

AUSTRALIAN CRIME COMMISSION

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Australian Crime Commission (ACC) is an independent statutory authority established on 1 January 2003 under the *Australian Crime Commission Act 2002*. The ACC is a product of the April 2002 agreement reached between the Prime Minister, the Premiers of the states and the Chief Ministers of the Australian Capital Territory and the Northern Territory in relation to criminal intelligence and the investigation of federally relevant criminal activity. It combines the functions of the former National Crime Authority (NCA), the Australian Bureau of Criminal Intelligence (ABCI) and the Office of Strategic Crime Assessments (OSCA).

The primary goal of the ACC is to enhance Australian law enforcement's capacity to deal with serious and organised crime by providing advice on national criminal intelligence priorities, conducting intelligence operations, providing a range of criminal intelligence products and delivering national criminal intelligence information systems. The agency also undertakes ACC Board approved investigations into serious and organised criminal activity.

The ACC Board which consists of the heads of major Commonwealth, State and Territory law enforcement agencies determines national criminal intelligence priorities and oversees the strategic direction of and the priorities for, the ACC. The Board approves the use of coercive powers which allow the ACC to examine witnesses under oath or demand the production of documents or other evidence.

The ACC works in partnership with all Australian law enforcement agencies under task force arrangements in pursuit of the Government outcome of an enhanced Australian law enforcement capacity.

APPROPRIATIONS AND RESOURCING

The total appropriation for the ACC in the 2003-04 Budget is \$65.069m. Table 1.1 shows appropriations (2003-04) and other revenue by outcome. The ACC does not have any administered expenses.

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The ACC does not have an appropriation for an equity injection or loan or an appropriation for administered capital

AUSTRALIAN CRIME COMMISSION — 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 approps (B)	Total (C = A+B)	(D)	(E = C+D)	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) (G)	(H)	(I = F+G+H)	
Enhanced Australian law enforcement capacity	65,069	-	65,069	2,729	67,798	-	-	-	-	65,069
Total	65,069	-	65,069	-	67,798	-	-	-	-	65,069
Departmental capital (equity injections and loans)										-
Administered capital										-
Total Appropriations										65,069

1. Columns C, E and I refer to information provided in Total Resources for Outcome tables.
 2. Under the Appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
 3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
 4. Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

MEASURES — DEPARTMENT 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)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Additional funding to target money laundering and fraud	1	3	-	7,276	7,276	-	7,443	7,443	-	7,538	7,538	-	7,712	7,712
National Illicit Drug Strategy - Enhanced technical capacity	1	2	-	-	-	-	-	-	-	-	-	-	-	-
Total			-	7,276	7,276	-	7,443	7,443	-	7,538	7,538	-	7,712	7,712

RECEIPTS FROM INDEPENDENT SOURCES

Table 1.3: Receipts from independent sources*

	Estimated Revenue 2002-03 \$'000	Estimated revenue 2003-04 \$'000
Sales of goods and services	940	1,670
Interest	-	-
Resources received free of charge	30	59
Other : Asia Pacific Money Laundering Group Special Account	455	1,000
Total estimated revenue	1,398	2,729

*2002-03 estimated revenue relates to the period 1 January 2003 to 30 June 2003

SPECIAL APPROPRIATIONS

The ACC does not have any special appropriation.

SPECIAL ACCOUNTS

The agency receives independent funds which are deposited into a special account. These funds are members' contributions to the Asia Pacific Money Laundering Group.

Table 1.5 Estimated Special Account Flows and Balances

Estimated Special Account Flows and Balances	Estimate - 2003-04, Heavy Figures			
	Opening Balance 2003-04 2002-03 \$'000	Actual Receipts 2003-04 2002-03 \$'000	Payments 2003-04 2002-03 \$'000	Closing Balance 2003-04 2002-03 \$'000
Special Account : Asia Pacific Money Laundering Group (D)	90 222	1,000 428	1,000 560	90 90
Special Account : Services to other governments (D)	-	-	-	-
Total Special Accounts	90 222	1,000 428	1,000 560	90 90

D = Departmental A = Administered

The 2002-03 figures relate to the period 1 January 2003 to 30 June 2003.

Section 2: Outcome and outputs information

OUTCOME AND OUTPUT GROUPS

The Australian Crime Commission works to achieving the outcome specified by Government. The following section provides a departmental overview, and then each outcome is discussed in turn. Map 2 shows the relationship between the outcome and outputs.

