

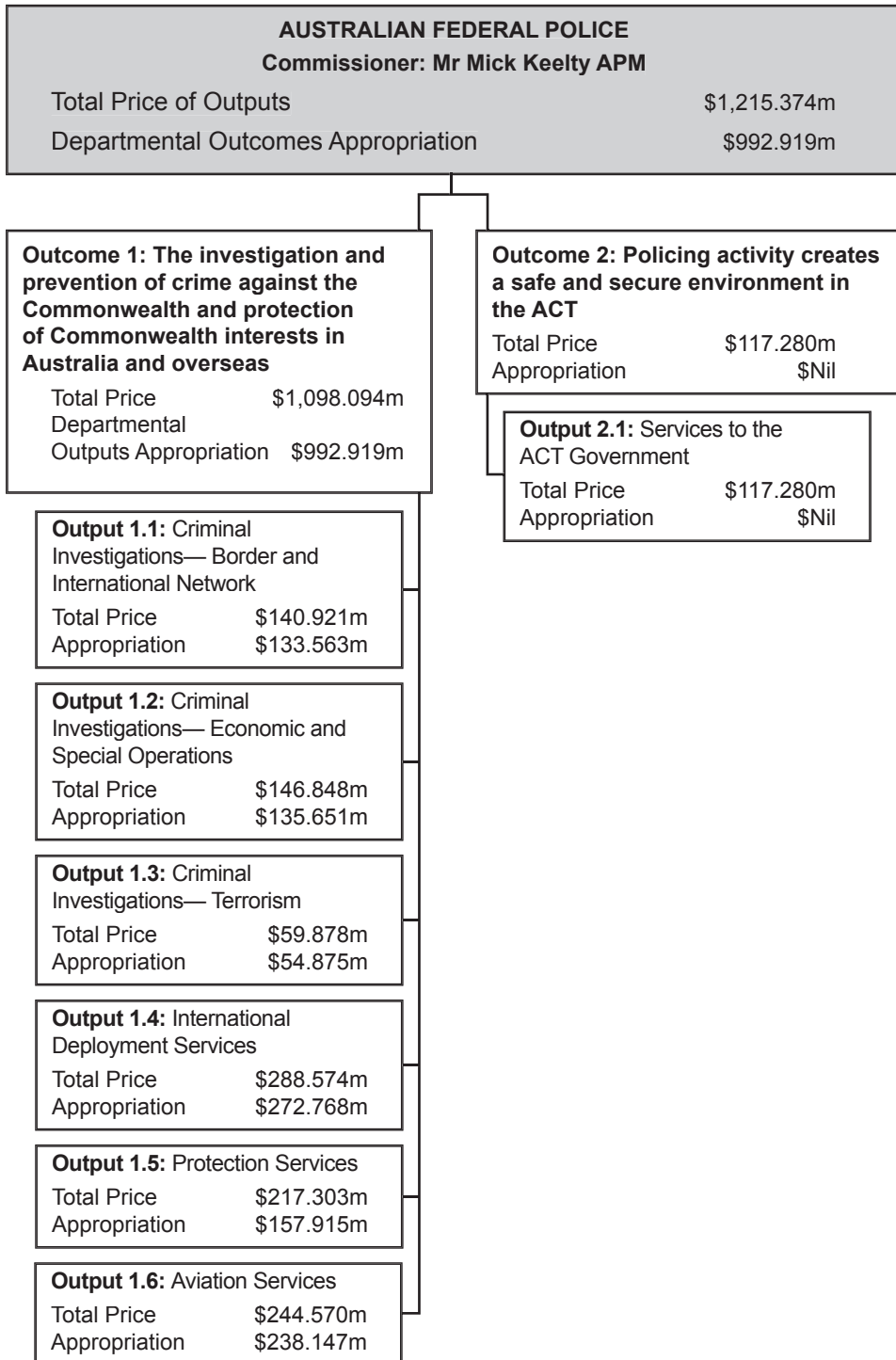
AUSTRALIAN FEDERAL POLICE

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There are no changes to the role or outcome or output structure of the Australian Federal Police (AFP) as a result of additional estimates.

