

AUSTRALIAN CRIME COMMISSION

Section 1: Overview

The Australian Crime Commission (ACC) is an independent statutory authority established on 1 January 2003 under the *Australian Crime Commission Act 2002*.

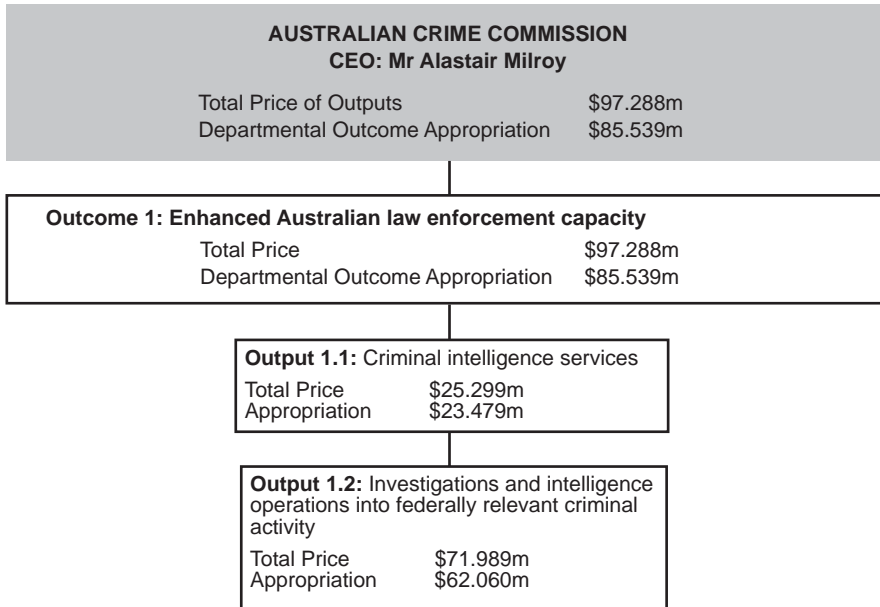
The primary goal of the ACC is to enhance Australian law enforcement's capacity to deal with serious and organised crime by providing advice on national criminal intelligence priorities, conducting intelligence operations, providing a range of criminal intelligence products and delivering national criminal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

The ACC Board which consists of the heads of major Australian Government, 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.

There are no changes to the ACC's role, mission or its outcomes and outputs. Performance indicators have been amended post PAES 2005-06.

Table 1.1: Agency outcomes and output groups



Section 2: Resources for 2006-07

2.1 APPROPRIATIONS AND OTHER RESOURCES

The total departmental appropriation for the ACC in the 2006-07 Budget is \$85.539m plus capital (equity injection) of \$0.618m. Table 2.1 shows appropriations (2006-07) and other revenue by outcome. The ACC does not have any administered expenses.

2.2 2006-07 BUDGET MEASURES

Budget measures relating to the ACC as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes and outputs associated with each measure.

Table 2.2: Agency measures

MEASURE	OUTCOME	OUTPUT GROUPS AFFECTED	APPROPRIATIONS BUDGET 2006-07 \$'000			APPROPRIATIONS FORWARD ESTIMATE 2007-08 \$'000			APPROPRIATIONS FORWARD ESTIMATE 2008-09 \$'000			APPROPRIATIONS FORWARD ESTIMATE 2009-10 \$'000		
			ADM IN ITEMS	DEPT OUTPUTS	TOTAL	ADM IN ITEMS	DEPT OUTPUTS	TOTAL	ADM IN ITEMS	DEPT OUTPUTS	TOTAL	ADM IN ITEMS	DEPT OUTPUTS	TOTAL
EXPENSE MEASURES														
National Security - maintaining telecommunications interception capability ¹	1	1.2	-	775	775	-	1,235	1,235	-	1,241	1,241	-	1,324	1,324
Identity Security - establishing new strike teams ²	1	1.2	-	890	890	-	897	897	-	908	908	-	918	918
Identity Security - establishing a document verification service ³	1	1.1	-	224	224	-	225	225	-	-	-	-	-	-
Total Expense Measures			-	1,889	1,889	-	2,357	2,357	-	2,149	2,149	-	2,242	2,242
Capital Measures														
National Security - maintaining telecommunications interception capability ¹	1	1.2	-	153	153	-	1,043	1,043	-	-	-	-	-	-
Identity security - establishing a document verification service ³	1	1.1	-	210	210	-	-	-	-	-	-	-	-	-
Total Capital Measures			-	363	363	-	1,043	1,043	-	2,149	2,149	-	2,242	2,242
Total All Measures			-	2,252	2,252	-	3,400	3,400	-	2,149	2,149	-	2,242	2,242

Notes

1. National Security – telecommunications interception capability – the lead agency is the Australian Security Intelligence Organisation.
2. Identity Security Strike Team – the lead agency is the Australian Federal Police.
3. National Document Verification Services – the lead is the Attorney-General's Department.
4. The Australian Government announced, following MYEFO, a new expense and capital measure: Operation Wickenby – addressing offshore tax schemes. This was published in PAES 2005-06. Expense appropriations increased by \$3.9m in 2006-07, and \$3.2m per annum in 2007-08, 2008-09 and 2009-10.

