

# **AUSTRALIAN FEDERAL POLICE**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**

# AUSTRALIAN FEDERAL POLICE

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# AUSTRALIAN FEDERAL POLICE

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Federal Police (AFP) is an independent statutory authority, within the Home Affairs portfolio, whose functions are set out in section 8 of the *Australian Federal Police Act 1979* (AFP Act). These include provision of:

- police services in relation to laws of the Commonwealth, the property of the Commonwealth (including Commonwealth places) and the safeguarding of Commonwealth interests;
- policing in the Australian Capital Territory, the Jervis Bay Territory and Australia's external territories (Christmas Island, Cocos (Keeling) Islands and Norfolk Island);
- protective and custodial services as directed by the Minister;
- police services and police support services to assist or cooperate with an Australian or foreign law enforcement agency, intelligence or security agency, or government regulatory agency; and
- police services and police support services in relation to establishing, developing and monitoring peace, stability and security in foreign countries.

The AFP is also guided by a Ministerial Direction, issued under section 37(2) of the AFP Act. The AFP also performs functions under the *Witness Protection Act 1994* and the *Proceeds of Crime Act 2002*. A comprehensive description of the AFP can be found at <https://www.afp.gov.au/about-us>.

Since the formation of the AFP in 1979, the organisation has undergone significant change and now has a broad range of national and international responsibilities. As Australia's national policing agency, the AFP protects Australians and Australia's interests through addressing criminal and national security threats; in essence, policing for a safer Australia.

The AFP continues to evolve to meet growing challenges, but policing and protecting life and property will always be at the core of its business. In 2018–19 and beyond, the AFP will continue to pursue strategies to prevent, disrupt, detect and investigate crime with a focus on complex, transnational, serious and organised crime, terrorism, cybercrime and cyber safety, child protection, and the recovery of proceeds of crime. As the principal international representative for Australian policing and law enforcement,

the AFP will increase its effort to lead and coordinate multijurisdictional operational activity through its national, regional and international offices, posts and missions.

In 2018–19, the AFP will establish the Australian Centre to Counter Child Exploitation, which will bring together capabilities from across Commonwealth, state and territory law enforcement and other stakeholders to provide a national response to combat the exploitation of children.

Aviation security will be strengthened with increased counter terrorism first-response capability, aviation protection assessment teams and an Australian explosive detection capability.

The AFP is also focused on aligning capacity and capability to best support and sustain operational outcomes. The AFP works in a technically and socially sophisticated and interconnected world requiring a range of approaches to ensure security and safety and combat criminality. This involves investment in technology to ensure automation is maximised to detect and respond to criminal threats. The AFP is committed to strengthening its workforce through cultural reform, workforce diversity, staff safety and support, and workplace security. Such work aims to ensure the service has the right tools and people in the right places at the right time to effectively deliver a safer Australia.

The AFP prides itself on demonstrating leadership and agility in a dynamic operating environment. The AFP will continue to enhance collaboration with partners across the newly formed Home Affairs portfolio. The focus of 2018–19 and beyond is to build a sustainable capability-based policing organisation, underpinned by its values that can operate in an increasingly complex and challenging future criminal environment. Further information on the AFP's vision for the future can be found at <https://www.afp.gov.au/futures>.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the AFP for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the AFP's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4: Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, while the Budgeted expenses tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: AFP resource statement—Budget estimates for 2018–19 as at Budget May 2018**

	<i>2017–18 Estimated actual \$'000</i>	<i>2018–19 Estimate \$'000</i>
<b>Departmental</b>		
Annual appropriations—ordinary annual services		
Prior year appropriations available (a)	200,279	168,259
Departmental appropriation (b)	1,029,171	1,051,233
s 74 retained revenue receipts (c)	286,810	282,687
Departmental capital budget (d)	58,105	58,623
Annual appropriations—other services—non-operating		
Prior year appropriations available (a)	69,961	48,355
Equity injection (e)	75,323	70,229
<b>Total departmental annual appropriations</b>	<b>1,719,649</b>	<b>1,679,386</b>
Special accounts (f)		
Opening balance	10,812	10,812
Appropriation receipts (g)	1,539	1,554
Non-appropriation receipts	8,844	9,771
<b>Total special accounts</b>	<b>21,195</b>	<b>22,137</b>
Less departmental appropriations drawn from annual/special appropriations and credited to special accounts	(10,383)	(11,325)
<b>Total departmental resourcing</b>	<b>1,730,461</b>	<b>1,690,198</b>
<b>Administered</b>		
Annual appropriations—ordinary annual services		
Outcome 1	16,077	11,735
<b>Total administered annual appropriations</b>	<b>16,077</b>	<b>11,735</b>
<b>Total administered special appropriations (h)</b>	<b>100</b>	<b>–</b>
<b>Total administered resourcing</b>	<b>16,177</b>	<b>11,735</b>
<b>Total resourcing for AFP (i)</b>	<b>1,746,638</b>	<b>1,701,933</b>
	<i>2017–18</i>	<i>2018–19</i>
<b>Average staffing level (number)</b>	<b>6,300</b>	<b>6,448</b>

Prepared on a resourcing (i.e. appropriations available) basis.