Figure 2: Outcome and output structure for Australian Federal Police



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Variations—measures

The AFP's revised budget and forward estimates have been adjusted to reflect the additional estimates new measures detailed in tables 1.2 and 1.4. The AFP's revised budget and forward estimates have been adjusted to implement the election commitment savings measure of a one-off increase in the efficiency dividend of 2% commencing in 2007–08.

Variations—other adjustments

Wage cost indices are used to adjust most Commonwealth expense items. The adjustments at additional estimates incorporate changes that have occurred in the indices since May 2007.

Table 1.2: Additional estimates and variations to outcomes—measures

	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)
Outcome 1				
Increase in estimates (departmental)				
Net Alert—Protecting Australian Families Online—additional resourcing	4,410	9,523	13,750	13,880
Northern Territory Emergency Response—promoting law and order ¹	–	9,159	9,270	–
Regional Assistance Mission to Solomon Islands	5,578	–	–	–
Additional Police Officers—Recruitment and Retention program	5,000	5,000	5,000	5,000
Deployment to Afghanistan ²	–	–	–	–
Office of National Security—establishment ³	(48)	(69)	(103)	(104)
Australian Federal Police—Termination of Residential and Accommodation Lease in PNG	(700)	–	–	–
Election commitment savings: 2% efficiency dividend	(4,523)	(19,626)	(20,647)	(20,420)
Efficiency dividend: increase in rate from 1% to 1.25% per annum	–	(2,264)	(2,368)	(2,296)
Total changes in departmental appropriation	9,717	1,723	4,902	(3,940)

Notes:

1. Funding for this measure also includes \$7.401m in 2007–08. This amount was published in the *Portfolio Supplementary Estimates Statements 2007–08* and was not included in this table.

2. This measure will be funded through reallocation of the AFP's existing resources.

3. This measure is funded equally from contributing agencies within the Attorney-General's portfolio.

Table 1.3: Additional estimates and variations to outcomes—other variations

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Variations (departmental)				
Wage cost index adjustments	–	1,774	1,885	2,697
Total variations in departmental appropriation	–	1,774	1,885	2,697

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007–08 Budget

Measure	Outcome	Output groups affected	Appropriations 2007–08 (\$'000)			Appropriations 2008–09 (\$'000)			Appropriations 2009–10 (\$'000)			Appropriations 2010–11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
EXPENSE MEASURES														
Net Alert—Protecting Australian Families Online—additional resourcing	1	1.2	–	4,328	4,328	–	9,361	9,361	–	13,568	13,568	–	13,678	13,678
Northern Territory Emergency Response—promoting law and order ¹	1	1.4	–	–	–	–	9,159	9,159	–	9,270	9,270	–	–	–
Regional Assistance Mission to Solomon Islands	1	1.4	–	5,578	5,578	–	–	–	–	–	–	–	–	–
Additional Police Officers—Recruitment and Retention program	1	all	–	5,000	5,000	–	–	–	–	5,000	5,000	–	5,000	5,000
Deployment to Afghanistan	1	1.4	–	–	–	–	–	–	–	–	–	–	–	–
Office of National Security—establishment	1	1.3	–	(48)	(48)	–	–	(69)	–	–	(103)	–	(104)	(104)
Australian Federal Police—Termination of Residential and Accommodation Lease in PNG	1	1.4	–	(700)	(700)	–	–	–	–	–	–	–	–	–

Table 1.4: Summary of measures since the 2007–08 Budget (continued)

Measure	Outcome	Output groups affected	Appropriations 2007–08 (\$'000)			Appropriations 2008–09 (\$'000)			Appropriations 2009–10 (\$'000)			Appropriations 2010–11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
EXPENSE MEASURES (continued)														
Election commitment savings: 2% efficiency dividend	1	all	–	(4,523)	(4,523)	–	(19,626)	(19,626)	–	(20,647)	(20,647)	–	(20,420)	(20,420)
Efficiency dividend: increase in rate from 1% to 1.25% per annum	1	all	–	–	–	–	(2,264)	(2,264)	–	(2,368)	(2,368)	–	(2,296)	(2,296)
Total expense measures			–	9,635	9,635	–	1,561	1,561	–	4,720	4,720	–	(4,142)	(4,142)
CAPITAL MEASURES														
Net Alert—Protecting Australian Families Online—additional resourcing	1	1.2	–	554	554	–	708	708	–	585	585	–	106	106
Total capital measures			–	554	554	–	708	708	–	585	585	–	106	106
Total of all measures			–	10,189	10,189	–	2,269	2,269	–	5,305	5,305	–	(4,036)	(4,036)

