

AUSTRALIAN CRIMINAL INTELLIGENCE COMMISSION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

ACIC was transferred to the Home Affairs portfolio on 20 December 2017, under the AAO establishing the new Home Affairs portfolio. The strategic direction statement for ACIC can be found in the 2017–18 PB Statements. There has been no change to ACIC’s strategic direction as a result of the transfer or Additional Estimates.

1.2 ENTITY RESOURCE STATEMENT

The entity resource statement details the resourcing for ACIC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017–18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, and special accounts.

Table 1.1: Entity resource statement—additional estimates for 2017–18 as at Additional Estimates February 2018

	<i>Actual available appropriation</i>	<i>Estimate as at Budget</i>	<i>Proposed Additional Estimates</i>	<i>Total estimate at Additional Estimates</i>
	<i>2016–17 \$'000</i>	<i>2017–18 \$'000</i>	<i>2017–18 \$'000</i>	<i>2017–18 \$'000</i>
Departmental				
Annual appropriations—ordinary annual services (a)				
Prior year appropriations available (b)	31,766	48,443	—	48,443
Departmental appropriation	89,820	87,923	523	88,446
s 74 retained revenue receipts (c)	28,028	8,332	16,773	25,105
Departmental capital budget (d)	2,666	2,640	—	2,640
Annual appropriations—other services— non-operating (e)				
Prior year appropriations available	1,918	335	—	335
Equity injection	2,177	580	—	580
Total departmental annual appropriations	156,375	148,253	17,296	165,549
Special accounts (f)				
Opening balance	123,583	117,613	—	117,613
Appropriation receipts (g)	2,531	848	—	848
Non-appropriation receipts	90,953	81,686	11,301	92,987
Total special accounts	217,067	200,147	11,301	211,448
<i>Less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>2,531</i>	<i>848</i>	<i>—</i>	<i>848</i>
Total departmental resourcing	370,911	347,552	28,597	376,149
Total resourcing for Australian Criminal Intelligence Commission	370,911	347,552	28,597	376,149
		<i>Actual 2016–17</i>	<i>2017–18</i>	
Average staffing level (number)		724	777	

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

Please note:

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

(a) *Appropriation Act (No. 1) 2017–2018* and *Appropriation Bill (No. 3) 2017–2018*.

(b) Excludes DCB.

(c) Estimated retained revenue receipts under section 74 of the PGPA Act.

(d) DCB are not separately identified in *Appropriation Act (No.1)* and form part of ordinary annual services items. Please refer to Table 3.6 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) *Appropriation Act (No. 2) 2017–2018*.

(f) For further information on special accounts, see Budget Paper No. 4: Agency Resourcing. See also Table 2.1 for further information on outcome and program expenses broken down by various funding sources, such as annual appropriations and special accounts.

(g) Amounts credited to the special accounts from ACIC's annual appropriations.

1.3 ENTITY MEASURES

Table 1.2 summarises new government measures taken since the 2017–18 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: Entity 2017–18 measures since Budget

	Program	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Revenue measures					
Working w ith Children Checks National Database—establishment	1.1				
Departmental revenues		–	261	523	523
Total revenue measures		–	261	523	523
Expense measures					
Confiscated Assets Account	1.1				
Departmental expenses		4,773	5,006	1,509	–
National Security—2017 Independent Intelligence Review—implementation(a)	1.1				
Departmental expenses		197	361	361	363
Working w ith Children Checks National Database—establishment	1.1				
Departmental expenses		326	261	523	523
Total expense measures		5,296	5,628	2,393	886
Capital measures					
Confiscated Assets Account	1.1				
Departmental capital		4,673	3,380	–	–
Working w ith Children Checks National Database—establishment	1.1				
Departmental capital		–	2,419	–	–
Total capital measures		4,673	5,799	–	–
Decisions taken but not yet announced		–	–	–	–

Prepared on a Government Financial Statistics (fiscal) basis.

(a) The lead entity for this measure is PM&C. The full measure description and package details appear in 2017–18 MYEFO under PM&C portfolio.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

Table 1.3 shows changes to the resourcing for ACIC at Additional Estimates, by outcome. The table details the additional estimates resulting from new measures and other variations since the 2017–18 Budget in Appropriation Bills Nos. 3 and 4.