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by the ACC for provision of goods or services. These resources are approved for use by the ACC and are included in Table 2.1.

Table 2.3: Other resources available to be used¹

	ESTIMATED RESOURCES 2005-06 \$'000	BUDGET ESTIMATE 2006-07 \$'000
DEPARTMENTAL RESOURCES		
State and territory funding	1,770	1,820
Other	3,779	-
Total departmental other resources available to be used	5,549	1,820

1. This table replaces the former table 'Receipts from Other sources'. It represents own source receipts available for spending on departmental purposes.

Receipts from State and Territory funding are for reimbursement of salaries in accordance with agreements for Intelligence Services with partner law enforcement agencies. Resources funded by jurisdictions is excluded as they are provided free of charge. Other consists solely of lease incentives where cash is received during the construction phase of a contract and accounted for over the term of the lease.

2.6 SPECIAL ACCOUNTS

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* (FMA Act). These Determinations may be disallowed by the Parliament. Table 2.6 shows that there are no expected additions (credits) and reductions (debits) for each account used by the ACC.

Table 2.6: Estimates of special account flows and balances

	Opening Balance 2006-07 <i>2005-06</i> \$'000	Credits 2006-07 <i>2005-06</i> \$'000	Debits 2006-07 <i>2005-06</i> \$'000	Adjustments 2006-07 <i>2005-06</i> \$'000	Closing Balance 2006-07 <i>2005-06</i> \$'000
Asia Pacific Money Laundering Group ¹ (D)	-	-	-	-	-
Services for Other Governments and Non-Agency Bodies (D)	-	-	-	-	-
Law Enforcement Projects (D)	-	-	-	-	-
Other Trust Money (D)	-	-	-	-	-
Total Special Accounts 2006-07 Budget Estimate	-	-	-	-	-
<i>Total Special Accounts 2005-06 Estimated Actual</i>	813	-	-	813	-

(D) = Departmental
Note

1. The Asia Pacific Money Laundering Group Special Account has been transferred to the Australian Federal Police with effect from 1 July 2005.

Section 3: Outcomes

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of the ACC and the outcomes is summarised in Table 1.1.

The ACC works to achieve the outcome specified by Government 'Enhanced Australian Law Enforcement Capacity'. The ACC has two outputs:

- criminal intelligence services, and
- investigations and intelligence operations into federally relevant criminal activity.

There are no changes to the ACC's role, mission or its outcomes and outputs. Performance indicators have been amended post PAES 2005-06.

3.2 OUTCOMES — DEPARTMENTAL

Departmental appropriations by outcome

The ACC has only one outcome.

3.3 OUTCOMES AND PERFORMANCE

Outcome 1 resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 1, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1: Total resources for Outcome 1

	ESTIMATED ACTUAL 2005-06 \$'000	BUDGET ESTIMATE 2006-07 \$'000
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 - Criminal Intelligence Services	15,837	23,479
Output 1.2 - Investigations and Intelligence Operations into Federally Relevant Criminal Activities	58,409	62,060
Total revenue from Government (appropriations) contributing to price of departmental outputs	74,246	85,539
OTHER RESOURCES AVAILABLE TO BE USED		
Output 1.1 - Criminal Intelligence Services	1,770	1,820
Output 1.2 - Investigations and Intelligence Operations into Federally Relevant Criminal Activities	8,429	9,929
Total revenue from other sources	10,199	11,749
Total resources (Total revenue from Government and from other sources)	84,445	97,288
Average staffing level (number)	505	514

Measures – Agency Summary

The Government renewed the funding for National Security – maintaining telecommunications interception capability for four years. The ACC will receive \$5.771m under this initiative including \$1.196m for capital. Telecommunications interception capability represents a cross portfolio measure, with funding provided to key law enforcement and security agencies to ensure a continued capability to intercept communications to reduce the incidence and impact of serious and organised crime.