Financial and non-financial information is provided as follows:

Map 2.1 - details outcome and output resourcing and illustrates the relationship between the outcomes and contributing outputs.

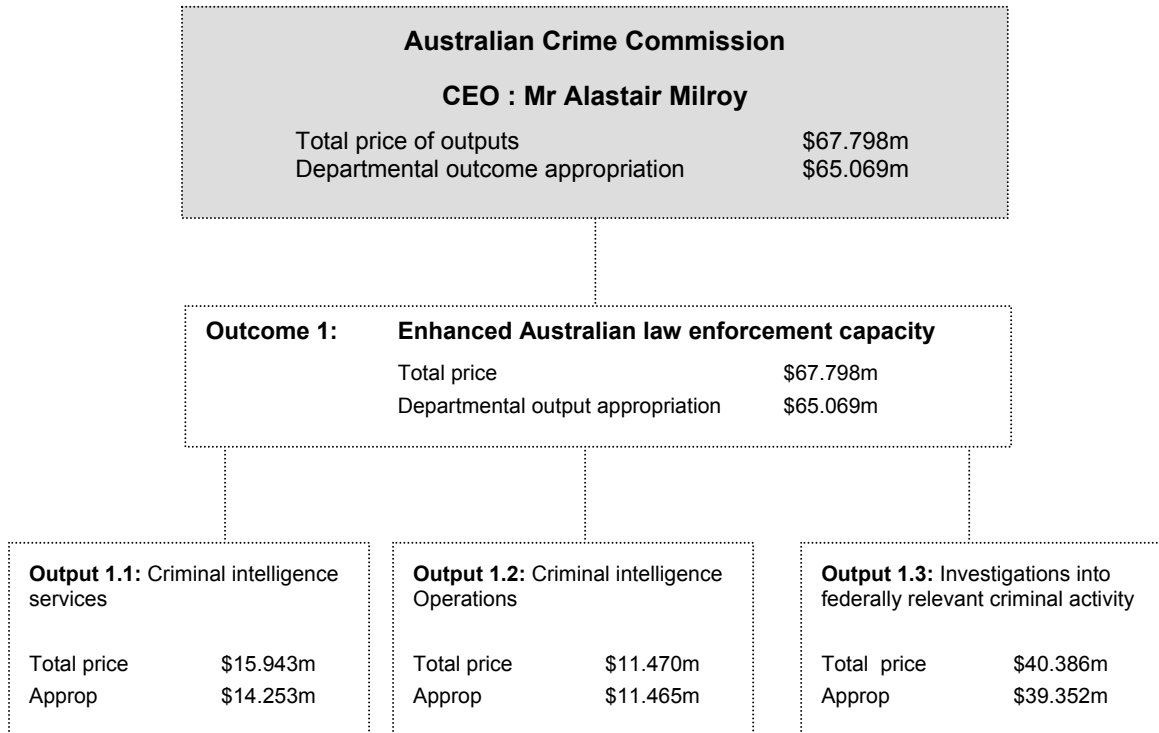
Table 2.1.1 - details financial information for outcome 1.

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

Output cost attribution

The ACC cost model is based on a purchaser/provider methodology where costs directly linked to an output are attributed to it. Internal resource costs are allocated to outputs on a time attribution basis and general overhead costs are attributed to reflect the projected percentage of costs to be incurred by the output.

Map2: Outcomes and outputs



CHANGES TO OUTCOMES AND OUTPUTS

This is the initial outcomes and outputs structure for the ACC. Future changes to this structure will be determined by the agency’s emerging menu of work and by changing government priorities.

OUTCOME 1 — ENHANCEMENT AUSTRALIAN LAW ENFORCEMENT CAPACITY

Measures affecting Outcome 1

Australian Crime Commission — additional funding to target money laundering and fraud

The Government will provide additional funding of \$30.0m over four years to the ACC to build upon previous programs targeting crime involving money laundering and fraud on the Commonwealth. This measure will enable the Government to continue its enhanced capacity to detect and deter organised crime through financial transactions, and recover the proceeds of these crimes.

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 ACC to continue programs to investigate illicit drug trafficking and other major crimes.

