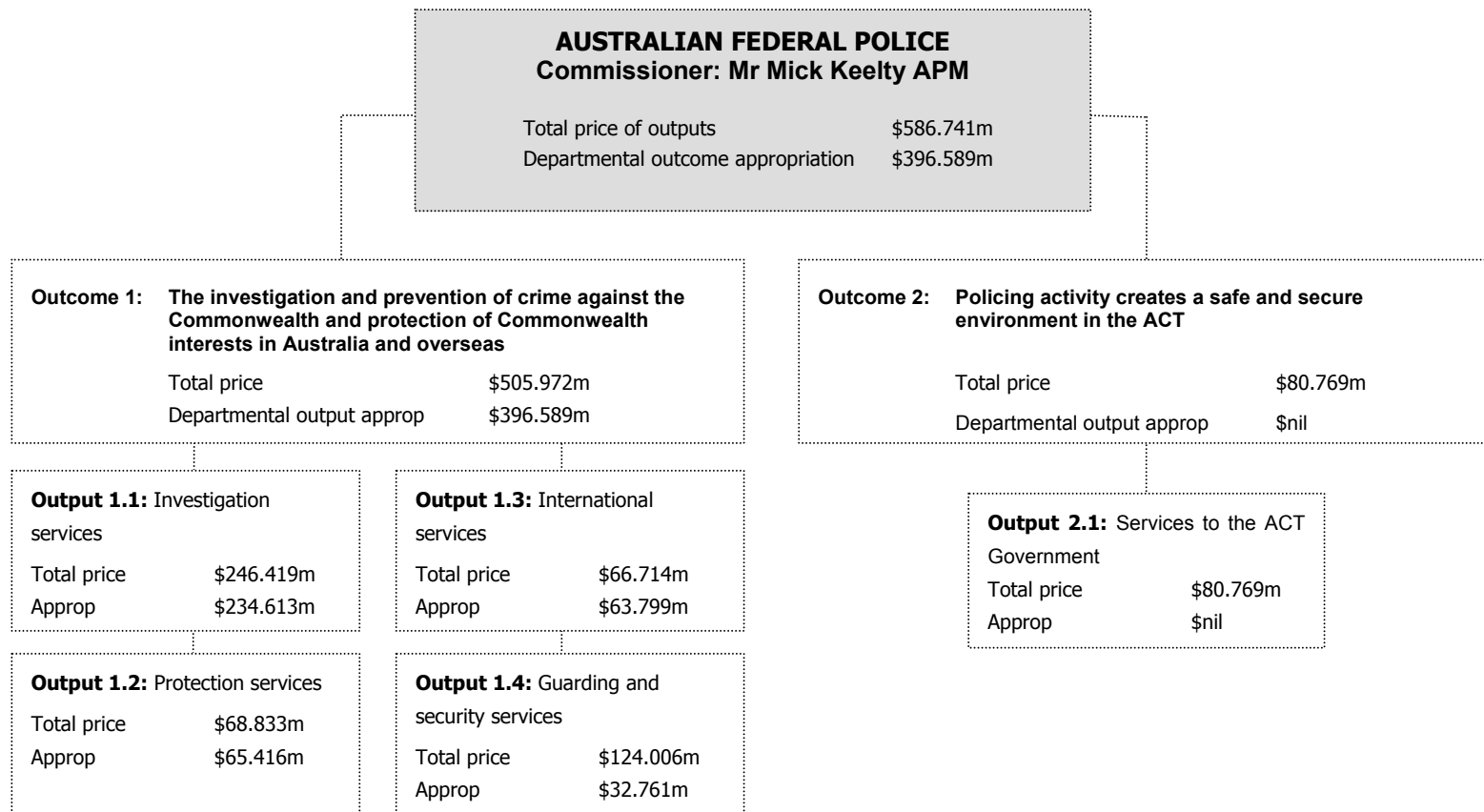
Output cost attribution

The Police Real-time On-line Management Information System (PROMIS) time recording system captures data by case and accumulates that by incident type and, subsequently, to output level. Corporate overhead and support costs are then apportioned to each output in relation to the time spent on the categorised operational activity, ie costs are aggregated to total price of the associated outputs.

CHANGES TO OUTCOMES AND OUTPUTS

There are no changes to the existing approved Outcome and output structures.

Map 2: Outcome and Output Groups



OUTCOME 1 - THE INVESTIGATION AND PREVENTION OF CRIME AGAINST THE COMMONWEALTH AND PROTECTION OF COMMONWEALTH INTERESTS IN AUSTRALIA AND OVERSEAS

MEASURES AFFECTING OUTCOME 1

National Illicit Drug Strategy – Australian Federal Police Law Enforcement Cooperation Program

The Government will continue to provide funding to the AFP for the Law Enforcement Cooperation Program, to support the offshore disruption of trans-national criminal threats. The program facilitates cooperation with overseas law enforcement agencies to increase the flow of intelligence information on activities that may impact adversely on Australia's security.

This measure involves continuation of funding of \$2.1m in 2003-04 and \$2.2m for each year from 2004-05 to and including 2006-07. Provision for this funding has already been included in the forward estimates.

National Illicit Drug Strategy – enhanced technical capacity for the Australian Crime Commission and the Australian Federal Police

The Government will provide funding to the AFP and the Australian Crime Commission (ACC) to continue programs to investigate illicit drug trafficking and other major crimes.

