



# Annual Report 2004–05





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5 September 2005  
Senator the Hon Chris Ellison  
Minister for Justice and Customs  
Parliament House  
Canberra ACT 2600

CrimTrac Annual Report for 2004 – 05

In accordance with section 70 of the *Public Service Act 1999*, I have pleasure in submitting the fifth annual report of the CrimTrac Agency for the period ending 30 June 2005 for presentation to Parliament.

I certify that this report complies with the requirements referred to in subsection 70(1).

A handwritten signature in black ink, appearing to read 'Jonathan Mobbs', is written over the printed name and title.

Jonathan Mobbs  
Chief Executive Officer  
CrimTrac Agency



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## Reader's Guide

This report complies with formal reporting obligations for the agency. It also provides an overview of the agency's role and performance in supporting Australian law enforcement.

The report has four parts.

The first provides an overview of the agency's performance at the senior management and governance level. It also provides a brief description of the agency, and CrimTrac's organisational structure and outcome and output framework.

The second reports on the agency's performance during 2004–05.

The third part highlights key features of CrimTrac's corporate governance and describes the processes by which the agency is directed, controlled and held accountable.

The final part incorporates the Financial Statements as required under section 49 of the *Financial Management and Accountability Act 1997*.

In this report, 'programme' is used to describe discrete functions or services.

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**This annual report and further information on CrimTrac can be found on the agency's web site at [www.crimtrac.gov.au](http://www.crimtrac.gov.au).**



## Acronyms and abbreviations

AFIS	Automated Fingerprint Identification System
AFP	Australian Federal Police
AGD	Attorney-General's Department
ANAO	Australian National Audit Office
ANSI	American National Standards Institute
ANCOR	Australian National Child Offender Register
APEC	Asia Pacific Economic Cooperation
APMC	Australasian Police Ministers Council—comprising the ministers who have responsibility for police services in the Australian Government, states and territories, and New Zealand
APS	Australian Public Service
AWA	Australian Workplace Agreement
BCP	Business Continuity Plan
CA	Certified Agreement
CEI	Chief Executive Instructions
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPPMF	CrimTrac Programme and Project Management Framework
CPRS	CrimTrac Police Reference System
CPRS UAG	CPRS User Advisory Group
CPU	Central Processing Unit
DCB	Defence Computing Bureau
DIRKS	Designing and Implementing a Record Keeping System
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs
DNA	Deoxyribonucleic Acid
DR	Disaster Recovery
DVI	Disaster Victim Identification
EAMS	External Agency Management System—system for supporting national criminal history record checking
EMS	Environmental Management System
ESD	Ecologically Sustainable Development
EWP	Electronic White Pages
FMIS	Financial Management Information System
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FOI	Freedom of Information
GST	Goods and Services Tax
IGA	Inter-Governmental Agreement
IMAGE	International Morpho AFIS Group of Excellence

IT	Information Technology
LIMS	Laboratory Information Management System
MOU	Memorandum of Understanding
MNPP	Minimum Nationwide Person Profile
NAFIS	National Automated Fingerprint Identification System
NAFIS UAG	NAFIS User Advisory Group
NCIDD	National Criminal Investigation DNA Database
NCIDD UAG	NCIDD User Advisory Group
NCSOS	National Child Sex Offender System
NEPI	National Exchange of Police Information
NEVDIS	National Exchange of Vehicle and Driver Information System
NIST	National Institute of Science Technology
NFLRS	National Firearms Licence and Registration System
NHBSS	National Handgun Buyback Support System
NNI	National Names Index
NVOI	National Vehicles of Interest
OH&S	Occupational Health and Safety
OTD	Online Telephone Directory
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statement
PC	Personal Computers
PCPAG	Police Commissioners Policy Advisory Group
PMO	Project Management Office
POI	Person of Interest
PRS	Police Reference System
SAGEM	Société d'Applications Générales d'Électricité et de Mécanique
SAN	Storage Area Network
SLA	Service Level Agreement
SOG	Senior Officers Group of the APMC
TCP/IP	Transmission Control Protocol over Internet Protocol
TDS	Telephone Directory Service
UAG	User Advisory Group
WAN	Wide Area Network



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# Part 1





## OUR VISION

Our vision is the achievement of improved community safety, by meeting the needs of Australian police for highly effective national policing information systems and services.

## OUR MISSION

CrimTrac's mission is to fulfil the objectives of the Inter-Governmental Agreement by delivering and maintaining high quality, timely and cost-effective:

- national policing information services;
- advanced national information-based tools; and
- national criminal history record checks for police and accredited agencies.

## KEY OBJECTIVE

CrimTrac's key objective is to meet the agreed information needs of the Australian policing community and to integrate best practice service models in relation to the provision of information to support law enforcement and crime prevention.

## GUIDING PRINCIPLES

In addition to upholding values of the Australian Public Service as set out in the *Commonwealth Public Service Act 1999* our guiding principles are that:

- we are responsible and accountable to Australian governments;
- access to cross-jurisdictional information must be for a lawful purpose, allowable within the legislative framework of the relevant police agency, and may be restricted by the originating agency. At all times police agencies have the right to determine the use of information and participation in any particular information sharing arrangement;
- we rely on police agencies and approved third parties to develop their business operations to maximise the utility of our systems and we recognise the value of their financial support;
- our work supports selected police information needs in all police agencies and we work hard to understand those needs;
- we consult, collaborate, cooperate and coordinate to achieve cost effective outcomes for police; and
- security of information held in our custody is paramount and information will only be disclosed to authorised persons.

# CrimTrac Outcome and Output Structure

## Outcomes and Outputs

CrimTrac works to achieve the outcome derived from the Inter-Governmental Agreement that established the agency.

### Coordinated national policing information systems for a safer Australia

CrimTrac contributes to Australian law enforcement through the specification, development, delivery and maintenance of modern, high quality, rapid access, electronic police information and investigative tools. This is achieved through nurturing a cooperative, collaborative, and partnering relationship with all Australian police services as stakeholders. The principal systems and services delivered by CrimTrac are:

- National Criminal Investigation DNA Database.
- National Automated Fingerprint Identification System.
- CrimTrac Police Reference System.
- National Criminal History Record Checking Services.

### Facilitation of the delivery of high quality national policing information services

CrimTrac is responsible for the delivery and maintenance of national policing information services, investigation tools, and national criminal history record checks through the following programmes:

- Provision and maintenance of the National Automated Fingerprint Identification System;
- Provision and maintenance of the National Criminal Investigation DNA Database;
- Provision of national access to operational policing information through the maintenance of existing police reference systems;
- Provision of national criminal history checks to accredited agencies;
- Redevelopment of the existing police reference systems into a new integrated suite of capabilities including:
  - Nationwide persons of interest information.
  - Nationwide vehicle, owners and drivers information.
  - Nationwide firearm licensing and registration information.
  - National Child Sex Offender System.



## CEO Overview

In our fifth year of operation the agency once again improved its performance and service delivery and moved much closer to the delivery in full of the original requirements of the Inter-Governmental Agreement of 2000.

Thus far, of these four requirements, we have delivered the National Automated Fingerprint Identification System, the National Criminal Investigation DNA System, the Australian National Child Offender Register and we are well advanced on providing a system for the provision of rapid nation-wide access to operational policing data. We have also expanded the number of accredited agencies who receive our National Criminal History Record Checking service. Sound business principles and transparent financial accountability have accompanied these efforts.

Along the way, we have also provided technical assistance in two disaster victim identification events and have assisted with other national law enforcement initiatives. Our efforts assist police to improve community safety across Australia.

We played our part in the Australian government response to the Boxing Day tsunami by deploying expert staff to Phuket, Thailand to install, implement and maintain an automated fingerprint identification system (AFIS). Training for operators was provided and a system was established under Interpol protocols to support the formal identification of victims by fingerprints. Significant numbers of victims have been positively identified using this system and the AFIS has been used by forensic officers from many countries. Forensic advice was also provided to the international team in Phuket in relation to DNA analysis conducted on victims.

I was pleased to be able to conclude the first of three planned memoranda of understanding with counterpart agencies in the UK, US and Canada. The UK Police Information Technology Organisation signed its MOU with CrimTrac in April. This sets the framework for better international exchange of ideas between us on standards and the application of new technologies in our respective areas of expertise.

One of the most satisfying achievements in the reporting period was the commencement of DNA matching between Queensland and Western Australia. This represents the culmination of an extended effort to resolve legislative impediments and other jurisdictions should soon follow. I look forward with anticipation to the analysis of the DNA links that have already been established.

Through our CrimTrac Police Reference System programme we have created the fundamental computer application and infrastructure that will speed the exchange of operational information between police services nation-wide. The Minimum Nation-wide Person Profile project is another sustained project that is now bearing fruit. The capability trial of this application ended on 30 June and the formal evaluation is following in an atmosphere of enthusiastic police acceptance of the enhanced information stream that it facilitates.

With an increased focus on missing persons, CrimTrac has been assisting the National Missing Persons Unit to consider the particular information handling requirements of a national missing persons database, possibly underpinned by the MNPP system. Missing persons are included with other persons of interest in the MNPP.



*Jonathan Mobbs  
Chief Executive Officer  
CrimTrac Agency*

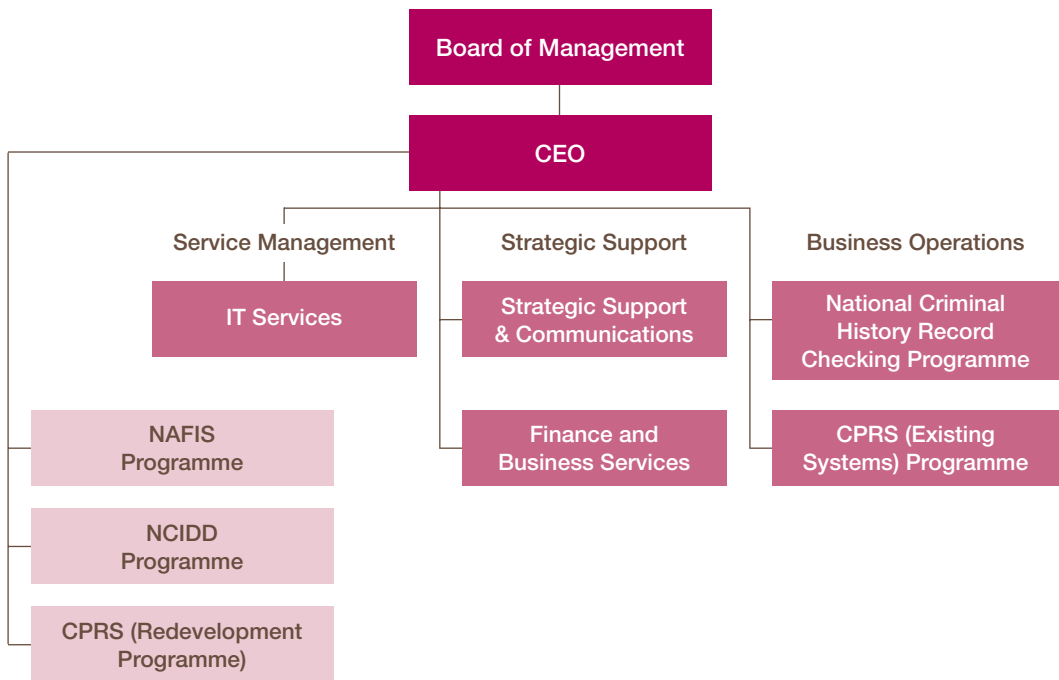
The agency will not rest on its laurels. Planning is underway in many areas for continuous improvement of existing key information systems and we will remain vigilant on issues of information security, privacy and governance. Approval and funding has been gained from the board of management for a significant upgrade of the NAFIS in 2005–06 to be able to introduce and support new technologies and to fully exploit existing technologies via better police business practices in the fingerprinting discipline. Our user advisory groups continue to provide feedback plus suggestions for improvement in all areas of our operations.

I will complete my appointment as inaugural head of agency at the end of 2005. I will leave, content in the knowledge that CrimTrac has achieved much and done more than was envisaged when the Inter-Governmental Agreement was crafted in 2000. I acknowledge those committed CrimTrac staff plus the staff of our stakeholder agencies who have contributed to our success.



# Agency Overview

## Organisational structure



The Federal Minister for Justice and Customs and state and territory police ministers signed an Inter-Governmental Agreement to establish the CrimTrac Agency in July 2000. CrimTrac contributes to Australian law enforcement through specifying, developing, delivering and maintaining high-quality electronic police information services and investigative tools.

### CrimTrac Board of Management

The agency's board of management is responsible for the overall efficient and effective management of the agency. CrimTrac's CEO reports to the board on the agency's performance.

### Chief Executive Officer

CrimTrac's CEO provides executive leadership and reports to the Minister for Justice and Customs as well as the board. Positioning the agency strategically, ensuring mission outcomes and maintaining sound financial management and stakeholder communications are among the CEO's primary responsibilities.



## Service Management

Service management develops and supports the agency's mainframe, midrange and desktop IT systems and services the data communication network. Service Management provides security, administration, maintenance, technical support, quality assurance, cost control, IT strategic planning, system integration and performance monitoring.

## Strategic Support

The Strategic Support and Communications (SS&C) and the Finance and Business Services (F&BS) sections provide strategic and business support.

SS&C monitors contract management, oversees risk management and record management and provides corporate communications. The section manages communications strategy and planning, human resources policy and contributes to strategic and business planning. Public relations, ministerial support and compliance with Commonwealth reporting regimes also fall within this section's activities.

F&BS provides financial management and accountability, office management and protective security and manages and monitors the agency's budget. Financial and management reporting, payable and receivable accounts and accrual accounting procedures and administration also fall within this section's activities.

## Business Operations

The agency's operations—focussing on client relations with police services and accredited agencies—are Business Operations' responsibilities. The section also manages service delivery, including elements of the emerging CrimTrac Police Reference System (CPRS) and the National Criminal History Record Checking (NCHRC) programme. (These activities are described later.) The section also provides system performance and reporting and management, client relations, help desk support, user training and change management.

## National Criminal History Record Checking

The NCHRC programme provides accredited agencies with national criminal history record information for individuals, subject to the Commonwealth *Privacy Act 1988* and relevant state and territory legislation. Information provided under this programme assists accredited agencies to assess the suitability of persons for purposes such as working with vulnerable people, Australian citizenship applications, and being in positions of trust.

## CrimTrac Police Reference System

A range of mainframe systems providing information to operational police make up the CPRS: among these are the National Names Index (NNI) for persons of interest to police, National Firearms Licensing and Registration System (NFLRS), National Vehicles of Interest (NVOI) and the Telephone Directory Search (TDS) system.

The CPRS Redevelopment Program has pursued two objectives to date: the first has been the completion of the development of capabilities mandated in the Inter-Governmental Agreement '...rapid access to national operational policing data' and the 'National Child Sex Offender System'—now referred to as the Australian National Child Offender Register (ANCOR). The second objective is to develop new functionality to meet emerging policing requirements as identified in recital E of the Inter-Governmental Agreement.



### **National Automated Fingerprint Identification System**

NAFIS is a computerised system that assists police across Australia to manage fingerprint arrest records at a national level and resolve crime quickly and reliably via its crime scene to person matching capabilities. The NAFIS line of business is responsible for system performance, system reporting and management, user training and maintaining system hardware and software technologies such as Livescan devices. The NAFIS unit manages all client relations for NAFIS services and together with the NAFIS User Advisory Group (UAG) is responsible for defining policy for system usage.

### **National Criminal Investigation DNA Database**

CrimTrac's National Criminal Investigation Database (NCIDD) contains DNA profiles collected from crime scenes, serious offenders, suspects, volunteers, missing persons and unknown deceased persons. Inter and intra-jurisdictional checking featured in the period: details of police agencies involved are contained in the programme report.

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# Part 2

Report on Performance





### **CrimTrac balanced scorecard approach to reporting**

CrimTrac now manages, measures and can report on its own performance using the balanced scorecard methodology, presented for the first time in this year's annual report.

The balanced scorecard is used extensively across government. The reader may easily interpret CrimTrac's scorecard themes, perspectives, and related objectives from the diagram shown at Appendix B.

The balanced scorecard report should be considered in conjunction with the bulk of the annual report; which effectively reports on *what* has happened. The scorecard approach effectively compares what is happening at any one time in the agency's life—including functions and programs—with the appropriate measurements for success.

The initiatives that contribute to achievement of the objectives are provided at Appendix B.

# Report on Performance

## National Automated Fingerprint Identification System (NAFIS) Programme

### Contribution to CrimTrac outcome

NAFIS assists police across Australia in establishing identity from fingerprint and palm impressions quickly and reliably and contributes to the solving of crime.

### NAFIS output

Monitoring, maintaining and enhancing NAFIS so that it can continue to meet the long-term needs of Australian police, including the ability to integrate with new digital input and output devices.

### Performance measures

#### Quality

- NAFIS meets the current and projected future needs of Australian police agencies.
- User surveys from police agency representatives indicate a high level of user satisfaction with system performance and matching capabilities.

#### Quantity

- NAFIS system availability and service desk problem resolution timeframes are within agreed levels.

#### Price

- Recurrent costs are within projected levels and met through agreed budget allocations.
- Projected long-term maintenance and depreciation costs are met within budget.

### Performance summary 2004–05

#### Quality

- NAFIS continues to support the additional integration of new Livescan devices owned and operated by police agencies.
- NAFIS continues to evolve to meet growing and changing jurisdictional business requirements.
- NAFIS system availability and user support services continued to exceed contracted levels of system support.

#### Quantity

- NAFIS support levels and problem resolution times were within agreed levels.
- NAFIS is meeting the current and projected future needs of Australian police agencies.

#### Price

- Recurrent costs are within projected levels and are within budget forecasts.



## Overview

Implemented in 2001, NAFIS provides Australian police services with access to state of the art automated fingerprint technology.

It operates using the largest electronic palm database in the world. The matching results achieved against this database have significantly improved the ability of police to solve volume and major crimes across Australia. NAFIS workstations deployed in 35 locations allow users to capture, search and verify fingerprint data obtained at the point of custody and from evidence linked to crime scenes.

NAFIS incorporates stringent data and communications security measures to ensure integrity of police information.

The Livescan technology which is integrated with the NAFIS provides police with the capability to confirm identity quickly—generally well within the maximum time a criminal suspect can be held in police custody. The ability to positively identify a person in police custody in ‘real time’ and link that identity to existing warnings, warrants or associated criminal activity information held within other police information reference systems improves police and public safety within the charge-room environment and on the street.

Livescan technology integrated with NAFIS has improved the ability of police to:

- solve major and minor crimes by identifying a link between a person of interest (POI) and forensic evidence while the POI is in police custody;
- investigate and prosecute the use of false personal information at the time of arrest; and
- electronically scan quality finger and palm images for direct input into NAFIS.

