

AUSTRALIAN FEDERAL POLICE

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Federal Police (AFP) was established by the *Australian Federal Police Act 1979* (the AFP Act) to deliver effective policing services in Australia's national interests. Consistent with the National Security Statement and Ministerial Directions, the AFP remains focused on reducing criminal and other security threats to Australia's collective economic and societal interests. In collaboration with both domestic and regional law enforcement partners, the AFP's key outcomes in 2010–11 will continue to encompass:

- countering the threat of terrorism to Australians and Australian interests, both nationally and internationally
- providing assistance to strengthen law and order in the Pacific region and other areas of national interest, such as Papua New Guinea, Timor-Leste and Afghanistan
- preventing and investigating organised and serious criminal activity affecting Australians and Australian interests, and
- countering the threat from high-tech and cyber crime.

Domestically, the AFP provides community policing services to the Commonwealth territories of Christmas Island, Cocos (Keeling) Islands, Norfolk Island and Jervis Bay. The AFP also provides community policing services to the Australian Capital Territory through separate purchaser-provider arrangements.

The Federal Audit of Police Capabilities, which was delivered by Mr Roger Beale AO in 2009, recommended a number of measures which have provided the basis for a number of reforms that will help to ensure that the AFP continues to be positioned to meet these key outcomes. This included consolidating the AFP's key national capabilities around three core operational programs: security and protection, international deployments and serious crime. Adopting this recommendation in 2010–11 will provide greater flexibility in directing resources to emergent and priority needs, while also ensuring that the AFP retains the requisite resourcing within these three key areas.

The AFP also recognises the ongoing and increasing need for high-quality and networked intelligence sharing between investigative agencies. This is consistent with the findings of the Clarke Inquiry and Street Review that interoperability between law enforcement and the Australian intelligence community is critical. In 2010–11, the AFP will continue to support national security and criminal intelligence priorities through increased involvement in national and international intelligence forums.

During 2010–11, the AFP will remain committed to ongoing cooperation, collaboration and enhanced interoperability with federal, state and territory agencies (including the Australian intelligence community), and regional law enforcement partners offshore. These parties recognise the AFP's role in providing a specialist capacity in investigations, and in the development of whole-of-government and regional responses to help counter crime by building social cohesion and increasing social capital (including security) within diverse communities.

The AFP remains committed to the enhancement of the National Community Engagement Strategy, and the development of strategies to counter violent extremism. In 2010–11, the AFP is adopting a single federal model with dedicated resources and consolidated funding for the policing of Australia's major airports. This recognises the role of the AFP in helping to ensure national security, as well contributing to the public sense of safety and security nationally. The provision of high-quality protection services for individuals and interests identified to be at risk by the Commonwealth will also continue.

In close collaboration with Australian law enforcement agencies, the AFP will continue to deliver a federal law enforcement response to the incidence of organised and serious complex criminal activity (including drugs and financial criminality), and other crimes against the Commonwealth. As part of a whole-of-government approach, the AFP will also continue to respond to the threat posed by maritime people smugglers, and to investigate and dismantle people smuggling syndicates. This will include collaborating on the continued development of the Commonwealth Organised Crime Strategic Framework, in order to better allocate and coordinate resources towards combating the national security threat posed by organised crime.

An ongoing priority for the AFP is promoting the rule of law and ensuring regional stability. Funding through the 2010–11 Budget will enable the AFP to continue to help build the capacity of police forces in volatile locations, and enhance the capacity of those police forces to combat transnational crime. This will continue to include the deployment of resources to Timor-Leste and Pakistan, the maintenance of deployments and assistance provided through the Jakarta Centre for Law Enforcement Cooperation, the Regional Assistance Mission to Solomon Islands and the United Nations Mission in Sudan, and the Australian contributions to forces in Afghanistan.

One of the key challenges to law enforcement is the ability of criminals to exploit new technology, particularly in cyberspace. High Tech Crime Operations continues to provide the AFP with an enhanced capability to combat technology-enabled crime, and to enable centrally coordinated high-tech support for all areas of the AFP. More generally, keeping up with the latest crime developments requires the support of evolving business systems and processes designed to share information and assist investigations. Through the AFP's Spectrum Program, this must and will include the development of inter-operable systems to facilitate secure information sharing with partner agencies.

The AFP will also continue to enhance its core investigative capacity during the third year of a five-year program to recruit 500 new sworn members. This overarching initiative will enhance the AFP's capacity to tackle organised and transnational crime, particularly high-tech crime, drug trafficking, major fraud, money laundering and terrorism.

Continued parliamentary oversight of the AFP and the Australian Government's transparency agenda, incorporating various accountability bodies including (but not limited to) the Australian Commission for Law Enforcement Integrity and the Parliamentary Joint Committee on Law Enforcement and National Security Legislation Monitor, will help to ensure continued public confidence in the capability, openness and accountability of the AFP during 2010-11.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by administered and departmental classification.

Table 1.1: Agency resource statement—Budget estimates for 2010–11 as at Budget May 2010

	Estimate of prior year amounts available in 2010–11 (\$'000)	+ Proposed at Budget 2010–11 (\$'000)	=	Total estimate 2010–11 (\$'000)	Actual available appropriation 2009–10 (\$'000)
ORDINARY ANNUAL SERVICES¹					
Departmental appropriation					
Prior year departmental appropriation ²	176,912	–		176,912	252,856
Departmental appropriation ³	–	1,063,977		1,063,977	1,111,394
S 31 relevant agency receipts ⁴	–	268,430		268,430	266,825
Total	176,912	1,332,407		1,509,319	1,631,075
Administered expenses					
Outcome 1	–	38,805		38,805	27,221
Total	–	38,805		38,805	27,221
Total ordinary annual services A	176,912	1,371,212		1,548,124	1,658,296
OTHER SERVICES⁵					
Departmental non-operating					
Equity injections	260,760	16,146		276,906	55,523
Total	260,760	16,146		276,906	55,523
Total other services B	260,760	16,146		276,906	55,523
Total available annual appropriations	437,672	1,387,358		1,825,030	1,713,819
SPECIAL ACCOUNTS					
Opening balance ⁶	5,843	–		5,843	5,843
Appropriation receipts ⁷	–	1,521		1,521	1,521
Non-appropriation receipts to special accounts	–	7,110		7,110	7,110
Total special accounts C	5,843	8,631		14,474	14,474
Total resourcing (A+B+C)	443,515	1,395,989		1,839,504	1,728,293
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	–	1,521		1,521	1,521
Total net resourcing for agency	443,515	1,394,468		1,837,983	1,726,772

All figures are GST exclusive.

1. Appropriation Bill (No. 1) 2010–11.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$51.151m in 2010–11 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes, this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. Appropriation Bill (No. 2) 2010–11.
6. Estimated opening balance for special accounts (less 'Special Public Money' held in accounts such as Other Trust Monies and Services for other Governments and Non-Agency Bodies accounts). For further information on special accounts, see Table 3.1.2.
7. Appropriation receipts from AFP annual appropriations for 2009–10 included above.