This measure involves continuation of funding of \$1m each year from 2003-04 for the AFP. Provision for this funding has already been included in the forward estimates.

National Illicit Drug Strategy – Australian Federal Police Overseas Liaison Network

The Government will continue to provide funding to the AFP for the Overseas Liaison network. The network supports Australia's drug law enforcement intelligence and participation in joint investigations with overseas law enforcement agencies to disrupt the supply of illicit drugs reaching Australia.

This measure involves continuation of funding of \$1.4m in 2003-04 and \$1.5m for each year from 2004-05 to and including 2006-07. Provision for this funding has already been included in the forward estimates.

National Illicit Drug Strategy - Australian Federal Police communications network

The Government will continue to provide funding for the connection of Australian Federal Police overseas posts to the national computer system, AFPNET. This system allows overseas liaison officers to access real-time information on operations.

This measure involves continuation of funding of \$1.2m in 2003-04 and \$1.3m for each year from 2004-05 to and including 2006-07. Provision for this funding has already been included in the forward estimates.

A Safer Australia - enhanced checking of aviation security identification card holders

The Government will further strengthen security at airports by conducting additional background checks on staff who require an aviation security identification card. The checks will seek to ascertain if the applicants for and holders of cards are not involved in politically-motivated violence. This service will be in addition to the current mandatory security checking undertaken for all card holders. The operating costs of \$3.9m over four years for ASIO (\$2.5m) and the Australian Federal Police (\$1.4m) to conduct the additional background checks will be met through cost recovery arrangements.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003–04 Budget appropriations translate to total resourcing for Outcome 1, including revenue from Government (appropriation), revenue from other sources, and the total price of outputs. It provides the break up of funding sources for outputs, ie the next level of detail down from the picture provided at overall Outcome level at Table 1.1

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

	Estimated actual 2002–03 \$'000	Budget estimate 2003–04 \$'000
Departmental appropriations		
Output 1.1 Investigation Services	231,287	234,613
Output 1.2 Protection Services	63,422	65,416
Output 1.3 International Services	57,062	63,799
Output 1.4 Guarding and Security Services	31,629	32,761
Total revenue from government (appropriations) contributing to price of departmental outputs	383,400 78%	396,589 78%
Revenue from other sources		
Output 1.1 Investigation Services	18,885	11,806
Output 1.2 Protection Services	4,617	3,417
Output 1.3 International Services	3,950	2,915
Output 1.4 Guarding and Security Services	80,950	91,245
Total revenue from other sources	108,402	109,383
Price of departmental outputs		
Output 1.1 Investigation Services	250,172	246,419
Output 1.2 Protection Services	68,039	68,833
Output 1.3 International Services	61,012	66,714
Output 1.4 Guarding and Security Services	112,579	124,006
Total price from departmental outputs (Total revenue from government and from other sources)	491,802	505,972
from Special Accounts (estimated payments from Special Account balances)		
Australian Protective Service (s20 FMA Act)	118,788	128,882
Comcare (SRC Act 1998)	1,911	1,987
AFP Official MPR and Warrants Trust Account (s20 FMA Act)	117	117
AFP Official Exhibits and Seized Moneys Trust Account (s20 FMA Act)	1,426	1,483
Total Departmental Special Account outflows	122,242	132,469
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	491,802	505,972
Average Staffing Level	3,668.6	3,919.7

Note 1. Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 1.5

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

There are four outputs under this Outcome:

- Output 1.1 - Investigation Services;
- Output 1.2 - Protection Services;
- Output 1.3 - International Services; and
- Output 1.4 - Guarding and Security Services.

Output 1.1 – Investigation Services

The AFP provides the Commonwealth with a flexible, responsive investigative capacity across a large range of Commonwealth interests. This output is delivered through the enforcement of a range of Commonwealth laws, protection of the integrity of Commonwealth programs, contribution to international efforts to counteract and prevent criminal activities impacting on Commonwealth law, and protection of the integrity of national economic and social institutions and the environment. The Australasian Centre for Policing Research and Australian Institute of Police Management assist in delivery of services under this output.

Objectives of this output are to:

- enforce Commonwealth laws and protect the integrity of Commonwealth programs;
- effectively contribute to international efforts to counteract and prevent criminal activities of major concern to the Government;
- protect the integrity of national economic and social institutions and the environment;
- ensure there is a national response where criminal activity impinges on national security and/or is of a trans-jurisdictional character; and
- provide policing services to Australia's external territories.

The AFP has seven crime management strategies under this output that address illicit drugs, economic crime, international operations in strategic partnership arrangements with overseas law enforcement agencies, protection of Australian systems and institutions, security threats, people smuggling and environmental crime. Crime management recognises that criminal groups can be involved in a range of offences involving various illicit commodities at different times. The crime management strategies identify and prioritise high impact problems confronting Australia. They support the AFP's business planning cycle and are a means of more closely integrating intelligence, operational activity and policy development under each main crime category.

As well as the usual law enforcement methods of investigation, arrest and prosecution, the AFP employs other strategies to deter and disrupt criminal groups. These include partnership arrangements with other agencies overseas and in Australia, administrative and legal reform, and recovery of the proceeds of crime.