CrimTrac continued to support the integration of Livescan devices owned and operated by the various police agencies in the period. CrimTrac purchased and installed the necessary additional external interface booking units at the NAFIS central site in Canberra.

The uniqueness of the palm matching capabilities of NAFIS continues to attract interest from international police. CrimTrac’s participation in international forums, including the International Information Consortium, Interpol AFIS User Group and the SAGEM International Morpho AFIS Group of Excellence (IMAGE), allows the agency to continue to provide valuable input into the future direction of AFIS and other associated technologies.

### *Liaison with Interpol*

CrimTrac has been an Interpol AFIS group member since 2001. The group has a significant international role through developing and promoting Interpol’s ANSI/NIST standard for fingerprint data electronic exchange as the preferred inter-operability means between AFIS systems.

Member nations adopting AFIS technology get advice from the group, and it also promotes Interpol’s AFIS services. The group is developing a fingerprint biometric reference sub group and is currently identifying a two-year future role plan.

### *Tsunami Disaster*

The NAFIS test/training environment was deployed to Phuket following the December 26 tsunami disaster, to assist the Disaster Victim Identification (DVI) process on behalf of Interpol.

As at June 2005, NAFIS has helped identify 392 disaster victims. Post mortem identification work is now complete and ante mortem information collection leading to identification through matching continues. Ten NAFIS work stations are to remain in Phuket to assist in ante mortem identification at least until the end of 2006.

## **NAFIS Performance**

### **Quality**

- NAFIS meets the current and projected future needs of Australian police services.
- User surveys from police agency representatives indicate a high level of user satisfaction with system performance and matching capabilities.

More than 130 000 'arrest' fingerprint searches are conducted annually against 2.8 million fingerprint records held on the system, assisting with confirmation of the identity of persons of interest to police as part of arrest or investigation processes. Approximately 1500 matches per month (cold hits) are made by police agencies searching crime scene fingerprint/palm evidence against the finger and palm arrest records held within the NAFIS.

CrimTrac remains committed to providing efficient NAFIS services to police. This commitment includes constant review of police business requirements and the provision of support arrangements that service them adequately.

The NAFIS UAG, comprising one voting member from each police agency, remains the focal point for police input into the future development and evolution of NAFIS services. The purpose of this group is to:

- provide a forum for exchange of user information regarding NAFIS and associated systems (e.g. Livescan);
- formulate recommendations for the CrimTrac Board of Management on NAFIS related issues;
- define user requirements and assist with future evolution of the NAFIS system; and
- assist CrimTrac in identifying police user issues.

Business requirements are reviewed through the UAG. CrimTrac also consults with police agency representatives on issues that may impact on the agency or that have the potential to provide further opportunity to all police agencies through enhanced NAFIS capabilities.

Australian NAFIS users are provided the opportunity to represent CrimTrac on international AFIS forums and technology development focus groups.

The support contract with SAGEM was extended for a further one-year period to April 2006. The contract continues using performance measures and penalty clauses to ensure high system availability (more than 99 per cent) to the end user and includes additional after hours support for Livescan integration and unsolved latent matching. System availability, maintenance, help-desk services, and after hours support were delivered above the contracted support levels. The contract has recently been changed to allow for more in-house IT support, reducing reliance on external providers.



Chart 1: Help Desk and Hot Line (France) Referrals 2004–05

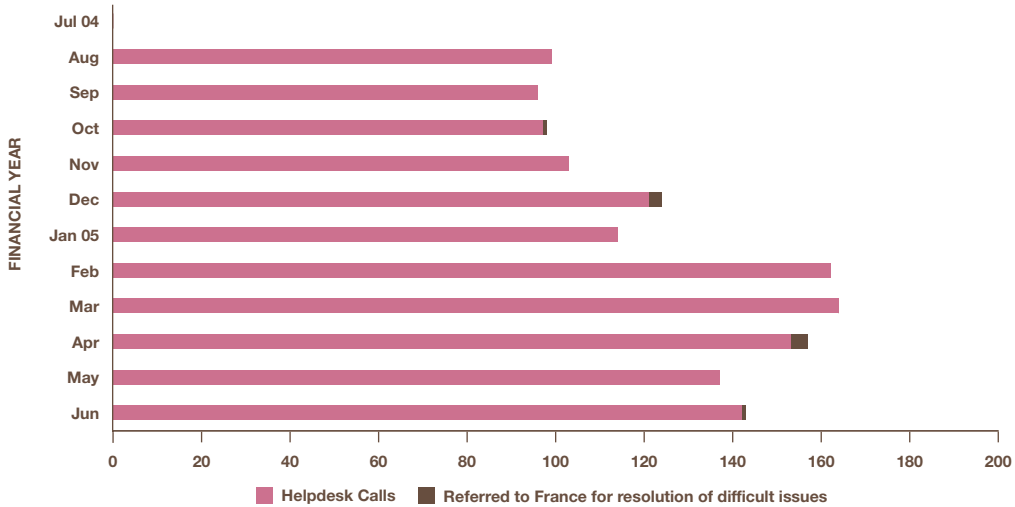
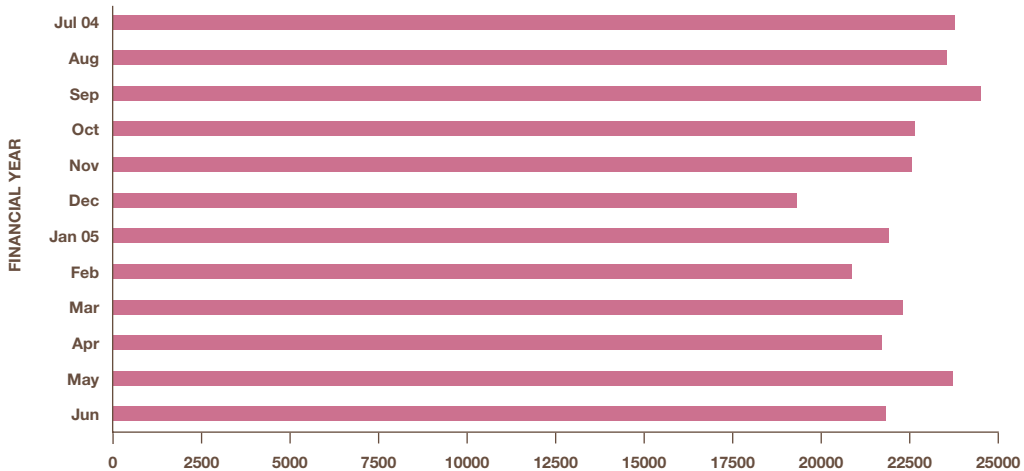


Chart 2: Tenprint Search Transactions (Livescan inclusive) 2004–05



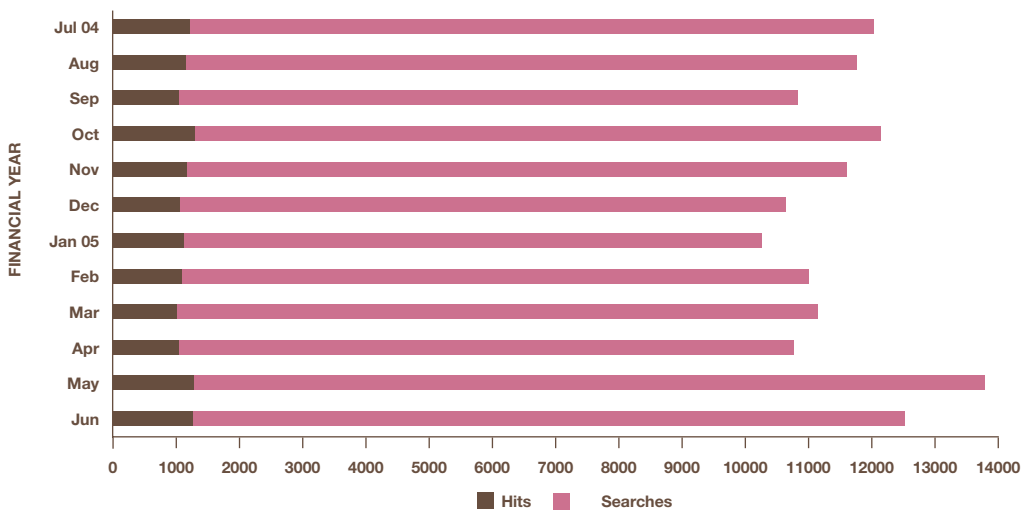
National policies for NAFIS system usage, determined in consultation with the UAG, ensure that system storage and search capacity can be managed appropriately by CrimTrac on behalf of all police. Changes planned for the operational system in late 2005 will further reinforce these policies.

The CrimTrac NAFIS palm matching services continue to meet high demand from all police agencies. The NAFIS database holds 5.6 million palm prints, making it the largest collection of such data in the world.

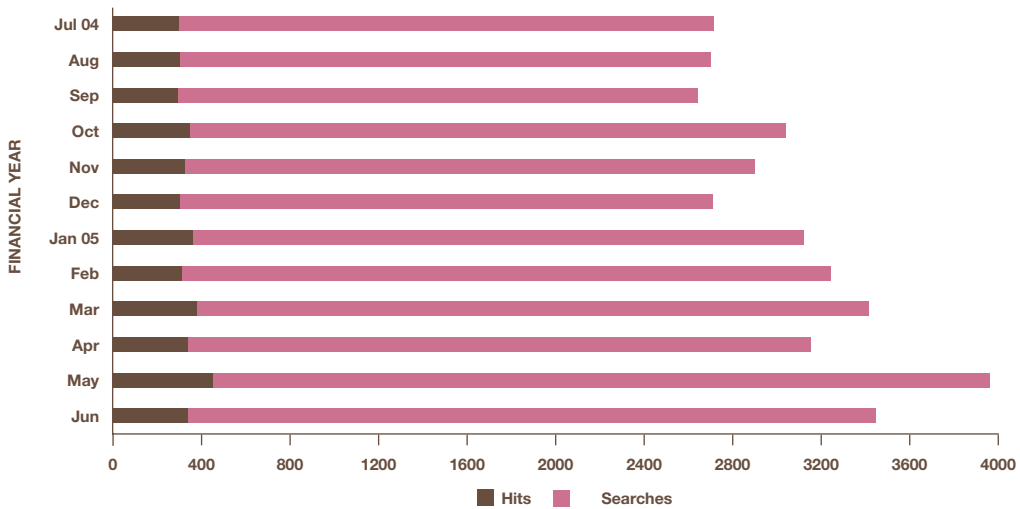
With palm prints accounting for approximately 25 per cent of print evidence gathered at crime scenes, the ability to match this evidence with the NAFIS database palm records provides police with a powerful tool for the resolution of both major and minor crimes.

The board of management gave CrimTrac approval to implement a major upgrade of the NAFIS operating system introducing new capabilities (hand held devices) and lights out tenprint processing to enhance police agency business processes. As a result of this board approval there will be a further \$4.9 million reinvestment in NAFIS during the 2005–06 year in order to keep it ‘state of the art’ with SAGEM’s latest operating system.

**Chart 3: Finger ‘Crime’ search and match transactions 2004–05.**



**Chart 4: Palm ‘Crime’ search and match transactions 2004–05.**





**Quantity**

- NAFIS support levels and helpdesk are within agreed levels.
- System availability exceeds contracted levels.

The number of NAFIS access points meets the needs of police. CrimTrac has facilitated the placement of 86 full function NAFIS workstations to 35 metropolitan and regional sites throughout Australia.

During the reporting period four external interface booking units were installed at Canberra central site to interface with the new Livescan installations in Victoria, South Australia and New South Wales and the proposed implementation programmes in Queensland and Western Australia. This year 30 Livescan devices in Victoria, 15 in South Australia and 12 in New South Wales were integrated with NAFIS. One hundred and fifty new PCs were delivered to police agencies as part of the IT infrastructure upgrade, providing up to date equipment for users.

As at June 2005, 172 Livescan devices are fully integrated with NAFIS with an additional 16 devices in Queensland and eight devices in Western Australia planned for integration over the next twelve-month period.

**Chart 5: Livescan initiated Tenprint to Tenprint transactions 2004–05**



### **Price**

- Recurrent costs are within projected levels and were within an agreed budget.
- Projected long-term maintenance and depreciation costs are met within the current NAFIS budget.

A reduction in NAFIS annual support costs has been achieved through the asset renewal process, renegotiated system support and a renegotiated DCB facility management agreement.

NAFIS central site capacity continues to be managed effectively with current system storage and throughput capacity expected to meet police agency requirements for the next three-year period.

### **Priorities for 2005–06**

- CrimTrac continues to rationalise the system support services to reduce dependence on SAGEM for system support functions and to retain knowledge and experience within the agency.
- Upgrade of NAFIS from version 2.8.18 to version 3.1 MetaMorpho including hand held biometric device integration capability from June 2005 to June 2006.



## The National Criminal Investigation DNA Database (NCIDD) Programme

### Contribution to CrimTrac outcome

NCIDD assists police in establishing identity more quickly and reliably from human biological samples and contributes to the solving of crime.

### NCIDD output

Development, deployment and maintenance of a national DNA database that will automatically accept, store and match DNA profiles from every Australian police agency.

### Performance measures

#### *Quality*

- NCIDD is fully operational and states and territories are loading DNA profiles.

#### *Quantity*

- The number of NCIDD access points meets the needs of police.

#### *Price*

- NCIDD operates within budget.

### Performance summary 2004–05

#### *Quality*

- The NCIDD is fully operational and states and territories have begun to load DNA profiles.
- Intra-jurisdictional matching is being performed on NCIDD by the Australian Capital Territory, Commonwealth, Queensland, Western Australia and New South Wales.
- NCIDD inter-jurisdictional matching between the states of Queensland and Western Australia commenced 10 June 2005.
- NCIDD servers are deployed in forensic laboratories in all police agencies.

#### *Quantity*

- The NCIDD network is installed into forensic laboratories in all police agencies.
- The LIMS has been successfully installed in the Australia Federal Police, Victoria Police and Northern Territory Police forensic biology laboratories.

#### *Price*

- NCIDD operated 33 per cent under budget due to lower than expected use of NCIDD/SQL\*Lims.

## Overview

NCIDD was developed with the collaboration and cooperation of state and territory police agencies and forensic units. It provides police with access to a national DNA database and the capability to conduct rapid, automated inter-jurisdiction and intra-jurisdiction DNA profile matching. This is provided under strict access and disclosure safeguards in accordance with privacy and other relevant legislation.

NCIDD involved building a central database and matching engine, and an automated jurisdictional Laboratory Information Management System (LIMS). It is currently the only DNA database in the world using web technology, consisting of an online entry system designed to view potential links between DNA records held within and between police agencies. NCIDD also allows users to group similar DNA profiles and search for links between groups. Users can search results instantly via a secure web browser linked to the central database in Canberra.

The database operates within a secure closed network administered by the Australian Federal Police (AFP). The central database and match engine is hosted by the Defence Computing Bureau (DCB) in a secure defence facility.

NCIDD does not contain personal information as defined in the Commonwealth *Privacy Act 1988*. Each DNA profile has a unique identifier which by itself cannot identify any individual. The profile must be associated with an index as set out in legislation—for example, crime scene, offender, or suspect. Only the forensic laboratory in the police agency that supplied the identifier can identify individual names and circumstances associated with the profiles. NCIDD is the first Australian DNA database that automates the destruction of profiles on the database to meet legislative requirements. Profiles are removed from NCIDD when destruction dates are specified. No traces of the profile or associated matches remain, except for an audit record of the destruction date.

The DNA profiles held on NCIDD are derived from nine points of non-coding or 'junk' DNA and the sex gene. Non-coding DNA comprises 95 per cent or more of total human DNA. The DNA profiles held on NCIDD, derived from the non-coding DNA, do not reveal any details about identity, age, ethnicity, race, appearance or medical conditions. Users of NCIDD are not able to link a DNA profile to an individual's medical history or conditions.

NCIDD caters for differing legislative requirements between police agencies. Its design ensures that only those links complying with legislative matching requirements are available for the users to review. All activities on NCIDD are logged. At least two authorised users in each police agency are required to complete any amendment of DNA profiles on NCIDD.

The NCIDD User Advisory Group (UAG), working with the NCIDD manager is responsible for obtaining the best overall outcome for the NCIDD initiative. The UAG acts as the jurisdictional stakeholder forum on all aspects of the NCIDD system including its ongoing development, enhancement, operation and review. The aim of the NCIDD UAG is to gain the greatest effectiveness both at intra and inter-jurisdictional levels from the operation of the DNA matching initiative, advising and providing support to the CrimTrac Board of Management accordingly.





## Performance

### Quality

- NCIDD delivers rapid, automated cross-jurisdictional DNA profile matching ability and maintains system availability at contracted levels.

NCIDD is fully operational and servers have been deployed to all police agencies.

Memoranda of understanding have been signed between CrimTrac and police agencies to commence inter-jurisdictional matching. To date memoranda have been signed with Queensland (June 2003), Victoria (September 2003), Commonwealth (November 2003), New South Wales (November 2003), Australian Capital Territory (January 2004) and Western Australia (February 2004). Memoranda between CrimTrac and South Australia and CrimTrac and Tasmania are still being negotiated.

Following a meeting with the Commonwealth Attorney-General's Department and state and territory attorney-general representatives and legal advisers, CrimTrac took a decision to require each police agency to formally advise on their ability to use NCIDD with full functionality within their bi-lateral agreements. Such notification is required prior to activating inter-jurisdictional matching to ensure that unlawful links are not generated. In May 2005 the states of Queensland and Western Australia advised the agency that NCIDD inter-jurisdictional matching could be activated in accordance with their bi-lateral Ministerial Agreements. Matching between these police agencies commenced on 10 June 2005.

### Quantity

- The number of NCIDD access points meets the needs of police.

The NCIDD matching engine is available in all police agencies and LIMS has now also been installed in all participating police agencies. CrimTrac expected NCIDD to be fully operational during this reporting period but due to legislative complexities with different police agencies inter-jurisdictional matching has only recently commenced as described above.

CrimTrac successfully deployed NCIDD version 3.4.1 into production in February 2005. This release implemented a range of approved user enhancements for additional functionality to improve NCIDD capability and continue to achieve legislative compliance.

More than 150 000 records have been entered into NCIDD.

**Table 1: Records on NCIDD as at 20 June 2005**

<b>Category</b>	<b>Number of Records in NCIDD</b>
Crime Scene	41 595
Offenders/Serious Offenders	38 288
Suspects	58 645
Volunteers (unlimited purpose)	14 064
Volunteers (limited purpose)	1
Missing Persons	1
<b>Total</b>	<b>152 594</b>

CrimTrac had estimated for the 2004–05 year that more than 200 000 DNA records would be uploaded onto the system during the year, this figure fell short due to legislative complexities and delays.

### **Price**

- The NCIDD system was delivered within a budget of \$3.68 million from Australian Government funds.