1.3 BUDGET MEASURES

Budget measures relating to the AFP are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2010–11 Budget measures

	Program	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)	2013–14 (\$'000)
EXPENSE MEASURES						
Border Security—Unified Policing Model—continuation¹	1.1					
Departmental expenses		—	—	—	—	—
Total		—	—	—	—	—
National Security—Regional law enforcement counter-terrorism liaison and capacity building—continuation²	1.1					
Departmental expenses		—	—	—	—	—
Total		—	—	—	—	—
National Security—telecommunications interception capability—continuation³	1.3					
Departmental expenses		—	—	—	—	—
Total		—	—	—	—	—
Reducing the impact and incidence of missing persons cases—continuation⁴	1.4					
Departmental expenses		—	—	—	—	—
Total		—	—	—	—	—
Australian Commission for Law Enforcement Integrity—resource transfer	1.1, 1.2, 1.3, 1.4					
Departmental expenses		—	(408)	(410)	(413)	(416)
Total		—	(408)	(410)	(413)	(416)
Australia's civilian engagement in Afghanistan—an integrated whole-of-government approach	1.2, 1.4					
Administered expenses		—	2,500	2,034	—	—
Departmental expenses		—	11,276	14,594	—	—
Total		—	13,776	16,628	—	—
National Security—Timor-Leste Police Development program—continuation⁵	1.2, 1.4					
Administered expenses		—	2,500	2,543	2,588	2,635
Departmental expenses		—	12,752	11,226	16,452	14,903
Total		—	15,252	13,769	19,040	17,538

Table 1.2: Agency 2010–11 Budget measures (*continued*)

	Program	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)	2013–14 (\$'000)
National Security—United Nations Mission in Timor-Leste—continued contribution⁶						
	1.2, 1.4					
Departmental expenses		—	6,227	7,269	(65)	—
Total		—	6,227	7,269	(65)	—
Northern Territory policing presence—staged transition⁷						
	1.2					
Departmental expenses		—	7,759	1,411	—	—
Total		—	7,759	1,411	—	—
National Security—Pacific Police Development program—inclusion of Tonga and Vanuatu⁸						
	1.2, 1.4					
Administered expenses		—	2,841	2,535	—	—
Departmental expenses		—	(112)	(131)	(2)	—
Total		—	2,729	2,404	(2)	—
National Security—Australian Federal Police—efficiencies to fund key law enforcement initiatives						
	1.1, 1.3, 1.4					
Departmental expenses		—	—	—	—	—
Total		—	—	—	—	—
Illegal foreign fishing—preventative action at source						
	1.1, 1.3, 1.4					
Departmental expenses		—	(376)	(379)	(382)	(385)
Total		—	(376)	(379)	(382)	(385)
Border Security—Illegal foreign fishing—securing Australia's northern waters—continuation						
	1.1, 1.3, 1.4					
Departmental expenses		—	—	—	—	—
Total		—	—	—	—	—
Total expense measures						
Administered		—	7,841	7,112	2,588	2,635
Departmental		—	37,118	33,580	15,590	14,102
Total		—	44,959	40,692	18,178	16,737
CAPITAL MEASURES						
Australia's civilian engagement in Afghanistan—an integrated whole-of-government approach						
	1.2, 1.4					
Departmental capital		—	1,183	545	—	—
National Security—Timor-Leste Police Development program—continuation⁵						
	1.2, 1.4					
Departmental capital		—	198	53	728	44

Table 1.2: Agency 2010–11 Budget measures (continued)

	Program	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)	2013–14 (\$'000)
National Security—United Nations Mission in Timor-Leste—continued contribution⁶						
Departmental capital	1.2, 1.4	—	113	1	—	—
Northern Territory policing presence—staged transition⁷						
Departmental capital	1.2	—	6	—	—	—
National Security—Pacific Police Development program—inclusion of Tonga and Vanuatu⁸						
Departmental capital	1.2, 1.4	—	27	1	—	—
Total capital measures		—	1,527	600	728	44

Prepared on a Government Finance Statistics (fiscal) basis.

Table 1.2: Notes

1. This measure is to consolidate funding for 11 aviation measures into one ongoing measure. Funding of \$759.4m is already included in forward estimates.
2. This measure is the renewal of a lapsing measure, previously funded in 2006–07. Therefore, ongoing funding of \$21.151m over four years has already been included in the AFP's base funding.
3. This measure is the renewal of a lapsing measure, previously funded in 2006–07. Therefore, ongoing funding of \$19.141m over four years has already been included in the AFP's base funding.
4. This measure is the renewal of a lapsing measure, previously funded in 2006–07. Therefore, ongoing funding of \$3.135m over four years has already been included in the AFP's base funding.
5. The funding for this measure comprises its cost of \$74.650m, less an offset to match expected forgone tax revenue of \$8.028m.
6. The funding for this measure comprises its cost of \$16.779m, less an offset to match expected forgone tax revenue of \$3.234m.
7. This measure is a two-year extension of a terminating measure funded in 2007–08. The lead agency for this measure is the Department of Families, Housing, Community Services and Indigenous Affairs. The full measure description and package details appear in Budget Paper No. 2 under the Families, Housing, Community Services and Indigenous Affairs portfolio.
8. The funding for this measure comprises its cost of \$5.848m, less an offset to match forgone tax revenue of \$0.689m.

Measures announced between 2009–10 Budget and 2010–11 Budget but not yet reported in a subsequent portfolio statement

	Program	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)	2013–14 (\$'000)
MEASURES						
Border Security—strengthening passenger and air cargo security						
Departmental expenses	1.1	—	17,251	3,926	3,956	3,986
Departmental capital		—	931	—	—	—
Total		—	18,182	3,926	3,956	3,986

Prepared on a Government Finance Statistics (fiscal) basis.

1. This measure will provide \$17.8m over four years to increase the number of firearms and explosive detection dogs and provide 12.3m for 2010–11 to maintain the AFP presence at major airports.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

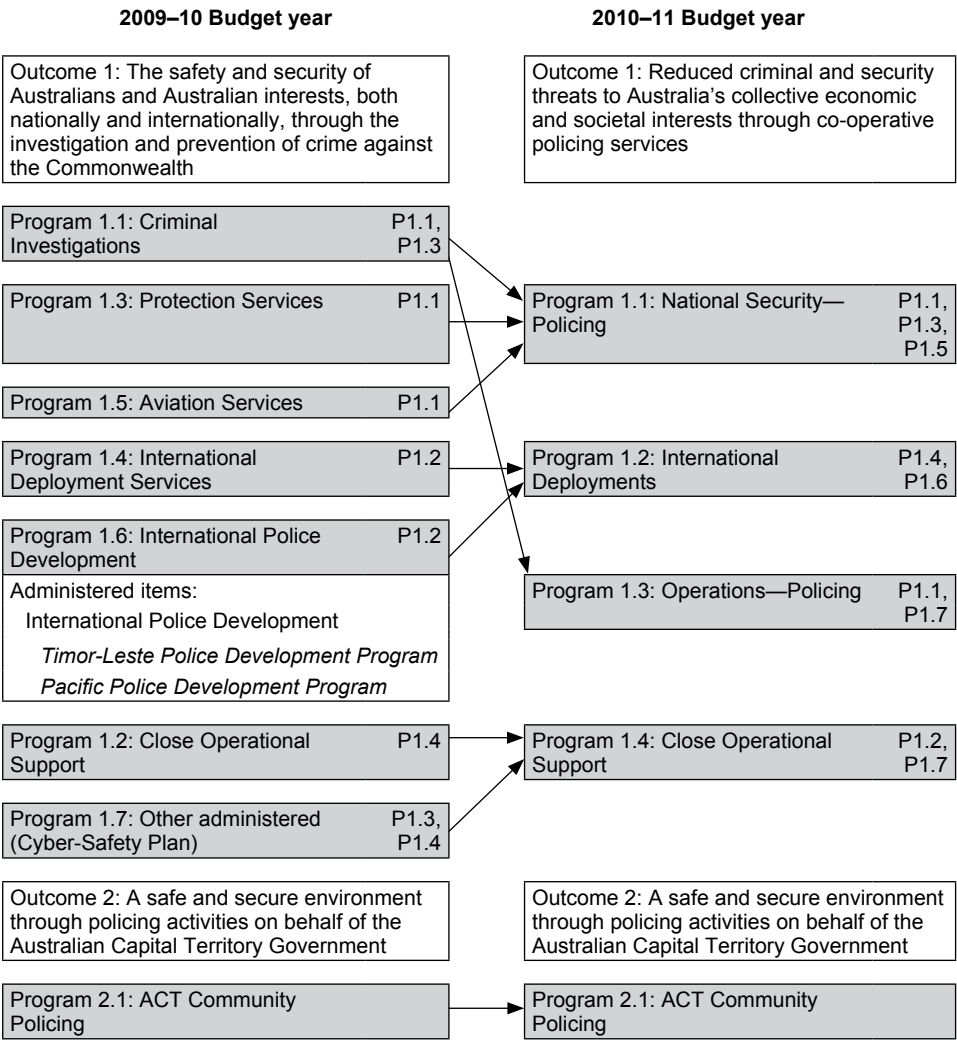
Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the AFP in achieving government outcomes.