The Government will provide the ACC with \$0.799m over two years to progress Identity Security – establishing a document verification service, including \$0.210m for capital. The funding will allow the ACC to establish a pilot national register of lost and stolen proof of identity documents which is designed to enhance identity security and reduce the incidence or impact of identity crime.

In addition, the Government will provide the ACC with \$3.613m over four years to contribute to the establishing new identity security strike teams. This is a joint response from the Australian Customs Service, Department of Immigration and Multicultural Affairs, the ACC and led by the Australian Federal Police to reduce the incidence or impact of identity crime. The ACC will provide analytical support to the strike teams to assist with prioritising of taskings and to ensure intelligence outcomes are made available to support law enforcement and government decision making.

Departmental outputs

The achievement of the ACC outcome, Enhanced Australian law enforcement capacity, is determined 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 Australian Government, State and Territory law enforcement agencies and to successfully advise the ACC Board on national criminal intelligence priorities.

Output 1.2 Investigations and intelligence operations into federally relevant criminal activity

This output covers ACC Board approved intelligence operations and investigations into serious and organised crime which is an offence against a law of the Australian Government 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.

Performance information for Outcome 1

Performance information for individual outputs of the ACC are summarised in Table 3.2.

Table 3.2: Performance information for Outcome 1

Performance Indicators for Individual Outputs	
<i>Output Description</i>	<i>Performance Measure</i>
Output 1.1: Criminal intelligence services	<p>Quality: Provision and maintenance of effective and efficient criminal intelligence systems</p> <p>Quality and value of strategic criminal intelligence assessments, threat assessments and other products and services</p> <p>Provision of timely, high quality advice to the ACC Board on national criminal intelligence priorities</p> <p>Quantity: Number and value of disseminations to law enforcement and other relevant agencies</p> <p>Price: \$25.299m</p>
Output 1.2: Investigations and intelligence operations into federally relevant criminal activities	<p>Quality: Effective collaboration with partner law enforcement and other relevant agencies to progress criminal intelligence and investigative priorities</p> <p>Effective use of coercive powers to support criminal intelligence and investigative objectives</p> <p>Disruption of criminal syndicates</p> <p>Effective and efficient delivery of the ACC Board approved criminal intelligence and investigative priorities</p> <p>Quantity: Number and value of disseminations to law enforcement and other relevant agencies</p> <p>Number and significance of arrests and charges</p> <p>Value of proceeds of crime</p> <p>Price: \$71.989m</p>

Evaluations for Outcome 1

The ACC will review its performance as part of an integrated performance management process. The ACC Business Plan and Business Unit Plans will be assessed against performance objectives for all operational and corporate areas.

Section 4: Other reporting requirements

4.1 PURCHASER-PROVIDER ARRANGEMENTS

The ACC will second personnel from the Australian Federal Police, the Australian Taxation Office and the Australian Customs Service to work in intelligence services and operations and in investigations. The ACC reimburses the direct costs of these personnel except where arrangements are made for contributing agencies to pay these costs.

Similar arrangements apply to secondees from State Police forces except where arrangements are made for the contributing agencies to pay these costs.

Responsibility and control arrangements

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

Resourcing

The services purchased from seconding agencies contribute to both the ACC outputs and are reported in 'Other Expenses' in Table 5.1.

4.2 COST RECOVERY ARRANGEMENTS

Summary of cost recovery impact statement

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

Cost recovery for the ACC covers payments by jurisdictions for use of the ACC national criminal intelligence information and services and reimbursements by

partner law enforcement agencies for some costs incurred in the course of an investigation as disclosed in Table 3.1: Total resources for Outcome 1 – Other resources available to be used (Output 1.1).

Section 5: Budgeted financial statements

The accounting policies used in the preparation of the budgeted financial statements are consistent with those used in prior years.

The budgeted financial statements have been prepared in accordance with applicable accounting standards and Finance Minister’s Orders made under the FMA Act.

Refer to the Notes to the Financial Statement below for explanations for movements in financial statements.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted financial statements tables

Table 5.1: Budgeted departmental income statement for the period ended 30 June

	ESTIMATED ACTUAL 2005-06 \$'000	BUDGET ESTIMATE 2006-07 \$'000	FORWARD ESTIMATE 2007-08 \$'000	FORWARD ESTIMATE 2008-09 \$'000	FORWARD ESTIMATE 2009-10 \$'000
INCOME					
REVENUE					
Revenues from Government	74,246	85,539	80,211	81,241	82,045
State and Territory Funding	1,770	1,820	1,870	1,920	1,970
Other	8,429	9,929	10,080	10,229	10,378
Total revenue	84,445	97,288	92,161	93,390	94,393
EXPENSE					
Employees	38,631	41,787	43,086	43,547	43,568
Suppliers	27,753	34,223	27,506	29,216	29,433
Depreciation and amortisation	4,177	4,637	5,475	5,038	4,399
Other	15,884	16,641	16,094	15,589	16,993
Total expenses	86,445	97,288	92,161	93,390	94,393
Operating result from continuing operations	(2,000)	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	(2,000)	-	-	-	-