NCIDD operated 33 per cent under its operating expenditure budget due to lower than expected use of NCIDD and SQL\*Lims by police agencies.

The NCIDD release 3.4.1 was deployed on time and \$33 198 under budget.

### Priorities for 2005–06

- Finalise memoranda of understanding between police agencies to progressively implement inter-jurisdictional and intra-jurisdictional matching.
- Perform a post implementation review (PIR) of NCIDD.
- Further refine NCIDD for operational activities, including familiar matching capabilities for DVI purposes.
- Review monitoring of database performance by CrimTrac.
- Investigate the options and processes to facilitate matching Australian DNA profiles with those of other countries.



## CrimTrac Police Reference System (PRS) Existing Systems Programme

### *PRS Existing Systems*

#### Contribution to CrimTrac outcome

Coordinated national policing information systems for a safer Australia.

#### PRS (Existing Systems) output

Provision of national operational policing information through the maintenance of existing police reference systems.

#### Performance measures

##### *Quality*

- At least 90 per cent of enquiries are processed within three seconds.
- System availability meets or exceeds contracted levels.

##### *Quantity*

- PRS support and helpdesk are within agreed levels.

##### *Price*

- The recurrent costs for PRS systems are within projected levels and are regarded by customers as good value for money.

#### Performance summary 2004–05

##### *Quality*

- More than 90 per cent of enquiries were processed within three seconds.
- System availability exceeded contracted levels.

##### *Quantity*

- PRS support levels and helpdesk were within agreed levels.

##### *Price*

- The recurrent costs for PRS systems were within projected levels and were regarded as value for money.

## Programme overview

The existing PRS consists of the following systems:

### ***National Names Index (NNI)***

The NNI comprises multi-jurisdictional data on criminal histories, missing persons, warrants, domestic violence orders, adverse firearms history and other information on persons of interest to police. The system provides vital information to police by flagging information on those persons who may not be known on local jurisdictional databases but who have a record or history in other states or territories.

### ***National Firearms Licensing and Registration System (NFLRS)***

The system holds information on past and current firearm licence holders, licensed firearm dealers, and registered, lost and stolen firearms.

### ***National Vehicles of Interest system (NVOI)***

The NVOI system records stolen, recovered, wanted and suspect vehicle details. It holds details regarding vehicle registration and driver licensing.

The system also incorporates links to national roads and transport authorities' data held on the National Exchange of Vehicle and Driver Identification System (NEVDIS) provided by AustRoads.

### ***Electronic White Pages (EWP)/Online Telephone Directory (OTD)/Telephone Directory Search (TDS)***

The OTD/EWP databases have provided a cost-effective method to conduct a search on names, telephone numbers and addresses. This has enabled police to identify names and addresses allocated to particular telephone numbers, verify the address of detained suspects, and clarify the details of callers to police emergency telephone operators. The EWP database was replaced with the TDS system during this reporting period.

## Programme Performance

### ***Quality***

- 90 per cent of enquiries are processed within three seconds.

CrimTrac information systems operated within the desired performance standards agreed with each police agency.

During 2004–05, response times to CrimTrac system enquiries were well within the performance standard, with processing of information requests often completed within two seconds.

### ***Quantity***

- System availability meets or exceeds contracted levels.
- PRS support levels and helpdesk are within agreed levels.



**Systems availability**

Systems availability throughout the year was in accordance with standards agreed with police agencies.

Routine preventative maintenance windows reserved each month continue to ensure that the existing CPRS applications remain stable. These measures have ensured that police continue to receive optimum performance from CrimTrac information systems.

**Systems support**

The agency operates a helpdesk to manage and resolve calls from authorised users from other agency helpdesks. Support is provided on a 24-hour, seven days a week basis with duty officers responding to after-hours calls.

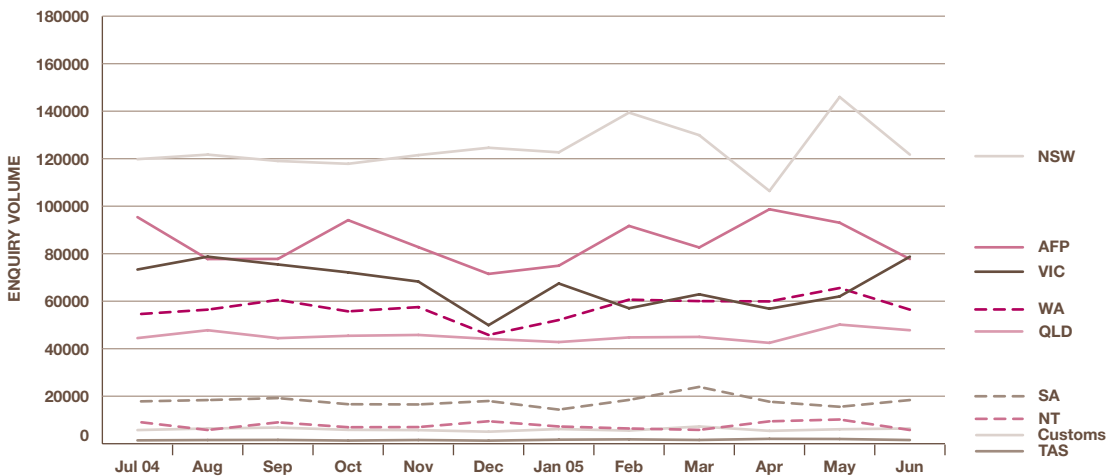
Most helpdesk calls were resolved within 24 hours—the majority being resolved within an hour. Helpdesk officers have been effective in providing feedback on the progress of problems reported and keeping other police agency helpdesk staff informed about scheduled maintenance outages.

During the year requests for system access were actioned well within service provision standards.

**National Names Index (NNI)**

The annual NNI enquiry volume decreased from 5.41 million enquiries in 2003–04 to 4.97 million enquiries in 2004–05, an 8.1 per cent decrease. Users conducting criminal history checks via the External Agency Management System (EAMS) instead of NNI have contributed to the decrease.

**Chart 6: National Names Index enquiry volume by month**

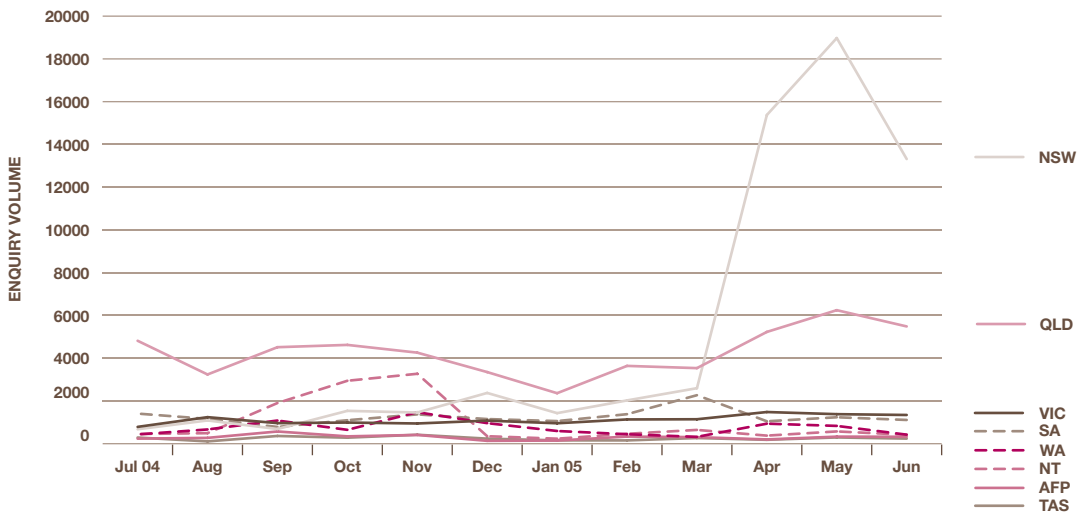


**National Firearms Licensing and Registration System (NFLRS)**

Average monthly enquiry volume increased from 9636 enquiries per month in 2003–04 to 14 070 enquiries per month in 2004–05. This represents an increase of 54 per cent in the monthly average.

Increased use of the NFLRS has, in part, been due to a continuation of processing associated with the national handgun buyback initiative. A significant part of the increase is attributed to data checks for the New South Wales Police renewal phase of the five year term granted to firearm licences.

**Chart 7: National Firearms Licensing and Registration System enquiries**

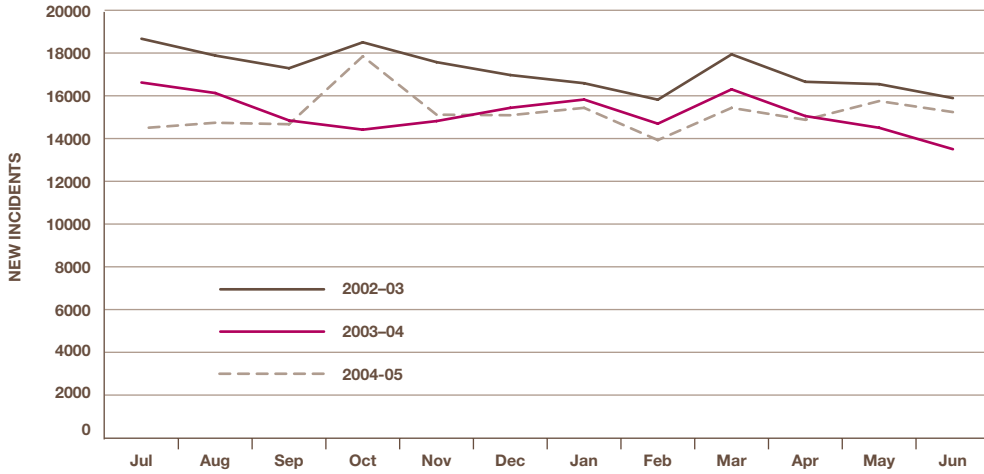




**National Vehicles of Interest (NVOI) system**

The total number of new incidents marginally increased from 182 147 in 2003–04 to 182 612 in 2004–05.

**Chart 8: National Vehicles of Interest system—new incidents by month**



**Online Telephone Directory (OTD)/Electronic White Pages (EWP)**

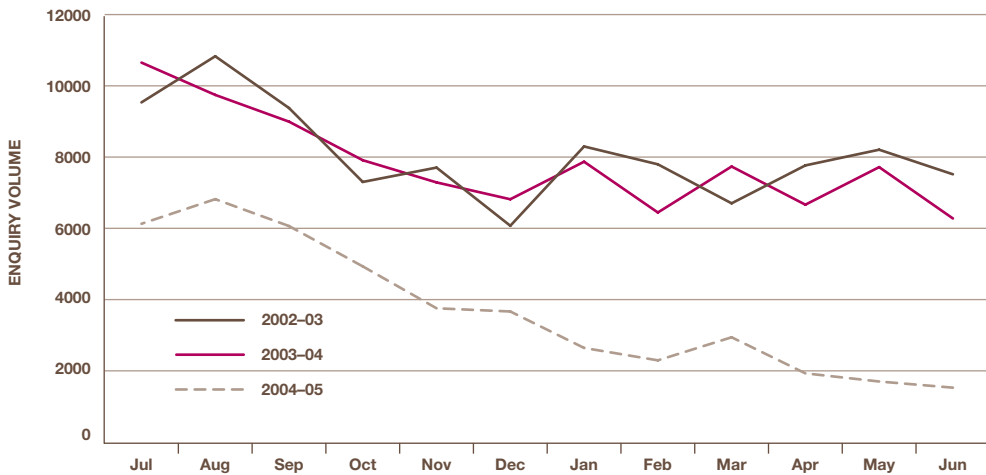
Average OTD enquiries decreased from 7842 per month in 2003–04 to 3700 per month in 2004–05.

This sharp decrease of 53 per cent can be attributed to the implementation of the CrimTrac ‘Telephone Directory Search’ system and the user acceptance that OTD is no longer being supported with up-to-date data.

**Telephone Directory Search (TDS) system**

The EWP mainframe application was decommissioned in November 2004 after the TDS replacement was launched in October 2004 on a mid-range computing platform. EWP/TDS enquiries remained consistent with previous years.

Chart 9: OTD enquiry volume per month



### Price

- The recurrent costs for PRS systems are within projected levels and are regarded as good value for money.

### Priorities for 2005-06

- Maintain the high level of support and access to end users of CrimTrac services.
- Continue to contribute to CPRS Programme capability development, particularly MNPP and ANCOR.
- Continue to improve IT Service Management capability through the use of the ITIL Best Practice Framework.



## CrimTrac Police Reference System (CPRS) Redevelopment Programme

### Contribution to CrimTrac outcome

CPRS redevelopment contributes to rapid, efficient and cost-effective access to operational policing information and information-related services. Police nation-wide require these in the performance of their duties and for their improved safety.

### CPRS Redevelopment Systems output

Redevelopment and enhancement of existing PRS within an integrated CrimTrac system (CPRS) outcome and the Australian National Child Offender Register (ANCOR).

### Performance measures

#### Quality

- The requisite policy and regulatory framework for exchanging police information is developed parallel with the system.
- The information content delivered by CPRS meets the needs of police.
- The information services are integrated so they are efficient to use.
- The information is as current as the information in the police agency source systems.
- The information services are controlled and audited in accordance with the inter-agency agreements and business rules specified by police.
- System performance meets that specified in service level agreements.

#### Quantity

- CPRS supports the volume of enquiries that police require and these are in accordance with approved service level agreements.

#### Price

- The components of CPRS redevelopment are delivered within budgets approved by the CrimTrac Board of Management.

### Performance summary 2004–05

#### Quality

- NHBSS remained available to all police agencies and the Attorney-General's Department for the purpose of reconciling buyback transactions.
- The ANCOR system has been operational since 1 September 2004 and has had several version releases to progressively deliver functionality in the order of priority of user requirements. Further enhancements are planned.
- The limited MNPP pilot system became operational and has started to improve the provision of rapid nation-wide access to operational policing information on persons of interest to police.

**Quantity**

- NHBSS remained available to all police agencies and the Commonwealth Attorney-General's Department during the reporting period.
- ANCOR was available for all police agencies to use once their enabling legislation was in place. Victoria, Northern Territory, Queensland and Western Australia commenced using ANCOR during the reporting period.
- The limited MNPP pilot system became operational on 10 March 2005 and all police agencies were offered access to this system for evaluation purposes. During the evaluation period, in excess of 1100 users across all police agencies used and evaluated the system.

**Price**

- The approved NHBSS budget was increased to \$3 563 526 to meet the additional reporting requirements requested by the project sponsor. The project has operated within that budget.
- The ANCOR budget was fully expended in the reporting period to deliver the registration and case management functionality. The board of management allocated an additional \$189 000 to the project to allow for the review of outstanding requirements in relation to additional functionality and tools to support investigations and full exploitation of the information on ANCOR.
- The MNPP pilot project expended \$4 118 349 in the reporting period and remains within project budget.

**Overview**

Trans-border crimes and mobility of criminals between jurisdictions have significantly increased the need for police to have rapid access to an Australia-wide view of operational policing information about people, objects, locations and events of interest. All police services have separate information management systems within their respective jurisdictions, and police share information with other police agencies in a variety of ways, both manually and electronically.

The aims of the CPRS Redevelopment Programme are to:

- complete the development of capabilities mandated in recitals D(iii) and D(iv) of the CrimTrac IGA, namely 'the provision of rapid access to national operational policing data', and 'a National Child Sex Offender System' now referred to as the Australian National Child Offender Register (ANCOR); and
- develop new functionality to meet emerging policing requirements as identified in recital E of the IGA.

The CPRS Programme, in collaboration with all Australian police, is developing new systems to achieve these aims.

The primary factors that determine the design and development of CPRS are:

- each police agency continues to develop and optimise its information environment in accordance with its own priorities and resources, and any whole-of-government strategies that apply in that jurisdiction;
- police agencies will control the extent and timing of their information disclosure and adoption of CPRS as the system develops;
- CPRS must integrate with existing police systems and business processes to allow a seamless transition between nationwide and jurisdictional information sets;



- CPRS must support different methods of accessing inter-jurisdictional information; and
- CPRS must meet, complement and where possible, enhance the security, access and audit requirements of each police agency.

The programme this year has progressed with three active projects:

- The National Handgun Buyback Support System (NHBSS).
- The National Child Sex Offender System project (NCSOS) through ANCOR.
- The Minimum Nationwide Person Profile project (MNPP).

The programme has provided assistance to:

- The Commonwealth Attorney-General's Department in supporting the set-up and scoping of proposals to establish a National Firearms Management System and a National Clandestine Laboratories Database.
- The Australian Centre for Policing Research in the revision of the Directions in Australasian Policing strategy document, providing considerations of how to best manage multimedia in policing and piloting online resources to support inter-jurisdictional police communication through the CrimTrac secure portal.

## Performance

### National Handgun Buyback Support System (NHBSS)

#### Quality

- The NHBSS started on 1 July 2003 and remains operational, even though the handgun buyback transaction period ended 30 June 2004. The system was scheduled for decommission 30 June 2005 but remains operational to allow police agencies and the Attorney-General's Department (sponsor) to complete reconciliations of the transactions.
- Some minor enhancements were made to the system at the sponsor's request to improve the reports available to police agencies.

#### Quantity

- NHBSS supported all police agencies and the Commonwealth Attorney-General's Department during the buyback period and continues to be operational to allow the calculation of state and territory reimbursements.

#### Price

- NHBSS project expenditure during the period was \$364 271.

NHBSS was developed in partnership with Victoria Police. It is hosted at the secure CrimTrac central site with secure web access for authorised users in police agencies over the AFP secure network.

NHBSS was operational from 1 July 2003 to 30 June 2004. The Australian government, states and territories agreed to variances in the start and end dates for some police agencies. This required the system to remain operational beyond 30 June 2005. A further extension to the end of December 2005 was approved by the sponsor to support Commonwealth, state and territory reconciliation and audit activities following the buyback. The project budget was revised from \$2 725 000 to \$3 563 526 to 30 June to accommodate extensions to the project.

All parties using this CrimTrac system reported that it was very successful in supporting the correct identification of firearms, determining the compensation to be paid to people surrendering guns and gun parts and the reimbursement to the police agencies by the Commonwealth.

CrimTrac will provide the Commonwealth and police agencies with a NHBS project completion report within 90 days of the system being decommissioned. This will include a log of potential enhancements to be considered for any future firearms buyback activity.

## **Australian National Child Offender Register (ANCOR)**

### **Quality**

- The first release of ANCOR became operational on 1 September 2004 in time to assist Victoria Police, the first jurisdiction to enact the legislation that ANCOR was designed to support. This version provided the functionality for a police agency to register and case manage persons in accordance with legislation.
- The system functionality has been progressively delivered through a series of system upgrades to gradually complete the project in accordance with the priority of user requirements.
- A board initiated review of the project found that although technically feasible there were flaws and quality gaps in the system and rectification should be addressed through a comprehensive business case.