Changes in agency outcomes and programs

Commencing in the 2010–11 Budget, the AFP has revised its program structure. The revised structure complements the Australian Government's response to the recommendations contained in the Federal Audit of Police Capabilities (Beale Review), which was publicly endorsed by the government in December 2009 and has been under active implementation. Further, the revised structure positions the AFP well to respond to the challenges identified in the National Security Statement, the Commonwealth Organised Crime Strategic Framework, and the 2010 Counter Terrorism White Paper.

Figure 2: AFP outcome and program structure changes



Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through co-operative policing services

Outcome 1 strategy

The AFP's three operational programs, National Security – Policing, International Deployments and Operations – Policing, acknowledge three key features of the current environment: (i) threats to Australians and Australia's interests have an international base; (ii) fragile states provide opportunities for terrorist and other criminal enterprises to flourish; and (iii) organised serious crime represents, in itself, a security threat to Australian interests.

The AFP's aviation, counter-terrorism and protection programs integrate prevention and disruption priorities towards crime reduction and impede criminal elements that threaten the security of Australians and Australian interests.

In response to the issue of fragile states, the AFP will retain its ability to quickly deploy policing services (in collaboration with other agencies) to those areas in need of assistance and potentially impacting on Australia's national security.

In 2010–11, the AFP is realigning capacity and capabilities to concentrate its commitment to the prevention and disruption of serious and organised crime and Commonwealth crimes that require immediate and priority intervention. The functions previously known as the Border and International Network, and Economic and Special Operations have been realigned into two new functions (Serious and Organised Crime and Crime Operations) within an integrated program (Operations – Policing), which will enable appropriate resourcing of operational activity, as well as sufficient flexibility to respond to emerging threats.

Close operational support remains a single functional stream to support the three core operational programs. Functions within this stream will continue to ensure that the AFP remains well-positioned to address advancements in criminal use of emerging technologies; and to continue to use science as a forensic tool in countering criminal endeavours. AFP intelligence will continue to proactively provide professional intelligence services to support law enforcement and national security activities and decision making, including in support of the implementation of the Commonwealth Organised Crime Strategic Framework.

Accordingly, the critical focus of the AFP's Outcome 1 strategy will be the application of resources and skills to where they will have the greatest preventive impacts and disruptive effect on criminal networks and security threats.

Outcome expense and resource statement

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1: Budgeted expenses and resources for Outcome 1

	2009–10 Estimated actual expenses (\$'000)	2010–11 Estimated expenses (\$'000)
Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through co-operative policing services		
Program 1.1: National Security—Policing		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	303,456	289,671
Revenues from independent sources (section 31)	68,992	61,626
Special accounts	2,131	2,131
Expenses not requiring appropriation in the Budget year ¹	109	27,298
Total for Program 1.1	374,688	380,726
Program 1.2: International Deployments		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	25,119	34,859
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	321,547	268,211
Revenues from independent sources (section 31)	30,024	34,553
Special accounts	1,456	1,456
Expenses not requiring appropriation in the Budget year ¹	96	21,765
Total for Program 1.2	378,242	360,844
Program 1.3: Operations—Policing		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,976	754
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	230,554	212,743
Revenues from independent sources (section 31)	458	47
Special accounts	2,562	2,562
Expenses not requiring appropriation in the Budget year ¹	65	16,568
Total for Program 1.3	235,615	232,674
Program 1.4: Close Operational Support		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	126	3,192
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	256,280	242,201
Revenues from independent sources (section 31)	2,999	2,875
Special accounts	961	961
Expenses not requiring appropriation in the Budget year ¹	71	18,782
Total for Program 1.4	260,437	268,011

Table 2.1: Budgeted expenses and resources for Outcome 1 (continued)

	2009–10 Estimated actual expenses (\$'000)	2010–11 Estimated expenses (\$'000)
Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through co-operative policing services		
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	27,221	38,805
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,111,837	1,012,826
Revenues from independent sources (section 31)	102,473	99,101
Special accounts	7,110	7,110
Expenses not requiring appropriation in the Budget year ¹	341	84,413
Total expenses for Outcome 1	1,248,982	1,242,255
	2009–10	2010–11
Average staffing level (number)	5,536	5,570

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

1. Includes resources received free of charge and depreciation and amortisation expense.

Contributions to Outcome 1

Program 1.1: National Security—Policing

Program 1.1 objective

This program contributes to Outcome 1 with a primary focus on prevention. The Counter Terrorism function will prevent, disrupt and investigate terrorist activity against Australia and Australian interests both domestically and internationally. The Aviation function will continue to ensure security and address criminal threats at Australia's major airports and the aviation sector. In 2010–11, it will commence a transition from the existing complex state, territory and federal arrangements for policing those airports, to a single federal model, known as the 'All-In' model. This new arrangement, staffed by sworn AFP members, will have dedicated resources and consolidated funding. This transition will enhance security and create efficiencies within the aviation sector.

The Protection function will ensure that individuals and interests, identified by the Commonwealth to be at risk, are kept safe from acts of terrorism, violent protest and issues-motivated violence. This will be achieved in partnership with other Commonwealth, state and territory agencies and departments.

Program 1.1 expenses					
(\$'000)	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Special account expenses					
Services for Other Governments and Non-Agency Bodies	2,131	2,131	2,131	2,131	2,131
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	303,456	289,671	302,709	323,604	320,763
Revenues from independent sources (section 31)	68,992	61,626	61,640	61,650	61,650
Expenses not requiring appropriation in the Budget year	109	27,298	33,609	38,527	37,421
Total program expenses	374,688	380,726	400,089	425,912	421,965

Note: Allocation of departmental expenses to programs is notional and based on attribution models maintained by the AFP.

Program 1.1 deliverables

Counter-terrorism

- Conduct and coordinate investigations across states and territories that impact on counter-terrorism-related national security through inter-jurisdictional Joint Counter Terrorism Teams
- Enhancement of the National Community Engagement Strategy and development of strategies to counter violent extremism, build social cohesion and increase resilience within diverse communities
- Enhancement of capacity and capability to identify, deter, prevent, disrupt and investigate terrorist activities, both domestically and internationally
- Collaborative and cooperative engagement with regional partners to combat terrorism regionally and globally, including the provision of investigative, intelligence and forensic advice and ongoing multilateral engagement

Aviation

- Continued responsibility for command and control of security and police incidents at major airports
- Transition from the Unified Policing Model to the federal 'All-In' model (Project Macer)
- Enhancement of the national canine capability
- Provision of Bomb Appraisal Officers
- Joint Airport Investigation Teams
- Closed circuit television (CCTV) connectivity between the AFP and the Australian Customs and Border Protection Service at major airports
- Continued rollout of purpose-built accommodation at major airports

Program 1.1 deliverables (continued)

- Provision of Air Security Officers as part of an intelligence-led deterrence capability on selected flights to safeguard Australian registered aircraft against in-flight attack
- Regional rapid deployment capability
- Conduct of exercises in AFP and airport stakeholder incident preparedness

Protection

- Provision of strategic advice to key stakeholders in support of the delivery of the Commonwealth's protective security policies
- Operational engagement with key Commonwealth, state and territory and international stakeholders in delivery of protective security measures
- Uniform protection services:
 - at designated Defence establishments, the Australian Nuclear Science and Technology Organisation, and the Commonwealth Parliament on a cost-recovered basis
 - at official Commonwealth establishments, and diplomatic and consular missions
 - at Australian diplomatic missions overseas, including in support of the Regional Assistance Mission to Solomon Islands
 - in support of close protection activities for Australian high office holders and foreign dignitaries
- Close personal protection
 - services to designated Australian high office holders within Australia and overseas, resident and visiting foreign dignitaries, and diplomats within Australian diplomatic missions overseas
 - protective security planning for designated special events within Australia and overseas
- Witness protection services in accordance with the *Witness Protection Act 1994*

Deliverables	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Aviation					
Number of Airport Police Commanders at major airports (subject to an Office of Transport Security Review)	11	11	11	11	11
Number of additional canines	–	8	9	–	–
Maintenance of BAO certification	100%	100%	100%	100%	100%
Major airports with AFP and ACBPS CCTV connectivity	3	7	TBA	TBA	TBA
Number of agreements reached for purpose-built accommodation	8	16	N/A	N/A	N/A

BAO = Bomb Appraisal Officers; ACBPS = Australian Customs and Border Protection Service;
TBA = to be advised; N/A = not applicable.