Countering terrorism will continue to be the major security issue for Australia, with the AFP playing a vital role in maintaining a secure environment for the Australian people. In delivering its services, the AFP continues to maximise its investigative resources by expanding and strengthening cooperative arrangements with domestic and international law enforcement and related agencies. For example, the Joint Australia-Indonesia Police Investigative Team, which continues to investigate the Bali bombings, built directly on the close working relationship between the AFP and the Indonesia National Police. This relationship was augmented by the June 2002 Memorandum of Understanding (MoU) between Indonesia and Australia on combating trans-national crime and developing police cooperation. In November 2002, in-principle agreement was reached with Malaysia, Thailand and Singapore to establish MoUs that will enable joint investigations and the exchange of information on trans-national crime issues.

The AFP's international network (see also Output 1.3 International Services) continues to support such international agreements through its intelligence gathering and information sharing activities. Feasibility studies to place AFP liaison officers in locations such as London, Washington and Kuala Lumpur to focus on counter-terrorism will further enhance cooperative working relationships with counter terrorism units located in those countries.

Within Australia, partnership arrangements include joint investigation teams, such as the Joint Counter Terrorism Investigation Teams established with State police services and the creation of the Australian Hi-Tech Crime Centre (AHTCC), which was agreed to by the Australasian Police Ministers' Council in November 2002. Staff for the AHTCC will be drawn from the AFP, state and territory police services, and other Commonwealth agencies with an role in Internet regulation, intelligence agencies, the banking industry etc. The AHTCC will focus on hi-tech offences including those relating to Internet banking, investment scams, child exploitation (through the electronic distribution of child pornography), intellectual property, hacking and denial of service.

Advances in technology and communications have enabled globalisation and deregulation of markets and commerce, greater international and regional interdependencies, and more rapid movement of people, capital, information and goods. Globalisation has significantly expanded the levels of sophisticated illegal activity and facilitated closer interaction between organised criminal groups from different locations. Whilst these groups are largely involved in illicit drug trafficking and people smuggling, they are also involved in serious crimes such as money laundering. This alone amounts to a significant impact on the world's gross domestic product, and

the economies and security of both established and emerging nations. This environment necessitates a higher level of operational integration and cooperation with overseas law enforcement agencies.

The AFP's capacity to attack the financial base of crime by identifying, restraining and recovering the proceeds of crime has been significantly enhanced by the passage of the *Proceeds of Crime Act 2002*. Under the Act, a conviction is no longer required to confiscate the assets of a suspected criminal. The legislation gives the courts the power to freeze the assets of a person who, on the 'balance of probabilities' has engaged in serious criminal activity in the previous six years. The forfeiture regime applies to profits from Commonwealth offences such as drug trafficking, money laundering and people smuggling.

To ensure an optimal and consistent whole-of-government response to investigations, the AFP assists other agencies to develop a capacity for dealing with those matters that fall within their responsibility. It does this through means such as out-posting and secondment of federal agents, the provision of training for investigators and the execution of search warrants, etc. Service agreements are in place with a number of agencies, which provide access to strategically targeted investigations into routine matters as part of a criminal law deterrent effect. The out-posting policy, combined with application of the AFP's Case Categorisation and Prioritisation Model (CCPM) ensures that AFP resources are most effectively directed to investigations and other matters that genuinely fall within the AFP's charter. The CCPM was revised in July 2002 to incorporate clients' perceptions of the importance of matters being referred to the AFP for possible investigation.

The AFP is also responsible for undertaking family law investigations to locate people for the purpose of executing recovery orders, warrants, restraining orders or to service other processes resulting from Family Court proceedings.

The Australian Bomb Data Centre operated by the AFP provides technical advice and intelligence to partner agencies and stakeholders and continues to develop closer cooperation of state and territory police services and international agencies.

In partnership with other government agencies, community groups and businesses, the AFP provides community policing services in the Commonwealth territories of the Cocos (Keeling) Islands, Christmas Island, Jervis Bay, and Norfolk Island. Service delivery arrangements make provision for community policing services, including the maintenance of peace and good order, the protection of people and property, and the investigation and prevention of crime.

The AFP, in arrangement with the Department of Transport and Regional Services, also has responsibility for regulatory functions in the Cocos (Keeling) Islands. These regulatory functions include immigration, customs, quarantine and motor vehicle registry.

Supporting Law Enforcement Agencies

The Australasian Centre for Policing Research fosters, coordinates and sponsors applied research on law enforcement and policing issues on behalf of all Australian law enforcement and police agencies. The Australian Institute of Police Management's role is to conduct educational programs to develop and improve the performance of law enforcement executives and managers and to contribute to the corporate effectiveness of Australasian law enforcement organisations.

Output 1.2 - Protection Services

The objectives of this output are to ensure that individuals and interests identified as at risk by the Commonwealth are kept safe and their dignity preserved.

Activities undertaken to achieve this objective include:

- provision of close personal protection to Australian high office holders, internationally protected persons, members of the diplomatic community and visiting overseas dignitaries assessed as being at threat;
- collection, analysis, evaluation and dissemination of security intelligence for the development of threat assessments, reports and briefings on possible acts of politically motivated violence or other activities that may pose a threat to the safety or cause actual or perceived loss of dignity to Australian or overseas high office holders;
- administration of the national Witness Protection Program, providing a safe and secure environment to participants of the program who are able to give evidence in criminal trials relating to organized crime such as large-scale importation of illegal drugs and corruption which involve a significant degree of criminality at both the Commonwealth and State level; and
- planning and coordination with strategic partners for special events that are of a national interest.