### **Quantity**

- Four police agencies commenced using ANCOR during the reporting period.

### **Price**

- The ANCOR project budget was increased by the board during the period by \$189 000. ANCOR project expenditure during the period was \$2 149 338.

ANCOR will assist police to case manage and share mandatory information about registered persons as required by legislation.

In November 2003 the APMC approved the establishment of ANCOR and allocated an additional \$2.14 million to the \$1 million already allocated from the Commonwealth's \$50 million, to be shared by the Commonwealth, states and territories on a one third—two thirds basis.

The major output from this project is the existing ANCOR system, a secure web based application hosted at CrimTrac. It was launched on 1 September 2004 and Victoria Police started using the system immediately.

In November 2004 the APMC approved the development of a business case for the extension of ANCOR to manage information regarding other classes of sex offenders. Western Australia Police and Victoria Police are assisting in developing a business case for consideration by the board.

Cost and time overruns prompted the board to initiate an independent appraisal of the project. The review completed in April by a consultant assisted by a senior police officer concluded that the project was inadequately planned, managed and monitored and the suitability of CrimTrac's current organisational model for such projects is in question. Nevertheless, the review found indications that ANCOR was meeting its basic operational needs; that it is capable of meeting its foreseeable operational demands; and that the project is technically feasible. A requirements exercise commenced in order to produce a fully-fledged business case for completing ANCOR. The difficulty had been the lack of definition in the project scope, most likely due to the speed of implementation in response to political imperatives in most jurisdictions, initiated by the APMC.



A post-implementation review will be conducted 90 days after ANCOR achieves full functionality, as described in the business case, in 2006.



*The Minister, CEO and board members at the launch of ANCOR in September 2004*

## Minimum Nationwide Person Profile project (MNPP)

### Quality

- The limited MNPP pilot became operational on 10 March 2005.
- A formal 90-day operational trial was conducted in the reporting period. New South Wales and Victoria had the major trial sites with all other police agencies provided with limited access for up to 30 users.
- The pilot system was progressively enhanced during the trial period.

### Quantity

- The MNPP pilot system has delivered a limited capacity for rapid nation-wide access to operational police information on persons of interest to approximately 1 100 users.

### Price

- MNPP project expenditure during the reporting period was \$4 118 349.

CPRS has defined police needs for sharing information about persons of interest and the design of the MNPP supports a national check each time a local check is performed in a police agency.

When completed the full capacity production MNPP system will provide all police agencies with 'rapid access to operational policing information about persons of interest to police'. This significantly improves on the present NNI capability as:

- the information will be more comprehensive;
- the information will be as up to date as the information on the source systems in the police agencies;
- the capacity and design will allow police to do national checks by default;
- officer efficiency will be improved as the detailed information they need is readily available through MNPP as opposed to existing manual processes which are predominantly paper based;
- officers will have access to improved functionality for searching and matching;
- MNPP will operate in a more modern technical environment;
- police have improved audit reporting on access to their information; and
- the MNPP's design and information model can be extended to meet future requirements.

The pilot project involving CrimTrac, New South Wales Police and Victoria Police was instigated during the reporting period. This pilot provided users with the 'richer' MNPP data, sourced from New South Wales and Victoria Police and combined with NNI data from all other police agencies.

In March 2005 the CrimTrac Board of Management agreed to extend the terms of reference for the MNPP trial to include an assessment of the utility of MNPP to assist police in the management of missing persons.

#### **Other CPRS Entities**

The two other major entities of interest to police within the present CPRS work programme are firearms and vehicles-of-interest to improve on the present NFLRS and NVOI systems. During the reporting period some input was provided to the APMC Firearms Policy Working Group in the development of a proposal for a National Firearms Management System.

Given the priority and resourcing applied to the three active projects listed above, CrimTrac was not in a position to progress work identified in the National Vehicles of Interest scoping study conducted in 2002–03.

### **Priorities for 2005–06**

#### **NHBSS**

- Maintain availability of the system until all police agency and Commonwealth reconciliations are complete.
- Decommission the system once reconciliations are complete.

#### **ANCOR**

- Complete the ANCOR system functionality to support investigations.
- Complete the establishment of management arrangements for the ongoing ANCOR service.
- Provide assistance to the remaining police agencies in their take-up of the ANCOR service.
- Assist police agencies to consider the extent of additional functionality they require where their legislation includes additional categories of offenders.
- Assist New South Wales Police (who have an existing register) to consider the extent to which inter-operability between police systems and ANCOR is required.



### ***MNPP***

- Develop the collective police agency and CrimTrac business case for the completion and implementation of the MNPP project.
- Subject to approval and funding, complete the MNPP system development to production standard and hand-over to business operations' control and IT Services technical support.
- Provide assistance to the remaining police agencies in their take-up of the MNPP service.
- Subject to board and APMC approval, assist police agencies to improve the way missing persons are managed in Australia.
- Establish governance arrangements which the MNPP service can be enhanced to support evolving police requirements.

### ***Functional Integration***

- Subject to funding being available, extend the MNPP functionality to incorporate the firearms and vehicles of interest data sets held by CrimTrac thereby achieving a single, fully-integrated CrimTrac Police Reference System.
- Develop the business case for re-hosting the existing PRS in the CrimTrac mid-range environment and decommissioning the CrimTrac mainframe environment.

### ***Other Potential Projects***

- Continue to support or advise the Attorney-General's Department in the development of the proposals for the National Firearms Management System and the National Clandestine Laboratories Database.

## National Criminal History Record Checking (NCHRC) Programme

### Contribution to CrimTrac outcome

This programme minimises the risk of accredited agencies employing a person who is not fit to hold a position of trust due to an adverse criminal history. In particular, the risk of abuse of the young, the vulnerable and the infirm is reduced. The use of police data for positive social outcomes is maximised.

### Output

Establishment and maintenance of client relationships and agreements delivering national criminal history record checks to accredited agencies and police agencies.

### Performance measures

#### *Quality*

- 95 per cent of routine checks are processed within ten working days.
- 95 per cent of urgent checks are processed within five working days.

#### *Quantity*

- All work has been undertaken and delivered as agreed in the service level schedules contained within the memoranda of understanding.
- All enquiries for accreditation are processed according to guidelines and within agreed timeframes.
- All processes comply with privacy and security standards as measured by independent audit.

#### *Price*

- Billing and invoices are accurate and issued on time.
- Processes are audited and assessed as cost effective.

### Performance summary 2004–05

#### *Quality*

- Approximately 91 per cent of routine checks were processed within ten working days.
- Approximately 91 per cent of urgent checks were processed within five working days.

#### *Quantity*

- CrimTrac provided national criminal history record checking services to 26 accredited agencies.
- A number of agencies are currently undergoing the accreditation process.
- CrimTrac processed approximately 1.1 million checks resulting in over 255 000 persons requiring further evaluation by police agencies. This represented about 23.5 per cent of total checks.

#### *Price*

- The pricing structure remained constant and was based on cost recovery.



## Overview

The NCHRC Programme provides accredited agencies and police agencies with national criminal history information to support their processes of assessing the suitability of people applying for employment, Australian citizenship or being appointed to positions of trust. Checks for appointments to positions of trust are conducted on a range of people including those working with children, the elderly and other vulnerable groups or those requiring a security clearance.

Accredited agencies do not directly access data held by police agencies. To obtain a national criminal history record check, an accredited agency must first obtain the informed consent of the person concerned and, in some cases, must have legislated authority that entitles them to request additional information. The request for a check is sent electronically to CrimTrac where the name is loaded into CrimTrac's External Agency Management System (EAMS). It is then checked against the National Names Index (NNI) of persons of interest to police. Within 24 hours, EAMS produces initial results wherein typically over 75 per cent of names submitted are cleared which CrimTrac relays to the relevant agencies. If a potential match is identified, the details are referred for evaluation to the police agency holding the record. The searching and name matching algorithm produces an average of two to three names per referral.

Where a check shows 'multiple' potential matches, the name is initially referred for evaluation to the police agencies holding relevant records prior to a final vetting by a nominated coordinating police agency to ensure that the appropriate level of information is released.

The nature of criminal history information released through the NCHRC Programme varies between agencies, depending upon their individual legislative provisions. An agency can access spent conviction information under three general release categories based upon state and Commonwealth spent conviction legislation and information release policies. Categories include no exclusion, partial exclusion and a full exclusion and on this basis agencies can access information ranging from disclosable court outcomes only to full criminal histories (i.e. including spent convictions). Varying spent convictions schemes together with differential information release policies across states and territories also affect the type and amount of information that can be released to agencies.

During this reporting period the EAMS application was deployed to all police agencies. The design and development of EAMS Phase 3 was progressed significantly through the project management processes. The project will now proceed to the detailed requirements gathering and analysis phase. The business case will then be submitted to the board of management for approval.

The main objectives of the requirements gathering phase will be to identify how to reduce as much of the current manual paper process as possible, how to manage the final vetting process and how to extract and present management data.

In this phase a more detailed cost estimate of the project based on the detailed requirements will be prepared, along with development of a preferred option (e.g. upgrade the existing EAMS or build a new system to support the NCHRC process). Agreement from the board will be sought before moving on to the detailed design stage.

As part of CrimTrac's ongoing continuous improvement programme and client service focus, the annual client services conference was held in Canberra in November 2004. This conference was attended by police services and accredited agency representatives involved in the NCHRC process.

## Performance report

### Quality

- 95 percent of routine checks are processed within ten working days.
- 95 per cent of urgent checks are processed within five working days.
- All work has been undertaken and delivered as agreed in the service level agreement and other schedules contained within memoranda of understanding.

In 2004–05, about 91 per cent of all routine checks lodged with CrimTrac were processed within ten working days (compared to more than 95 per cent in 2003–04) and about 91 per cent of all urgent checks lodged with CrimTrac were processed within five working days (100 per cent 2003–04). The increased volume of checks generated a large increase in ‘referrals’ to police agencies thereby adversely affecting turnaround times. This in turn resulted in delays in check completion times.

CrimTrac’s independent internal auditors, Deloitte Touche Tohmatsu, have conducted an external audit, which has shown that work in the 2004–05 period has been undertaken and delivered as agreed in the service level schedules contained within CrimTrac’s memoranda of understanding. The audit has shown that CrimTrac’s procedures and processes fully comply with the appropriate privacy and security standards that govern the requesting and release of personal information through the NCHRC process for third parties.

### Quantity

- All enquiries for accreditation were processed according to guidelines and within agreed timeframes.
- All processes comply with privacy and security standards as measured by an independent audit.

For 2004–05, CrimTrac and police agencies have processed just under 1.1 million checks through EAMS (compared to more than 617 000 in 2003–04) identifying over 250 000 individuals with potential matches. This increase is attributable to:

- police agencies that had not previously participated commenced using NCHRC processing from 1 July 2004; and
- increased workload generated by three new agencies accredited during this reporting period.

At the end of this reporting period 26 accredited agencies were being serviced by the NCHRC Programme.



### **Price**

- All billing and invoices are accurate and issued on time.
- Processes are audited and assessed as cost-effective.

The pricing policy and structure was revised during 2004–05. New charges are being introduced on 1 July 2005.

All NCHRC billing and invoicing has been managed in a timely and accurate manner in line with agreed agency expectations.

### **Priorities for 2005–06**

- Development and rollout of EAMS Phase 3 to police agencies.
- Rollout of EAMS to accredited agencies.
- Extension of NCHRC services to the non-government sector.
- Reducing turn around times for criminal history record checks.
- Ongoing tuning of the searching and name matching algorithm.
- Publish a list of accredited agencies on Crimtrac's website.

## Service Management Programme

### Contribution to CrimTrac outcome

The CrimTrac computing infrastructure and communications network assists the delivery of outcomes to CrimTrac customers. The main components of the infrastructure include mainframe, midrange, desktop, local area network (LAN), Wide Area Network (WAN) and application services. These services are being progressively modernised to meet changing business needs.

### Service Management Programme output

Delivery of a cost-effective CrimTrac communications network and computing infrastructure that allows CrimTrac information to pass securely to and from the police services and to accredited agencies.

### Performance measures

#### Quality

- Service levels for the communications network, mainframe and midrange environment will be met, allowing for the delivery of all CrimTrac services to the required standards and expectations.

#### Quantity

- The network has sufficient capacity and availability to support the systems and installations required across all programmes in order to achieve its mission.

#### Price

- Perform within programme budget as approved by the board and deliver the lowest possible price for defined capacity and capability.

### Performance summary 2004–05

#### Quality

- Service levels for IT systems have been under continual review throughout the year to ensure they are of a high quality and standard.
- The CrimTrac portal was further refined and made available to authorised users.

#### Quantity

- Network usage has met expectations and provided flexibility for an increase of services to all Crimtrac stakeholders and users.
- Throughout 2004–05 the IT services team made substantial improvements to mainframe, midrange and WAN infrastructure to allow for increase in demand on IT services and to position the agency for substantial service growth in future years.

#### Price

- CrimTrac expanded its midrange environment throughout the year to cater for further development of new systems and provide enhanced business continuity. The mainframe environment is run by DCB as a service provider arrangement to gain cost savings through economies of scale with a larger organisation.
- Mainframe costs have reduced as a result of previous years work on full service provision.



## Overview

### *Computing infrastructure*

The CrimTrac Agency currently supports and develops systems on both mainframe and midrange Unix platforms with development targeted at the midrange environment. The future direction for the agency is to migrate from the mainframe to a wholly midrange environment.

During this reporting period there was focus on the continued migration process from the mainframe to midrange environment via specific projects within the CPRS Programme.

As part of this migration a Common Services and Infrastructure project entered its second stage—including security audit logging and reporting, a data dictionary, process methodology and workflow, automated testing tools and framework, performance monitoring and disaster recovery plans and tests. This included the delivery of the core infrastructure such as remote access and a data base upgrade. The project will revise and implement common services for security and audit as well as the next generation of the CrimTrac midrange computing environment.

There was improvement and further expansion of the CrimTrac portal. The portal provides a single entry point for users and a single security interface to CrimTrac services.

Work continued with network rationalisation with emphasis on Victoria. Main data lines were upgraded to cater for the planned CPRS rollout. A network line was also added to Thailand to assist NAFIS support following the tsunami.

### *Communications network*

The rationalisation of the CrimTrac secure communications network has continued from previous years.

The process of rationalising the CrimTrac WAN is expected to be an ongoing process for the next few years. This will accommodate the varying pace of developments and changes within the IT environments of CrimTrac's major stakeholders, such as the police agencies.

The objectives of the communications rationalisation phase remain as:

- converge existing NCIDD, NAFIS, and CPRS communications links into a new CrimTrac network with one main communications link between CrimTrac and each police agency;
- deploy CrimTrac services within the communications network of each police agency; and
- ensure the most cost-effective communication solution is implemented for each police agency.

Additionally, the IT Manager meetings continued as a place to exchange and share ideas across CrimTrac and police services IT teams. The most recent meeting was held in April 2005.

### *Architecture framework*

An enterprise architecture framework is a specification for separating an organisation's business and technology landscape into manageable and interrelated information components.

Capture and delivery of this information creates a repository of corporate knowledge and industry best practice, helping to position CrimTrac strategically as a high-quality service provider. Advantages include:

- improving client and stakeholder awareness of CrimTrac systems;
- contributing to improved communication between CrimTrac and its clients and stakeholders;

- improving internal communication between technical, operational and policy elements of CrimTrac;
- contributing to collaborative partnerships with police agencies and accredited agencies; and
- improving CrimTrac's ability to assess and adopt new technology.

During the year the technical architecture group was set up. It meets on a regular basis and has been documenting the technical architecture. It has shared information on application development, security, infrastructure and middleware domains with the police agencies and other Commonwealth government departments.

The agency's IT staffing structure has been revised to allow the technical architecture to integrate with core functions rather than be a separate project as in the past.

## Performance

### Quality

- High-speed secure communications and computing infrastructure for all CrimTrac systems supported nationally at agreed levels of availability.

As part of ongoing quality assurance of IT solutions, the CrimTrac Director of IT Services and all police service IT managers meet on a regular basis to discuss the technology issues associated with the delivery of CrimTrac services. These forums are for the exchange of information, standards and development ideas between police agencies. CrimTrac also subscribes to IT industry information services to provide an external perspective on CrimTrac's IT activities in relation to the broader IT industry and world best practice. As a small agency this is a valuable way to gain industry expertise.

CrimTrac has focussed on enhancing and developing vendor relationships. The tenders for the LAN and the ISP were completed at the start of this year and the memoranda of understanding and service level agreements with AFP and DCB were further refined during the reporting period.

The CrimTrac secure WAN is supported 24 hours a day, seven days a week by the AFP Data Network Team within their IT area. AFP continually reviews and revises the network technology applied to CrimTrac systems to ensure we are provided with the best performance and price on our network.

Memoranda of understanding and service level agreements are also being reviewed and revised to ensure they meet current and future expectations.

Additionally, work was progressed on the security classification of systems to ensure that all police agencies agree on the classification and sharing of information.

### Quantity

- The network and computer infrastructure has sufficient capacity and flexibility to support the systems and installations required across all programmes in order for CrimTrac to achieve its mission.

The increase in demand for access to CrimTrac services for Livescan, NHBSS, CPRS and general information sharing has facilitated the acceleration of network rationalisation as well as requiring an increase in bandwidth to many police agencies.



## Priorities for 2005–06

- Continuation of IT Information Library adoption and deployment within CrimTrac.
- Finalisation of IT development framework and governance processes for IT systems development.
- Continuation of the development and refinement of technical architecture.
- IT security, refine audit logging and reporting.
- Disaster recovery and business continuity planning and positioning.
- Implementation of a testing framework.

## Financial Overview

### *Government Funding*

In 1998, the Australian Government committed \$50 million to CrimTrac for the establishment of national policing information systems. During 2004–05 the agency drew \$11.546 million, the balance of the appropriation, to fund development projects in accordance with the IGA and the directions of the Board of Management.

During 2004–05, the Australian Government also provided CrimTrac with funding of \$0.061 million for budget estimates support, \$0.097 million for Comcover supplementation, and \$0.916 million for special account interest supplementation.

\$0.643 million was provided in response to CrimTrac's involvement in the set-up of an Automated Fingerprint Identification System (AFIS) in Thailand to assist with the International Disaster Victim Identification (DVI) process as a result of the tsunami.

CrimTrac received an additional \$0.713 million from the Attorney-General's Department toward development of the Australian National Child Offender Register (ANCOR) and \$1.721 million for the ongoing operation of the National Handgun Buyback Support System (NHBSS). During 2005–06 CrimTrac will invoice the Attorney-General's Department for an additional \$0.867 million in relation to this project.

### *Financial Results*

Total revenue for 2004–05 was \$42.637 million compared with \$28.058 million for 2003–04. This included the appropriation and project funding as outlined above, much of which is expended toward the development of an asset and so appearing on the Statement of Financial Position.