This measure will involve ongoing funding of \$2m each year from 2003-04 for the ACC. Provision for this funding has already been included in the forward estimates.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003–04 Budget appropriations translate to total resourcing for outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

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 Criminal intelligence services	7,407	14,253
Output 1.2 Criminal intelligence operations	6,059	11,465
Output 1.3 Investigations into federally relevant criminal activity	20,797	39,352
Total revenue from government (appropriations) contributing to price of outcome	34,389	65,069
REVENUE FROM OTHER SOURCES		
Output 1.1 Criminal intelligence services	940	1,690
Output 1.2 Criminal intelligence operations	3	5
Output 1.3 Investigations into federally relevant criminal activity (Special Account : Asia Pacific Money Laundering Group)	455	1,034
Total revenue from other sources	1,398	2,729
Total price of departmental outputs (Total revenue from government and other sources)	35,661	67,798
From Special Account (estimates from special accounts balances)		
Special Account: Asia Pacific Money Laundering Group	428	1,000
Total estimated resourcing for outcome 1 (Total departmental expenses)	35,661	72,298
Average Staffing Level **	485	475

Note:

* 2002–03 estimated actuals relate to the period 1 January 2003 to 30 June 2003.

** The average staffing figures includes APS staff and personnel seconded to the ACC from other agencies.

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The ACC has one outcome:

Enhanced Australian Law enforcement capacity

There are three outputs for the ACC's outcome:

Output 1: Criminal Intelligence Services

Output 2: Criminal Intelligence Operations

Output 3: Investigations into Federally Relevant Criminal Activity

PERFORMANCE INFORMATION FOR OUTCOME 1

The achievement of the ACC outcome, Enhanced Australian Law enforcement Capacity is determined in part by the contribution made to identifying threats posed to Australian society by individuals and criminal networks and by the effective provision of intelligence and investigative services to counteract the threats.

Output 1.1 Criminal Intelligence Services.

Effectiveness indicators of this output include the ACC’s ability to provide strategic and tactical criminal intelligence and information to Commonwealth, State and Territory law enforcement agencies and to successfully advise the ACC Board on national criminal intelligence priorities.

Output 1.2 Criminal Intelligence Operations

Effectiveness indicators of this output include the achievement of operational objectives and how successful these operations are in leading to special investigations by the ACC or its law enforcement partners.

Output 1.3 Investigations into Federally Relevant Criminal Activity

This output covers ACC Board approved investigations into serious and organized crime which is an offence against a law of the Commonwealth or of a territory, or where it is an offence against a law of a State and has a federal aspect. Effectiveness indicators include the disruption and /or dismantling of criminal networks, the recovery of proceeds of crime and the effective use of coercive powers to support operational objectives.

Table 2.2.1 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.

Effectiveness — overall achievement of the outcome
<i>Effectiveness indicators</i>
Enhanced capacity of Australian law enforcement to deal with threats posed to Australian society by serious and organised criminal activity.
Disruption to serious and organised crime resulting from provision of ACC intelligence services and the conduct of ACC intelligence operations and investigations.

Performance information for departmental outputs	
<i>Output description</i>	<i>Performance measure</i>
Output 1.1: Criminal intelligence services	<p><i>Price:</i> \$15.943m</p> <p><i>Quality & Quantity:</i></p> <ul style="list-style-type: none"> • Number and value of disseminations provided to other law enforcement agencies. • Provision and maintenance of criminal intelligence systems • Number and significance of strategic criminal assessments and other intelligence and information products • Acceptance by ACC Board of advice on national criminal intelligence priorities • Number of criminal intelligence priorities that become intelligence operations
Output 1.2: Criminal intelligence operations -	<p><i>Price:</i> \$11.470m</p> <p><i>Quality & Quantity:</i></p> <ul style="list-style-type: none"> • Number conducted and proportion of proposals actioned by ACC Board • Achievement of objectives of intelligence operations • Use of coercive powers • Collaboration with partner law enforcement agencies • Number evaluated and determined as special investigations
Output 1.3: Investigations into federally relevant criminal activity	<p><i>Price:</i> \$40.386m</p> <p><i>Quality & Quantity:</i></p> <ul style="list-style-type: none"> • Number conducted and allocated by the Board • Value of proceeds of crime forfeited • Use of coercive powers • Achievement of objectives of investigations • Number and significance of arrests and charges arising from investigations • Collaboration with partner law enforcement agencies • Use of coercive powers

EVALUATIONS

The ACC will review its performance as part of an integrated performance management process. Evaluations planned in 2003–04 will include an assessment of its operational model and of the efficacy of its performance reporting regime. In addition the ACC Business plan and business unit plans will be assessed against performance objectives for all operational and corporate areas.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the ACC's budgeted financial statements, as reflected in the Agency's budgeted departmental financial statements notes for 2003–04, is provided below.