The certification of trained Close Personal Protection (CPP) team members at an approved national standard places the AFP as the recognised leader within the law enforcement community in close personal protection. Maintenance of skilled CPP capacity enables the AFP to respond promptly to client needs and to meet demands associated with major national events and high profile visits by Internationally Protected Persons.

In delivering CPP services the AFP maintains close liaison with partner agencies at the State / Commonwealth level in order that a uniform approach is adopted and maintained in the delivery of services. Close interaction with partners and stakeholders allows the AFP to optimise its obligation of protecting the Commonwealth interest.

The protective security intelligence program is primarily directed at protecting Commonwealth interests. Regular contact with the diplomatic and consular

community is maintained across Australia in order to provide a coordinated response to clients and stakeholders.

AFP services under the sensitive national Witness Protection Program are enhanced by specialised training tailored to the specific requirements of this unique area of policing activity. Emerging technology is utilised to review work practices and ensure that contemporary methodologies are developed and adopted in service delivery.

Developments in information technology and enhancement of the AFP's primary business management and reporting system enable the AFP to apply 'real time' event monitoring that facilitates output service delivery for major events and CPP activity.

The AFP's protection services provide an essential element of the Commonwealth's national crisis management arrangements under the National Counter-Terrorist Plan.

Output 1.3 - International Services

The AFP supports the Government's international responsibilities through the provision of a range of law enforcement services. This output also strongly supports the objectives of Output 1.1 - Investigation Services.

The objectives of this output are to:

- facilitate an effective AFP contribution and response to international law enforcement efforts; and
- provide an effective contribution to Australia's commitments to international peace operations.

AFP activities include:

- maintenance of an International Network that facilitates a diverse range of law enforcement activities between Australia and foreign law enforcement agencies and organisations;
- operation of the Australian National Central Bureau for the International Criminal Police Organisation (Interpol);
- contribution to Australia's commitments to international peace operations; and
- international collaboration through programs funded by the Law Enforcement Cooperation Program (LECP).

Globalisation of the criminal environment necessitates a high level of operational integration and collaboration with overseas law enforcement agencies. The AFP has established a network of strategically deployed officers located in several countries throughout the world. That pro-active capacity enhances our ability to combat the increasing complexity and sophistication of trans-national criminal activity including terrorism.

An unstable civil, political and economic environment pertains in several countries to Australia's north. Such an environment fosters opportunities for the escalation of trans-national criminal activity that has a direct impact on Australia, eg illicit drugs, people smuggling, money laundering, and more recently, a heightened level of terrorist activity. There is no indication that this unsettled environment will improve or the occurrence of related criminal activity will abate given the present vulnerabilities of those nations.

The AFP is increasingly called upon to assist neighbouring law enforcement agencies with institutional strengthening to enhance their capacity to address trans-national crime.

The AFP provides Australian state and territory police jurisdictions with Interpol National Central Bureau services. It also facilitates access by South Pacific countries to the Interpol worldwide network that operates 24 hours a day, 7 days a week. The AFP has three officers currently seconded to Interpol, two are attached to the General Secretariat, Lyon and one is seconded to the Interpol Regional Office, Bangkok. This service contributes effectively to international law enforcement interests by providing an interface with the other 180 member countries of Interpol.

The AFP provides police officers to assist the United Nations Mission in Support of East Timor (UNMISSET). AFP officers have been deployed to Timor Leste (formerly East Timor) since September 1999. Their primary objectives are to provide and maintain law and order in Timor Leste along with the important task of assisting in the development of the local police service. Australia has also had an ongoing commitment to UN peace operations in Cyprus since 1964. The AFP meets that commitment by maintaining a contingent of police responsible for maintaining law and order within the buffer zone that divides the Greek and Turkish Cypriot communities, monitors and investigates human rights violations, and provides a non-military response option to the UN Commander.

The LECF provides capacity for the AFP to undertake a broad range of operational projects and training with partner agencies delivering a wide range of benefits including:

- institutional strengthening and capacity building for overseas law enforcement partners;
- establishing a dialogue about issues of common concern with law enforcement agencies in regions where criminal threats to Australia originate;
- developing intelligence and investigational skills within relevant law enforcement agencies globally;
- promoting the flow and exchange of information and intelligence between these overseas law enforcement agencies and Australia;

- developing the capacity and willingness in those agencies to engage in collaborative investigations with the AFP and its partner agencies;
- improving the ability to combat trans-national crime threats to Australia by disrupting and dismantling such activities in source and transit countries; and
- enhancing support of Output 1.1 Investigation Services and, particularly more recently, to the countering of terrorist activity against the national security of the Commonwealth's interests in Australia and overseas.

Output 1.4 - Guarding and Security Services

Guarding and security services are delivered in accordance with provisions of the *Australian Protective Service Act 1987*. User-pays functions include the provision of guarding, advice, training and related specialist services such as risk management reviews, security systems and personnel vetting. Since the events of 11 September 2001 and the Bali bombing, service delivery has been expanded to include a range of budget funded activities specific to the security of Australia's aviation passenger industry, including advanced counter-terrorism first-response and an enhanced Explosives Detection Canine capacity.

The objectives of this output are to:

- provide a range of user-pays guarding and related security services consistent with the Government's interests; and
- provide a first-response and deterrent role to potential terrorist acts against Australia's passenger aviation industry.