Revenue generated from the sale of goods and services was \$27.372 million (2003–04 \$18.158 million). This increase was due to a restructure of the National Criminal History Record Checking (NCHRC) service and prices introduced during 2003–04 along with an increase in service volumes from 1.2 million in 2003–04 to 1.5 million in 2004–05.

Human resources and associated expenses increased by \$0.321 million. This is reflected in the increase in average staffing levels from 44 in 2003–04 to 51 in 2004–05. Supplier expenses increased by \$0.213 million.

Depreciation and amortisation expenses increased by \$0.795 million. IT assets purchased during the year totalled \$3.157 million and included asset replacements and new assets acquired by projects. Amortisation expenses increased primarily as a result of the capitalisation of software as outlined in the Work in Progress information overleaf.

On an accrual basis, with the exception of unspent appropriations booked as revenue, the net surplus recorded for the agency was \$21.037 million in 2004–05. Equity increased by \$21.037 million to \$64.865 million represented by the net surplus.

### **Work in Progress**

Work in progress capitalised during the year included the External Agency Management System (EAMS) at \$0.190 million, ANCOR at \$0.803 million, the National Criminal Investigation DNA Database (NCIDD) at \$0.038 million, and the Telephone Directory Service (TDS) \$0.133 million.

Work in progress at 30 June 2005 represented:

<b>Project</b>	<b>Total</b>
Australian National Child Offender Register	\$ 1.835m
Minimum Nationwide Person Profile	\$ 7.248m
	\$ 9.083m

The value of intangible software assets less amortisation was \$10.627 million at 30 June 2005.

### **Outlook**

The agency's primary source of funds for recurrent operations is the sale of NCHRC services. The agency prepared its budget for 2005–06 based upon an increase in prices and a 5 per cent increase in volumes from 2004–05. NCHRC sales revenue for 2005–06 is budgeted at \$26.850 million (2004–05 actual \$25.381 million). The agency will also charge for the use of the National Names Index (NNI) system by Non-Police Law Enforcement Agencies (NPLEAs) for the first time in 2005–06.

At 1 July 2005 the agency expanded its charging for the use of the National Automated Fingerprint Identification System (NAFIS) to two additional client categories which will see revenues increase from \$0.239 million in 2004–05 to \$1.415 million in 2005–06.

The CPRS Redevelopment Programme underwent significant growth in 2004–05. The remainder of the \$50 million appropriation was drawn down and booked as revenue in 2004–05, however close to \$4 million of this amount remained unspent at 30 June. Expenditure against this allocation will occur in 2005–06.

On 25 August 2005 the Board of Management approved additional funding of \$0.998 million for the development of ANCOR Stage 6 from the CrimTrac retained surplus. The Board also supported the completion of the Minimum Nationwide Person Profile (MNPP) Stage 3 business case along with the identification of funding options. Deployment of these systems will result in an increase in recurrent expenses to those budgeted, in the areas of hardware and software maintenance, service provision and depreciation and amortisation.

It is expected that the direct costs of running the NAFIS system will decrease in 2005–06 as a result of a significant system upgrade funded from accumulated depreciation. Other major projects continuing into 2005–06 include MNPP, the next release of ANCOR, Common Services and Infrastructure, the local area network upgrade, and the upgrade of EAMS.



## Financial management priorities for 2005–06

- Manage financial relationships with stakeholders ensuring transparency of funding arrangements, accountability for expenditures and works in progress turnover.
- Continue and enhance liaison with police agency finance personnel.
- Maintain fixed costs at an efficient level in the face of increasing service provision.
- Continue to manage credit risk and value impairment of debts by using active collection methods.
- Introduce identified improvements to the annual budget process.
- Enhance management reporting to support decision making.
- Undertake comprehensive financial review of the NCHRC service.
- Continue to improve project accounting processes in relation to the financial management information system and introduce comprehensive policy in this area to complement the agency's Programme and Project Management Framework.
- Meet compliance obligations and implement agreed recommendations of both internal and external audit findings.
- Ensure compliance with AASB Equivalents to International Financial Reporting Standards in accordance with the agency's project plan.

### Summary of resources

#### Outcome 1 – Coordinated national policing information systems for a safer Australia

Price of Departmental Outputs	Budget*	Actual	Budget**
Output 1.1: Facilitation of the delivery of high-quality national policing information services	2004–05 \$'000	Expenses 2004–05 \$'000	2005–06 \$'000
Revenue from Government (Appropriation)			
Departmental outputs ***	1,717	1,717	621
Revenue from other sources	33,876	40,920	28,834
Total price of outputs (total revenue)	35,593	42,637	29,455
<b>Total for Outcome 1</b> (total expenses)	23,529	21,600	27,101
		<b>2004–05</b>	<b>2005–06</b>
<b>Average staffing level</b>		51	63

\* Full year budget including additional estimates

\*\* Budget prior to additional estimates

\*\*\* Excludes the initial Australian Government commitment of \$50 million and additional NHBS funding in accordance with Portfolio Budget Statements

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# Part 3

## Management and Accountability





## Corporate Governance

Corporate governance encompasses processes by which organisations are directed, controlled and held accountable. It includes authority, accountability, stewardship, leadership, direction and control exercised in the organisation. CrimTrac's main corporate governance features are published in the Charter of Governance which is available on the CrimTrac website. The charter recognises the CEO's responsibility and accountability to the Minister for Justice and Customs and to the Federal Parliament, while also being accountable to the states and territories as indicated by the terms of the IGA.

The charter also outlines board processes, sets out board functions and gives suggestions for continuing improvement and board performance.

Work on updating the charter was commenced during this reporting period to take into account improvements in CrimTrac's reporting and governance structures. The revised charter is expected to be published early in the 2005–06 reporting period.

## Australasian Police Ministers Council (APMC)

Advised by its Senior Officers Group (SOG), the council considers and approves the agency's strategic direction and approves the CrimTrac Strategic Plan. The APMC also:

- approves the development of initiatives for CrimTrac which require legislation or special funding consideration;
- approves the policy on data control and release of information to third parties; and
- considers and approves the appointment of members of the CrimTrac Board of Management in accordance with the provisions of the IGA.

## CrimTrac Board of Management

The CrimTrac IGA requires that a board of management be established to be responsible and accountable for the efficient and effective delivery of the CrimTrac initiative. The board consists of voting and non-voting members. Four of the five voting members are appointed by the APMC while the fifth is appointed by the Australian Government. The SOG appoints non-voting members. Board members are generally appointed for a three-year term with a rotation of members to ensure that each police agency is represented on an equitable basis. Appointments are staggered to ensure continuity.

The board has:

- one voting member nominated by the Australian Government;
- two voting members appointed from the large jurisdictions (NSW, Vic or Qld), each member from a different large jurisdiction;
- two voting members from the small jurisdictions (WA, SA, Tas, NT or ACT), each member from a different small jurisdiction; and
- two non-voting members appointed by SOG to provide specialist advice in each of the areas of information technology and finance.

The chairperson is elected by the board from among the voting board members.

The board met five times in the reporting year:

- 1 September 2004—Canberra;
- 16 November 2004—Hobart;
- 31 March 2005—Canberra;
- 9 May 2005 (second session)—Canberra; and
- 22 June 2005—Canberra.

## **Board Members**

### *Voting Members*

#### **Commonwealth Nominee**

- Mr Miles Jordana, Deputy Secretary, National Security and Criminal Justice Group, Attorney-General's Department.

#### **Small Jurisdiction nominees**

- Commissioner Richard McCreadie APM, Tasmania Police (Chair).
- Chief Police Officer John Davies APM OAM, ACT Police.

#### **Large Jurisdiction nominees**

- July to December 2004—Chief Commissioner Christine Nixon APM, Victoria Police.
- From January 2005—Commissioner Ken Moroney APM, New South Wales Police.
- Commissioner Bob Atkinson APM, Queensland Police Service.

### *Non-voting Members*

- Mr Ken Latta, Executive Director, Corporate Services, Victoria Police (Finance adviser).
- Professor Sheryle Moon (Information Technology adviser).

## **Chief Executive Officer**

The CEO reports quarterly to the CrimTrac board and monthly to the Minister for Justice and Customs and provides the agency's executive leadership and oversees the establishment and management of IT systems, services and infrastructure to position the agency as a high-quality service provider.

## **Strategic Issues Group (SIG)**

CrimTrac's Strategic Issues Group (SIG) first met in May 2004, and has recently held its fourth meeting.

The SIG was established to improve the agency-police partnership by providing strategic direction and to co-ordinate police agency responses. It will also enable more authoritative communication arrangements as well as identifying obstacles to information exchange. The members of SIG include representatives from all police agencies and the CEO of CrimTrac.



This year's work plan included considering the ANCOR project completion and external functionality and the future development of NCHRC.

The SIG's focus also includes legislative issues affecting agency programmes, focussing on spent conviction, DNA and child protection registration legislation. The SIG will also consider personal information protection and firearms legislation and registration.

### Internal senior management committees

The agency has two main internal committees for the management and monitoring of CrimTrac activities. They are the CrimTrac Executive Committee and the Project Coordination Committee.

The executive committee is chaired by the CEO and meets weekly, or as required, to set management policy, review current and planned agency activities, and make decisions on matters of corporate and governance significance subject to any specific legal obligations imposed on the CEO. It also assists in setting strategic direction and maintains a general oversight of corporate performance.

As at 30 June 2005, the CrimTrac Executive Committee comprised;

- Mr Jonathan Mobbs, CEO;
- Mr Stewart Cross, Director of Business Operations;
- Mr Cliff Van Lohuizen, Director of IT Services and Deputy CEO from 1 July 2004 to 31 March 2005;
- Mr Karl Ovijach, Director of Strategic Support and Communications;
- Ms Nicole McLay, Director of Finance and Business Services incorporating the role of Chief Finance Officer (CFO) and Deputy CEO from 1 April 2005;
- Mr Rob Gough, Director NAFIS;
- Mr Duncan Burns, CPRS Programme Manager;
- Ms Slazana Ristevska, NCIDD Programme Manager.

The Project Coordination Committee (PCC) is chaired by a director (currently Director of Finance and Business Services) and includes all other directors and all programme managers. It meets monthly to review progress on current projects to determine the priority of and approval process for any new projects, and to make recommendations to the CEO on major new initiatives or changes to existing programmes. The PCC's CrimTrac Programme and Project Management Framework was updated during the year to improve reporting and accountability of the projects.

### Fraud control

CrimTrac has a fraud control plan that was reviewed in December 2004 and approved by the audit committee. A corporate risk register is regularly reviewed by the executive and reported to the board.

This regime complies with the Commonwealth Fraud Control Guidelines and provides assurance that appropriate fraud prevention, detection, investigation, reporting and data collection procedures are in place.

## Management audits

CrimTrac's Audit Committee assists business practices and assures appropriate procedures and practices are maintained. In this reporting period the committee met to approve financial statements for 2004–05 and review audit reports and the audit programme.

## CrimTrac User Advisory Groups

CrimTrac hosts a number of consultative groups which include representatives from all police agencies to assist and advise CrimTrac in project development and implementation.

The NAFIS User Advisory Group provides a forum for exchange of user information regarding the NAFIS and associated systems (e.g. Livescan), and to formulate recommendations and assist CrimTrac in identifying police agency user issues.

The DNA User Advisory Group oversees the development, implementation and ongoing usage of the NCIDD. It meets every six months.

The CrimTrac Police Reference System User Advisory Group (CPRS UAG) is comprised of representatives from all police agencies and the Commonwealth. It meets as required.

## Strategic planning

CrimTrac's integrated approach to activities coordinates the delivery of specific programmes, policy development, planning, accountability, reporting and evaluation. The strategic work programme links programme activity with corporate goals and supports the performance management framework from the individual staff level through to broad organisational levels.

The strategic work programme is linked to the strategic plan, which outlines the strategic direction for the agency.

The CrimTrac Strategic Plan for 2004–07 was approved by the APMC; it is available on the CrimTrac website at [www.crimtrac.gov.au](http://www.crimtrac.gov.au).

## Communications

Unlike many other government agencies or departments pursuing vigorous communications strategies with the general community as their stakeholders or clients, CrimTrac, by necessity, has only limited community interaction.

Instead, and in accordance with the agency's stated vision, priority is given to communication with police and an increasing client base of accredited agencies. This may change in future when proposed programmes are finalised and enhanced community awareness is needed to boost acceptance of new technologies and practices.

Considering the relatively limited potential exposure and the unique nature of the information, internal police service magazines have been used to inform serving officers of general interest agency developments.

Web-based information dissemination is generally becoming more prominent. The agency's regularly updated web site has been most useful, and the multi-function portal introduced last year has been refined to become an easily-used and valuable access point for data. Security of this information is, of course, paramount, but having such data available to a new sector of users has been very worthwhile.



Sponsorships of, and attendance at law-enforcement conferences and seminars is also a significant component of the agency's communication efforts. These events have been a cost-effective way of providing useful information and interacting with existing and potential future stakeholders. The agency receives more approaches to attend these functions than it can reasonably accept so it is currently developing a sponsorship policy to ensure consistency and monitor possible benefits.

## Budgeting

The agency's budgeting, accountability and reporting mechanisms are aligned to the government's accrual based budgeting, outcomes and outputs framework. The executive is supported by financial and human resource management systems and project management structures.

## Project management framework

CrimTrac uses a project management framework based on the PRINCE2 methodology. The framework, known as the CrimTrac Programme Project Management Framework (CPPMF), is product-based, focused, and has a strong risk management component. It also contains an inbuilt quality management system. This framework was updated during the reporting period to improve reporting and accountability and to ensure a separation between the project owner and suppliers. This framework applies improved rigour to planning and risk management processes and strengthens accountability for project outcomes. By emphasising project organisation, planning and structure, the framework ensures projects are structured and adequately resourced.

The CPPMF helps the agency initiate and manage projects in terms of objectives, resources, cost and quality. It has lifted the agency's project management methodology to comply with international standards and better practice.

## Establishment and maintenance of appropriate ethical standards

CrimTrac has taken a number of steps to establish and maintain appropriate ethical standards and to incorporate openness, transparency and accountability into its corporate governance.

## External scrutiny

The agency's operations are subject to external scrutiny from a variety of sources, such as parliamentary committees, the Commonwealth Ombudsman and the Federal Privacy Commissioner. The agency's memoranda of understanding with its clients articulate the nature and level of services provided, and provide reference points against which those clients can comment or complain to the agency. There were no judicial decisions or decisions at administrative tribunals this year.

The ANAO's audit report on the implementation of CrimTrac was tabled 17 June 2004. Recommendations from this audit have been implemented during this reporting period including the development of an overarching 'partnership approach' memorandum of understanding between CrimTrac and all of the police agencies. This memorandum is designed to supplement the Inter-Governmental Agreement and to improve communications and understanding between all the parties to the CrimTrac venture.

## Privacy

Protecting personal information privacy is critical to the agency's activities, so the agency is strongly committed to ensuring the privacy of the personal information it holds on behalf of the police. During the reporting period, an audit of CrimTrac's privacy and personal information holdings was undertaken. The audit found that there were no significant risks to the privacy of the information held by the agency. CrimTrac's privacy policy was updated during the reporting period to take into account advice provided during the privacy audit and is based on the Information Privacy Principles from the *Privacy Act 1988*.

## Social justice

CrimTrac is part of the Attorney-General's portfolio, which has a social justice agenda directed to principles of access and equity, and the right of all citizens to live in a just and secure society. To this end, national information services and investigative tools which the agency provides to police services contribute to improved national security.

Social justice outcomes are further boosted through fingerprint science and DNA analysis: applied to criminal investigations, these new technologies mean people suspected of crimes may be rapidly eliminated from investigations if they have no connection with them, even if they have an existing police criminal record.

Australians will be reassured that the agency's services are engendering a greater sense of social justice; knowing that latest technologies are being applied to fighting crime. In addition to these broader principles, CrimTrac also sets concessional fees for volunteers' criminal history checking services to recognise the significant community role volunteers have. The agency facilitated 1 546 570 checks for volunteers in 2004–05.

## CrimTrac Client Service Charter

The CrimTrac Client Service Charter was completed and published during this reporting period. This charter sets out expected service levels for our accredited agency clients and provides information about the services that are offered, sets expectations for service levels and provides means of communicating with the agency. A general service charter for the agency is expected to be completed during the 2005–06 year.

## Staffing profile

The agency requires a permanent workforce of between 50 and 60 Australian Public Service (APS) staff, augmented by contractors and consultants who assist us to deliver specific programmes, particularly those in the IT sphere. The secondment of police officers and forensic scientists on an ad-hoc basis also greatly assists in ensuring that CrimTrac's programmes are relevant and targeted.

As at 30 June 2005 there were 52 ongoing APS staff employed within the agency. This compares to 48 ongoing staff employed at the same time last year. During the year five ongoing employees ceased employment with the agency, with a number of contractors and consultants leaving during the year on the expiry of their contracts or when their services were no longer required.



Table 3: CrimTrac ongoing staff as at 30 June 2005

Class	Full-Time		Part-Time		Total
	Male	Female	Male	Female	
APS3	1	1			2
APS4	2	8			10
APS5		3			3
APS6	7	2			9
EL1	15	5			20
EL2	4	1			5
SES1					
CEO	1				1
<b>Total</b>	<b>30</b>	<b>20</b>			<b>50</b>

Table 4: CrimTrac non-ongoing staff as at 30 June 2005

Class	Full-Time		Part-Time		Total
	Male	Female	Male	Female	
APS3					
APS4					
APS5					
APS6		1			1
EL1					
EL2					
SES1	1				1
CEO					
<b>Total</b>	<b>1</b>	<b>1</b>			<b>2</b>

All staff are located in Canberra.

### Certified Agreements and Australian Workplace Agreements

Staff at CrimTrac are covered by *The CrimTrac Agency Agreement 2004* which was certified in September 2004. In addition, staff have access to Australian Workplace Agreements (AWA), which provide for performance payments of up to 15 per cent of salary, and non-salary benefits such as airline club membership, and reimbursements for professional memberships, training and materials. AWAs still provide access to the certified agreement for general conditions of employment. All employees are able to access salary packaging through the agency.

**Table 5: Agreement Coverage as at 30 June 2005**

Class	Certified Agreement	AWA	Other
APS3		2	
APS4		10	
APS5		3	
APS6		10	
EL1		20	
EL2		5	
SES1		1	
CEO			1
<b>Total</b>		<b>51</b>	<b>1</b>

**Table 6: Agency salary ranges by utilised classification**

Class	Salary Range
APS3	\$39 799–\$42 954
APS4	\$44 357–\$48 161
APS5	\$49 475–\$52 462
APS6	\$53 435–\$61 383
EL1	\$68 502–\$92 568
EL2–SES1	\$79 007–\$113 135

**Table 7: Performance pay outcomes**

Class	Number	Amount	Average	Range
APS3–APS6	24	\$110 011	\$4 584	\$1 453–\$6 966
EL1	22	\$185 966	\$8 453	\$2 705–\$13 730
EL2—SES1	6	\$81 081	\$13 514	\$2 612–\$16 605
<b>Total</b>	<b>52</b>	<b>\$377 058</b>	<b>\$7 251</b>	<b>\$1 453–\$16 605</b>

Note: Payments were actually made within the 2005–2006 reporting period, however are being reported as funds were accrued for 2004–2005. Pro-rata payments were also made to employees that separated during the reporting period.