Table 5.2: Budgeted departmental balance sheet as at 30 June

	ESTIMATED ACTUAL 2005-06 \$'000	BUDGET ESTIMATE 2006-07 \$'000	FORWARD ESTIMATE 2007-08 \$'000	FORWARD ESTIMATE 2008-09 \$'000	FORWARD ESTIMATE 2009-10 \$'000
ASSETS					
FINANCIAL ASSETS					
Cash	3,463	4,317	2,969	4,217	4,217
Receivables	4,613	2,414	2,414	2,414	2,414
Total financial assets	8,076	6,731	5,383	6,631	6,631
Non-financial assets					
Land and buildings	10,409	12,580	12,662	11,668	11,668
Infrastructure, plant and equipment	4,448	3,839	5,745	4,582	4,582
Intangibles	974	926	796	741	741
Other	1,441	1,502	1,550	1,603	1,603
Total non-financial assets	17,272	18,847	20,753	18,594	18,594
Total assets	25,348	25,578	26,136	25,225	25,225
LIABILITIES					
Interest bearing liabilities					
Other	3,490	3,070	2,658	1,810	1,810
Total interest bearing liabilities	3,490	3,070	2,658	1,810	1,810
Provisions					
Employees	9,305	9,201	9,103	9,015	9,015
Total provisions	9,305	9,201	9,103	9,015	9,015
Payables					
Suppliers	5,489	5,625	5,650	5,675	5,675
Total payables	5,489	5,625	5,650	5,675	5,675
Total liabilities	18,284	17,896	17,411	16,500	16,500
EQUITY*					
Parent entity interest					
Contributed equity	11,262	11,880	12,923	12,923	12,923
Reserves	987	987	987	987	987
Retained surpluses or accumulated deficits	(5,185)	(5,185)	(5,185)	(5,185)	(5,185)
Total parent entity interest	7,064	7,682	8,725	8,725	8,725
Total equity	7,064	7,682	8,725	8,725	8,725
Current assets	9,517	8,233	6,933	8,234	8,234
Non-current assets	15,831	17,345	19,203	16,991	16,991
Current liabilities	11,723	11,790	11,749	11,715	11,715
Non-current liabilities	6,561	6,106	5,662	4,785	4,785

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June

	ESTIMATED ACTUAL 2005-06 \$'000	BUDGET ESTIMATE 2006-07 \$'000	FORWARD ESTIMATE 2007-08 \$'000	FORWARD ESTIMATE 2008-09 \$'000	FORWARD ESTIMATE 2009-10 \$'000
OPERATING ACTIVITIES					
CASH RECEIVED					
Appropriations	72,246	87,738	80,211	81,241	82,045
Other	4,545	5,240	4,610	4,831	4,902
Total cash received	76,791	92,978	84,821	86,072	86,947
Cash used					
Employees	38,625	41,891	43,184	43,635	43,568
Suppliers	30,581	37,568	30,269	32,155	32,365
Other	7,455	6,712	6,014	5,360	6,615
Total cash used	76,661	86,171	79,467	81,150	82,548
Net cash from or (used by) operating activities	130	6,807	5,354	4,922	4,399
INVESTING ACTIVITIES					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	7,131	6,571	7,745	3,674	4,399
Total cash used	7,131	6,571	7,745	3,674	4,399
Net cash from or (used by) investing activities	(7,131)	(6,571)	(7,745)	(3,674)	(4,399)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,667	618	1,043	-	-
Total cash received	1,667	618	1,043	-	-
Net cash from or (used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	(5,334)	854	(1,348)	1,248	-
Cash at the beginning of the reporting period	8,797	3,463	4,317	2,969	4,217
Cash at the end of the reporting period	3,463	4,317	2,969	4,217	4,217

Table 5.4: Departmental statement of changes in equity — summary of movement Budget 2006-07

	ACCUMULATED RESULTS \$'000	ASSET REVALUATION RESERVE \$'000	CONTRIBUTED EQUITY/ CAPITAL \$'000	TOTAL EQUITY \$'000
OPENING BALANCE AS AT 1 JULY 2006				
Balance carried forward from previous period	(5,185)	987	11,262	7,064
Adjusted opening balance	(5,185)	987	11,262	7,064
Sub-total income and expense	-	-	-	-
Net operating result	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-
Transactions with owners				
Appropriation (equity injection)	-	-	618	618
Sub-total transactions with owners	-	-	618	618
Estimated closing balance as at 30 June 2007	(5,185)	987	11,880	7,682