Departmental

Statement of Financial Performance

The estimated actual operating result for 2002–03 is a breakeven position, but only reflects the operation of the ACC since its inception on 1 January 2003.

The ACC is budgeting for an operating loss of \$4.5m for 2003–04. The loss is attributable to budgeted expenditure of \$4.5m on lapsing tied funding programs where funding was not expended in 2002–03 financial year but was carried over.

Revenue from government is estimated to be \$65.069m, a reduction in real terms of \$4.5m from the aggregate of the former NCA, ABCI and OSCA 2002–03 budgets. The reduction is primarily as a result of:

- Specific budget measures lapsing \$5.6m: Cybercrime investigation (\$1.1m); Special intelligence project (\$4.5m); and
- Offset increased funding for economic parameter adjustments and superannuation supplement funding.

Total expenses from ordinary activities are estimated to be \$72.298m, an increase of \$1.0m from an annualised 2002–03 estimate. The increase is due to the impact of spending carried forward for specific programs as detailed above; offset by reduced expenses for other lapsing budget measures.

Statement of Financial Position

The agency's budgeted net asset position of \$6.8m represents a reduction of \$4.5m from the 2002–03 estimated actual. The reduction is attributable to the forecast losses as mentioned in the statement of financial performance.

The agency's primary asset, 'Infrastructure, plant and equipment', is projected to reduce by \$1.5m to \$11.3m due primarily to lower capital purchases that depreciation allowance.

The agency's primary liability continues to be accrued employee entitlements of \$6.9m.

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	34,263	65,069	66,570	68,055	69,331
Other	1,398	2,729	2,779	2,830	2,848
Total revenues from ordinary activities	35,661	67,798	69,349	70,885	72,179
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	13,708	28,308	26,562	27,872	28,216
Suppliers	12,415	22,627	22,307	22,738	23,521
Depreciation and amortisation	1,644	3,519	3,653	2,774	2,245
Other	7,273	17,805	16,719	17,393	18,089
Total expenses from ordinary activities (excluding borrowing costs expense)	35,040	72,259	69,664	70,777	72,071
Borrowing costs expense	54	39	108	108	108
Net surplus or (deficit) from ordinary activities	567	(4,500)	-	-	-
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or (deficit)	567	(4,500)	-	-	-
Capital use charge	567	-	-	-	-
Net surplus or (deficit) after capital use charge	-	(4,500)	-	-	-

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

** The 2002-03 estimated actual reflects the period 1 January to 30 June 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	4,547	4,998	4,432	5,400	3,540
Receivables	524	524	524	524	525
Other	4,500	-	-	-	-
Total financial assets	9,571	5,522	4,956	5,924	4,065
Non-financial assets					
Land, buildings, infrastructure, plant and equipment	12,847	11,328	11,475	10,202	11,456
Other non financial assets	926	926	926	925	925
Total non-financial assets	13,773	12,254	12,401	11,127	12,381
Total assets	23,344	17,776	17,357	17,051	16,446
LIABILITIES					
Interest bearing liabilities					
Other debt	338	268	198	128	58
Lease	865	334	1,840	920	-
Total interest bearing liabilities	1,203	602	2,038	1,048	58
Provisions and payables					
Employees	7,652	6,987	6,301	6,553	6,684
Suppliers	3,128	3,321	2,153	2,584	2,842
Other	20	25	24	25	21
Total provisions and payables	10,800	10,333	8,478	9,162	9,547
Total liabilities	12,003	10,935	10,516	10,210	9,605
EQUITY					
Capital	11,341	11,341	11,341	11,341	11,341
Reserves	-	-	-	-	-
Current Result	-	(4,500)	-	-	-
Accumulated surpluses or (deficits)	-	-	(4,500)	(4,500)	(4,500)
Total equity	11,341	6,841	6,841	6,841	6,841
Liabilities and equity	23,344	17,776	17,357	17,051	16,446
Total assets and liabilities by maturity					
Current Assets	9,571	5,522	4,956	5,924	4,064
Non Current Assets	13,773	12,254	12,401	11,127	12,382
Current Liabilities	10,652	9,670	9,696	9,359	8,736
Non Current Liabilities	1,351	1,265	820	851	869

