

# Funding for future growth

**The AFP has grown significantly over the past decade, but its core budget has not. Now that's about to change.**

The next twelve months will be a period of significant change for the AFP, as it moves towards a more flexible and responsive operating structure. In conjunction with these changes, and in line with findings from the Beale Review, the AFP's funding model will also be restructured to ensure the effective and efficient delivery of business outcomes.

While the AFP's budget has grown significantly over the past decade, from \$385 million in 2000-01 to \$1,361 million in 2009-10, the money has often been allocated under short term program funding which lapses after a set period of time. This means that core elements of AFP business, such as some aspects of the counter-terrorism regional law enforcement strategy and the National Missing Persons Coordination Centre, are not able to plan beyond a four-year funding cycle.

Currently, nearly three quarters of the AFP's budget is tied up in more than 60 separate time-limited funding initiatives. As the Beale Review recognised, this has a significant impact on the AFP's ability to plan over the medium to long-term. For example, such funding arrangements affect the engagement and development of staff, and the acquisition of equipment or other assets. It also complicates the AFP's

internal and external reporting obligations and ties up administrative resources.

The Commonwealth has accepted the review's recommendation to overhaul funding arrangements for the AFP, and is moving to incorporate the majority of lapsing funding initiatives into base funding. In response, the AFP is also in the process of refocusing its existing program budget structure to ensure appropriate funding is allocated to meet the required outcomes, with priorities to be determined in line with Ministerial direction.

The Coordinator of the AFP's Strategic Budgets and Reporting team, Richard Swain, says this will give the organisation more flexibility to meet its operational objectives.

"The new structure will provide flexibility in the allocation of resources so that we can deliver business outcomes more effectively and efficiently," he said.

"In conjunction with recent changes to the AFP's organisational structure, it will also help us to provide a more responsive operational framework. This means that





we will be able to focus on delivery of services rather than budgetary constraints or trying to find sources of funding to meet our obligations.”

He said one of the problems with the previous model was that it created funding silos, where money was allocated to a particular program and could not be diverted if other operations became a higher priority. But Mr Swain says there is still a role for terminating funding within the AFP.

“For example funding for additional security requirements for the Melbourne Commonwealth Games terminated after the Games concluded,” he said.

The International Deployment Group (IDG) is another area in the AFP where terminating funding allocations may be provided to the AFP

by Government in relation to specific missions. And while changes to funding arrangements will affect the whole organisation, the Beale Review made some specific observations in relation to the IDG, particularly in relation to the funding arrangements for international deployments.

Aviation is another portfolio which is directly affected by budgetary recommendations in the Beale Review. In December, the Australian Government announced that it would move forward with significant reforms to policing at Australia’s 11 major airports.

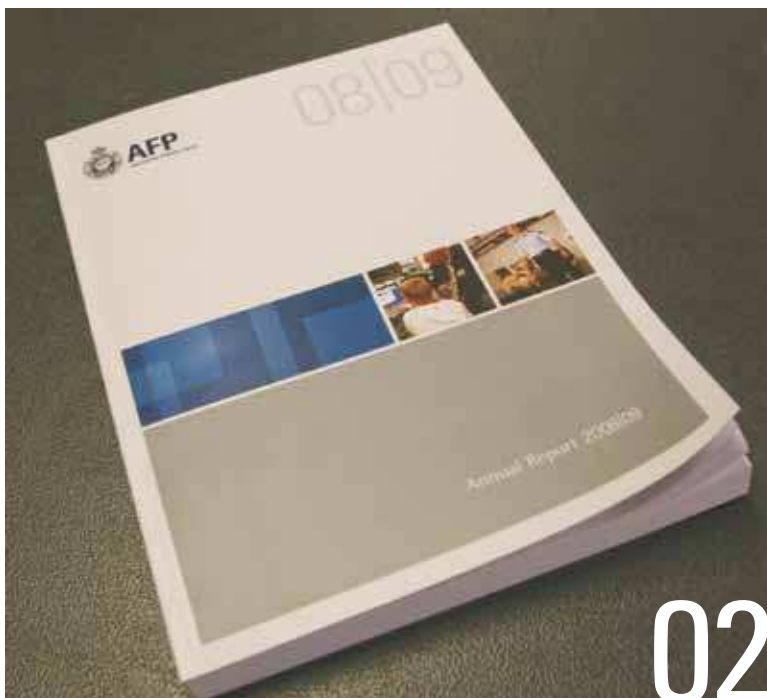
It also agreed to implement recommended changes to funding arrangements within the Aviation portfolio on the proviso that it would be at no extra cost to the existing budget. To implement the changes, the AFP has introduced Project

Macer which will manage the transition to an ‘All-In’ model of airport policing over the next five years. The Commonwealth will assume responsibility for the policing presence at the 11 airports and will negotiate with the States and Territories to ensure that AFP members have appropriate police powers in each jurisdiction. These changes will provide efficiencies through the better tasking of police at airports and the streamlining of budgetary planning processes for airport policing.

While changes to the AFP’s budgetary process will be implemented over the next budgetary cycle, Mr Swain says some of the benefits will become immediately apparent.

“Allocating the funding base across the program structure will allow the AFP to better align with the Government’s priorities, link its performance to the budget and report to Government,” he said.

“It will also create efficiencies, streamline reporting processes and create increased transparency in reporting by simplifying the process. This administrative dividend means that we will be able to focus on delivering outcomes, helping to create a more effective AFP.”



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01: Richard Swain  
02: AFP Annual Report