Table 5.5: Departmental capital budget statement

	ESTIMATED ACTUAL 2005-06 \$'000	BUDGET ESTIMATE 2006-07 \$'000	FORWARD ESTIMATE 2007-08 \$'000	FORWARD ESTIMATE 2008-09 \$'000	FORWARD ESTIMATE 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	1,667	618	1,043	-	-
Total capital appropriations	1,667	618	1,043	-	-
Represented by:					
Purchase of non-financial assets	1,667	618	1,043	-	-
Total represented by	1,667	618	1,043	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	1,667	618	1,043	-	-
Funded internally by departmental resources	8,736	5,533	6,290	2,826	4,399
Total	10,403	6,151	7,333	2,826	4,399

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement Budget year 2006-07

	BUILDINGS	OTHER INFRASTRUCTURE PLANT AND EQUIPMENT	COMPUTER SOFTWARE	TOTAL
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006				
Gross book value	14,021	11,171	2,623	27,815
Accumulated depreciation	3,612	6,723	1,649	11,984
Opening net book value	10,409	4,448	974	15,831
Additions:				
by purchase	3,300	2,538	313	6,151
Depreciation/amortisation expense	1,129	3,147	361	4,637
As at 30 June 2007				
Gross book value	17,321	13,709	2,936	33,966
Accumulated depreciation	4,741	9,870	2,010	16,621
Estimated closing net book value	12,580	3,839	926	17,345

NOTES TO THE FINANCIAL STATEMENTS

Basis of Accounting

The accounting policies used in the preparation of these budgeted financial statements are consistent with those used in prior years.

The budgeted financial statements have been prepared in accordance with applicable accounting standards and Finance Minister’s Orders made under the FMA Act.

Refer to the Notes to the Financial Statement below for explanations for movements in financial statements.

Budgeted departmental income statement for the period ended 30 June

Revenue from government

Amounts appropriated for departmental outputs appropriations 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.

Other revenue

Other revenue consists of resources received free of charge that are recognised as revenue when a fair value can be reliably measured and the service would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Employee expenses

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

Suppliers

Supplier expenses consist of infrastructure, operational expenditure, consultants, travel expenses and legal.

Other Expenses

Other expenses consists of resources received free of charge and paid resources received from partner law enforcement agencies.

Explanatory Notes

The ACC has prepared these statements on the basis of a balanced budget.

The budgeted statements incorporate a \$2m operating loss to remedy transitional issues in 2005-06 that include separations, improving work environments and corporate systems.

The ACC's base expenditure in 2005-06 and 2006-07 is consistent. The variations are due to the timing of expenditure in the Aviation Security Measure (2005-06 Additional Estimates) and the 2006-07 new and renewing measures.

The supplier expenditure in 2006-07 increases due to funding for the development of the standard intelligence exchange framework under the Aviation Security Measure.

Budgeted departmental balance sheet as at 30 June

Assets

The ACC's assets are made up cash, receivables, leasehold improvements, plant an equipment, intangibles and other assets (prepaid expenses). All assets are held at fair value.

Liabilities

The ACC'S liabilities are made up of unearned leasehold incentives, employee entitlement, property lease make-good provisions and unpaid creditors.

Explanatory Notes

The ACC's financial assets will reduce in 2006-07 and onwards as a consequence of the ACC decision to invest significantly in leasehold improvements and information technology.

Receivables include undrawn appropriations from Government and a small component of trade debtors. The receivables balance for 2006-07 will diminish significantly as the ACC utilises undrawn appropriations to fund leasehold improvements in 2006-07 and 2007-08.

The Australian Crime Commission's assets increase in value due to investments in leasehold improvements and information technology. Other non-financial assets consist of prepayments for information technology and property operating expenses.

The ACC received a significant lease incentive in 2005-06 which will be earned over the period of the lease – this is accounted for in Liabilities Other.

Budgeted departmental statement of cash flows for the period ended 30 June

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

Departmental statement of changes in equity — summary of movement Budget 2006-07

The change in equity in 2006-07 is due to equity injections for measures: the National Security – telecommunications interception capability (\$0.153m), National Document Verification Service (\$0.210m) and Aviation security (\$0.255m).

Departmental capital budget statement

Equity injections for 2006-07 are noted above. The equity injection of \$1.043m in 2007-08 is for the measure – National Security - telecommunications interception capability.