Note: All figures shown above are GST exclusive—these may not match figures in the cash flow statement.

- (a) Estimated adjusted balance carried forward from previous years to meet existing leave provisions, other liabilities and capital commitments.
- (b) Appropriation Bill (No. 1) 2018–19, excluding the departmental capital budget (DCB).
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) DCBs are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount is designated as 'contribution by owner'.
- (e) Appropriation Bill (No. 2) 2018–19.
- (f) Excludes 'special public money' held in an account such as a Services for Other Entities and Trust Monies (SOETM) special account. For further information on special accounts, please refer to Budget Paper No. 4: Agency Resourcing. Please also see Tables 2.1.1 and 2.2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (g) Amounts credited to the special account(s) from AFP's annual and special appropriations.
- (h) Special appropriation provided for the purpose of repayments under section 77 of the PGPA Act.

*AFP Budget Statements*

(i) Total net resourcing comprises prior year and current year appropriations. The following table provides a summary of these two elements:

	2017–18 Estimated actual \$'000	2018–19 Estimate \$'000
Total resources provided for in current year Budget	1,476,398	1,485,319
Prior year appropriations available	270,240	216,614
<b>Total net resourcing for AFP</b>	<b>1,746,638</b>	<b>1,701,933</b>

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the AFP are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: AFP 2018–19 Budget measures  
Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
<b>Expense measures</b>						
Assistance to Papua New Guinea for hosting APEC 2018 (a)	1.2					
Administered		–	–	–	–	–
Departmental expenses		–	–	–	–	–
<b>Total</b>		–	–	–	–	–
Australian Centre to Counter Child Exploitation—establishment	1.1					
Departmental expenses		–	9,601	16,965	16,443	15,354
<b>Total</b>		–	<b>9,601</b>	<b>16,965</b>	<b>16,443</b>	<b>15,354</b>
Aviation, Air Cargo and International Mail Security Package	1.1					
Departmental expenses		–	9,271	24,336	30,026	36,797
<b>Total</b>		–	<b>9,271</b>	<b>24,336</b>	<b>30,026</b>	<b>36,797</b>
Commonwealth Ombudsman—additional funding (b)	1.1					
Departmental expenses		(160)	(160)	(160)	(160)	(160)
<b>Total</b>		<b>(160)</b>	<b>(160)</b>	<b>(160)</b>	<b>(160)</b>	<b>(160)</b>
National Security Agencies—additional funding	1.1					
Departmental expenses		–	3,157	3,140	3,143	3,164
<b>Total</b>		–	<b>3,157</b>	<b>3,140</b>	<b>3,143</b>	<b>3,164</b>
<b>Total expense measures</b>						
Administered		–	–	–	–	–
Departmental		(160)	21,869	44,281	49,452	55,155
<b>Total</b>		<b>(160)</b>	<b>21,869</b>	<b>44,281</b>	<b>49,452</b>	<b>55,155</b>

**Table 1.2: AFP 2018–19 Budget measures (continued)**

	Program	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
<b>Capital measures</b>						
Australian Centre to Counter Child Exploitation—establishment	1.1					
Departmental capital		–	2,691	7,552	–	–
<b>Total</b>		–	<b>2,691</b>	<b>7,552</b>	–	–
Aviation, Air Cargo and International Mail Security Package	1.1					
Departmental capital		–	3,406	1,370	561	1,233
<b>Total</b>		–	<b>3,406</b>	<b>1,370</b>	<b>561</b>	<b>1,233</b>
<b>Total capital measures</b>						
Departmental		–	6,097	8,922	561	1,233
<b>Total</b>		–	<b>6,097</b>	<b>8,922</b>	<b>561</b>	<b>1,233</b>

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (–) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) Funding of \$4.7 million in 2018–19, for the *Assistance to Papua New Guinea for hosting APEC 2018* measure, has already been provided for by government.
- (b) The lead entity for the *Commonwealth Ombudsman—additional funding* measure is the Attorney-General's Department. The full measure description and package details appear in Budget Paper No. 2 under the Attorney-General's portfolio.