### Occupational Health and Safety OH&S

The agency is committed to providing a safe and healthy workplace. CrimTrac positively integrates OH&S into the business of the organisation to provide a safe and healthy working environment that meets needs of staff. Ongoing initiatives include:

- provision of trained first aid officers and equipment;
- hepatitis vaccinations for first aid officers;
- voluntary influenza vaccinations for staff;
- work station assessments;
- provision of health and safety representatives;
- fire drills and equipment testing in accordance with legislation; and
- provision of employee assistance program.

As part of the CrimTrac Agency Agreement 2004 the agency provides a small incentive payment to designated first aid officers and fire wardens who keep their training current.

Additionally, a health and wellbeing allowance was made available through the CrimTrac Agency Agreement. This payment is available as a small reimbursement towards purchases that encourage a healthy lifestyle.

During the year there were no incidents arising out of agency operations that required giving of notice under section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. No investigations were conducted relating to agency operations.

## Disability strategy

The agency is committed to workplace diversity principles with a workplace diversity programme in place. This programme contains strategies and actions designed to further the Commonwealth Disability Strategy within the agency including ensuring that the CrimTrac website complies with accessibility standards for the disabled, and the ongoing collection of staff workplace diversity information including information on disabilities. The agency ensures that employment policies and procedures comply with Workplace Diversity principles and the requirements of the *Disability Discrimination Act 1992*. The principle of reasonable adjustment is applied across all recruitment and staffing processes, with procedures in place to ensure managers receive appropriate assistance and advice in meeting their obligations to applicants with disabilities. The workplace diversity programme was reviewed during the year and updated to reflect progress towards stated goals.

## Training and development

CrimTrac is committed to assisting employees to achieve their full potential by encouraging formal relevant study that enhances their personal and career development aspirations. CrimTrac assistance for approved students includes study leave and/or reimbursement of fees.

Training is available to all staff to support them in performing their work effectively, with formal personal development planning being conducted regularly and integrated within the performance management framework.

## Purchasing

As a prescribed agency from 1 July 2002, CrimTrac staff observe the requirements of the CrimTrac Chief Executive Instructions (CEI) which include a chapter dealing with the spending of public money. The CEI reflect Australian Government procurement policies and principles. To augment the CEI, CrimTrac staff should also refer to an internal purchasing and procurement policy. The procurement policy was updated during this reporting period. Staff are required to comply with these instructions and the procurement policy when undertaking purchasing activities, and are provided with reference material to guide them in purchasing processes.

Stores and office services are purchased through leverage agreements where possible, enabling the agency to realise improved value for money based on prices usually provided only to large government departments. There are also contracts and agreements in place for the provision of travel and other services that provide cost benefits and efficiency gains.

CrimTrac utilises a number of purchasing methods from open tender to credit card for smaller acquisitions. At all times staff must comply with the delegations issued under the CEI along with other relevant policies such as asset management and credit cards. The purchasing delegations issued under the CEI not only reflect spending limits by position but also by nature of acquisition.

New Commonwealth Procurement Guidelines came into effect during the reporting period.

## Assets management

CrimTrac's major assets are IT software and hardware. A financial presentation of the CrimTrac asset base can be found in the financial statements.

All software assets are recognised at cost value in accordance with the *Financial Management and Accountability Act 1997*.



Purchases of property, plant and equipment are recognised initially at cost value in the statement of financial position, except for purchases costing less than \$2000, which are expensed in the year of acquisition.

CrimTrac's full asset accounting policies can be found in Note 1 to the financial statements, summary of significant accounting policies.

In accordance with Australian Government guidelines on capitalisation of internally developed software, CrimTrac complies with an internally developed software policy. Work in progress recognised at 30 June 2005 under the policy was \$9 082 495 with completion of some developments transferred to the asset register during the year and other major projects still within the development stages. Internally developed software assets include costs generated during the application development phase of a project, but exclude costs relating to preliminary and post implementation phases—these costs are expensed.

CrimTrac manages assets in accordance with the CEI. These include a chapter on asset management and the complementary internal asset management policy.

## **Consultancy services, competitive tendering and contracting**

### ***Competitive tendering and contracting***

The agency adheres to Commonwealth requirements when tendering to obtain contracted services.

The CEI contain a chapter on spending of public money, in addition to which the agency has developed a purchasing and procurement policy, both of which provide comprehensive guidance to agency staff.

The main category of purpose for which consultants were engaged relate to technical advice associated with the development of the agency's systems.

### ***Consultancy services***

Consultancy services are one particular type of service delivered under a contract for services. They are distinguished from other contracts for services by the nature of the work performed. According to the *Requirements for Annual Reports*, a consultant is defined as an entity, whether an individual, a partnership or a corporation, engaged to provide professional independent and expert advice or services. In this context the consultancy services would entail the application of expert professional skills to investigate or diagnose a defined issue or problem; carry out defined research, reviews or evaluations; or provide independent advice, information or creative solutions to assist the agency in management decision making. Consultancy services do not include fees paid to counsel for legal services.

The policies and procedures for selecting consultants and approving expenditure for them are set out in the Commonwealth Procurement Guidelines and the agency's Purchasing Policy and CEI. Value for money is the core principle governing the agency's procurement, achieved through non discrimination in procurement and the use of competitive procurement processes.

Three consultancy service contracts were let during 2004–05. Total expenditure on consultancy services during the year was \$192 070. This expenditure relates to continuing consultancies as well as new consultancy contracts let during the year.

**Table 8: Consultancy Contracts let during 2004–05**

Consultant	Contract Price	Purpose	Selection Key	Justification Key
Computer Associates	\$24 394	ITIL rapid assessment	e	e
iCognition	\$29 590	Prepare information management strategy	c	a
Ascent	\$15 000	Develop funding strategy	d	a

Code	Selection Key	Justification Key
a	Publicly advertised	Special skills not available within the agency
b	Public tender	Special skills available within the agency, but because of other staff resource priorities consultant engaged
c	Selective tender	Participation of outside professional is a requirement of the Department of Finance and Administration
d	Direct engagement of recognised and pre-eminent expert	Requirement to use particular consultant a condition of conducting project for client
e	Direct engagement of consultant previously undertaking closely related work for agency	Need for independent study or assessment
f	Direct engagement of consultant known to have requisite skills where the value of the project did not justify expense or delay associated with seeking tenders	Need for change agent or facilitator
g		Need for rapid access to latest technology or experience with application

### Advertising and market research

There was no expenditure on market research, polling or direct mail. The agency did not conduct any marketing and advertising campaigns in the period.

### Records management

The records manager is working with staff to identify records and classify these in accordance with requirements of the *Archives Act 1983*. Work is continuing on the DIRKS (Designing and Implementing a Record Keeping System) project advocated by National Archives of Australia. Funding was sought to develop this project and it is anticipated that DIRKS will be advanced during the 2005–06 financial year.

During the year an information management strategy was produced.



## Freedom of Information (FOI)

### **Establishment**

CrimTrac was established by the Governor-General under section 65 of the *Public Service Act 1999* as an executive agency. CrimTrac provides support for the national law enforcement and crime prevention environment, through the specification, delivery and maintenance of modern, high-quality electronic police information services and investigative tools. This includes the provision of criminal history checks to accredited agencies.

### **Organisation**

CrimTrac is headed by a CEO appointed by the Minister for Justice and Customs under section 65 of the *Public Service Act 1999*. The CEO is assisted by the staff of CrimTrac, who are appointed or employed under the *Public Service Act 1999* or on contract. CrimTrac is presently staffed by the CEO, five directors and approximately 50 other persons.

### **Functions and Powers**

The functions of CrimTrac, as set out in the IGA (Appendix 1) are:

- (1) To implement the CrimTrac initiative comprising a new National Automated Fingerprint Identification System, a National Criminal Investigation DNA Database System, a National Child Sex Offender System, the provision of rapid access to national operational policing data and other emerging policing requirements across police agencies.
- (2) To perform the administrative functions required to fulfil the objectives and obligations in the CrimTrac IGA including assistance to the CrimTrac Board of Management.

The functions of the CEO, as set out in the IGA are:

- (1) The CEO shall be responsible to the board for the effective delivery of services in accordance with the board's functions and responsibilities.
- (2) The CEO shall lead the CrimTrac agency and ensure that all CrimTrac operations are compliant with relevant Australian Government, state and territory Acts, including the Commonwealth *Privacy Act 1988* and the *Freedom of Information Act 1982*.

The CEO has the powers, duties and functions of an agency head under the *Public Service Act 1999*, in addition, special responsibilities as a chief executive under the *Financial Management and Accountability Act 1997*.

### **Decision-making process**

The CrimTrac initiative was developed in consultation with all Australian police services. Under the IGA, the APMC oversees CrimTrac's high-level strategic plans and directions. CrimTrac's Board of Management oversees the operations and financial management of CrimTrac and is responsible and accountable for the efficient and effective delivery of the CrimTrac initiative.

To further its functions, CrimTrac liaises with its user advisory groups, comprising representatives of state and territory law enforcement agencies, other law enforcement agencies and common police services and related expert advisory groups.

### **Arrangements for outside participation**

CrimTrac is not a national common police service but was declared a law enforcement agency via an amendment to the *Crimes Act* in 2001. It relies on the participation of all police agencies in aspects of its operations. The CrimTrac IGA (Appendix 1) provides for FOI access under clause 9.1.

### **Categories of documents**

CrimTrac holds the following categories of documents, in accordance with the FOI Act.

1. Documents available from CrimTrac free of charge and electronically on the CrimTrac web site:
  - information brochures on CrimTrac programmes;
  - IGA for the establishment and operation of CrimTrac;
  - CrimTrac Strategic Plan; and
  - CrimTrac annual reports.
2. The following categories of documents are held by CrimTrac:
  - agendas, submissions, papers and minutes of board meetings, conferences and executive meetings;
  - correspondence between CrimTrac and the Australian Government, state and territory governments and their agencies;
  - documents and other material comprising information made available by law enforcement agencies and other agencies and individuals;
  - documents and other material comprising information made available by commercial and other private sector companies in relation to the CrimTrac projects;
  - documents, files and other materials relating to internal management and administration, including personnel, staffing, finance and related matters;
  - policy documents, including recommendations and decisions;
  - general correspondence files;
  - papers relating to the activities of the APMC and other similar bodies;
  - media releases and speeches; and
  - procedural instructions and guidelines.

These documents are maintained in both paper and electronic forms.

3. CrimTrac collects library and other research materials to support its analytical functions. These are maintained in paper form. CrimTrac also subscribes to information services.

### **Facilities for access**

All applications for access to documents in the possession of CrimTrac are handled according to the requirements of the IGA in conjunction with the *Freedom of Information Act 1982*. Physical viewing of documents at the CrimTrac office will be facilitated wherever practicable. It should be noted that although access can be provided to documents relating to personal information held on police systems, CrimTrac is currently not empowered to amend police information. Applications to amend personal information are always directed to the state or territory police service from which the information originated.



### **Freedom of Information Procedures and Initial Contact Point**

Initial inquiries concerning access to documents or other matters relating to freedom of information should be directed to the CrimTrac FOI Coordinator, either by letter, phone or email.

Formal requests under the provisions of the FOI Act (Section 15) should be addressed to:

The FOI Coordinator  
 CrimTrac  
 GPO Box 1573  
 CANBERRA CITY ACT 2601  
 Phone: 02 6245 7700 Fax: 02 6245 7788

**Table 9: Freedom of Information Statistics 2004–2005**

Requests on hand 1 July 2004	Nil
Requests received	4
Granted in full	2
Granted in part	Nil
Refused (includes cases where no relevant documents were found)	1
Deferred	Nil
Transferred	Nil
Withdrawn or lapsed	Nil
Requests outstanding at end of this period	1

### **Ecologically Sustainable Development**

Although the agency's activities or outcomes are less related to Ecologically Sustainable Development (ESD) principles than some other bodies, it nonetheless realises there are direct and indirect environmental impacts from its activities.

The agency's Environmental Management System (EMS) is available to all staff to enable thorough adherence to ESD principles.

The agency's EMS has been drafted in accordance with the guidelines set out by the Department of the Environment and Heritage to enable the agency to achieve its environmental goals and ensure legal obligations are met.

The agency's EMS includes:

- environmental objectives and targets;
- EMS procedures manual;
- environmental management policy; and
- standard operating procedures.

Additionally, the agency has maintained a number of recycling strategies during the 2004–05 year including the recycling of plastics, glass, cardboard and other materials. The agency also encourages the continuation of office management practices including encouraging the effective use of electricity through efficient office machinery and the recycling of paper and toner cartridges.

Low wattage lights are used throughout the office and after-hours lighting is at a minimum. The air conditioning operates to the ACT Code and Australian Standard AS3666.

### Discretionary Grants

This category does not apply to CrimTrac.

### Correction of material errors in previous annual report

There were no material errors in the 2003–04 annual report.

### Annual report compliance checklist

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# Part 4

## Financial Statements





# CrimTrac Agency

## Financial Statements

**30 June 2005**

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## Statement by the Chief Executive and Chief Finance Officers

In our opinion, the attached financial statements for the year ended 30 June 2005 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



**Jonathan Mobbs**  
Chief Executive Officer

5<sup>th</sup> September 2005



**Nicole McLay**  
Chief Financial Officer

8<sup>th</sup> September 2005



**INDEPENDENT AUDIT REPORT**

**To the Minister for Justice and Customs**

**Scope**

***The financial statements and Chief Executive's responsibility***

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

of the CrimTrac Agency for the year ended 30 June 2005.

The CrimTrac Agency's Chief Executive is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the CrimTrac Agency, and that comply with accounting standards, other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*. The CrimTrac Agency's Chief Executive is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

***Audit approach***

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

GPO Box 707 CANBERRA ACT 2601  
Centenary House 19 National Circuit  
BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the CrimTrac Agency's financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive.

#### ***Independence***

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

#### **Audit Opinion**

In my opinion, the financial statements of the CrimTrac Agency:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the CrimTrac Agency's financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
  - (i) the matters required by the Finance Minister's Orders; and
  - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Richard Rundle  
Executive Director

Delegate of the Auditor-General

Canberra  
5 September 2005



## Statement of Financial Performance for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
<b>Revenues from ordinary activities</b>			
Revenues from Government	4a	15,018	9,749
Goods and services	4b	27,372	18,158
Revenue from sale of assets	4c	1	2
Interest		167	-
Other	4d	79	149
<b>Total revenues from ordinary activities</b>		<b>42,637</b>	<b>28,058</b>
<b>Expenses from ordinary activities</b>			
Employees	5a	5,053	4,732
Suppliers	5b	10,414	10,201
Depreciation and amortisation	5c	4,823	4,028
Write-down of assets	5d	1,310	-
<b>Total expenses from ordinary activities</b>		<b>21,600</b>	<b>18,961</b>
<b>Net surplus</b>		<b>21,037</b>	<b>9,097</b>
Net credit / (debit) to the asset revaluation reserve		-	-
<b>Total valuation adjustments attributable to members of the parent entity recognised directly in equity</b>		<b>-</b>	<b>-</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>21,037</b>	<b>9,097</b>

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

## Statement of Financial Position as at 30 June 2005

	Note	2005 \$'000	2004 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash	6a	35,923	21,230
Receivables	6b	6,109	5,158
<b>Total financial assets</b>		<b>42,032</b>	<b>26,388</b>
<b>Non-financial assets</b>			
Land and buildings	7a,d	358	534
Plant and equipment	7b,d	6,405	7,324
Intangibles	7c,d	19,709	14,921
Other	7e	74	130
<b>Total non-financial assets</b>		<b>26,546</b>	<b>22,909</b>
<b>Total assets</b>		<b>68,578</b>	<b>49,297</b>
<b>Liabilities</b>			
Employee provisions	8	1,374	1,192
<b>Payables</b>			
Suppliers	9a	2,237	3,350
Other	9b	102	927
<b>Total payables</b>		<b>2,339</b>	<b>4,277</b>
<b>Total liabilities</b>		<b>3,713</b>	<b>5,469</b>
<b>Net assets</b>		<b>64,865</b>	<b>43,828</b>
<b>Equity</b>			
Reserves	10	677	677
Retained surplus	10	64,188	43,151
<b>Total equity</b>		<b>64,865</b>	<b>43,828</b>
<b>Current assets</b>		<b>42,106</b>	<b>26,517</b>
<b>Non-current assets</b>		<b>26,472</b>	<b>22,780</b>
<b>Current liabilities</b>		<b>3,598</b>	<b>5,371</b>
<b>Non-current liabilities</b>		<b>115</b>	<b>98</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.



## Statement of Cash Flows for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
<b>Operating activities</b>			
<b>Cash received</b>			
Goods and services		27,852	20,074
Appropriations		13,263	8,255
Project funding		2,434	1,207
GST received from the Australian Taxation Office		1,995	310
<b>Total cash received</b>		<b>45,544</b>	<b>29,846</b>
<b>Cash used</b>			
Employees		4,614	4,602
Suppliers		19,296	16,731
GST paid to the Australian Taxation Office		2,631	356
<b>Total cash used</b>		<b>26,541</b>	<b>21,689</b>
<b>Net cash from operating activities</b>	11	<b>19,003</b>	<b>8,157</b>
<b>Investing activities</b>			
<b>Cash received</b>			
Proceeds from sale of property, plant and equipment	4c	1	2
<b>Total cash received</b>		<b>1</b>	<b>2</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		2,867	716
Purchase of intangibles		1,444	275
<b>Total cash used</b>		<b>4,311</b>	<b>991</b>
<b>Net cash used by investing activities</b>		<b>(4,310)</b>	<b>(989)</b>
Net increase in cash held		14,693	7,168
Cash at the beginning of the reporting period		21,230	14,062
<b>Cash at the end of the reporting period</b>	6a	<b>35,923</b>	<b>21,230</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Schedule of Commitments as at 30 June 2005

	Note	2005 \$'000	2004 \$'000
<b>Commitments by type</b>			
<b>Other commitments</b>			
Operating leases	(i)	1,013	1,518
Other operating commitments	(ii)	3,723	7,881
<b>Total other commitments</b>		<b>4,736</b>	9,399
<b>Commitments receivable</b>		<b>(430)</b>	(854)
<b>Net commitments by type</b>		<b>4,306</b>	<b>8,545</b>
<b>Commitments by maturity</b>			
<b>Operating lease commitments</b>			
One year or less		480	480
From one to five years		533	1,038
Over five years		-	-
<b>Total operating lease commitments</b>		<b>1,013</b>	1,518
<b>Other operating commitments</b>			
One year or less		3,123	7,070
From one to five years		600	811
Over five years		-	-
<b>Total other operating commitments</b>		<b>3,723</b>	7,881
<b>Commitments receivable</b>		<b>(430)</b>	(854)
<b>Net commitments by maturity</b>		<b>4,306</b>	<b>8,545</b>

NB: Commitments are GST inclusive where relevant.