Table 1.3: Additional estimates and other variations to outcomes since 2017–18 Budget

	Program impacted	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Outcome 1					
Departmental					
Annual appropriations					
National Security—2017 Independent Intelligence					
Review—implementation—expense	1.1	197	361	361	363
Working with Children Checks National Database—establishment—expense					
Working with Children Checks National Database—establishment—capital	1.1	326	—	—	—
Changes in parameters					
Expense	1.1	—	84	82	156
Capital	1.1	—	3	3	5
Other variations					
Commonwealth Redress Scheme	1.1	—	(14)	(14)	(14)
Net impact on appropriations for Outcome 1 (departmental)		523	2,853	432	510

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.4 details the additional estimates sought for ACIC through Appropriation Bill No. 3. ACIC has no additional estimates through Appropriation Bill No. 4.

Table 1.4: Appropriation Bill (No. 3) 2017–18

	2016–17 Available \$'000	2017–18 Budget \$'000	2017–18 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental programs					
Outcome 1					
To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats and criminal justice issues, including the ability to connect police and law enforcement to essential criminal intelligence, national information systems and information through collaborative policing knowledge and services	92,486	90,563	91,086	523	–
Total departmental	92,486	90,563	91,086	523	–

Note: 2016–17 available appropriation is included to allow a comparison of the 2017-18 appropriation with those available for use in the previous year.

Table 1.5: Appropriation Bill (No. 4) 2017–18

	2016–17 Available \$'000	2017–18 Budget \$'000	2017–18 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections					
Cyber Security-implementation of Australia's Cyber Security Enhanced Protective Security Arrangements-law enforcement agencies	305	380	380	–	–
National Security-additional counter-terrorism funding	572	–	–	–	–
Trans-Pacific Partnership-implementation	300	–	–	–	–
Total non-operating	2,177	580	580	–	–

Note: 2016–17 available appropriation is included to allow a comparison of the 2017-18 appropriation with those available for use in the previous year.

Section 2: Revisions to outcomes and planned performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: To make Australia safer through improved national ability to discover, understand and respond to current and emerging crime threats and criminal justice issues, including the ability to connect police and law enforcement to essential criminal intelligence, policing knowledge and information through collaborative national information systems and services.

Linked programs

For full details of linked programs, refer to page 78 of the 2017-18 PB Statements. There are no significant changes to the linked programs for ACIC arising from the AAO of 20 December 2017.

Budgeted expenses for Outcome 1

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

Table 2.1 Budgeted expenses for Outcome 1

	2016–17	2017–18	2018–19	2019–20	2020–21
	Actual expenses	Revised estimated expenses	Forward estimate	Forward estimate	Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 1.1: Australian Criminal Intelligence Commission					
Departmental expenses					
Departmental appropriation	89,820	88,446	85,677	84,030	79,415
s 74 retained revenue receipts (a)	11,917	20,762	12,785	4,947	3,467
Special accounts					
National Policing Information Systems and Services Special Account	77,547	92,987	88,917	90,090	91,278
Expenses not requiring appropriation in the Budget year (b)	11,438	9,430	8,258	8,597	8,894
Total expenses for program 1.1	190,722	211,625	195,637	187,664	183,054
	2016–17	2017–18			
Average staffing level (number)	724	777			

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 and amortisation expenses and resources received free of charge.

Performance criteria for Outcome 1

There are no changes to ACIC's performance information as reported in the 2017–18 PB Statements.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1 shows the expected additions (receipts) and reductions (payments) for each account used by ACIC.

Table 3.1: Estimates of special account flows and balances

	Outcome	Opening balance \$'000	Receipts \$'000	Payments \$'000	Adjustments \$'000	Closing balance \$'000
National Policing Information Systems and Services Special Account (D)						
2017–18	1	117,613	93,835	(115,606)	–	95,842
<i>2016–17</i>	<i>1</i>	<i>123,583</i>	<i>93,484</i>	<i>(99,454)</i>	<i>–</i>	<i>117,613</i>
Total special accounts						
2017–18 Budget		117,613	93,835	(115,606)	–	95,842
<i>Total special accounts</i>						
<i>2016–17 actual</i>		<i>123,583</i>	<i>93,484</i>	<i>(99,454)</i>	<i>–</i>	<i>117,613</i>

(D) = Departmental.

Note: The Special Account was established by Financial Management and Accountability Determination 2006/07—National Policing Information Systems and Services Special Account Establishment 2006. It continued its existence under the *Australian Crime Commission Act 2002* s.59C.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Income Statement

In 2017–18, the estimated appropriation revenue is \$88.446 million, which is an increase of \$0.523 million from the \$87.923 million estimated in the 2017–18 PB Statements. The increase is detailed in Table 1.2 Entity 2017–18 measures since Budget.