Note:

1. Funding for this measure also includes \$7.401m in 2007–08. This amount was published in the Portfolio Supplementary Estimates Statements 2007–08 and was not included in this table.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007–08

	2006–07 Available (\$'000)	2007–08 budget (\$'000)	2007–08 Revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas	873,580	983,202	992,919	14,988	(5,271)
Outcome 2					
Policing activity creates a safe and secure environment in the ACT	–	–	–	–	–
Total Australian Federal Police	873,580	983,202	992,919	14,988	(5,271)

Note: The 2007–08 Budget figure for Outcome 1 includes \$7.401m for the 'Northern Territory Emergency Response—promoting law and order' measure as published in the *Portfolio Supplementary Estimates Statements 2007–08*.

Table 1.6: Appropriation Bill (No. 4) 2007–08

	2006–07 Available (\$'000)	2007–08 budget (\$'000)	2007–08 Revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	61,330	90,066	90,620	554	–
Total non-operating	61,330	90,066	90,620	554	–
Total Australian Federal Police	61,330	90,066	90,620	554	–

SUMMARY OF STAFFING CHANGES

Table 1.7: Average staffing level

	2007–08 Budget	2007–08 Revised	Variation
Outcome 1			
The investigation and prevention of crime against the Commonwealth and protection of Commonwealth interests in Australia and overseas	5,231	5,471	240
Outcome 2			
Policing activity creates a safe and secure environment in the ACT	876	879	3
Total	6,107	6,350	243

Note: The 2007–08 revised Outcome 1 figure does not include 321 State Police seconded to the AFP for Aviation Security (207) and International Deployments (114). The variation between the budget and revised Outcome 1 figures is due to the new measures detailed in Table 1.4.

OTHER RESOURCES AVAILABLE TO BE USED

Table 1.8 provides details of other resources available to be used, which include *Financial Management and Accountability Act 1997 s. 31* receipts, *Commonwealth Authorities and Companies Act 1997* body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 1.8: Other resources available to be used

	Budget estimate 2007–08 (\$'000)	Revised estimate 2007–08 (\$'000)
Departmental other resources		
ACT Government and ACT Policing	117,056	117,280
Sales of goods and services	77,844	105,175
Other revenue	13	–
Resources received free of charge	298	6,958
Total departmental other resources available to be used	195,211	229,413

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.10: Estimates of special account flows

	Outcome no.	Opening balance 2007–08 ¹ 2006–07 ¹ (\$'000)	Receipts 2007–08 2006–07 (\$'000)	Payments 2007–08 2006–07 (\$'000)	Closing balance 2007–08 2006–07 (\$'000)
AFP Protective Services Special Account—s. 20 FMA Act (D) ²	1	102 4,845	95 119,362	197 124,105	– 102
Other Trust Monies Account—s. 20 FMA Act (D) ³	1	11,222 7,243	15,601 18,145	16,842 14,166	9,981 11,222
Services for Other Government and Non-Agency Bodies Account—s. 20 FMA Act (D) ⁴	1	444 159	628 497	672 212	400 444
AFP Asia/Pacific Group on Money Laundering Special Account—s. 20 FMA Act (D)	1	701 1,001	1,803 1,593	1,826 1,893	678 701
Total special accounts		12,469 13,248	18,127 139,597	19,537 140,376	11,059 12,469

D = Departmental.

Acts glossary: FMA Act = *Financial Management and Accountability Act 1997*.

Notes:

1. The revised opening balance for 2006–07 is the same as the final closing balance for 2006–07. This balance may have changed from that shown in the *Portfolio Budget Statements 2007–08* as the actual for 2006–07 may have been updated to reflect the final budget outcome for that year.