(i) Operating leases are effectively non-cancellable and comprise leases for office accommodation. Lease payments are subject to increase every 2 years. The period of office accommodation is still current and may be renewed at the agency's option.

(ii) Other operating commitments are primarily agreements for support services.

The Schedule of Commitments should be read in conjunction with the accompanying notes.



## Notes to the Financial Statements for the year ended 30 June 2005

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## Notes to the Financial Statements for the year ended 30 June 2005

### 1 Summary of significant accounting policies

#### 1.1 Objectives of the CrimTrac Agency

CrimTrac's objectives as set out in the Inter-Governmental Agreement signed in July 2000 are:

- a) the provision of high quality information services that:
  - i) meet the needs of the Australian policing community;
  - ii) establish best practice service models in relation to the provision of information to support policing; and
  - iii) are project-oriented and cost-benefit driven to achieve outcomes;
- b) support of jurisdictions in the implementation and use of CrimTrac services; and
- c) to provide controlled access to appropriate information by duly accredited third parties.

CrimTrac has continued to carry out the financial and operational functions assigned to it in the July 2000 Inter-Governmental Agreement. It continues to operate as an executive agency within the Australian Government Attorney-General's portfolio having assumed prescribed agency status on 1 July 2002.

During 2004-05 CrimTrac reported under outcome 1 - coordinated national policing information systems for a safer Australia and output 1.1 - facilitation of the delivery of high quality national policing information services.

#### 1.2 Basis of accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general-purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2005)*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.



## Notes to the Financial Statements for the year ended 30 June 2005

### 1 Summary of significant accounting policies (continued)

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and at note 12.

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

#### 1.3 Revenue

##### *Revenues from Government*

Amounts appropriated for the year (adjusted for any formal addition and reductions) are recognised as revenue.

A receivable is recognised for outputs supplied in the current period for funding in a future period. These receivables are recognised at their nominal amounts.

##### *Resources received free of charge*

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as revenue at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements.

##### *Other revenue*

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers.

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is judged to be less rather than more likely.

Revenue from the disposal of non-current assets is recognised when control of the asset has passed to the buyer.

#### 1.4 Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

## Notes to the Financial Statements for the year ended 30 June 2005

### 1 Summary of significant accounting policies (continued)

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

#### **Leave**

The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave to be taken in future years by employees of the agency is estimated to be less than the annual entitlement for sick leave.

Leave liabilities are calculated on the basis of the employees' remuneration, including the agency's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

#### **Superannuation**

CrimTrac staff are members of the Commonwealth Superannuation Scheme or the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

CrimTrac makes employer contributions to the Australian Government at rates sufficient to meet the cost to the Government of the superannuation entitlements of the agency's employees.

The liability for superannuation recognised at 30 June represents outstanding contributions for the final fortnight of the year.

#### **1.5 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

The agency has no finance leases.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased asset. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.



## Notes to the Financial Statements for the year ended 30 June 2005

### 1 Summary of significant accounting policies (continued)

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

#### 1.6 Cash

Cash includes notes and coins held, and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

#### 1.7 Other financial instruments

##### *Trade creditors*

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).

##### *Contingent liabilities and assets*

Contingent liabilities (assets) are not recognised in the Statement of Financial Position but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability (asset), or represent an existing liability (asset) in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability (asset) is recognised. A liability (asset) is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

#### 1.8 Acquisition of assets

Assets are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

#### 1.9 Property, plant and equipment

##### *Asset recognition threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

##### *Revaluations*

##### *Basis*

Property, plant and equipment are carried at valuation, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value.

## Notes to the Financial Statements for the year ended 30 June 2005

### 1 Summary of significant accounting policies (continued)

Fair values for each class of asset are determined as shown below:

<b>Asset class</b>	<b>Fair value measurement</b>
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price

#### **Frequency of valuations**

An internal review conducted at reporting date will ensure all property, plant and equipment assets are measured at up-to-date fair values.

Property, plant and equipment assets are revalued at least every 5 years by an independent valuer.

At the end of the 2002-03 reporting period property, plant and equipment were revalued by the Australian Valuation Office in accordance with the fair value method of valuation. A full asset stocktake was carried out to facilitate the revaluation.

The financial effect of the change was given by the difference between the fair values obtained for assets in the previous period and the values recognised at the end of the period prior.

#### **Conduct of valuations**

All valuations are conducted by an independent qualified valuer.

#### **Depreciation**

Depreciable property, plant and equipment assets are written-down to their estimated residual values over their estimated useful lives to the agency using, in all cases, the straight line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation and amortisation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated only when assets are revalued.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Leasehold improvements	Lease term
Plant and equipment	3-10 years



## Notes to the Financial Statements for the year ended 30 June 2005

### 1 Summary of significant accounting policies (continued)

#### 1.10 Impairment of non-current assets

Non-current assets carried at up to date fair value at the reporting date are not subject to impairment testing.

Non-current assets carried at cost, which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the asset is written down to the higher of its net selling price and, if the entity would replace the assets' service potential, its depreciated replacement cost.

No impairment write-downs were made in 2004-05.

#### 1.11 Intangibles

Intangibles comprise internally developed software for internal use and purchased software. These assets are carried at cost. Purchases of intangibles are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total).

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the agency's software is 3 to 10 years (2003-04: 3 to 10 years).

All software assets were assessed for indications of impairment at 30 June 2005. No impairment write-down was booked for software at 30 June 2005.

#### 1.12 Taxation

The agency is exempt from all forms of taxation with the exception of fringe benefits tax and the goods and services tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

#### 1.13 Insurance

The agency has insured for risks through the Government's insurable risk managed fund Comcover. Workers compensation is insured through the Government's Comcare Australia.

## Notes to the Financial Statements for the year ended 30 June 2005

### 2 Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS). The International Financial Reporting Standards are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005-06, but continue to apply in the meantime, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS is to enable Australian reporting entities reporting under the *Corporations Act 2001* to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

For-profit entities complying with AEIFRS will be able to make an explicit and unreserved statement of compliance with International Financial Reporting Standards (IFRS) as well as a statement that the financial report has been prepared in accordance with Australian Accounting Standards.

AEIFRS contain certain additional provisions that will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with IFRS, and therefore CrimTrac will only be able to assert that the financial report has been prepared in accordance with Australian Accounting Standards.

*AAS 29 Financial Reporting by Government Departments* will continue to apply under AEIFRS.

Accounting Standard AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards* requires that the financial statements for 2004-05 disclose:

- an explanation of how the transition to the AEIFRS is being managed;
- narrative explanations of the key policy differences arising from the adoption of AEIFRS;
- any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRS; and
- if the impacts of the above are not known or reliably estimable, a statement to that effect.

Where an entity is not able to make a reliable estimate, or where quantitative information is not known, the entity should update the narrative disclosures of the key differences in accounting policies that are expected to arise from the adoption of AEIFRS.

The purpose of this note is to make these disclosures.



## Notes to the Financial Statements for the year ended 30 June 2005

### 2 Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006 (continued)

#### **Management of the transition to AEIFRS**

CrimTrac has taken the following steps towards the implementation of AEIFRS:

- The Chief Finance Officer is formally responsible for the transition to and implementation of AEIFRS and reports to the Chief Executive Officer on progress against the plan.
- The plan requires the following key steps to be undertaken and sets deadlines for their achievement:
  - All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004;
  - The current system was analysed for any changes necessary to be able to report under the AEIFRS. It was concluded that no changes were required;
  - A transitional balance sheet as at 1 July 2004 under AEIFRS was completed in April 2005;
  - An AEIFRS compliant balance sheet as at 30 June 2005 was also prepared during the preparation of the 2004-05 statutory financial reports; and
  - The 2004-05 balance sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines.
- The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on track to meet deadlines.
- Consultants were engaged where necessary to assist with each of the above steps.

#### **Major changes in accounting policy**

Changes in accounting policies under AEIFRS are applied retrospectively i.e. as if the new policy had always applied except in relation to the exemptions available under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. This rule means that an AEIFRS compliant balance sheet had to be prepared as at 1 July 2004. This will enable the 2005-06 financial statements to report comparatives under the AEIFRS.

Changes to major accounting policies are discussed in the following paragraphs.

Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of the impacts of AEIFRS may differ from these estimates due to:

- continuing review of the impacts of AEIFRS on CrimTrac operations;
- potential amendments to the AEIFRS and AEIFRS Interpretations; and
- emerging interpretation as to the accepted practice in the application of AEIFRS and the AEIFRS Interpretations.

#### **Property, plant and equipment**

It is expected that the 2005-06 *Finance Minister's Orders* will continue to require property, plant and equipment assets to be valued at fair value in 2005-06.

There are no changes required to be made to the reported valued of property, plant and equipment at 30 June 2005 due to the implementation of AEIFRS.

## Notes to the Financial Statements for the year ended 30 June 2005

### 2 Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006 (continued)

#### *Intangible assets*

CrimTrac currently recognises internally-developed software assets on the cost basis.

The Australian equivalent on intangibles does not permit intangibles to be measured at valuation unless there is an active market for the intangible. CrimTrac's internally-developed software is specific to the needs of the agency and is not traded. It will continue to be carried at cost less accumulated amortisation.

CrimTrac's policy on the capitalisation of internally developed software costs has been revised against the Australian equivalent standard. The standard provides guidance on expenses that may and may not be capitalised and also stipulates that expensed items cannot later be capitalised.

Under specific criteria provided in the standard for the capitalisation of costs, the agency will continue to be able to recognise costs incurred in the development stage of an internally developed software project as a depreciable intangible asset.

An assessment of the intangible assets has been completed and no adjustments were necessary.

In accordance with the standard CrimTrac's intangible assets were assessed for indicators of impairment at the end of the reporting period.

#### *Impairment of non-current assets*

CrimTrac's policy on impairment of non-current assets is described at note 1.10.

Under AEIFRS, these assets will be subject to assessment for impairment and, if there are indications of impairment, an assessment of the degree of impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. 'Value in use' is the net present value of net cash inflows for for-profit assets of the agency and depreciated replacement cost for other assets which would be replaced if CrimTrac were deprived of them.

The most significant changes are that, for the agency's for-profit assets, the recoverable amount is only generally to be measured where there is an indication of impairment. Previously all assets' recoverable amount was tested.

An impairment assessment of the agency's assets indicated that no adjustments will be required.

#### *Employee benefits*

The provision for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting date on national government bonds.

The 2003-04 Financial Statements noted that the AEIFRS standards may require the market yield on corporate bonds to be used. The AASB has decided that a deep market in high quality corporate bonds does not exist and therefore national government bonds will be referenced.



## **Notes to the Financial Statements for the year ended 30 June 2005**

### **2 Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006 (continued)**

AEIRFS requires that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. The agency does not expect that any material amounts of the annual leave balance will not be taken within the next 12 months. Consequently, there are no adjustments to non-current annual leave.

### **3 Events occurring after reporting date**

No significant events occurred after reporting date, which warrant disclosure, or are required to be brought to account in the Financial Statements.

## Notes to the Financial Statements for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
<b>4</b>			
<b>Operating revenues</b>			
<b>4a</b>			
<b>Revenues from Government</b>			
Appropriations for outputs	17	13,263	8,231
Project funding		<u>1,755</u>	<u>1,518</u>
<b>Total revenues from Government</b>		<u><b>15,018</b></u>	<u><b>9,749</b></u>
<b>4b</b>			
<b>Sales of goods and services</b>			
Services		<u><b>27,372</b></u>	<u><b>18,158</b></u>
Provided to:			
Related entities		<b>7,664</b>	3,908
External entities		<u><b>19,708</b></u>	<u>14,250</u>
<b>Total services provided</b>		<u><b>27,372</b></u>	<u><b>18,158</b></u>
<b>4c</b>			
<b>Net gain from sale of assets</b>			
Plant and equipment:			
Proceeds from disposal		<b>1</b>	2
Net book value of assets sold		<u>-</u>	<u>-</u>
<b>Net gain from sale of plant and equipment</b>		<u><b>1</b></u>	<u><b>2</b></u>
<b>4d</b>			
<b>Other revenue</b>			
Resources received free of charge	14	<b>79</b>	73
Gifted assets		<u>-</u>	<u>76</u>
<b>Total other revenue</b>		<u><b>79</b></u>	<u><b>149</b></u>



## Notes to the Financial Statements for the year ended 30 June 2005

	Note	2005 \$'000	2004 \$'000
<b>5 Operating expenses</b>			
<b>5a Employee expenses</b>			
Salary and wages		3,976	3,613
Superannuation		665	591
Leave entitlements		360	362
Other		19	137
<b>Total employee benefits expense</b>		<u>5,020</u>	<u>4,703</u>
Worker compensation premiums		33	29
<b>Total employee expenses</b>		<u>5,053</u>	<u>4,732</u>
<b>5b Supplier expenses</b>			
Goods from external entities		263	628
Services from related entities		5,437	4,457
Services from external entities		4,221	4,635
Operating lease rentals	(i)	493	481
<b>Total supplier expenses</b>		<u>10,414</u>	<u>10,201</u>
<p>(i) Operating lease rentals comprise minimum lease payments only.</p>			
<b>5c Depreciation and amortisation</b>			
Depreciation:			
Property, plant and equipment		3,037	2,481
Amortisation:			
Intangibles – computer software		1,786	1,547
<b>Total depreciation and amortisation</b>		<u>4,823</u>	<u>4,028</u>
<p>The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:</p>			
Leasehold improvements		176	167
Plant and equipment		2,861	2,314
Internally developed and acquired software		1,786	1,547
<b>Total depreciation and amortisation</b>		<u>4,823</u>	<u>4,028</u>

No depreciation or amortisation was allocated to the carrying amounts of other assets.

## Notes to the Financial Statements for the year ended 30 June 2005

	2005 \$'000	2004 \$'000
<b>5 Operating expenses (continued)</b>		
<b>5d Write-down of assets</b>		
Non-financial assets:		
Plant and equipment – write-off on disposal	<u>1,310</u>	<u>-</u>
<b>6 Financial assets</b>		
<b>6a Cash</b>		
Cash on hand in special account	<u>35,923</u>	<u>21,230</u>
<b>6b Receivables</b>		
Goods and services	5,270	3,640
Less provision for doubtful debts	-	-
	<u>5,270</u>	<u>3,640</u>
GST receivable from the Australian Taxation Office	-	-
Receivable from the Attorney-General's Department	<u>839</u>	<u>1,518</u>
<b>Net receivables</b>	<u>6,109</u>	<u>5,158</u>
All receivables are current assets.		
Gross receivables are aged as follows:		
<b>Not overdue</b>	<u>6,053</u>	<u>3,199</u>
Overdue by:		
Less than 30 days	50	328
30 to 60 days	6	1,578
60 to 90 days	-	53
More than 90 days	-	-
<b>Total overdue</b>	<u>56</u>	<u>1,959</u>
<b>Total gross receivables</b>	<u>6,109</u>	<u>5,158</u>



## Notes to the Financial Statements for the year ended 30 June 2005

	2005 \$'000	2004 \$'000
<b>7 Non-financial assets</b>		
<b>7a Land and buildings</b>		
Leasehold improvements:		
At fair value	702	702
Accumulated amortisation	<u>(344)</u>	<u>(168)</u>
<b>Total land and buildings</b>	<u>358</u>	<u>534</u>
<b>7b Plant and equipment</b>		
At fair value	10,894	9,650
Accumulated depreciation	<u>(4,489)</u>	<u>(2,326)</u>
<b>Total plant and equipment</b>	<u>6,405</u>	<u>7,324</u>
<b>7c Intangibles</b>		
Computer software at cost:		
Internally developed – work in progress	9,083	3,571
Internally developed and acquired – in use	16,061	15,107
Accumulated amortisation	<u>(5,435)</u>	<u>(3,757)</u>
<b>Total intangibles</b>	<u>19,709</u>	<u>14,921</u>

## Notes to the Financial Statements for the year ended 30 June 2005

### 7 Non-financial assets (continued)

#### 7d Analysis of property, plant, equipment and intangibles

##### Reconciliation of the opening and closing balances of property, plant, equipment and intangibles

	Buildings - leasehold improvements \$'000	Plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2004				
Gross book value	702	9,648	15,107	25,457
Accumulated depreciation / amortisation	(168)	(2,324)	(3,757)	(6,249)
<b>Net book value at 1 July 2004</b>	<b>534</b>	<b>7,324</b>	<b>11,350</b>	<b>19,208</b>
Additions:				
Purchases	-	2,870	1,444	4,314
Assets previously unrecognised	-	-	-	-
Other movements	-	(928)	(382)	(1,310)
Depreciation / amortisation expense	(176)	(2,861)	(1,786)	(4,823)
<b>Net book value at 30 June 2005</b>	<b>358</b>	<b>6,405</b>	<b>10,626</b>	<b>17,389</b>
<b>Gross book value at 30 June 2005</b>	<b>702</b>	<b>10,894</b>	<b>16,061</b>	<b>27,657</b>
Accumulated depreciation / amortisation	(344)	(4,489)	(5,435)	(10,268)
<b>Net book value at 30 June 2005</b>	<b>358</b>	<b>6,405</b>	<b>10,626</b>	<b>17,389</b>

2005      2004  
\$'000      \$'000

#### 7e Other non-financial assets

Prepayments

74

130



## Notes to the Financial Statements for the year ended 30 June 2005

	2005 \$'000	2004 \$'000
<b>8 Provisions</b>		
<b>Employee provisions</b>		
Salary and wages	403	307
Leave	971	885
<b>Aggregate employee benefit liability</b>	<u>1,374</u>	<u>1,192</u>
Current	1,259	1,094
Non-current	115	98
<b>9 Payables</b>		
<b>9a Supplier payables</b>		
Trade creditors	<u>2,237</u>	<u>3,350</u>
<b>9b Other payables</b>		
Income received in advance	60	714
GST payable to the Australian Taxation Office	39	213
Income tax credits to be refunded	3	-
<b>Total other payables</b>	<u>102</u>	<u>927</u>

## Notes to the Financial Statements for the year ended 30 June 2005

### 10 Equity

	Accumulated results		Asset revaluation reserve		Total equity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Opening balance at 1 July	43,151	34,054	677	677	43,828	34,731
Net surplus / (deficit)	21,037	9,097	-	-	21,037	9,097
Net revaluation increment / (decrement)	-	-	-	-	-	-
Transfers to / (from) reserves	-	-	-	-	-	-
<b>Closing balance at 30 June</b>	<b>64,188</b>	43,151	<b>677</b>	677	<b>64,865</b>	43,828



## Notes to the Financial Statements for the year ended 30 June 2005

	2005 \$'000	2004 \$'000
<b>11 Cash flow reconciliation</b>		
<b>Reconciliation of cash from Statement of Financial Position to Statement of Cash Flows</b>		
Cash at year end from Statement of Cash Flows	<u>35,923</u>	<u>21,230</u>
Statement of Financial Position items comprising cash: 'Financial assets – Cash'	<u>35,923</u>	<u>21,230</u>
<b>Reconciliation of net surplus to net cash from operating activities</b>		
Net surplus	21,037	9,097
Depreciation / amortisation	4,823	4,028
Recognition of assets	(5,514)	(3,904)
Other asset movements	1,310	712
Gain on sale of assets	(1)	(2)
(Increase) / decrease in net receivables	(951)	(473)
(Increase) / decrease in other assets	56	(114)
Increase / (decrease) in employee provisions	181	130
Increase / (decrease) in supplier payables	(1,113)	(1,595)
Increase / (decrease) in other liabilities	(825)	278
<b>Net cash from operating activities</b>	<u>19,003</u>	<u>8,157</u>

## Notes to the Financial Statements for the year ended 30 June 2005

### 12 Contingent liabilities and assets

There are no contingencies in the current and preceding reporting periods and as such there is no Schedule of Contingencies.