Activities undertaken to achieve this objective include:

- provision of guarding services at premises considered by Government to be at some risk;
- provision of specialised protective security advisory, training, monitoring and consultancy services; and
- provision of a counter-terrorist first-response role at major airports and a deterrent to any attempt to disrupt Australia's in-flight passenger safety through the Air safety Officer (ASO) program.

The Government has a responsibility under international law to provide protection to diplomatic and consular missions that is consistent with the level of assessed risk. Those services are delivered on a user-pays basis as are guarding and security services provided at parliamentary offices and designated Government establishments.

Associated functions available under the user-pays regime include:

- training services, eg personnel safety, bomb threat management and security x-ray screening;

- advisory services, eg risk management reviews, security system design and specification; and
- specialist services, eg personnel security vetting, building security systems and fire alarm systems monitoring.

Strategic alliances have been developed with education and business organisations with support provided to the APS through approved service providers.

An enhanced first-response role is provided in the delivery of physical security services at designated airports. Security of Australia's aviation passenger industry is enhanced by the deployment of explosives detector dogs.

PERFORMANCE INFORMATION FOR OUTCOME 1

Outcome Measurement

Outcome 1 - *The investigation and prevention of crime against the Commonwealth and the protection of Commonwealth interests in Australia and overseas.*

Main priorities for the outcome are:

- focusing a high proportion of resources on investigations assessed as having a high or very high impact;
- cooperation and collaboration with law enforcement partners in the fight against trans-national crime and to counter-terrorism;
- supply reduction initiatives associated with the *Tough on Drugs Strategy*;
- investigation of organised crime behind people smuggling;
- meeting peacekeeping operations commitments in Cyprus, Timor Leste and in Melanesia including the Solomon Islands; and
- provision of guarding and security services consistent with the Government's interests, including a counter-terrorism first-response and deterrent role for Australia's aviation passenger industry.

Outcome 1 is measured through three key performance indicators:

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

Output Measurement

Output 1.1 - Investigation Services

The objectives of Output 1.1 Investigation Services are to:

- enforce Commonwealth laws and protect the integrity of Commonwealth programs;
- effectively contribute to international efforts to counteract and prevent criminal activities of major concern to Government;
- protect the integrity of national economic and social institutions and the environment;
- ensure there is a national response where criminal activity impinges on national security and/or is of a trans-jurisdictional character; and
- provide community policing services to the Commonwealth's external territories.

The output is measured through:

- 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.

Performance measures of the disruptive effect of AFP operations cover a wide range of activities and include; targeting of case acceptance with a focus on high and very high impact cases, seizure volumes of illicit drugs in Australia and overseas, the number and size of fraud cases, the overall number of apprehensions, and the proportion of all cases proceeding to Court. Client satisfaction is assessed by an independent survey conducted on a regular basis. The cost effectiveness of service delivery is measured through financial analysis and benchmarking.

The AFP is currently developing a range of new performance measures, particularly relating to its preventative efforts countering the threat of terrorism.

Output 1.2 - Protection Services

The objectives of Output 1.2 Protection Services are to ensure that individuals and interests identified as at risk by the Commonwealth are kept safe and their dignity preserved.

The output is measured through:

- prevention of avoidable incidents;
- the level of client satisfaction with AFP protection services; and
- cost effectiveness of service delivery.

The prevention of avoidable incidents is indicated by the relationship between the number of official movements as measured against the number of potential incidents. Client satisfaction is assessed through independent surveys conducted on a regular basis. The cost effectiveness of service delivery is measured through financial analysis and benchmarking.

Output 1.3 - International Services

The objectives of Output 1.3 International Services are to:

- facilitate an effective AFP contribution and response to international law enforcement efforts; and
- provide an effective contribution to Australia's international peace keeping/monitoring commitments and regional security to enhance the efforts to develop a safer domestic environment.

The output is measured through:

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

Performance measures of the extent to which Commonwealth international obligations are met include internationally agreed indicators of Interpol activities and the results of overseas operations. Client satisfaction is measured through official assessments made by the United Nations and by an evaluation process involving strategic partnership agencies. The cost effectiveness of service delivery is measured through financial analysis and benchmarking.

Output 1.4 Guarding and Security Services

The objectives of Output 1.4 Guarding and Security Services are to:

- provide a range of user-pays guarding and related security services consistent with the Government's interests; and
- provide a first-response and deterrent role to potential terrorist acts against Australia's passenger aviation industry.

The output is measured through:

- volume of contracted user-pays guarding and security service commitments, and the 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.

Performance measures addressing user-pays guarding and security business cover a range of activities and address the achievement of targets in the annual APS business

plan, including the retention of existing clients and achievement of new business. In addition aviation security service performance is measured by the prevention of any incidents designed to disrupt air passenger safety. Client satisfaction is assessed through independent annual conduct of a client survey and, in relation to aviation passenger safety, a stakeholder survey. The cost effectiveness of service delivery is measured through financial analysis and, in relation to user-pays services, provision of a satisfactory annual rate of return to Government.