## **Part 2: Other measures not previously reported in a portfolio statement**

AFP has no other measures not previously reported in a portfolio statement.



## Section 2: Outcomes and planned performance

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 entities achieve the intended results of their outcome statements. Entities are required to identify the programs that contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the PB Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It is anticipated that the performance criteria described in PB Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for the AFP can be found at:  
<https://www.afp.gov.au/corporateplan>.

The most recent annual performance statement can be found at:  
<https://www.afp.gov.au/about-us/publications-and-reports/annual-reports>.

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

### Linked programs

The information provided below shows how Outcome 1 links with programs delivered by other Commonwealth entities to contribute to common government objectives.

<p><b>Australian Criminal Intelligence Commission</b> Program 1.1: Australian Criminal Intelligence Commission</p>
<p><b>Australian Financial Security Authority</b> Program 1.1: Personal Insolvency and Trustee Services</p>
<p><b>Australian Security Intelligence Organisation</b> Program 1.1: Security Intelligence</p>
<p><b>Australian Taxation Office</b> Program 1.1: Australian Taxation Office</p>
<p><b>Australian Transaction Reports and Analysis Centre</b> Program 1.1: AUSTRAC</p>
<p><b>Department of Foreign Affairs and Trade</b> Program 1.1: Foreign Affairs and Trade Operations Program 1.2: Official Development Assistance Program 2.1: Consular Services</p>
<p><b>Department of Home Affairs</b> Program 1.1: Border Enforcement Program 1.5: Regional Cooperation Program 1.7: National Security and Criminal Justice Program 1.9: Counter Terrorism</p>
<p><b>Department of the Prime Minister and Cabinet</b> Program 1.1: Prime Minister and Cabinet</p>
<p><b>Office of the Director of Public Prosecutions</b> Program 1.1: An independent service to prosecute alleged offences against the criminal law of the Commonwealth.</p>
<p><b>Contribution to Outcome 1 made by linked programs</b> Australian law enforcement, border and national security agencies work collaboratively with the AFP in addressing criminal and security threats through a range of mechanisms, including joint taskforces, joint operations, information and intelligence sharing, international development assistance and policy development</p>

**Budgeted expenses for Outcome 1**

This table shows how much the AFP intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted expenses for Outcome 1**

<b>Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interests through co-operative policing services.</b>					
	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>Program 1.1: Federal Policing and National Security</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,977	970	980	988	994
Special appropriations					
Special appropriations s 77	100	–	–	–	–
<b>Administered total</b>	<b>2,077</b>	<b>970</b>	<b>980</b>	<b>988</b>	<b>994</b>
Departmental expenses					
Departmental appropriations	845,535	889,119	884,230	863,050	786,425
s 74 retained revenue receipts (a)	109,998	106,461	92,810	95,079	97,432
Special accounts					
Services for other entities and trust moneys	10,383	11,325	11,427	11,532	11,591
Expenses not requiring appropriation in the Budget year (b)	95,267	104,774	113,138	115,862	113,244
<b>Departmental total</b>	<b>1,061,183</b>	<b>1,111,679</b>	<b>1,101,605</b>	<b>1,085,523</b>	<b>1,008,692</b>
<b>Total expenses for program 1.1</b>	<b>1,063,260</b>	<b>1,112,649</b>	<b>1,102,585</b>	<b>1,086,511</b>	<b>1,009,686</b>

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
<b>Program 1.2: International Policing Assistance</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	14,100	10,765	4,863	5,703	3,457
<b>Administered total</b>	<b>14,100</b>	<b>10,765</b>	<b>4,863</b>	<b>5,703</b>	<b>3,457</b>
Departmental expenses					
Departmental appropriation	183,636	162,114	154,719	155,861	140,006
s 74 retained revenue receipts (a)	11,361	10,516	7,417	7,110	7,251
Expenses not requiring appropriation in the Budget year (b)	3,310	1,956	903	666	531
<b>Departmental total</b>	<b>198,307</b>	<b>174,586</b>	<b>163,039</b>	<b>163,637</b>	<b>147,788</b>
<b>Total expenses for program 1.2</b>	<b>212,407</b>	<b>185,351</b>	<b>167,902</b>	<b>169,340</b>	<b>151,245</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	16,077	11,735	5,843	6,691	4,451
Special appropriations	100	–	–	–	–
<b>Administered total</b>	<b>16,177</b>	<b>11,735</b>	<b>5,843</b>	<b>6,691</b>	<b>4,451</b>
Departmental expenses					
Departmental appropriation	1,029,171	1,051,233	1,038,949	1,018,911	926,431
s 74 retained revenue receipts (a)	121,359	116,977	100,227	102,189	104,683
Special accounts	10,383	11,325	11,427	11,532	11,591
Expenses not requiring appropriation in the Budget year (b)	98,577	106,730	114,041	116,528	113,775
<b>Departmental total</b>	<b>1,259,490</b>	<b>1,286,265</b>	<b>1,264,644</b>	<b>1,249,160</b>	<b>1,156,480</b>
<b>Total expenses for Outcome 1</b>	<b>1,275,667</b>	<b>1,298,000</b>	<b>1,270,487</b>	<b>1,255,851</b>	<b>1,160,931</b>
<b>Average staffing level (number)</b>					
	<b>5,338</b>	<b>5,484</b>			