Program 1.1 key performance indicators

The strength of collaborative policing within the security sector is measured by the level of satisfaction expressed in the AFP business satisfaction survey. This includes obtaining feedback from all key stakeholders and clients within the realm of the Counter Terrorism, Aviation and Protection functions.

Successful disruption and deterrence is reflected through concentration of resources on prevention of terrorism and on proactive first-response operations within major airports; positive criminal case outcomes; and meeting response times against set benchmarks.

New systems were trialled in 2009–10 utilising the AFP Operations Coordination Centre to capture performance data on behalf of the Protection function. The reporting systems will be tested and implemented throughout 2010–11 to develop more effective performance reporting measures.

The *Witness Protection Act 1994* requires that the Commissioner keep the Minister informed of the performance and effectiveness of the National Witness Protection Program and, further, that in consultation with the Commissioner, the Minister must prepare and cause to be laid before each House of Parliament an annual report on those issues. The reporting of these matters is to be undertaken in a manner that does not prejudice the effectiveness or security of the National Witness Protection Program.

Key performance indicators	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Program level					
Level of external client/stakeholder satisfaction (% of clients satisfied or very satisfied) ¹	80–90%	85%	85%	85%	85%
Counter-terrorism					
Percentage of time spent on high to very high impact cases	95%	95%	95%	95%	95%
Percentage of counter-terrorism investigations that are preventative (not responsive)	100%	100%	100%	100%	100%
Percentage of time spent on operation activity (versus capacity development activity)	≥75/≤25%	≥75/≤25%	≥75/≤25%	≥75/≤25%	≥75/≤25%
Percentage of counter-terrorism investigations that result in a prosecution, disruption or intelligence referral outcome	90%	90%	90%	90%	90%

Program 1.1 key performance indicators (continued)

Key performance indicators	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Aviation					
Level of community confidence in the contribution of the AFP to aviation law enforcement and security (% of aviation network users satisfied or very satisfied)	70%	75%	75%	75%	75%
Proportion of resources used to undertake proactive and intelligence-led counter-terrorism, crime management, public order and first response operations	70%	70%	70%	70%	70%
Response to aviation law enforcement and/or security incidents within priority response times					
Priority 1					
within 5 minutes	75%	75%	75%	75%	75%
within 10 minutes	90%	90%	90%	90%	90%
Priority 2					
within 15 minutes	75%	75%	75%	75%	75%
within 20 minutes	90%	90%	90%	90%	90%
Priority 3					
within 90 minutes	75%	75%	75%	75%	75%
within 120 minutes	90%	90%	90%	90%	90%
Priority 4					
within 24 hours	90%	90%	90%	90%	90%

1. Separate targets for external client/stakeholder satisfaction specified for program components in the 2009–10 Portfolio Budget Statements have been rolled into an aggregate target.

Program 1.2: International Deployments

Program 1.2 objective

The AFP's International Deployment Group (IDG) contributes to national security by providing, on behalf of the Australian Government, policing support to contribute to enhanced rule of law internationally. The IDG delivers initiatives aimed at improving regional and international security, stability and governance. The IDG works cooperatively with regional and international governments and the United Nations to implement offshore capacity development programs and law enforcement initiatives that enhance the effectiveness of, and public confidence in, regional and international police services, as well as providing a rapidly deployable crisis-response capability for deteriorating law and order and disaster situations.

The IDG has a strong emphasis on multilateral engagement and provides an international framework that includes a range of options for the enhancement of police engagement. The IDG also undertakes research to improve understanding of best practice in police capacity development. The IDG has the organisational lead for AFP interoperability with the Australian Defence Force, particularly in whole-of-government international deployments. IDG contributions support whole-of-government international development efforts due to the association between rule of law and socioeconomic development.

In addition to international objectives, the IDG supports specifically targeted domestic initiatives through its contributions to the Closing the Gap in the Northern Territory initiative and community policing in Australia's external territories.

Program 1.2 expenses

	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
(\$'000)					
Annual administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	25,119	34,859	29,816	12,853	2,635
Special account expenses					
Services for Other Governments and Non-Agency Bodies	1,456	1,456	1,456	1,456	1,456
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	321,547	268,211	248,040	214,351	211,392
Revenues from independent sources (section 31)	30,024	34,553	34,560	34,567	34,567
Expenses not requiring appropriation in the Budget year	96	21,765	24,489	23,515	22,872
Total program expenses	378,242	360,844	338,361	286,742	272,922

Note: Allocation of departmental expenses to programs is notional and based on attribution models maintained by the AFP.

Program 1.2 deliverables

- Provision of a workforce that supports the IDG to deliver current and future international deployment demands, known as the IDG Future Strategy
- Delivery of and contributions to capacity development and stabilisation missions:
 - law enforcement capacity development missions
 - bilateral law enforcement capacity-building programs under the auspices of the AFP's Law Enforcement Cooperation Program
 - international monitoring missions
 - international stabilisation operations missions as civilian police with the United Nations
- Delivery of targeted domestic development operations
- Provision of rapidly deployable crisis-response capability to support international stability and security and to support AFP Outcome 1 tactical responsibilities, known as the Operational Response Group
- A set of robust performance indicators that measure the impact of the IDG's contribution to improved rule of law through delivery of stabilisation and international capacity development operations

	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Deliverables					
IDG Future Strategy	Workforce provided	Workforce provided	Workforce provided	Workforce provided	Workforce provided
Large missions	Solomon Islands	Solomon Islands	Solomon Islands	Solomon Islands	–
Medium missions	Timor-Leste	Timor-Leste	Timor-Leste	–	–
	TLPDP	TLPDP	TLPDP	TLPDP	TLPDP
	Afghanistan	Afghanistan	Afghanistan	Afghanistan	Afghanistan
Small missions	Cyprus	Cyprus	Cyprus	Cyprus	Cyprus
	Sudan	Sudan	–	–	–
	PPDP	PPDP	PPDP	–	–
Domestic operations	Northern Territory	Northern Territory	Northern Territory	–	–
	External Territories	External Territories	External Territories	External Territories	External Territories
Operational Response Group	Rapid response capability provided	Rapid response capability provided	Rapid response capability provided	Rapid response capability provided	Rapid response capability provided

TLPDP = Timor-Leste Police Development Program; PPDP = Pacific Police Development Program (which includes Tonga, Papua New Guinea, Nauru, Vanuatu, Kiribati, Marshall Islands, Federated States of Micronesia, Cook Islands, Tuvalu, Palau and Niue).

Program 1.2 key performance indicators

The AFP business satisfaction survey results for IDG are separated into domestic and international levels of satisfaction so that the AFP is able to provide deliberate focus on both whole-of-government partner satisfaction and international engagement.

The AFP has engaged the University of Queensland to develop a set of performance indicators that measure the impact of the IDG's contribution to improved international rule of law through delivery of stabilisation and international capacity development operations.