PERFORMANCE INFORMATION FOR OUTCOME 1

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

Performance information for departmental outputs	
<i>Output description</i>	<i>Performance measure</i>
Outcome 1: The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas	<p><i>Price:</i> \$ 505.972m</p> <p><i>Quality:</i> Disruptive effect of AFP operations on the criminal environment nationally and internationally. Client satisfaction with AFP services</p> <p><i>Quantity:</i> Number of cases</p> <p><i>Target:</i> 65% of available resources employed in High/Very High Impact cases</p>
Output 1.1: Investigation Services	<p><i>Price:</i> \$ 246.419m</p> <p><i>Quality:</i> Disruptive effect of AFP investigations on the criminal environment. Client satisfaction with AFP investigations</p> <p><i>Quantity:</i> Number of criminal investigations</p> <p><i>Target:</i> 65% of available resources employed in High/Very High Impact cases</p>
Output 1.2: Protection Services	<p><i>Price:</i> \$ 68.833m</p> <p><i>Quality:</i> Prevention of avoidable incidents. Client satisfaction with protection services</p> <p><i>Quantity:</i> The number of protection services</p> <p><i>Target:</i> 70% of available resources employed in High/Very High Impact cases</p>

Performance information for departmental outputs	
<i>Output description</i>	<i>Performance measure</i>
Output 1.3: International Services	<p><i>Price:</i> \$ 66.714m</p> <p><i>Quality:</i> Extent to which Commonwealth international obligations are met. Client satisfaction with international services</p> <p><i>Quantity:</i> Number of international services</p> <p><i>Target:</i> 65% of available resources employed in High/Very High Impact cases</p>
Output 1.4: Guarding and Security Services	<p><i>Price:</i> \$ 124.006m</p> <p><i>Quality:</i> Prevented attempts to disrupt the safety of Australia's aviation passenger industry and client and stakeholder satisfaction</p> <p><i>Quantity:</i> Volume of contracted security and related specialist services</p> <p><i>Target:</i> Retention and growth of contracted security and related specialist services business; and Improved confidence (from base to be established following 11 September 2001) in the safety of Australia's aviation passenger industry</p>

EVALUATIONS

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

- Business Planning, including regular Business Activity Analysis (BAA) of operations;
- Crime Management Strategies;
- the Case Categorisation and Prioritisation Model (CCPM);
- Service Targets and Client Satisfaction Surveys; and
- the Performance Improvement Cycle.

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

OUTCOME 2 - POLICING ACTIVITY CREATES A SAFE AND SECURE ENVIRONMENT IN THE ACT

PERFORMANCE INFORMATION FOR OUTCOME 2

The AFP contributes to the achievement of this outcome by ensuring public order and community confidence for residents of the ACT. Services provided include investigations, road safety, traffic enforcement, prosecution and judicial support and the provision of information services. Performance is addressed through the AFP reporting to the ACT Government on the progressive monitoring of service delivery against performance targets defined in the annual Purchase Agreement.

Table 2.1.2: Total resources for Outcome 2 (\$'000)

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000
Departmental appropriations		
Output 2.1 Services to the ACT Government	-	-
Total revenue from government (appropriations) contributing to price of departmental outputs	-	-
Revenue from other sources		
Output 2.1 ACT Government	81,171	80,769
Total revenue from other sources	81,171	80,769
Price of departmental outputs		
Output 2.1 Services to the ACT Government	81,171	80,769
Total price from departmental outputs (Total revenue from government and from other sources)	81,171	80,769
Total estimated resourcing for Outcome 2 (Total price of outputs and administered appropriations)	81,171	80,769
Average Staffing Level	793	758

Output Measurement

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 *Section 8* of the *Australian Federal Police Act 1979*.

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 and extends until 2005. That user-pays arrangement is subject to annual negotiation of a Purchase Agreement that incorporates outputs required by the ACT Government and performance measures associated with those outputs.

MEASURES AFFECTING OUTCOME 2

As Outcome 2 relates directly to the purchaser-provider agreement between the AFP and the ACT Government, appropriation measures from the Federal Government do not impact on the outcome.

EVALUATIONS

The user-pays provision of community policing services to the ACT Government 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 is subject to independent audit.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Statement of Financial Performance

The AFP is budgeting for an operating loss of \$6.567m for 2002–03 after payment of the Capital Use Charge (CUC) and dividends of \$13.609m. The loss is attributable to expenses incurred in 2002–03 in relation to the Air Security Officers (ASO) program (revenue was provided in 2001–02) and the impact of additional activities relating to AFP investigation of the Bali bombings.

Total revenue is estimated to be \$586.741m, an increase of \$10.779m from the previously published 2003–04 estimates. The net increase is largely as a result of:

- the sale of goods and services from guarding and security provided by the Australian Protective Service (\$18.885m) and general AFP services (\$3.000m);
- funding for superannuation increases by Comsuper (\$ 5.502m);
- reduction in Capital Use Charge revenue (\$10.630m) and transfer of funding to the Australian Crime Commission (ACC) of \$7.088m; and
- economic parameter adjustments (\$0.358m).

Total expenses are estimated to be \$585.493m, an increase of \$21.914m from the previously published 2003–04 estimate. The increase is due to: additional expenses for guarding and security services provided by the Australian Protective Service and increased superannuation charges. Depreciation charges will increase (\$2.248m) in 2003–04 as a result of changes in accounting policy and changes to the value and timing of the 2003–04 Capital program. An offsetting reduction has also resulted from transfer of funding to the ACC.

Statement of Financial Position

The AFP's non-financial assets reflect development of Information Technology to enhance investigations and provision for the development of technical training and support facilities such as forensic laboratories and firing ranges. It also reflects planned consolidation of administrative accommodation leases to provide a more cohesive response to service delivery requirements – see also Table 3.4 'Departmental Capital Budget Statement'.