2. AFP Protective Services Special Account will be closed in 2007–08 now that Protective Services functions have been incorporated within the broader AFP.

3. Other Trust Monies Account comprises the following accounts, as published in the *Portfolio Budget Statements 2007–08*:

- AFP Official Exhibits and Seized Monies and Manual Cheque Issue Exempt SPM Account
- AFP Official MPR and Warrants and Manual Cheque Issue SPM Accounts
- AFP Official Salary Packaging Exempt SPM Account, and
- AFP Official Comcare SPM Trust Account.

4. Services for Other Government and Non-Agency Bodies Account (SOG) comprises the following accounts, as published in the *Portfolio Budget Statements 2007–08*:

- AFP Official National Police Memorial Exempt SPM Trust Account, and
- AFP Trust Account—Australian Disaster Victim Identification Committee.

The SOG account also comprises two new accounts:

- AFP Official ADVI Database Exempt SPM Account, and
- AFP Official ADVI Comtrain Exempt SPM Account.

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Figure 2 displays the outcome statements and output groups for the AFP.

There are no changes to the outcome and output structure as a result of additional estimates.

Apart from price as shown in Figure 2 there have been no changes to performance information.

Outcome 1

The change to appropriation from Government is \$9.717m, an increase of 0.98% since Budget. The increase reflects \$14.240m in additional measure funding offset by the application of the additional efficiency dividend (\$4.523m).

Outcome 2

The increase of \$0.224m to \$117.280m since Budget is due to ACT Government Initiatives.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Budgeted departmental income statement

Revenue

Total revenue is estimated to be \$1,215.374m, a net increase of \$44.673m since 2007–08 Budget. The net increase is a result of:

- appropriation revenue increase of \$14.988m resulting from new measures funding (see tables 1.2 and 1.4)
- appropriation revenue decrease of \$0.748m resulting from savings measures

- appropriation revenue decrease of \$4.523m resulting from the prorated application of the additional 2% efficiency dividend
- increased funding for Outcome 2 (up by \$0.224m) resulting from ACT Government Initiatives, and
- increased funding provided in the *Portfolio Supplementary Estimates Statements 2007–08* for the 'Northern Territory National Emergency Response – promoting law and order' measure totalling \$7.401m.

SALE OF GOODS AND SERVICES

The increase in goods and services revenue for Outcome 1 of \$27.331m is due to:

- an increase in estimated other sales of goods and services revenue for the AFP of \$13.525m, and
- an increase in estimated rendering of services revenue for the International Deployment Group of \$13.806m for activities such as AusAID-funded initiatives.

The total gains figure has increased by \$6.647m due to the inclusion of resources received free of charge.

Expenses

Total expenses are estimated to be \$1,222.332m, an increase of \$51.320m from the previously published 2007–08 estimates. This reflects the adjustments to revenue outlined above.

EMPLOYEE EXPENSES

The net increase to employee expenditure of \$46.680m on previously published figures is primarily due to the effect of the new measures, as detailed in Table 1.4, as well as other increased revenue estimates.

SUPPLIER EXPENSES

The net increase to supplier expenditure of \$31.836m on previously published figures is primarily due to the effect of the new measures, as detailed in Table 1.4, as well as other increased revenue estimates.

Budgeted departmental balance sheet

The AFP's revised 2007–08 total asset position of \$668.959m represents a net decrease of \$5.528m since Budget.

Additional capital funding of \$0.554m has been provided for the Protecting Australian Families Online measure.

A reassessment of a number of budgeted balance sheet items has been conducted since the last budget update which has resulted in some variation between previously budgeted estimates and the revised estimates.

The difference between the previously published estimates and the revised estimates is a result of the inclusion of the 2006–07 actual results.

Infrastructure, plant and equipment

The details of new capital funding received are presented in Table 1.4. Self-funded acquisitions relate to the replacement and upgrade of existing infrastructure, plant and equipment.

Intangibles

The increase in intangibles represents internally funded acquisitions as part of asset replacement.

Budgeted departmental statement of cash flows

The statement of cash flows sets out the net cash received from operating activities, investment in assets (as reflected in the acquisition of non-financial assets), and financing activities in the form of equity injections from Government. Projected cash flows take into account the need to maintain staffing capabilities, wage cost increases and the capacity to cover asset replacements.