A previous indicator (percentage of time spent on high to very high impact cases) is no longer included since all missions have a high impact priority rating, making the target redundant. New key performance indicators are provided based on country-level data published by the World Bank, the Fund for Peace and the United Nations.

Key performance indicators	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Level of client/stakeholder satisfaction					
International clients	75%	80%	80%	80%	80%
Australian clients/ stakeholders	85%	85%	85%	85%	85%
Quality assurance review feedback from internal and external reviews	Positive feedback	Positive feedback	Positive feedback	Positive feedback	Positive feedback
Milestones in the University of Queensland project:					
Measuring the impact of IDG's contribution to peace operations and international capacity building	Develop- ment	Field testing	Implemen- tation	Implemen- tation	Implemen- tation
Percentage of mission resources committed to countries with rule of law indicators below the international median ¹	N/A	80%	80%	80%	80%
Percentage of mission resources committed to countries in the Asia– Pacific region	N/A	85%	85%	85%	85%
Number of police per capita committed to support multilateral missions ²	N/A	Above the international average	Above the international average	Above the international average	Above the international average

N/A = not applicable.

1. International median based on annual figures published by the World Bank and Fund for Peace.
2. International average based on figures published by the United Nations.

Program 1.3: Operations—Policing

Program 1.3 objective

This program seeks to reduce the criminal threats to Australia's collective economic and societal interests by employing a multi-dimensional, multi-disciplinary approach to the fight against Commonwealth crime. This includes transnational crime (drug trafficking, people smuggling and human trafficking), as well as financial and corporate crime, identity crime and other Commonwealth offences including environmental crime.

Through this program, the AFP will lead Australia's capacity to address serious and organised crime through the development and implementation of response plans under the Commonwealth Organised Crime Strategic Framework. This will be achieved in collaboration with domestic and foreign law enforcement agencies and other key government partners.

The AFP will tackle a broad spectrum of criminality and will expand its activity to impact on criminal enterprises and networks in order to disrupt and prevent crime, as well as securing prosecutions of those involved. This is facilitated by the restructure under which the former Border and International Network, and Economic and Special Operations were combined and realigned into Serious and Organised Crime and Crime Operations functions under a single operations program.

Program 1.3 expenses

	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
((\$'000))					
Annual administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,976	754	428	168	–
Special account expenses					
Services for Other Governments and Non-Agency Bodies	47	47	47	47	47
Asia/Pacific Group on Money Laundering	2,515	2,515	2,515	2,515	2,515
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	230,554	212,743	213,317	226,271	224,664
Revenues from Independent sources (section 31)	458	47	47	48	48
Expenses not requiring appropriation in the Budget year	65	16,568	19,616	22,550	21,904
Total program expenses	235,615	232,674	235,970	251,599	249,178

Note: Allocation of departmental expenses to programs is notional and based on attribution models maintained by the AFP.

Program 1.3 deliverables

- Establishment of multi-agency, multi-disciplinary crime teams to prevent, disrupt, investigate and prosecute serious and organised crime
- Prevention, disruption and investigation of transnational crime and prosecution of those involved
- Targeting of proceeds of crime and measurement of the impact of economic crime on Australian society
- Provision of the AFP international network
- Contribution to capacity-building programs that enhance the capabilities of the AFP and its international partners
- Contribution to intelligence products for target development opportunities with internal and external stakeholders

Program 1.3 key performance indicators

A performance framework is under development for the new program consisting of a range of quantitative and qualitative measures. Not all measures from the previous criminal investigations program are retained. The indicators for percentage of time spent on high to very high impact cases and the number of high to very high impact cases reaching court have been dropped since prioritisation within the new program is under review and will also be impacted by new organised crime threat assessment within the Organised Crime Strategic Framework. The conviction rate measure (percentage of cases resulting in a conviction, of those reaching court) has also been dropped because the final conviction status can be affected by factors outside the realm of the investigation.

As in previous years, the strength and effectiveness of external partnerships is measured by the level of satisfaction expressed in the AFP business satisfaction survey by key clients and stakeholders. Survey questions regarding operational collaboration will be added, providing focus on joint activities.

Program 1.3 key performance indicators (continued)

The Drug Harm Index and the Estimated Financial Return are social impact measures that summarise the impact in dollar terms to the community of law enforcement efforts regarding the importation of illicit drugs and precursors, and economic crime, respectively. The Drug Harm Index is the estimate of the potential harm that would have ensued if drugs seized at the border had reached the community. The Estimated Financial Return is the amount of money estimated to be saved by law enforcement efforts into crimes such as fraud and money laundering, based on estimates of past losses recovered, and specific and general deterrence. These measures were originally developed by the AFP and have been updated recently based on current literature and data. Although absolute targets have been set for these measures in the past, the undue influence of single, large seizures or frauds decreases the utility of these for tracking performance. In addition, shifts in priorities can also influence the end-of-year outcomes. These measures, however, provide an important element of cost-benefit analyses by assessing whether the effort expended in law enforcement outweighs the aggregate costs. For these reasons, return on investment is included as the key performance indicator, with a target greater than 1.0 indicating value for money. The full utility of these concepts would be realised if similar measures were available for the other major crime types which compete for the same resources (for example, people smuggling and human trafficking). The AFP is considering the feasibility of extending this methodology and developing a broader social impact measure.

The proportion of investigations involving joint agency agreements and those involving pursuit of the money trail will show increasing adherence to key elements of the Organised Crime Strategic Framework. Prevention strategies will be measured by the contribution to whole-of-government crime prevention efforts via private sector and non-traditional partnerships and community outreach initiatives.

Key performance indicators	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Level of external client/stakeholder satisfaction with operational and investigative collaboration (percentage satisfied or very satisfied)	N/A	80%	80%	80%	80%
Level of satisfaction of partner agencies with operational coordination of joint policing activities around border related crime (percentage satisfied or very satisfied)	N/A	80%	80%	80%	80%
Percentage of serious and organised crime operations conducted under joint agency agreements	N/A	50%	55%	60%	65%
Return on investment for investigation of transnational crime	N/A	>1.0	>1.0	>1.0	>1.0
Percentage of cases targeting the criminal economy	N/A	15%	20%	25%	30%

N/A = not applicable.

Program 1.4: Close Operational Support**Program 1.4 objective**

The close operational support program aims to provide specialist support to the AFP national security and operations programs, particularly to address advancements in technology and science.

The Operations Support function provides centralised monitoring, initial response, coordination and communications support, management of the AFP's relationship and communications with government, partner agencies and the community, delivery of the next generation of systems and processes, and delivery of security networks.

The Intelligence function seeks to provide high-quality, targeted and real-time intelligence services to all levels within the AFP operations model by aligning its resources with the functional structure of the AFP, including co-location with investigative teams. Intelligence also seeks to maintain and develop mutually beneficial relationships with the Australian and international intelligence communities.

Forensic and Data Centres provide forensic science and technical intelligence services to the AFP, its agency partners and other law enforcement agencies. They also contribute to international capacity building and seek to strengthen relationships with domestic and international counterparts and academia.

The High Tech Crime Operations function seeks to ensure that the AFP has an enhanced close operational support capability and increased investigative capacity to address technology crime. It provides centrally coordinated surveillance and high-tech capabilities that support all AFP policing functions both domestically and offshore.

Program 1.4 expenses					
(\$'000)	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Annual administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	126	3,192	2,351	733	749
Special account expenses					
Services for Other Governments and Non-Agency Bodies	961	961	961	961	961
Annual departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	256,280	242,201	240,093	252,479	250,726
Revenues from Independent sources (section 31)	2,999	2,875	2,875	2,876	2,876
Expenses not requiring appropriation in the Budget year	71	18,782	22,050	25,276	24,553
Total program expenses	260,437	268,011	268,330	282,325	279,865

Note: Allocation of departmental expenses to programs is notional and based on attribution models maintained by the AFP.

