

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN FEDERAL POLICE

Question No. 105

Senator Ludwig asked the following question at the hearing on 25 May 2006:

Can you provide a breakdown of the number of contracts and the value of expenditure on external providers by function or purpose (e.g. legal services, IT procurement, telecommunication services, and so on) for the financial years:

- (a) 2004-05 (total for each type of function/service);
- (b) 2005-06 (total for each type of function/service);
- (c) 2006-07 (estimated total for each type of function/service); and
- (d) where an increase has occurred, can you please provide an explanation of why there has been an increase.

The answer to the honourable senator's question is as follows:

The following table outlines the information for part (a), (b) and (c) of this question.

Expenditure Type	2004-05		2005-06		2006-07
	Contracts	Actual Exp \$'000	Contracts	Projected Exp \$'000	Estimated Exp \$'000
Communications Expenses	287	\$18,751.7	574	\$20,201.1	\$22,500.0
Computer Expenses	1,426	\$16,039.2	1,426	\$17,268.7	\$18,500.0
Consultants/Contractors	455	\$72,716.1	399	\$97,623.2	\$100,000.0
General Expenses	141	\$31,024.7	137	\$34,362.7	\$38,500.0
Insurance	2	\$3,372.2	2	\$3,193.7	\$3,500.0
Motor Vehicle Expenses	63	\$12,402.3	145	\$14,192.1	\$16,000.0
Office Expenses	1,938	\$12,589.4	2,810	\$14,470.2	\$16,000.0
Other Operational Costs	1,639	\$16,851.4	1,639	\$14,334.6	\$14,800.0
Property Items Discretion	464	\$5,397.6	395	\$6,157.6	\$7,500.0
Security Expenses	74	\$3,112.6	96	\$3,261.3	\$3,800.0
Staff Expenses	253	\$28,399.9	360	\$25,903.4	\$26,250.0
Training Expenses	213	\$10,292.6	167	\$10,169.6	\$12,300.0
Travel Expenses	15	\$33,629.3	22	\$39,662.3	\$45,600.0
Property Operating Costs	105	\$44,763.4	288	\$42,932.4	\$51,500.0
TOTAL	7,075	\$309,342.4	8,460	\$343,732.9	\$376,750.0

Note: The number of contracts outlined above is based on the number of individual purchase order line items, by expense category, created in the respective financial year. The purchase orders created do not necessarily match the year in which the associated expenditure was incurred, as a purchase order can span several years. A large number of payments to external providers are not facilitated by a purchase order, depending on the type and nature of expenses. For example, most travel relates expenses are made via charge card, most motor vehicle expenses via leases covered by the Commonwealth's global contract with Lease Plan. Property costs are managed via an outsourced service provider who 'pass-on' these costs to the AFP, etc.

- (d) The increase of \$34.4m in contract expenses from 2004-2005 to 2005-2006 is largely due to additional funding AFP has received in the 2005-2006 Additional Estimates. The major initiatives announced which had a significant impact on the contract expenses included Aviation Security - Community Policing at Airports - Phase One and Aviation Security – CTFR Capability at relevant Airports.

The increase of \$33m in contract expenses from 2005-2006 to 2006-07 is attributed to the measures approved by the Government in 2006-07 Budget process. The major initiatives announced included the Phase two funding for the Community policing at Airports and a number of National Security initiatives.