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	31,962	65,069	66,570	68,055	69,331
Other	5,423	6,772	6,682	6,843	7,009
Total cash received	37,384	71,841	73,252	74,898	76,340
Cash used					
Employees	13,484	28,974	27,248	27,620	28,084
Suppliers	25,178	44,330	41,868	43,782	45,588
Total cash used	39,026	73,304	69,116	71,402	73,672
Net cash from operating activities	(1,641)	(1,463)	4,136	3,496	2,668
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Tied Funding Preservation	-	4,500	-	-	-
Total cash received	-	4,500	-	-	-
Cash used					
Purchase of property, plant and equipment	1,000	2,000	3,800	1,500	3,500
Tied Funding Preservation	4,500	-	-	-	-
Total cash used	5,500	2,000	3,800	1,500	3,500
Net cash from investing activities	(5,500)	2,500	(3,800)	(1,500)	(3,500)
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Loan repayments	275	586	902	1,028	1,028
Capital use paid	567	-	-	-	-
Total cash used	842	586	902	1,028	1,028
Net cash from financing activities	(842)	(586)	(902)	(1,028)	(1,028)
Net increase in cash held	(7,983)	451	(566)	968	(1,860)
Cash at the beginning of the reporting period	12,530	4,547	4,998	4,432	5,400
Cash at the end of the reporting period	4,547	4,998	4,432	5,400	3,540

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	-	-	-	-	-
Total loans	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally by departmental resources	1,000	2,000	3,800	1,500	3,500
Total	1,000	2,000	3,800	1,500	3,500

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

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Other infrastructure plant and equipment \$'000	Total infrastructure plant and equipment \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
Carrying amount at the start of year	-	3,911	3,911	8,029	8,029	908	-	12,847
Additions	-	-	-	2,000	2,000	-	-	2,000
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	814	814	2,167	2,167	538	-	3,519
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	3,097	3,097	7,861	7,861	370	-	11,328
Total additions								
Self funded	-	-	-	2,000	2,000	-	-	2,000
Appropriations	-	-	-	-	-	-	-	-
Total	-	-	-	2,000	2,000	-	-	2,000

NOTES TO THE FINANCIAL STATEMENTS

1. Revenues from Government

The Estimated actual for 2002–03 is based on a six month ACC forecast which consolidates the remaining revenues from the former NCA, ABCI and OSCA.

2. Operating performance

Budget estimates for 2003–04 are predicated on ACC operating costs exceeding revenue by meeting tied funding obligations of \$4.5m. These obligations were not fully acquitted by the former NCA.

3. Financial Assets

Cash

It is estimated that the agency will finish the 2002–03 year with a \$4.5m carryover of preserved tied funding and working capital cash reserves of \$4.5m.

Receivables

The major receivable in all years is GST refundable by the Australian Tax Office

Non Financial Assets

Capital purchases during the period 2003–04 is budgeted to be lower than the depreciation charge; resulting in a reduction in non financial assets.

4. Financial Liabilities

Interest Bearing Liabilities

There is a reduction in lease liabilities as contracts approach completion dates in 2003–04. However new leases are budgeted for in 2004–05.

Provisions and Payables

Projected reductions in supplier expenditure in forward years and improved procurement practice will result in a reduction in supplier liabilities.

Section 4: Purchaser/Provider and Cost Recovery arrangements

PURCHASER/PROVIDER ARRANGEMENTS

Cross Agency Overview

The ACC will second personnel from the Australian Federal Police (AFP), Australian Taxation Office (ATO) and the Australian Customs Service (ACS) to work in intelligence services and operations and in investigations. The ACC reimburses the direct costs of these personnel.

Similar arrangements apply to secondees from State Police forces.

Responsibility and Control Arrangements

Personnel seconded to the ACC, remain under the control and direction of the ACC; however, they retain the terms and conditions and disciplinary regime of their home agency.

Resourcing

Purchase of services from seconding agencies is resourced through all three outputs.

COST RECOVERY ARRANGEMENTS

Summary of Cost Recovery Impact Statement

The ACC has a cost recovery policy which is premised on establishing memorandums of understanding with partner agencies to cover services the ACC provides.

Cost recovery for the ACC covers payments by jurisdictions for use of ACC national criminal intelligence information services and reimbursements by partner law enforcement agencies for some costs incurred in the course of an investigation; as disclosed in Table 1.3: Receipts from independent sources – Sales of goods and services.