Program 1.4 deliverables

Operations support

- An effective internal and external 'One AFP' corporate communications model, including briefings to the Commissioner, Senior Executive, Minister for Home Affairs, and Attorney-General's Department
- The AFP Operations Coordination Centre will consolidate in its new purpose-built facility in the Edmund Barton Building and will expand operational coordination services to the Protection, Aviation and Organised Crime functions
- Development of next-generation systems and processes (Spectrum):
 - Stage 1: business process analysis, information discovery/handling enhancements
 - Stage 2: technology pilot and delivery of tasking and visualisation technologies
 - Stage 3: investigation management system, reporting, and property and exhibits management system
- Maintenance and development of information and communications technology security networks

Program 1.4 deliverables (*continued*)

Intelligence

- Implementation of an intelligence-led, risk based target priority model to assist with operational prioritisation and resource allocation
- Provision of priority intelligence support through agreed intelligence priorities matrices that consolidate the intelligence requirements of operational functions and align through a common understanding of intelligence requirements and respective outputs
- Delivery of an intelligence service which is flexible enough to meet new and emerging government needs
- Increased sharing of information and intelligence on law enforcement and national security matters with key domestic and international law enforcement partners, the Australian intelligence community and other public and private sector agencies where appropriate
- Management of the AFP's obligations to the National Intelligence Coordination Committee and National Intelligence Collection Management Committee
- Enhanced targeted use of human source and covert policing capabilities to enable law enforcement to disrupt criminal activity in Australia and offshore

Forensic and Data Centres

- Forensic science and specialist services (laboratory and field operations), including biological and chemical criminalistics, identification sciences, computer forensics and electronic evidence, disaster victim identification, ballistics and rapid field operations response capability
- Technical intelligence services:
 - Australian Bomb Data Centre
 - Australian Chemical, Biological, Radiological and Nuclear Data Centre
 - Australian Illicit Drug Data Centre, formally launched in February 2010 to provide technical drug intelligence and a national program for profiling illicit drugs
- International forensic capacity-building programs

Program 1.4 deliverables (*continued*)

High-tech crime

- Investigations:
 - fight technology crime including child protection offences, cyber security threats and events, and computer and banking offences
 - develop and implement child protection offence prioritisation through a review of referral processes
- AFP education and awareness programs
- Telecommunications interception
- Support organisational use of telecommunications interception and enhance interception capability with 24/7 monitoring
- Monitor and report on *Telecommunications Interception Act 1997* compliance
- Specialist support to all AFP investigations:
 - deliver high-quality, cost-effective surveillance capability and conduct physical surveillance operations
 - monitor and report on *Surveillance Devices Act 2004* compliance
 - provide police technical, technology or specialist advice to support investigations
 - commence projects to source or develop technological solutions for identified capability gaps across investigations and supporting business
- Prevention: external education and awareness programs
- Strategic deliverables: collaboration with government, industry specialists (including non-government organisations) and academia outreach to combat technology crime

Program 1.4 deliverables (continued)

Deliverables	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Operations support					
Spectrum program	Stage 1	Stage 2	Stage 3		
Improved ICT security networks	N/A	70%	100%		
New information classification processes	N/A	60%	100%		
Forensic and Data Centres					
International capacity building					
Forensic, post-blast and leadership training	Iraq	Iraq			
Forensic and CBRN training, equipment and facility refurbishment	Pakistan	Pakistan	Pakistan	Pakistan	–
Forensic training and equipment	Africa	Africa	Africa	Africa	–
Forensic and explosive technical intelligence training	SE Asia	SE Asia	–	–	–
High-tech crime					
Technology crime investigations					
Child protection offence prioritisation process	N/A	Review	Implement	Monitor	Monitor
AFP education and awareness					
Cyber security exercises	N/A	4	5	6	6
Internet police training programs	N/A	2	3	3	3
Specialist support					
Capabilities to combat use of emerging technologies by offenders	N/A	5	5	5	5
Prevention					
ThinkUKnow Cybersafety educational programs for parents, carers and teachers	Trialled	200 presentations	–	–	–
Cybersafety and security presentations to schools	50	50	50	50	50
Marketing and community/academic outreach initiatives	8	8	8	8	8
Strategic deliverables					
Number of conferences delivered	1	2	1	2	1

Program 1.4 key performance indicators

The effectiveness of internal service delivery across all aspects of close operational support is measured by the level of satisfaction expressed in the AFP close operational support survey. The strength of partnerships between AFP close operational support staff and key stakeholders in domestic and international law enforcement agencies, the government and the non-government sector is measured by the level of satisfaction expressed in the AFP business satisfaction survey.

Accreditation ensures an external benchmark level of quality for the forensic disciplines. The other key performance indicators for Forensic and Data Centres show evidence of response and completion rates for requests and programs. Control chart methodology will be used to determine 95% confidence limits.

The key performance indicators for high-tech crime ensure that resources are channelled to high-priority work and demonstrate the impact of disruptive activities on technology crime through convictions attained and the effectiveness of educational initiatives regarding cyber-safety awareness.

The effectiveness of intelligence services is measured by the feedback from key clients as received through the internal and external satisfaction surveys.

Key performance indicators	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
Program level					
Level of external client/stakeholder satisfaction (% of clients satisfied or very satisfied)	80%	80%	85%	85%	85%
Level of internal client/stakeholder satisfaction (% of clients satisfied or very satisfied)	80%	80%	85%	85%	85%
Forensic and Data Centres					
National Association of Testing Authorities Accreditation (ISO 17025) in all relevant forensic disciplines	Maintained	Maintained	Maintained	Maintained	Maintained
Provision of timely technical intelligence to the AFP and partner agencies (% of responses within five business days)		90%	90%	90%	90%
Number of forensic service requests completed	N/A	Within 95% limits	Within 95% limits	Within 95% limits	Within 95% limits
Offshore capacity building projects (% of scheduled deliverables completed)	N/A	80%	80%	80%	80%

Program 1.4 key performance indicators (continued)

Key performance indicators	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
High-tech crime					
Technology crime investigations					
Percentage of time spent on high to very high impact cases	80%	80%	80%	80%	80%
Number of high to very high impact cases before court	N/A	60	70	80	90
Conviction rate	90%	90%	90%	90%	90%
Percentage of law enforcement personnel completing technology-related (Tier 1) training	N/A	20%	40%	60%	80%
Enhanced community awareness of technology-enabled crime(% of surveyed sample indicating increased awareness post delivery of presentations)	70–80%	80%	80%	85%	85%

N/A = not applicable.

Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government
Outcome 2 budgeted expenses and resources

Outcome 2 reflects the AFP's community policing services in the ACT. ACT community policing services are provided in accordance with a Policing Arrangement between the Commonwealth and ACT governments. The Policing Arrangement is for a period of five years and was last approved on 14 June 2006. The Policing Arrangement provides for an annually negotiated Purchase Agreement between the AFP and the ACT Government, which defines annual community policing objectives. ACT community policing services are provided for under section 8 of the AFP Act.

The primary aim for Outcome 2 is the provision of a community policing capacity to the ACT Government. AFP activities in this regard include public order and community confidence, investigations, road safety, traffic enforcement, prosecution and judicial support and the provision of information services.

Table 2.1 provides an overview of the total expenses for Outcome 2, by program.