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

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

**Table 2.1.2: Performance criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018-19 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1: Reduced criminal and security threats to Australia's collective economic and societal interest through co-operative policing services.</b>		
<b>Program 1.1: Federal Policing and National Security</b>		
This program will reduce criminal and security threats through promoting the safety and security of Australian communities and infrastructure; preventing, deterring, disrupting and investigating serious and organised crime and crimes of Commonwealth significance; and ensuring effective collaboration with international, Commonwealth, state and territory partners.		
<b>Delivery</b>	This program addresses criminal and security threats through a range of policing activities, including national and transnational investigations, counter-terrorism, protection operations and joint taskforces with international, Commonwealth, state, territory and private-sector partners.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria (a)</b>	<b>Targets (b)</b>
2017-18	External stakeholder satisfaction.	Forecast 90% (against 85%)
	Number of disruptions.	Forecast 150 (benchmark year)
	Prevention case studies.	Successful target prevention
	Community confidence.	Forecast 60% (against 75%)
	Response to aviation law enforcement and / or security incidents within priority response times.	Forecast all met (against 90%) Priority 1—90% P2—93%; P3—98%; P4—100%
	Number of avoidable incidents recorded by Protection Operations.	Forecast 0 (against 4)
	Return on investment for investigation and disruption of crime.	Forecast 3 (against >1)
	Increased or reinforced cyber safety and security awareness.	Forecast 90 % (against 85%)
2018-19	Community confidence in the contribution that the AFP makes to law enforcement and national security.	Target 75 %
	AFP return on investment.	Target >1
2019-20 and beyond	As per 2018-19	As per 2018-19
<b>Purposes (b)</b>	As Australia's national policing agency, we protect Australian's and Australia's interests.	

(a) Performance criteria in the PBS have been reduced to a single key indicator of AFP performance. The AFP Corporate Plan will continue to contain the full AFP performance measurement framework and performance criteria from July 2018 onwards.

(b) All forecasts based on year-to-date figures or projections of year-to-date average monthly figures.

<b>Program 1.2: International Police Assistance</b>		
This program will reduce criminal and national security threats through delivery of collaborative law and order police development missions, participation in internationally mandated peace operations and provision of civil policing assistance in accordance with Australian foreign development policy priorities.		
<b>Delivery</b>	This program provides policing support for enhanced rule of law internationally. This is facilitated through the AFP's official development assistance in the Indo-Pacific region, the AFP's contribution to United Nations missions, training programs for police and community policing in Australia's external territories.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017-18	Mission/external territories performance evaluation: <ul style="list-style-type: none"> <li>• Timor-Leste Police Development Program</li> <li>• Papua New Guinea-Australia Policing Partnership</li> </ul>	Evaluations completed and recommendations addressed
2018-19	Mission/external territories performance evaluation: <ul style="list-style-type: none"> <li>• Pacific Police Development Program</li> <li>• International Operations Gender Strategy</li> </ul>	Evaluations completed and recommendations addressed
2019-20 and beyond	Mission/external territories performance evaluation: Continuation of the evaluation pipeline listed in the AFP Corporate Plan ( <a href="https://www.afp.gov.au/corporateplan">https://www.afp.gov.au/corporateplan</a> )	As per 2018-19
<b>Purpose</b>	As Australia's national policing agency, we protect Australian's and Australia's interests.	

## 2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

**Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government.**

### Budgeted expenses for Outcome 2

Table 2.2.1 shows how much the AFP intends to spend (on an accrual basis) on achieving Outcome 2, broken down by program and departmental funding sources.