Departmental statement of changes in equity—summary of movement

The changes in budgeted equity relate to equity injections from the 2007–08 Budget and Additional Estimates measures.

Departmental capital budget statement

The AFP is estimating capital outlays of \$135.214m in 2007–08. Some of these are funded through capital appropriations (\$90.620m), which relate to measures in the 2007–08 Additional Estimates and 2007–08 Budget. The balance of \$44.594m is funded internally and reflects the AFP's asset replacement program.

Administered

The AFP no longer has a Schedule of Budgeted Revenues and Expenses, due to lapsed funding for 2006–07.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

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

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
INCOME					
Revenue					
Revenue from Government	873,580	992,919	984,815	1,039,105	1,019,780
Goods and services	185,478	204,234	200,268	201,103	196,103
Rents	2,698	500	–	–	–
Other	20,594	17,721	11,915	6,915	6,915
Total revenue	1,082,350	1,215,374	1,196,998	1,247,123	1,222,798
Gains					
Other	6,921	6,958	6,958	6,958	6,958
Total gains	6,921	6,958	6,958	6,958	6,958
Total income	1,089,271	1,222,332	1,203,956	1,254,081	1,229,756
EXPENSES					
Employees	533,520	672,891	671,850	714,137	709,189
Suppliers	503,982	486,218	429,694	423,592	395,320
Depreciation and amortisation	51,483	56,999	96,188	110,128	119,023
Finance costs	647	–	–	–	–
Write-down and impairment of assets	262	43	43	43	43
Net losses from sale of assets	4,499	–	–	–	–
Other	–	6,181	6,181	6,181	6,181
Total expenses	1,094,393	1,222,332	1,203,956	1,254,081	1,229,756
Operating result before income tax	(5,122)	–	–	–	–
Income tax expense	929	–	–	–	–
Net operating result	(6,051)	–	–	–	–
Net surplus or (deficit) attributable to the Australian Government	(6,051)	–	–	–	–

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	13,702	29,994	31,136	32,324	33,559
Receivables	346,791	355,515	401,344	458,213	524,028
Accrued revenues	9,466	9,478	9,489	9,500	9,511
Total financial assets	369,959	394,987	441,969	500,037	567,098
Non-financial assets					
Land and buildings	69,880	113,543	161,434	157,509	126,497
Infrastructure, plant and equipment	92,097	124,987	155,838	151,270	136,044
Inventories	3,839	3,839	3,839	3,839	3,839
Intangibles	21,025	22,687	28,991	32,928	37,475
Other	8,916	8,916	8,916	8,916	8,916
Total non-financial assets	195,757	273,972	359,018	354,462	312,771
Total assets	565,716	668,959	800,987	854,499	879,869
LIABILITIES					
Payables					
Suppliers	56,397	58,653	60,999	63,439	65,977
Dividends	1,084	1,084	1,084	1,084	1,084
Tax liabilities	2,798	2,638	2,638	2,638	2,638
Other payables	4,536	4,563	4,511	4,511	4,511
Total payables	64,815	66,938	69,232	71,672	74,210
Provisions					
Employees	142,421	152,921	163,421	173,921	184,421
Other provisions	8,433	8,433	8,433	8,433	8,433
Total provisions	150,854	161,354	171,854	182,354	192,854
Total liabilities	215,669	228,292	241,086	254,026	267,064
EQUITY					
Parent entity interest					
Contributed equity	313,123	403,743	522,977	563,549	575,881
Reserves	12,208	12,208	12,208	12,208	12,208
Retained surpluses or accumulated deficits	24,716	24,716	24,716	24,716	24,716
Total parent entity interest	350,047	440,667	559,901	600,473	612,805
Total equity	350,047	440,667	559,901	600,473	612,805
Current assets	378,875	403,903	450,885	508,953	576,014
Non-current assets	186,841	265,056	350,102	345,546	303,855
Current liabilities	202,729	214,594	226,621	238,784	251,040
Non-current liabilities	12,940	13,698	14,465	15,242	16,024