The estimated own-source income for 2017–18 also increased from \$90.348 million to \$118.422 million. This is an increase of \$28.074 million, which is mainly due to:

- \$11.301 million increase in the revenue received under the National Policing Information Systems and Services Special Account—a demand driven services outside of the agency’s control.
- \$9.446 million increase resulted from the measures funded by the Confiscated Assets Account, refer Table 1.2 for ACIC.
- \$4.055 million funding from the Department supporting ACIC’s new policy proposal business case development activities.
- \$3.272 million from a range of fee-for-services activities with the Commonwealth and the state government entities.

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016–17	2017–18	2018–19	2019–20	2020–21
	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	86,778	94,008	95,476	96,186	93,408
Suppliers	79,107	92,870	75,809	68,031	65,412
Depreciation and amortisation	20,851	19,977	19,582	18,677	19,534
Other expenses	3,986	4,770	4,770	4,770	4,700
Total expenses	190,722	211,625	195,637	187,664	183,054
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	111,880	118,422	105,082	95,037	94,745
Total own-source revenue	111,880	118,422	105,082	95,037	94,745
Gains					
Other gains	4	1,670	1,670	1,670	1,670
Total gains	4	1,670	1,670	1,670	1,670
Total own-source income	111,884	120,092	106,752	96,707	96,415
Net cost of / (contribution by) services	(78,838)	(91,533)	(88,885)	(90,957)	(86,639)
Revenue from government	89,820	88,446	85,677	84,030	79,415
Surplus/(deficit) attributable to the Australian Government	10,982	(3,087)	(3,208)	(6,927)	(7,224)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(92)	–	–	–	–
Total other comprehensive income	(92)	–	–	–	–
Total comprehensive income/(loss) attributable to the Australian Government	10,890	(3,087)	(3,208)	(6,927)	(7,224)

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**Note: Impact of net cash appropriation arrangements**

	2016–17	2017–18	2018–19	2019–20	2020–21
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	20,735	4,673	3,380	–	–
Less depreciation/amortisation expenses previously funded through revenue appropriations (a)	9,845	7,760	6,588	6,927	7,224
Total comprehensive income/(loss) —as per the statement of comprehensive income	10,890	(3,087)	(3,208)	(6,927)	(7,224)

(a) From 2010–11, the government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.6 Departmental Capital Budget Statement.

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

	2016–17	2017–18	2018–19	2019–20	2020–21
	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	122,171	100,400	97,644	97,644	97,644
Trade and other receivables	61,938	58,179	54,810	53,241	51,276
Total financial assets	184,109	158,579	152,454	150,885	148,920
Non-financial assets					
Land and buildings	24,904	21,733	19,941	17,179	14,031
Property, plant and equipment	18,463	29,271	35,252	33,120	31,761
Intangibles	26,041	40,807	41,212	41,807	41,734
Other non-financial assets	6,691	6,692	6,692	6,692	6,692
Total non-financial assets	76,099	98,503	103,097	98,798	94,218
Total assets	260,208	257,082	255,551	249,683	243,138
LIABILITIES					
Payables					
Suppliers	20,436	21,483	21,143	21,375	21,210
Other payables	20,390	18,155	15,288	13,456	11,624
Total payables	40,826	39,638	36,431	34,831	32,834
Provisions					
Employee provisions	26,520	25,833	25,698	25,698	25,698
Other provisions	3,049	1,665	1,638	1,669	1,701
Total provisions	29,569	27,498	27,336	27,367	27,399
Total liabilities	70,395	67,136	63,767	62,198	60,233
Net assets	189,813	189,946	191,784	187,485	182,905
EQUITY (a)					
Parent entity interest					
Contributed equity	43,257	46,477	51,523	54,151	56,795
Reserves	11,715	11,715	11,715	11,715	11,715
Retained surplus/(accumulated deficit)	134,841	131,754	128,546	121,619	114,395
Total parent entity interest	189,813	189,946	191,784	187,485	182,905
Total equity	189,813	189,946	191,784	187,485	182,905

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

Table 3.4: Departmental statement of changes in equity—summary of movement (budget year 2017–18)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017					
Balance carried forward from previous period	134,841	11,715	—	43,257	189,813
Adjusted opening balance	134,841	11,715	—	43,257	189,813
Comprehensive income					
Surplus/(deficit) for the period	(3,087)	—	—	—	(3,087)
Total comprehensive income	(3,087)	—	—	—	(3,087)
of which:					
Attributable to the Australian Government	(3,087)	—	—	—	(3,087)
Transactions with owners					
Contributions by owners					
Equity injection	—	—	—	580	580
Departmental capital budget (DCB)	—	—	—	2,640	2,640
Sub-total transactions with owners	—	—	—	3,220	3,220
Estimated closing balance as at 30 June 2018	131,754	11,715	—	46,477	189,946
Closing balance attributable to the Australian Government	131,754	11,715	—	46,477	189,946