Table 2.1: Budgeted expenses and resources for Outcome 2

	2009–10 Estimated actual expenses (\$'000)	2010–11 Estimated expenses (\$'000)
Outcome 1: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government		
Program 2.1: ACT Community Policing		
Departmental expenses		
Revenues from independent sources (section 31)	132,872	137,698
Expenses not requiring appropriation in the Budget year	5,623	5,623
Total expenses for Outcome 2	138,495	143,321
	2009–10	2010–11
Average staffing level (number)	964	980

Program 2.1: ACT Community Policing

Program 1.2 expenses					
	2009–10 Revised budget	2010–11 Budget	2011–12 Forward year 1	2012–13 Forward year 2	2013–14 Forward year 3
(\$'000)					
Annual departmental expenses					
Revenues from independent sources (section 31)	132,872	137,698	142,705	147,912	147,912
Expenses not requiring appropriation in the Budget year	5,623	5,623	5,623	5,623	5,636
Total program expenses	138,495	143,321	148,328	153,535	153,548

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010–11 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

Table 3.1.1: Movement of administered funds

	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)	2013–14 (\$'000)
Outcome 1					
Program 1.2 ¹	(6,177)	4,707	770	700	–
Program 1.4 ²	(254)	254	–	–	–
Total movement of administered funds	(6,431)	4,961	770	700	–

Note: Figures displayed as a negative () represent a decrease in funds; positive figures reflect an increase in funds.

1. Movement of administered funds relates to delays in projects for the Pacific Police Development Program and Regional Assistance Mission to Solomon Islands, both part of the AFP's international deployments program.
2. Movement of administered funds relates to completion of Forensic and Data Centre projects in Pakistan.

3.1.2 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* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the AFP.

Table 3.1.2: Estimates of special account flows and balances

		Opening balance 2010–11 2009–10	Receipts 2010–11 2009–10	Payments 2010–11 2009–10	Adjustments 2010–11 2009–10	Closing balance 2010–11 2009–10
	Outcome	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Asia/Pacific Group on Money Laundering— FMA Act s 20	1	671	2,515	2,515	—	671
det 2006/81 (D)	1	671	2,515	2,515	—	671
Other Trust Moneys— FMA Act s 20	1	9,339	17,475	17,475	—	9,339
det 1997/01 (D) ¹	1	9,339	17,475	17,475	—	9,339
Services for Other Governments and Non-Agency Bodies— FMA Act s 20	1	5,390	6,116	6,116	—	5,390
det 1997/01 (D) ²	1	5,390	6,116	6,116	—	5,390
Total special accounts 2010–11 Budget estimate		15,400	26,106	26,106	—	15,400
<i>Total special accounts 2009–10 estimate actual</i>		<i>15,400</i>	<i>26,106</i>	<i>26,106</i>	<i>—</i>	<i>15,400</i>

(D) = Departmental

- The Other Trust Moneys account comprises the following accounts:
 - AFP Official Exhibit & Seized Monies and Manual Cheque Issue Exempt SPM Account
 - AFP Official MPR & Warrants and Manual Cheque Issue SPM Accounts
 - AFP Official Salary Packaging Exempt SPM Account, and
 - AFP Official Comcare SPM Trust Account.
- The Services for Other Governments and Non-Agency Bodies account comprises the following accounts:
 - AFP Official National Police Memorial Exempt SPM Trust Account
 - AFP Trust Account—Australasian Disaster Victim Identification Committee
 - AFP Official ADVI Database Exempt SPM Account
 - AFP Official Interpol 2020 SPM Account, and
 - Australian Institute of Police Management.

3.1.3 Australian Government Indigenous Expenditure

The AFP's contribution to Australian Government Indigenous expenditure is outlined in Table 3.1.3 below. The majority of this expenditure relates to the AFP's involvement in the Closing the Gap in the Northern Territory initiative, including the initial Australian Government response to address violence and child abuse in Indigenous communities. It also includes activities to promote Indigenous employment in the AFP and community policing strategies in the Australian Capital Territory with regard to Indigenous crime prevention.

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

	Appropriations				Program
	Bill No. 1 (\$'000)	Bill No. 2 (\$'000)	Special appropriation (\$'000)	Total appropriation (\$'000)	
Outcome 1					
Departmental 2010–11	9,265	–	–	9,265	1.2, 1.3
<i>Departmental 2009–10</i>	<i>19,563</i>	<i>–</i>	<i>–</i>	<i>19,563</i>	<i>1.2, 1.3</i>
Total AGIE 2010–11	9,265	–	–	9,265	
<i>Total AGIE 2009–10</i>	<i>19,563</i>	<i>–</i>	<i>–</i>	<i>19,563</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There is no significant difference between the agency resourcing and financial statements.

3.2.2 Analysis of budgeted financial statements

Departmental

Income statement

Revenue

Total revenue is estimated to be \$1,262.699m, a net decrease of \$25.984m from the previously published estimate of \$1,288.683m in the 2009–10 Portfolio Additional Estimates Statements. The net decrease is a result of:

- an appropriation increase of \$54.777m resulting from new measure funding (a complete list is presented in Table 1.2) and wage cost index adjustment of \$1.890m
- an appropriation revenue decrease of \$82.858m resulting from the implementation of the net cash reporting framework and a \$2.438m reduction from whole-of-government savings initiatives relating to travel and property costs
- a reduction in revenue as a result of a \$0.408m transfer of appropriation to the Australian Commission for Law Enforcement Integrity, and
- an increase in own-source revenue of \$3.053m.

The AFP's total appropriation for 2010–11 is \$1,012.826m.

Expenses

Total expenses in 2010–11 are estimated to be \$1,346.771m, an increase of \$58.088m from the previously published estimate. This reflects expenditure adjustments relevant to the changes discussed above combined with the removal of appropriation funding for depreciation expenses.

Balance sheet

The AFP's estimated 2010–11 net position of \$559.198m represents a net decrease of \$30.463m from the previously published estimate. The decrease is primarily attributable to the return of depreciation funding through the implementation of the net cash reporting framework offset by the capital measure funding outlined in Table 1.2.

The AFP's major liability continues to be accrued employee entitlements, which are estimated to be \$228.118m.

Capital budget

The AFP's estimated 2010–11 capital budget of \$145.755m represents a net decrease of \$51.662m from the previously published estimate. This decrease is attributable to the capital injection funding presented in Table 1.2 offset by rephasing of the capital budget.

Administered

Schedule of budgeted income and expenses

The schedule of budgeted income and expenses reflects new administered funding of \$12.853m for 2010–11 provided to the AFP for the Timor-Leste Police Development Program, the Pacific Police Development Program, and the Enhanced AFP Support to Afghan Policing in Oruzgan Program and movement of administered funds from 2009–10.

3.2.3 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
EXPENSES					
Employee benefits	792,500	795,914	800,512	822,880	834,812
Supplier expenses	499,315	460,561	455,573	452,457	432,371
Depreciation and amortisation	62,217	84,072	99,423	109,453	106,268
Finance costs	–	–	1	597	600
Write-down and impairment of assets	43	43	43	43	43
Other	6,181	6,181	2,931	929	–
Total expenses	1,360,256	1,346,771	1,358,483	1,386,359	1,374,094
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	242,455	243,909	248,937	254,163	254,163
Total revenue	242,455	243,909	248,937	254,163	254,163
Gains					
Other gains	5,964	5,964	5,964	6,038	6,118
Total gains	5,964	5,964	5,964	6,038	6,118
Total own-source income	248,419	249,873	254,901	260,201	260,281
Net cost of (contribution by) services	1,111,837	1,096,898	1,103,582	1,126,158	1,113,813
Revenue from government	1,111,837	1,012,826	1,004,159	1,016,705	1,007,545
Surplus (deficit)	–	(84,072)	(99,423)	(109,453)	(106,268)
Surplus (deficit) attributable to the Australian Government	–	(84,072)	(99,423)	(109,453)	(106,268)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	–	–	–	–	–
Total other comprehensive income	–	–	–	–	–
Total comprehensive income	–	(84,072)	(99,423)	(109,453)	(106,268)
Total comprehensive income attributable to the Australian Government	–	(84,072)	(99,423)	(109,453)	(106,268)

Prepared on Australian Accounting Standards basis.