The previous published forward estimates budgeted for the expected purchase and fitout of new consolidated accommodation which will not progress as initially planned e.g. budgeted plant and equipment in 2004–05 of \$136.8m has been revised down to \$112.5m. An offsetting impact of this can be seen in a budgeted increase in cash balances eg 2004–05 up by \$14.944m to \$29.555m.

The AFP's budgeted 2003-04 net asset position of \$87.071m represents a decrease of \$9.518m from the previously published 2003-04 estimate. The decrease is largely attributable to the \$6.567 estimated 2002-03 operating loss, changes to estimated dividend payments and a reduction in profits from APS commercial activity.

The AFP's primary liability continues to be accrued employee entitlements (\$92.433m in 2003-04). The 'Salary and wages' component of this liability is expected to decrease in 2004-05 to \$84.508m as a result of 27 pays in 2004-05.

Total assets are expected to remain stable (from \$212.759m in 2003-04 to \$215.219m in 2006-07). Total liabilities also remain stable for the same period (from \$125.688m in 2003-04 to \$122.887m in 2006-07).

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

		Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
REVENUE						
Revenues from ordinary activities						
Revenues from government	1	383,400	396,589	368,107	369,429	371,751
Goods and services	2	186,570	189,387	191,661	194,816	198,096
Interest	3	2,795	561	393	455	520
Revenue from sales of assets		13	13	13	13	13
Other	4	195	191	191	191	191
Revenues from ordinary activities		572,973	586,741	560,365	564,904	570,571
EXPENSE						
Expenses from ordinary activities (excluding borrowing costs expense)						
Employees	5	352,873	361,182	351,051	357,672	364,437
Suppliers		181,142	196,319	180,120	177,721	176,909
Depreciation and amortisation		23,923	26,152	26,583	26,813	26,000
Other	6	4,793	1,840	1,863	1,887	1,911
Expenses from ordinary activities (excluding borrowing costs expense)		562,731	585,493	559,617	564,093	569,257
Borrowing costs expense		-	-	-	-	-
Operating surplus or (deficit) from ordinary activities		10,242	1,248	748	811	1,314
Income Tax expense		3,200	374	224	243	394
Net surplus or (deficit)		7,042	874	524	568	920
Dividends		3,700	437	261	284	460
Capital Use Charge *		9,909	-	-	-	-
Net surplus or (deficit) after CUC and Dividends	7	(6,567)	437	261	284	460

*The Capital Use Charge will be discontinued from 1 July 2003.

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

	Estimated Actual 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	48,922	40,736	29,555	28,720	28,333
Receivables	29,519	32,400	32,980	33,665	34,380
Accrued revenues	249	249	249	249	249
Total financial assets	78,690	73,385	62,784	62,634	62,962
Non-financial assets					
Land and buildings	2,894	6,407	15,028	23,531	30,386
Infrastructure, plant and equipment	101,677	111,540	112,562	111,159	107,584
Intangibles	13,147	12,842	9,740	6,883	5,963
Inventories	134	87	60	40	26
Other	15,426	8,498	8,298	8,298	8,298
Total non-financial assets	133,278	139,374	145,688	149,911	152,257
Total assets	211,968	212,759	208,472	212,545	215,219
LIABILITIES					
Debt					
Loans	8	-	-	-	-
Total debt	-	-	-	-	-
Provisions and Payables					
Employees	93,464	92,433	84,508	87,278	89,033
Suppliers	16,283	19,897	20,159	20,262	20,363
Other	19,367	13,358	13,060	13,133	13,491
Total Provisions and Payables	129,114	125,688	117,727	120,673	122,887
Total liabilities	129,114	125,688	117,727	120,673	122,887
EQUITY					
Parent entity interest					
Contributed equity	9	133,789	137,569	140,980	141,823
Reserves	14,678	14,678	14,678	14,678	14,678
Retained surpluses or (accumulated deficits)	(65,613)	(65,176)	(64,913)	(64,629)	(64,169)
Total parent entity interest	82,854	87,071	90,745	91,872	92,332
Total equity	82,854	87,071	90,745	91,872	92,332
Total assets and liabilities	211,968	212,759	208,472	212,545	215,219
Total assets and liabilities by maturity					
Current assets	93,936	81,883	71,082	70,932	71,260
Non-current assets	118,032	130,876	137,390	141,613	143,959
Current liabilities	70,262	65,939	57,026	58,994	60,204
Non-current liabilities	58,852	59,749	60,701	61,679	62,683