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016–17 Actual \$'000	2017–18 Revised budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	83,053	92,205	89,046	85,599	81,380
Sale of goods and rendering of services	111,092	118,092	104,163	95,037	94,745
Net GST received	6,929	—	—	—	—
Total cash received	201,074	210,297	193,209	180,636	176,125
Cash used					
Employees	86,741	94,710	95,614	96,186	93,408
Suppliers	88,083	92,796	76,119	67,768	65,545
s 74 retained revenue receipts transferred to OPA	5,156	—	—	—	—
Other	2,075	5,402	5,102	4,932	4,862
Total cash used	182,055	192,908	176,835	168,886	163,815
Net cash from/(used by) operating activities	19,019	17,389	16,374	11,750	12,310
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	26,672	42,380	24,176	14,378	14,954
Total cash used	26,672	42,380	24,176	14,378	14,954
Net cash from/(used by) investing activities	(26,672)	(42,380)	(24,176)	(14,378)	(14,954)

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June) (continued)

	2016–17 Actual \$'000	2017–18 Revised budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	4,843	3,220	5,046	2,628	2,644
Total cash received	4,843	3,220	5,046	2,628	2,644
Net cash from/(used by) financing activities	4,843	3,220	5,046	2,628	2,644
Net increase/(decrease) in cash	(2,810)	(21,771)	(2,756)	–	–
Cash and cash equivalents at the beginning of the reporting period	124,981	122,171	100,400	97,644	97,644
Cash and cash equivalents at the end of the reporting period	122,171	100,400	97,644	97,644	97,644

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

	2016–17	2017–18	2018–19	2019–20	2020–21
	Actual	Revised	Forward	Forward	Forward
	\$'000	budget	estimate	estimate	estimate
		\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Act No. 1 and Bill 3 (DCB)	2,666	2,640	2,627	2,628	2,644
Equity injections—Act No. 2 and Bill 4	2,177	580	2,419	—	—
Total new capital appropriations	4,843	3,220	5,046	2,628	2,644
Provided for:					
Purchase of non-financial assets	4,843	3,220	5,046	2,628	2,644
Total items	4,843	3,220	5,046	2,628	2,644
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	2,666	580	2,419	—	—
Funded by capital appropriation—DCB (b)	1,842	2,640	2,627	2,628	2,644
Funded internally from departmental resources (c)	24,942	39,160	19,130	11,750	12,310
TOTAL AMOUNT SPENT	29,450	42,380	24,176	14,378	14,954
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	29,450	42,380	24,176	14,378	14,954
Less gifted assets	(2,778)	—	—	—	—
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	26,672	42,380	24,176	14,378	14,954

(a) Includes both current and prior Act 2 and Bills 4 and 6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Includes purchase from current and previous years' DCBs.

(c) Includes funding from current and prior year Act 1 and Bills 3 and 5 appropriations (excluding amounts from the DCB), donations and contributions, gifts, internally developed assets, section 74 retained revenue receipts and proceeds from the sale of assets.

Table 3.7: Statement of asset movements (2017–18 budget year)

	Land & Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017				
Gross book value	33,586	35,515	76,621	145,722
Accumulated depreciation/amortisation and impairment	(8,682)	(17,052)	(50,580)	(76,314)
Opening net book balance	24,904	18,463	26,041	69,408
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation equity (a)	—	580	—	580
By purchase—appropriation ordinary annual services (b)	—	1,848	792	2,640
By purchase—other	—	16,120	23,040	39,160
Total additions	—	18,548	23,832	42,380
Other movements				
Depreciation/amortisation expense	(3,171)	(7,740)	(9,066)	(19,977)
Total other movements	(3,171)	(7,740)	(9,066)	(19,977)
As at 30 June 2018				
Gross book value	33,586	54,063	100,453	188,102
Accumulated depreciation/amortisation and impairment	(11,853)	(24,792)	(59,646)	(96,291)
Closing net book balance	21,733	29,271	40,807	91,811

- (a) 'Appropriation equity' refers to equity injections or administered assets and liabilities appropriations provided through *Appropriation Act (No. 2) 2017–2018* and Bill (No. 4) 2017–2018, including collection development acquisition budgets (CDABs).
- (b) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Act (No. 1) 2017–2018* and Bill (No. 3) 2017–2018 for depreciation/amortisation expenses, DCBs or other operational expenses.