Note: Reconciliation of operating result attributable to the agency					
	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)	2013–14 (\$'000)
Operating result attributable to the Australian Government	–	(84,072)	(99,423)	(109,453)	(106,268)
Plus non-appropriated expenses					
Depreciation and amortisation expenses	–	84,072	99,423	109,453	106,268
Operating result attributable to the agency	–	–	–	–	–

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	7,897	8,029	8,161	8,293	8,293
Trade and other receivables	457,876	381,648	256,859	185,816	185,816
Other	5,052	5,063	5,063	5,063	5,063
Total financial assets	470,825	394,740	270,083	199,172	199,172
Non-financial assets					
Land and buildings	197,720	223,132	265,837	269,820	254,063
Property, plant and equipment	169,759	191,031	241,465	248,464	246,606
Intangibles	35,075	50,074	46,027	43,244	40,249
Inventories	2,929	2,929	2,929	2,863	2,863
Other	9,576	9,576	9,576	9,925	9,925
Total non-financial assets	415,059	476,742	565,834	574,316	553,706
Total assets	885,884	871,482	835,917	773,488	752,878
LIABILITIES					
Payables					
Suppliers	69,782	72,320	74,959	48,943	48,943
Other	5,523	5,523	5,523	4,042	4,042
Total payables	75,305	77,843	80,482	52,985	52,985
Provisions					
Employee provisions	207,118	217,618	228,118	237,476	237,476
Other	16,823	16,823	16,823	18,025	18,025
Total provisions	223,941	234,441	244,941	255,501	255,501
Total liabilities	299,246	312,284	325,423	308,486	308,486
Net assets	586,638	559,198	510,494	465,002	444,392
EQUITY					
Parent entity interest					
Contributed equity	583,122	650,419	712,002	790,710	876,368
Reserves	32,902	32,902	32,902	32,902	32,902
Retained surplus (accumulated deficit)	(29,386)	(124,123)	(234,410)	(358,610)	(464,878)
Total parent entity interest	586,638	559,198	510,494	465,002	444,392
Total equity	586,638	559,198	510,494	465,002	444,392

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (Budget year 2010–11)

	Retained earnings (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2010				
Balance carried forward from previous period	(29,386)	32,902	583,122	586,638
Adjustment for changes in accounting policies	—	—	—	—
Adjusted opening balance	(29,386)	32,902	583,122	586,638
Comprehensive income				
Surplus (deficit) for the period	(84,072)	—	—	(84,072)
Total comprehensive income recognised directly in equity	(84,072)	—	—	(84,072)
Transactions with owners				
Amount (to)/from the Official Public Account				
Cash transfers to the Official Public Account	(10,665)	—	—	(10,665)
Contributions by owners				
Appropriation (equity injection)	—	—	16,146	16,146
Appropriation (departmental capital budget)	—	—	51,151	51,151
Sub-total transactions with owners	(10,665)	—	67,297	56,632
Estimated closing balance as at 30 June 2011	(124,123)	32,902	650,419	559,198

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services	266,825	268,430	273,834	278,101	254,120
Appropriations	1,221,380	1,089,055	1,128,948	1,088,437	1,007,545
Net GST received	24,299	18,356	18,426	16,986	4,363
Total cash received	1,512,504	1,375,841	1,421,208	1,383,524	1,266,028
Cash used					
Employees	783,063	785,414	790,012	813,522	834,812
Suppliers	542,709	494,991	490,337	515,250	431,216
Cash to the Official Public Account	8,840	10,665	10,864	14,747	–
Other	11,472	6,181	2,931	929	–
Total cash used	1,346,084	1,297,251	1,294,144	1,344,448	1,266,028
Net cash from (used by) operating activities	166,420	78,590	127,064	39,076	–
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	219,969	145,755	188,515	117,652	85,658
Total cash used	219,969	145,755	188,515	117,652	85,658
Net cash from (used by) investing activities	(219,969)	(145,755)	(188,515)	(117,652)	(85,658)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	51,915	67,297	61,583	78,708	85,658
Total cash received	51,915	67,297	61,583	78,708	85,658
Net cash from (used by) financing activities	51,915	67,297	61,583	78,708	85,658
Net increase (decrease) in cash held	(1,634)	132	132	132	–
Cash and cash equivalents at beginning of reporting period	9,531	7,897	8,029	8,161	8,293
Cash and cash equivalents at end of reporting period	7,897	8,029	8,161	8,293	8,293

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	–	51,151	53,500	70,867	85,614
Equity injections—Bill 2	51,915	16,146	8,083	7,841	44
Previous years' outputs—Bill 2	4,609	–	–	–	–
Total capital appropriations	56,524	67,297	61,583	78,708	85,658
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	51,915	67,297	61,583	78,708	85,658
Other items	4,609	–	–	–	–
Total items	56,524	67,297	61,583	78,708	85,658
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	51,915	16,146	8,083	7,841	44
Funded by capital appropriation—DCB ¹	–	51,151	53,500	70,867	85,614
Funded internally from departmental resources ²	168,054	78,458	126,932	38,944	–
Total	219,969	145,755	188,515	117,652	85,658
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	219,969	145,755	188,515	117,652	85,658
Total cash used to acquire assets	219,969	145,755	188,515	117,652	85,658

Prepared on Australian Accounting Standards basis.

DCB = departmental capital budget.

- Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.
- Includes the following sources of funding:
 - annual and prior year appropriations
 - internally developed assets
 - s 31 relevant agency receipts, and
 - proceeds from the sale of assets.

Table 3.2.6: Statement of departmental asset movements (2010–11)

	Land (\$'000)	Buildings (\$'000)	Other property, plant & equipment (\$'000)	Intangibles (\$'000)	Total (\$'000)
As at 1 July 2010					
Gross book value	803	208,959	252,107	78,379	540,248
Accumulated depreciation/ amortisation and impairment	–	(12,042)	(82,348)	(43,304)	(137,694)
Opening net book balance	803	196,917	169,759	35,075	402,554
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase—appropriation equity	–	–	50,846	16,451	67,297
By purchase—appropriation ordinary annual services	–	65,128	6,581	6,749	78,458
Total additions	–	65,128	57,427	23,200	145,755
Other movements					
Depreciation/amortisation expense	–	(39,716)	(36,155)	(8,201)	(84,072)
As at 30 June 2011					
Gross book value	803	274,087	309,534	101,579	686,003
Accumulated depreciation/ amortisation and impairment	–	(51,758)	(118,503)	(51,505)	(221,766)
Closing net book balance	803	222,329	191,031	50,074	464,237

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Total income administered on behalf of government	–	–	–	–	–
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	27,221	38,805	32,595	13,754	3,384
Total expenses administered on behalf of government	27,221	38,805	32,595	13,754	3,384

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
OPERATING ACTIVITIES					
Cash used					
Suppliers	27,221	38,805	32,595	13,754	3,384
Total cash used	27,221	38,805	32,595	13,754	3,384
Net cash from (used by) operating activities	(27,221)	(38,805)	(32,595)	(13,754)	(3,384)
NET INCREASE (DECREASE) IN CASH HELD	(27,221)	(38,805)	(32,595)	(13,754)	(3,384)
Cash and cash equivalents at beginning of reporting period	–	–	–	–	–
Cash from Official Public Account for: – Appropriations	27,221	38,805	32,595	13,754	3,384
Cash and cash equivalents at end of reporting period	–	–	–	–	–

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Net cash arrangements

These arrangements will commence from 1 July 2010. Essentially the net cash arrangements discontinue funding to agencies for non-cash expenses (depreciation, amortisation and make-good). From 1 July 2010, agencies will be appropriated on the basis of net cash requirements. Departmental capital budgets will be introduced from 1 July 2010. The departmental capital budget will meet the costs associated with replacement of minor assets (assets valued at \$10m or less) and costs that are eligible to be capitalised. The departmental capital budget effectively replaces the depreciation expense funding.

Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Departmental

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, communication, consultants' costs, 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.

Administered

Revenues

All administered revenues relate to the core operating activities performed by the AFP on behalf of the Australian Government.

Supplier expenses

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