**Table 2.2.1: Budgeted expenses for Outcome 2**

<b>Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government.</b>					
	2017–18	2018–19	2019–20	2020–21	2021–22
	Estimated actual	Budget	Forward estimate	Forward estimate	Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Program 2.1: ACT Community Policing</b>					
Departmental expenses					
s 74 retained revenue receipts (a)	159,628	162,212	163,089	162,525	162,532
Expenses not requiring appropriation in the Budget year (b)	8,368	8,368	8,368	8,368	8,368
<b>Departmental total</b>	<b>167,996</b>	<b>170,580</b>	<b>171,457</b>	<b>170,893</b>	<b>170,900</b>
<b>Total expenses for program 2.1</b>	<b>167,996</b>	<b>170,580</b>	<b>171,457</b>	<b>170,893</b>	<b>170,900</b>
<b>Average staffing level (number)</b>					
	<b>962</b>	<b>964</b>			

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

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- (b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

## Performance criteria for Outcome 2

Table 2.2.2 details the performance criteria for the program associated with Outcome 2. It also summarises how the program is delivered.

**Table 2.2.2: Performance criteria for Outcome 2**

<b>Outcome 2: A safe and secure environment through policing activities on behalf of the Australian Capital Territory Government.</b>		
<b>Program 2.1: ACT Community Policing</b> This program provides community policing capacity to the ACT Government based on three key outcomes of reduced crime, public safety, and community and partner engagement.		
<b>Delivery</b>	ACT Policing delivers high quality and effective policing service to the people of the ACT in accordance with the Policing Arrangement between the Commonwealth and ACT Governments. That Arrangement provides for the development of a Purchase Agreement (currently 2017-21) for the AFP to provide policing services in the ACT. ACT Policing services are provided under section 8 of the AFP Act.	
<b>Performance information</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2017–18	See the 2017–21 purchase agreement on the ACT Policing website for performance measures and indicators of effectiveness: <a href="https://www.police.act.gov.au/about-us/government-directions">https://www.police.act.gov.au/about-us/government-directions</a>	As per the purchase agreement
2018–19	Will be published in the 2017–21 purchase agreement: <a href="https://www.police.act.gov.au/about-us/government-directions">https://www.police.act.gov.au/about-us/government-directions</a>	As per the purchase agreement
2019–20 and beyond	As per 2018–19	As per 2018–19
<b>Purpose</b>	To provide policing in the Australian Capital Territory	



## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences between entity resourcing and financial statements

There is no material difference between the entity resourcing and financial statements.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

##### Departmental

##### Income statement

The AFP is anticipating an operating loss of \$27.2 million excluding unfunded depreciation in 2017–18. This relates to a higher national security threat and response level and higher investigative activity, leading to higher staff and operating costs and costs to remediate some core foundational capabilities.

In 2018–19 the AFP is budgeting to receive departmental appropriations of \$1,051.3 million, an increase of \$22.1 million over 2017–18. This increase includes new funding for the measures *Australian Centre to Counter Child Exploitation – Establishment* (\$9.6 million), *Assistance to Papua New Guinea for hosting APEC 2018* (\$0.5 million), *Aviation, Air Cargo and International Mail Security Package* (\$9.3 million) and *National Security Agencies – additional resourcing* (\$3.2 million). Other movements for measures previously announced, whole-of-government savings measures and transfers, and parameter adjustments are also embedded within the 2018–19 departmental appropriation funding.

##### Balance sheet

The AFP's net asset position decreases over the forward estimates as depreciation and amortisation expenses exceed current planned equity injections and departmental capital budget from 2019–20 onwards.

##### Capital budget statement

The AFP's 2018–19 estimate of capital purchases is \$154.3 million. The funding includes equity injections for the measures *Australian Centre to Counter Child Exploitation – establishment* (\$2.7 million) and *Aviation, Air Cargo and International Mail Security Package* (\$3.4 million).