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

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services	206,548	225,097	214,839	207,548	203,018
Appropriations	887,558	981,568	936,319	982,695	953,954
Net GST received	31,845	28,273	22,573	21,711	19,469
Total cash received	1,125,951	1,234,938	1,173,731	1,211,954	1,176,441
Cash used					
Employees	533,132	662,391	661,350	703,637	698,689
Suppliers	513,699	505,277	442,963	435,905	405,293
Cash to the Official Public Account	8,579	6,384	6,276	6,224	6,224
Total cash used	1,055,410	1,174,052	1,110,589	1,145,766	1,110,206
Net cash from or (used by) operating activities	70,541	60,886	63,142	66,188	66,235
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	17	–	–	–	–
Total cash received	17	–	–	–	–
Cash used					
Purchase of property, plant and equipment and intangibles	108,499	135,214	181,234	105,572	77,332
Other cash used	7,528	–	–	–	–
Total cash used	116,027	135,214	181,234	105,572	77,332
Net cash from or (used by) investing activities	(116,010)	(135,214)	(181,234)	(105,572)	(77,332)
FINANCING ACTIVITIES					
Cash received					
Appropriations—contributed equity	44,081	90,620	119,234	40,572	12,332
Total cash received	44,081	90,620	119,234	40,572	12,332
Cash used					
Dividends paid	1,214	–	–	–	–
Total cash used	1,214	–	–	–	–
Net cash from or (used by) financing activities	42,867	90,620	119,234	40,572	12,332
Net increase or (decrease) in cash held	(2,602)	16,292	1,142	1,188	1,235
Cash at the beginning of the reporting period	16,304	13,702	29,994	31,136	32,324
Cash at the end of the reporting period	13,702	29,994	31,136	32,324	33,559

Table 3.4: Departmental statement of changes in equity—summary of movement (Budget year 2007–08)

	Accumulated results (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2007				
Balance carried forward from previous period	24,716	12,208	313,123	350,047
Income and expenses				
Net operating result	-	-	-	-
Total income and expenses	-	-	-	-
Transactions with owners				
Appropriation (equity injection)	-	-	90,620	90,620
Sub-total transactions with owners	-	-	90,620	90,620
Estimated closing balance as at 30 June 2008				
	24,716	12,208	403,743	440,667

Table 3.5: Departmental capital budget statement

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
CAPITAL APPROPRIATIONS					
Total equity injections	61,330	90,620	119,234	40,572	12,332
Total capital appropriations	61,330	90,620	119,234	40,572	12,332
Represented by					
Purchase of non-financial assets	61,330	90,620	119,234	40,572	12,332
Total represented by	61,330	90,620	119,234	40,572	12,332
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	44,081	90,620	119,234	40,572	12,332
Funded internally by departmental resources	64,418	44,594	62,000	65,000	65,000
Total	108,499	135,214	181,234	105,572	77,332

Table 3.6: Departmental property, plant, equipment and intangibles—summary of movement (Budget year 2007–08)

	Land (\$'000)	Buildings (\$'000)	Other infrastructure, plant and equipment (\$'000)	Computer software (\$'000)	Total (\$'000)
As at 1 July 2007					
Gross book value	492	87,003	120,429	38,708	246,632
Accumulated depreciation	–	(17,615)	(28,332)	(17,683)	(63,630)
Opening net book value	492	69,388	92,097	21,025	183,002
Additions					
<i>By purchase</i>	–	55,446	71,667	8,101	135,214
Depreciation/amortisation expense	–	(11,783)	(38,777)	(6,439)	(56,999)
As at 30 June 2008					
Gross book value	492	142,449	192,096	46,809	381,846
Accumulated depreciation	–	(29,398)	(67,109)	(24,122)	(120,629)
Estimated closing net book value	492	113,051	124,987	22,687	261,217

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The budgeted financial statements have been prepared on an accrual basis, in accordance with the Australian Accounting Standards, the Australian Equivalents to International Financial Reporting Standards and Accounting Guidance Releases, and having regard to Statements of Accounting Concepts.

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.

Supplier expenses

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

Cash

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

Assets

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

Liabilities

Liabilities are made up of employee salary and leave entitlement, property lease make-good provisions and amounts owed to creditors.