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

	Estimated Actual 2002-03 \$'000	Budget 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	383,400	396,589	368,107	369,429	371,751
Sales of goods & services	195,289	190,022	200,047	203,240	206,642
GST input tax credit	10 11,094	10,601	8,876	8,511	8,279
Interest	2,810	561	393	455	520
Total cash received	592,593	597,773	577,423	581,635	587,192
Cash used					
Employees	348,045	358,292	354,938	350,743	358,398
Suppliers	11 212,013	208,815	197,282	195,027	194,143
Taxes Paid	1,118	9,765	4,384	4,352	4,496
Other	12 4,793	1,840	1,863	1,887	1,911
Total cash used	565,969	578,712	558,467	552,009	558,948
Net cash from operating activities	26,624	19,061	18,956	29,626	28,244
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	13	13	13	13	13
Proceeds from Investments	20,000	-	-	-	-
Repayment of Property Advances	13 16,385	-	-	-	-
Total cash received	36,398	13	13	13	13
Cash used					
Purchase of property, plant and equipment	14 39,846	32,340	33,124	31,056	28,360
Total cash used	39,846	32,340	33,124	31,056	28,360
Net cash from investing activities	(3,448)	(32,327)	(33,111)	(31,043)	(28,347)
FINANCING ACTIVITIES					
Cash received					
Capital injections	9,876	8,780	3,411	843	-
Australian Protective Service	24,234	-	-	-	-
Total cash received	34,110	8,780	3,411	843	-
Cash used					
Capital User Charge	10,744	-	-	-	-
Dividends paid	2,972	3,700	437	261	284
Total cash used	13,716	3,700	437	261	284
Net cash from financing activities	20,394	5,080	2,974	582	(284)
Net increase in cash held	43,570	(8,186)	(11,181)	(835)	(387)
Cash at the beginning of the reporting period	5,352	48,922	40,736	29,555	28,720
Cash at the end of the reporting period	48,922	40,736	29,555	28,720	28,333

Table 3.4: Departmental Capital Budget Statement

	Estimated Actual 2002-03 \$'000	Budget 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	3,780	3,411	843	-
Total loans	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	4,876	3,780	3,411	843	-
Total	4,876	3,780	3,411	843	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	4,876	3,780	3,411	843	-
Funded internally by departmental resources	67,081	35,443	29,713	30,213	28,360
Total	71,957	39,223	33,124	31,056	28,360

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

	Land	Buildings	Total land and buildings	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	522	2,372	2,894	101,677	101,677	13,147	117,718
Additions*	-	3,700	3,700	29,133	29,133	6,390	39,223
Disposals	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(187)	(187)	(19,270)	(19,270)	(6,695)	(26,152)
Write-off of assets	-	-	-	-	-	-	-
Carrying amount at the end of year	522	5,885	6,407	111,540	111,540	12,842	130,789
Total additions							
Self funded	-	3,700	3,700	25,353	25,353	6,390	35,443
Appropriations	-	-	-	3,780	3,780	-	3,780
Total	-	3,700	3,700	29,133	29,133	6,390	39,223

NOTES TO THE FINANCIAL STATEMENTS

Budgeted Statement of Financial Performance

1. The net decrease (\$10.813m) to appropriations in 2003–04 is due to a \$10.630m reduction in funding for discontinuation of Capital Use Charge and transfer of \$7.088m for the former Australian Bureau of Criminal Intelligence (ABCI) to the Australian Crime Commission (ACC). Increases in funding have been received for Superannuation (CSS and PSS) of \$5.502m and discontinuation of Agency Banking Incentive scheme of \$1.045m. The balance of \$0.358m is a result of increased parameter indexation adjustments.
2. Increased revenue from the sale of goods and services in 2003–04 and the out years consists mainly of Australian Protective Service policing services (\$18.885m in 2003–04). The remainder of the increase (\$3.000m) is for general services provided by the AFP.
3. Some functions of the guarding and security arm of the AFP, the APS, operate on a commercial basis and earn interest on cash balances.
4. This reflects revenue received free of charge for services provided by the Australian National Audit Office (ANAO). Other revenue at 2002–03 PAES reflected 'Interest Revenue' (\$1.045m) under the former Agency Banking Incentive Scheme which has now been withdrawn.
5. A rise (\$9.334m) in employee expenses in 2003–04 has resulted from recent increases in Superannuation contribution payments to Comsuper and an increase in activity by the APS in guarding and security services.
6. Payments to the Australian Institute of Police Management and the Australian Centre for Policing Research are estimated to be \$1.840m in 2003–04. Funding for the former ABCI was withdrawn and transferred to ACC from 1 January 2003 (the remainder of 2002–03 transferred funding being \$2.556m).
7. AFP operating result in 2002–03 (after dividends and CUC paid) of \$6.567m results from the impact of additional activities relating to the investigation into the Bali bombings and APS expenditure on aviation industry security equipment. The estimated outyear profits result from APS commercial activity.

Budgeted Departmental Statement of Financial Position

8. The AFP has no loan commitments.
9. Departmental capital equity injections are \$3.780m in 2003–04, \$3.411m in 2004–05, and \$0.843m in 2005–06 and were announced in previous Budgets.

Budgeted Departmental Statement of Cash Flows

10. 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.
11. Payments to suppliers include payments of GST where applicable. Refunds of these payments are included as components of other cash received.
12. This includes the amounts provided to the Australian Institute of Police Management and the Australasian Centre for Policing Research. The operations of the ABCI were funded from within the AFP appropriation until 1 January 2003 when that organisation was transferred to the Australian Crime Commission.
13. This payment is a component of the AFP capital infrastructure works program for services being undertaken by the AFP's outsourced contract building management service. A return of funds in 2002-03 (from prepayment) has resulted from planned changes to Capital works program resulting from recent decision on the long term accommodation strategy. Payments for capital works in 2002-03 are estimated to be \$32.111m.
14. Capital works program payments are paid from the AFP's outsourced contract building management service (see note 13.). From a cash perspective payments are already received in advance and works paid from forwarded cash prepayment. Cash out for Capital purchases will be less than Capital Budget (see table 3.4).