**Administered**

Total estimated expenses administered on behalf of government for 2018-19 is \$11.7 million and includes funding for the *Asia-Pacific Economic Cooperation 2018*, *Solomon Islands Police Development Program*, *Pacific Police Development Program – continuation*, *National Security–additional counter terrorism funding* and the *Cyber-Safety Plan*.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
<b>EXPENSES</b>					
Employee benefits	876,175	882,994	889,364	876,130	827,796
Suppliers	469,538	452,983	418,456	413,050	371,405
Depreciation and amortisation	101,390	109,543	116,854	119,341	116,588
<b>Total expenses</b>	<b>1,447,103</b>	<b>1,445,520</b>	<b>1,424,674</b>	<b>1,408,521</b>	<b>1,315,789</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	284,821	279,926	263,518	264,818	267,211
Rental income	1,718	2,520	2,615	2,713	2,821
Other	271	241	241	241	241
<b>Total own-source revenue</b>	<b>286,810</b>	<b>282,687</b>	<b>266,374</b>	<b>267,772</b>	<b>270,273</b>
<b>Gains</b>					
Other	5,555	5,555	5,555	5,555	5,555
<b>Total gains</b>	<b>5,555</b>	<b>5,555</b>	<b>5,555</b>	<b>5,555</b>	<b>5,555</b>
<b>Total own-source income</b>	<b>292,365</b>	<b>288,242</b>	<b>271,929</b>	<b>273,327</b>	<b>275,828</b>
<b>Net (cost of)/contribution by services</b>	<b>(1,154,738)</b>	<b>(1,157,278)</b>	<b>(1,152,745)</b>	<b>(1,135,194)</b>	<b>(1,039,961)</b>
Revenue from government	1,029,171	1,051,233	1,038,949	1,018,911	926,431
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(125,567)</b>	<b>(106,045)</b>	<b>(113,796)</b>	<b>(116,283)</b>	<b>(113,530)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(125,567)</b>	<b>(106,045)</b>	<b>(113,796)</b>	<b>(116,283)</b>	<b>(113,530)</b>
<b>Note: Impact of net cash appropriation arrangements</b>					
	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
<b>Total comprehensive income/(loss) excluding depreciation/ amortisation expenses not funded through revenue appropriations</b>	<b>(27,235)</b>	<b>440</b>	<b>–</b>	<b>–</b>	<b>–</b>
Less depreciation/amortisation expenses not funded through revenue appropriations	98,332	106,485	113,796	116,283	113,530
<b>Total comprehensive income/(loss) —as per the statement of comprehensive income</b>	<b>(125,567)</b>	<b>(106,045)</b>	<b>(113,796)</b>	<b>(116,283)</b>	<b>(113,530)</b>

Prepared on Australian Accounting Standards basis.

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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	8,701	8,701	8,701	8,701	8,701
Trade and other receivables	247,378	224,564	217,870	203,139	189,035
Other financial assets	5,070	5,070	5,070	5,070	5,070
<b>Total financial assets</b>	<b>261,149</b>	<b>238,335</b>	<b>231,641</b>	<b>216,910</b>	<b>202,806</b>
<b>Non-financial assets</b>					
Land and buildings	376,538	390,246	381,958	358,477	331,781
Property, plant and equipment	154,901	160,800	166,533	158,571	157,866
Intangibles	66,250	91,362	78,307	76,908	75,342
Inventories	5,653	5,653	5,653	5,653	5,653
Other non-financial assets	23,645	24,297	24,968	25,660	25,660
<b>Total non-financial assets</b>	<b>626,987</b>	<b>672,358</b>	<b>657,419</b>	<b>625,269</b>	<b>596,302</b>
<b>Total assets</b>	<b>888,136</b>	<b>910,693</b>	<b>889,060</b>	<b>842,179</b>	<b>799,108</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	74,071	70,847	68,822	64,712	64,712
Other payables	19,935	18,433	16,773	16,771	16,328
<b>Total payables</b>	<b>94,006</b>	<b>89,280</b>	<b>85,595</b>	<b>81,483</b>	<b>81,040</b>
<b>Provisions</b>					
Employee provisions	299,735	303,747	300,931	290,512	276,851
Other provisions	32,099	32,563	33,041	33,533	33,533
<b>Total provisions</b>	<b>331,834</b>	<b>336,310</b>	<b>333,972</b>	<b>324,045</b>	<b>310,384</b>
<b>Total liabilities</b>	<b>425,840</b>	<b>425,590</b>	<b>419,567</b>	<b>405,528</b>	<b>391,424</b>
<b>Net assets</b>	<b>462,296</b>	<b>485,103</b>	<b>469,493</b>	<b>436,651</b>	<b>407,684</b>
<b>EQUITY (a)</b>					
<b>Parent entity interest</b>					
Contributed equity	1,188,932	1,317,784	1,415,970	1,499,411	1,583,974
Reserves	123,754	123,754	123,754	123,754	123,754
Retained surplus (accumulated deficit)	(850,390)	(956,435)	(1,070,231)	(1,186,514)	(1,300,044)
<b>Total parent entity interest</b>	<b>462,296</b>	<b>485,103</b>	<b>469,493</b>	<b>436,651</b>	<b>407,684</b>
<b>Total equity</b>	<b>462,296</b>	<b>485,103</b>	<b>469,493</b>	<b>436,651</b>	<b>407,684</b>

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after the deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity—summary of movement (Budget year 2018–19)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2018</b>				
Balance carried forward from previous period	(850,390)	123,754	1,188,932	462,296
<b>Adjusted opening balance</b>	<b>(850,390)</b>	<b>123,754</b>	<b>1,188,932</b>	<b>462,296</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(106,045)	–	–	(106,045)
<b>Total comprehensive income</b>	<b>(106,045)</b>	<b>–</b>	<b>–</b>	<b>(106,045)</b>
of which:				
Attributable to the Australian Government	(106,045)	–	–	(106,045)
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity injection—Appropriation	–	–	70,229	70,229
Departmental capital budget (DCB)	–	–	58,623	58,623
<b>Sub-total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>128,852</b>	<b>128,852</b>
<b>Estimated closing balance as at 30 June 2019</b>	<b>(956,435)</b>	<b>123,754</b>	<b>1,317,784</b>	<b>485,103</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(956,435)</b>	<b>123,754</b>	<b>1,317,784</b>	<b>485,103</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,302,421	1,299,503	1,277,603	1,269,023	1,177,656
Sale of goods and rendering of services	286,746	280,975	264,294	267,900	270,032
Net GST received	35,063	33,264	31,994	32,148	32,670
Other	271	241	241	241	241
<b>Total cash received</b>	<b>1,624,501</b>	<b>1,613,983</b>	<b>1,574,132</b>	<b>1,569,312</b>	<b>1,480,599</b>
<b>Cash used</b>					
Employees	866,001	878,911	891,902	886,790	841,900
Suppliers	475,202	450,840	415,119	411,805	365,850
s 74 retained revenue receipts transferred to OPA	286,475	280,734	264,053	267,659	269,791
<b>Total cash used</b>	<b>1,627,678</b>	<b>1,610,485</b>	<b>1,571,074</b>	<b>1,566,254</b>	<b>1,477,541</b>
<b>Net cash from/(used by) operating activities</b>	<b>(3,177)</b>	<b>3,498</b>	<b>3,058</b>	<b>3,058</b>	<b>3,058</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	172,850	154,262	101,244	86,499	87,621
<b>Total cash used</b>	<b>172,850</b>	<b>154,262</b>	<b>101,244</b>	<b>86,499</b>	<b>87,621</b>
<b>Net cash from/(used by) investing activities</b>	<b>(172,850)</b>	<b>(154,262)</b>	<b>(101,244)</b>	<b>(86,499)</b>	<b>(87,621)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	167,027	150,764	98,186	83,441	84,563
<b>Total cash received</b>	<b>167,027</b>	<b>150,764</b>	<b>98,186</b>	<b>83,441</b>	<b>84,563</b>
<b>Net cash from/(used by) financing activities</b>	<b>167,027</b>	<b>150,764</b>	<b>98,186</b>	<b>83,441</b>	<b>84,563</b>
<b>Net increase/(decrease) in cash held</b>	<b>(9,000)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash and cash equivalents at the beginning of the reporting period	17,701	8,701	8,701	8,701	8,701
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>8,701</b>	<b>8,701</b>	<b>8,701</b>	<b>8,701</b>	<b>8,701</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget—Bill 1 (DCB)	58,105	58,623	78,748	82,846	83,330
Equity injections—Bill 2	75,323	70,229	19,438	595	1,233
<b>Total new capital appropriations</b>	<b>133,428</b>	<b>128,852</b>	<b>98,186</b>	<b>83,441</b>	<b>84,563</b>
<b>Provided for:</b>					
Purchase of non-financial assets	133,428	128,852	98,186	83,441	84,563
<b>Total items</b>	<b>133,428</b>	<b>128,852</b>	<b>98,186</b>	<b>83,441</b>	<b>84,563</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	108,922	92,141	19,438	595	1,233
Funded by capital appropriation—DCB (b)	58,105	58,623	78,748	82,846	83,330
Funded internally from departmental resources (c)	5,823	3,498	3,058	3,058	3,058
<b>TOTAL</b>	<b>172,850</b>	<b>154,262</b>	<b>101,244</b>	<b>86,499</b>	<b>87,621</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	172,850	154,262	101,244	86,499	87,621
<b>Total cash used to acquire assets</b>	<b>172,850</b>	<b>154,262</b>	<b>101,244</b>	<b>86,499</b>	<b>87,621</b>

Prepared on Australian Accounting Standards basis.

- (a) Includes both current Bill No. 2 and prior Act 2 and Bills 4 and 6 appropriations and special capital appropriations.
- (b) Does not include annual finance lease costs. Includes purchases from current and previous years' DCBs.
- (c) Includes current and previous years' section 74 retained revenue receipts and proceeds from the sale of assets.

**Table 3.6: Statement of asset movements (Budget year 2018–19)**

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2018</b>					
Gross book value	2,400	407,758	207,936	153,686	771,780
Accumulated depreciation/ amortisation and impairment	–	(33,620)	(53,035)	(87,436)	(174,091)
<b>Opening net book balance</b>	<b>2,400</b>	<b>374,138</b>	<b>154,901</b>	<b>66,250</b>	<b>597,689</b>
<b>Capital asset additions</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase—appropriation equity (a)	–	38,489	35,175	18,476	92,141
By purchase—appropriation ordinary annual services (b)	–	11,954	25,026	25,142	62,121
<b>Total additions</b>	<b>–</b>	<b>50,443</b>	<b>60,201</b>	<b>43,618</b>	<b>154,262</b>
<b>Other movements</b>					
Depreciation/amortisation expense		(36,735)	(54,302)	(18,506)	(109,543)
<b>Total other movements</b>	<b>–</b>	<b>(36,735)</b>	<b>(54,302)</b>	<b>(18,506)</b>	<b>(109,543)</b>
<b>As at 30 June 2019</b>					
Gross book value	2,400	458,201	268,137	197,304	926,042
Accumulated depreciation/ amortisation and impairment	–	(70,355)	(107,337)	(105,942)	(283,634)
<b>Closing net book balance</b>	<b>2,400</b>	<b>387,846</b>	<b>160,800</b>	<b>91,362</b>	<b>642,408</b>

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections or administered assets and liabilities appropriations provided through Appropriation Bill (No. 2) 2018–19, including collection development acquisition budgets (CDABs).
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2018–19 for depreciation/amortisation expenses, DCBs or other operational expenses.



**Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
<b>EXPENSES</b>					
Suppliers	16,177	11,735	5,843	6,691	4,451
<b>Total expenses administered on behalf of government</b>	<b>16,177</b>	<b>11,735</b>	<b>5,843</b>	<b>6,691</b>	<b>4,451</b>
<b>Net (cost of)/contribution by services</b>	<b>16,177</b>	<b>11,735</b>	<b>5,843</b>	<b>6,691</b>	<b>4,451</b>
<b>Surplus/(deficit) before income tax</b>	<b>(16,177)</b>	<b>(11,735)</b>	<b>(5,843)</b>	<b>(6,691)</b>	<b>(4,451)</b>
<b>Surplus/(deficit) after income tax</b>	<b>(16,177)</b>	<b>(11,735)</b>	<b>(5,843)</b>	<b>(6,691)</b>	<b>(4,451)</b>
<b>Total comprehensive income/(loss)</b>	<b>(16,177)</b>	<b>(11,735)</b>	<b>(5,843)</b>	<b>(6,691)</b>	<b>(4,451)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	113	113	113	113	113
<b>Total financial assets</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>
<b>Total assets administered on behalf of government</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	573	463	463	463	463
<b>Total payables</b>	<b>573</b>	<b>463</b>	<b>463</b>	<b>463</b>	<b>463</b>
<b>Total liabilities administered on behalf of government</b>	<b>573</b>	<b>463</b>	<b>463</b>	<b>463</b>	<b>463</b>
<b>Net assets/(liabilities)</b>	<b>(460)</b>	<b>(350)</b>	<b>(350)</b>	<b>(350)</b>	<b>(350)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted cash flows administered on behalf of government (as at 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forw ard estimate \$'000	2020–21 Forw ard estimate \$'000	2021–22 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	29	13	10	12	8
<b>Total cash received</b>	<b>29</b>	<b>13</b>	<b>10</b>	<b>12</b>	<b>8</b>
<b>Cash used</b>					
Suppliers	16,704	11,845	5,843	6,691	4,451
Net GST paid	29	13	10	12	8
<b>Total cash used</b>	<b>16,733</b>	<b>11,858</b>	<b>5,853</b>	<b>6,703</b>	<b>4,459</b>
<b>Net cash from/(used by) operating activities</b>	<b>(16,704)</b>	<b>(11,845)</b>	<b>(5,843)</b>	<b>(6,691)</b>	<b>(4,451)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(16,704)</b>	<b>(11,845)</b>	<b>(5,843)</b>	<b>(6,691)</b>	<b>(4,451)</b>
Cash and cash equivalents at beginning of reporting period	–	–	–	–	–
Cash from Official Public Account for:					
– Appropriations	16,704	11,845	5,843	6,691	4,451
<b>Total cash from Official Public Account</b>	<b>16,704</b>	<b>11,845</b>	<b>5,843</b>	<b>6,691</b>	<b>4,451</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Prepared on Australian Accounting Standards basis.