### 13 Executive remuneration

	2005	2004
The number of executives who received or were due to receive total remuneration of \$100,000 or more were:		
\$120,000 to \$129,999	-	2
\$130,000 to \$139,999	2	-
\$140,000 to \$149,999	-	2
\$150,000 to \$159,999	3	1
\$170,000 to \$179,999	1	-
\$180,000 to \$189,999	-	1
\$200,000 to \$209,999	1	-
The aggregate amount of total remuneration of executives shown above:	<u>\$1,115,528</u>	<u>\$878,905</u>
The aggregate amount of separation and redundancy / termination benefit expenses during the year to the executives shown above:	<u>-</u>	<u>-</u>

### 14 Remuneration of auditors

Financial statement audit services are provided free of charge to the agency. The fair value of audit services provided was:

<u>\$78,800</u>	<u>\$72,600</u>
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No other services were provided by the Auditor-General.

### 15 Average staffing levels

The average staffing levels for the agency during the year were:

<u>51.19</u>	<u>44.35</u>
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## Notes to the Financial Statements for the year ended 30 June 2005

### 16 Financial instruments

#### 16a Terms, conditions and accounting policies

Financial instrument	Note	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<b>Financial assets</b>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	6a	Cash is recognised at its nominal amount. Interest is no longer receivable on cash at bank, however the agency receives an appropriation in lieu of interest.	The agency's official account is held with the Reserve Bank of Australia.
Receivables for goods and services	6b	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are net 30 days (2004: 30 days).
Term deposits		No term deposits were held during the year, in previous financial years term deposits were recognised at cost.	No interest on term deposits was earned during the year.
<b>Financial liabilities</b>		Financial liabilities are recognised when a present contractual obligation to another party is entered into and the amount of liabilities can be reliably measured.	
Trade creditors	9a	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Creditors include both the Commonwealth legal entity and other suppliers. Settlement is usually made net 30 days except where an agreement provides for alternate terms.

## Notes to the Financial Statements for the year ended 30 June 2005

### 16 Financial instruments (continued)

#### 16b Interest rate risk

Financial instrument	Note	Floating interest rate		Fixed interest rate maturing in 1 year or less		Non-interest bearing		Total		Weighted average effective interest rate	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>											
Cash at bank	6a	-	-	-	-	35,923	21,230	35,923	21,230	n/a	n/a
Receivables (gross excl. GST)	6b	-	-	-	-	6,109	5,158	6,109	5,158	n/a	n/a
<b>Total</b>		-	-	-	-	<b>42,032</b>	<b>26,388</b>	<b>42,032</b>	<b>26,388</b>		
<b>Total assets</b>								<b>68,578</b>	<b>49,297</b>		
<b>Financial liabilities</b>											
Trade creditors	9a	-	-	-	-	2,237	3,350	2,237	3,350	n/a	n/a
<b>Total liabilities</b>								<b>3,712</b>	<b>5,469</b>		

#### 16c Net fair value of financial assets and liabilities

	Note	2005		2004	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash at bank	6a	35,923	35,923	21,230	21,230
Receivables	6b	6,109	6,109	5,158	5,158
<b>Total financial assets</b>		<b>42,032</b>	<b>42,032</b>	<b>26,388</b>	<b>26,388</b>
<b>Financial liabilities (recognised)</b>					
Trade creditors	9a	2,237	2,237	3,350	3,350

The net fair values of cash, non-interest-bearing monetary financial assets and trade creditors approximate their carrying amounts.



## Notes to the Financial Statements for the year ended 30 June 2005

### 16 Financial instruments (continued)

#### 16d Credit risk exposures

The agency's maximum exposure to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Performance.

The agency has no significant exposures to any concentrations of credit risk.

### 17 Appropriations

In 1998, the Australian Government committed \$50m to establish national policing information systems. During 2004-05 the agency drew \$11.546m, the balance of the appropriation, to fund development projects in accordance with the Inter-Governmental Agreement. In 2003-04 drawings were \$7.5m.

The Government also provided CrimTrac with funding of \$1.074m during the year for budget estimates support, Comcover supplementation, and interest, and \$0.643m for Tsunami Financial Assistance.

## Notes to the Financial Statements for the year ended 30 June 2005

### 17 Appropriations (continued)

#### 17a Acquittal of authority to draw cash from the consolidated revenue fund (CRF) for ordinary annual services appropriations

Particulars	Departmental outputs
	\$
<b>Year ended 30 June 2005</b>	
Balance carried forward from previous year	-
Appropriation Act (No. 1) 2004-2005	721,000
Appropriation Act (No. 3) 2004-2005	353,000
Appropriation (Tsunami Financial Assistance) Act 2004-2005	643,000
<b>Total appropriations available for payments</b>	<b>1,717,000</b>
Payments made (GST inclusive)	-
Appropriations credited to special account	<u>(1,717,000)</u>
<b>Balance of authority to draw cash from the CRF for ordinary annual services appropriations</b>	<b><u>-</u></b>
<b>Represented by:</b>	
Cash at bank	-
Appropriations not drawn from the Official Public Account	-
<b>Total</b>	<b><u>-</u></b>

Particulars	Departmental outputs
	\$
<b>Year ended 30 June 2004 (comparative period)</b>	
Balance carried forward from previous year	-
Appropriation Act (No. 1) 2003-2004	-
Appropriation Act (No. 3) 2003-2004	716,000
<b>Total appropriations available for payments</b>	<b>716,000</b>
Payments made (GST inclusive)	-
Appropriations credited to special account	<u>(716,000)</u>
<b>Balance carried to the next period</b>	<b><u>-</u></b>



## Notes to the Financial Statements for the year ended 30 June 2005

### 17 Appropriations (continued)

#### 17b acquittal of authority to draw cash from the consolidated revenue fund (CRF) for other than ordinary annual services appropriations

Particulars	Departmental outputs
	\$
<b>Year ended 30 June 2005</b>	
Balance carried forward from previous year	-
Appropriation Act (No. 2) 2004-2005	-
Appropriation Act (No. 4) 2004-2005	-
<b>Total appropriations available for payments</b>	<u>-</u>
Payments made (GST inclusive)	-
Appropriations credited to special account	<u>-</u>
<b>Balance of authority to draw cash from the CRF for other than ordinary annual services appropriations</b>	<u>-</u>
<b>Represented by:</b>	
Cash at bank	-
Appropriations not drawn from the Official Public Account	-
<b>Total</b>	<u>-</u>

Particulars	Departmental outputs
	\$
<b>Year ended 30 June 2004 (comparative period)</b>	
Balance carried forward from previous year	-
Appropriation Act (No. 2) 2003-2004	-
Appropriation Act (No. 4) 2003-2004	39,000
<b>Total appropriations available for payments</b>	<u>39,000</u>
Payments made (GST inclusive)	-
Appropriations credited to special account	<u>(39,000)</u>
<b>Balance carried to the next year</b>	<u>-</u>

## Notes to the Financial Statements for the year ended 30 June 2005

### 17 Appropriations (continued)

#### 17c Special account

##### CrimTrac Official Departmental Head Office Account

###### Legal authority

*Financial Management and Accountability Act 1997; s20(1) (FMA Act)*

###### Purpose

For expenditure incurred to develop, procure, implement and operate new information systems and to ensure that appropriate services are provided to CrimTrac clients in relation to the new and the existing Information Technology systems.

This account is non-interest bearing.

	2005 \$	2004 \$
Balance brought forward from previous year	21,181,182	14,059,650
Appropriations for the reporting period	13,263,000	8,255,000
Project funding for the reporting period	2,433,834	1,207,000
Provision of services to external entities	20,629,970	16,244,187
Other receipts:		
Provision of services to related entities	7,798,639	4,334,039
GST credits (FMA Act s30a)	1,995,242	1,658,053
<b>Available for payments</b>	<b>67,301,867</b>	<b>45,757,929</b>
Payments made to suppliers	<u>(31,059,708)</u>	<u>(24,576,747)</u>
<b>Balance carried forward to next year</b>	<b><u>36,242,159</u></b>	<b><u>21,181,182</u></b>
<b>Represented by:</b>		
Cash – held by the agency	35,923,400	21,229,900
Add receivables – GST receivable from customers	576,329	468,892
Add receivables – net GST receivable from the ATO	-	-
Less payables – suppliers – GST portion	(218,737)	(304,640)
Less other payables – net GST payable to the ATO	<u>(38,833)</u>	<u>(212,970)</u>
<b>Total</b>	<b><u>36,242,159</u></b>	<b><u>21,181,182</u></b>



## Notes to the Financial Statements for the year ended 30 June 2005

### 18 Specific payment disclosures

	2005 \$'000	2004 \$'000
Act of Grace payments	-	-
Waivers of amounts owing to the Commonwealth pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i>	-	-
Ex-gratia payments	-	-
Payments made under section 73 of the <i>Public Service Act 1999</i>	-	-
Payments made under the 'Defective Administration Scheme'	-	-

### 19 Reporting of outcomes

CrimTrac's outcome and output statements are as follows:

**Outcome 1:** Coordinated national policing information systems for a safer Australia.

**Output 1.1:** Facilitation of the delivery of high quality national policing information services.

	2005 \$'000	2004 \$'000
<b>Net cost of outcome delivery</b>	<b>21,600</b>	18,961
Costs recovered from the provision of goods and services to the non-government sector	<u>19,708</u>	<u>14,250</u>
<b>Other external revenues</b>		
Interest on cash deposits	167	-
Revenue from disposal of assets	1	2
Other	79	149
Goods and services revenue from related entities	<u>7,664</u>	<u>3,908</u>
	<b>7,911</b>	4,059
<b>Net cost / (contribution) of outcome</b>	<b><u>(6,019)</u></b>	<u>652</u>

## Notes to the Financial Statements for the year ended 30 June 2005

### 19 Reporting of outcomes (continued)

	2005	2004
	\$'000	\$'000
<b>Major classes of revenues and expenses by output</b>		
Employees	5,053	4,732
Suppliers	10,414	10,201
Depreciation and amortisation	4,823	4,028
Other	1,310	-
<b>Total expenses</b>	<b>21,600</b>	<b>18,961</b>
<b>Funded by:</b>		
Revenues from Government	15,018	9,749
Sale of goods and services	27,372	18,158
Other	247	151
<b>Total revenues</b>	<b>42,637</b>	<b>28,058</b>



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# Appendices





## **INTER-GOVERNMENTAL AGREEMENT**

### **AN AGREEMENT**

between

**THE COMMONWEALTH OF AUSTRALIA**

and

**THE STATE OF NEW SOUTH WALES**

and

**THE STATE OF VICTORIA**

and

**THE STATE OF QUEENSLAND**

and

**THE STATE OF WESTERN AUSTRALIA**

and

**THE STATE OF SOUTH AUSTRALIA**

and

**THE STATE OF TASMANIA**

and

**THE AUSTRALIAN CAPITAL TERRITORY**

and

**THE NORTHERN TERRITORY OF AUSTRALIA**

FOR THE ESTABLISHMENT AND OPERATION OF "CRIMTRAC",  
A NATIONAL LAW ENFORCEMENT INFORMATION SYSTEM  
FOR AUSTRALIA'S POLICE SERVICES

**THIS AGREEMENT IS MADE ON 2000*****Between***

The Commonwealth of Australia ("Commonwealth"); and  
The State of New South Wales ("New South Wales"); and  
The State of Victoria ("Victoria"); and  
The State of Queensland ("Queensland"); and  
The State of Western Australia ("Western Australia"); and  
The State of South Australia ("South Australia"); and  
The State of Tasmania ("Tasmania"); and  
The Australian Capital Territory ("Australian Capital Territory"); and  
The Northern Territory of Australia ("Northern Territory").

***Recitals***

- A. CrimTrac is a major initiative being undertaken by the Commonwealth, State and Territory Governments.
- B. The Commonwealth, State and Territory Governments now wish to enter into a formal agreement to establish the basis, including details of governance, for CrimTrac.
- C. The aim of CrimTrac is to enhance Australian law enforcement with an emphasis on information-based policing facilitated through rapid access to detailed, current and accurate police information.
- D. It is intended that CrimTrac will, in the coming years, include the following components:
- (i) a new National Automated Fingerprint Identification System (NAFIS);
  - (ii) a National DNA Criminal Investigation System;
  - (iii) a National Child Sex Offender System; and
  - (iv) the provision of rapid access to national operational policing data.
- E. The CrimTrac framework is intended to provide the means by which these components and other emerging policing requirements across jurisdictions can be considered and met as appropriate.
- F. On 8 March 1990, the Commonwealth, the six States and the Northern Territory entered into an agreement concerning the National Exchange of Police Information as a National Common Police Service (the NEPI Agreement).
- G. On 17 November 1998, the Australasian Police Ministers' Council met in New Zealand and resolved to support the Commonwealth's proposal to provide a central infrastructure for national law enforcement systems and to request the development of a mechanism for the future management of CrimTrac.
- H. In December 1998, a Request for Information was issued as a mechanism of consultation with industry in relation to the envisaged components of CrimTrac.
- I. This was followed in July 1999 by a Request for Tender, as a result of which a contract has been entered into to establish the new NAFIS.
- J. In November 1999, the Australasian Police Ministers' Council resolved to note a proposed governance model for CrimTrac and to establish an inter-governmental agreement.



*It is agreed*

**1. INTERPRETATION**

*1.1 Definitions*

In this Agreement, unless a contrary intention is apparent:

“**Agency**” and “**CrimTrac Agency**” mean that administrative unit or body however known or designated comprising those personnel engaged or appointed pursuant to clause 7.2;

“**Agreement**” means this document and includes all Schedules, Attachments and Appendices;

“**APMC**” means the Australasian Police Ministers’ Council;

“**Appendix**” means an appendix to this Agreement;

“**Attachment**” means an attachment to this Agreement;

“**Australasian Police Ministers’ Council**” means that body comprising the Ministers who have responsibility for police services in the Commonwealth and all States of the Commonwealth and the Australian Capital Territory and the Northern Territory of Australia and which meets from time to time as a formal council of Ministers;

“**Board**” and “**Board of Management**” mean the body established pursuant to clause 5;

“**Board Member**” means a Board Member as provided by clause 5.2.1;

“**CrimTrac**” means the law enforcement information system known by that name and established on a national co-operative basis pursuant to this Agreement;

“**Intellectual Property Rights**” means copyright (including future copyright), trade mark, design, patent, circuit layout rights and all other intellectual property rights, whether registered or unregistered and whether registrable or not;

“**Jurisdiction**” means the policing jurisdiction of any of the Parties;

“**Large Jurisdiction**” means the police service of either New South Wales or Victoria or Queensland and

“**Large Jurisdictions**” means any two (2) or three (3) of them;

“**NEPI**” means the National Exchange of Police Information as provided for in the NEPI Agreement;

“**NEPI Agreement**” means the agreement called the “Agreement Between the Commonwealth, the States and the Northern Territory Concerning the National Exchange of Police Information as a National Common Police Service” which was made on 8 March 1990 between the Commonwealth, of Australia, the State of New South Wales, the State of Victoria, the State of Queensland, the State of Western Australia, the State of South Australia, the State of Tasmania and the Northern Territory of Australia;

“**Party**” means any of the Commonwealth of Australia, the State of New South Wales, the State of Victoria, the State of Queensland, the State of Western Australia, the State of South Australia, the State of Tasmania, the Australian Capital Territory and the Northern Territory of Australia;

“**Small Jurisdiction**” means the police service of either Western Australia or South Australia or Tasmania or the Northern Territory of Australia or the Australian Capital Territory and “**Small Jurisdictions**” means any two (2) or any three (3) or any four (4) or all five (5) of them;

“**Schedule**” means a schedule to this Agreement;

“**Senior Officers’ Group**” and “**SOG**” mean the Senior Officers’ Group of the Australasian Police Ministers’ Council (“APMC”);

## 1.2 Construction

In this Agreement, unless expressed to the contrary:

- (a) words importing:
  - (i) the singular include the plural and vice versa; and
  - (ii) any gender includes the other gender;
- (b) if a word or phrase is defined cognate words and phrases have corresponding definitions;
- (c) a reference to:
  - (i) a person includes a firm, unincorporated association, corporation and a government or statutory body or authority;
  - (ii) a person includes its legal personal representatives, successors and assigns;
  - (iii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
  - (iv) a right includes a benefit, remedy, discretion, authority or power;
  - (v) an obligation includes a warranty or representation and a reference to a failure to observe or perform an obligation includes a breach of warranty or representation;
  - (vi) a reference to a clause is a reference to a clause of this Agreement.

## 2. COMMENCEMENT

### 2.1 Commencement

This Agreement commences to operate with effect from and including 1 July 2000.

## 3. OBJECTIVES OF CRIMTRAC

### 3.1 Broad objectives

The broad objectives of CrimTrac are to enhance Australian policing through:

- (a) the provision of high quality information services that:
  - (i) meet the needs of the Australian policing community; and
  - (ii) establish best practice service models in relation to the provision of information to support policing; and
  - (iii) are project-oriented and cost-benefit driven to achieve outcomes;



- (b) support for the Jurisdictions in the implementation and use of CrimTrac services; and
- (c) providing controlled access to appropriate information by duly accredited third parties.

### 3.2 *Jurisdictions to cooperate*

The parties agree to cooperate fully with each other to develop and deliver the objectives of CrimTrac through the entities and processes set out in this Agreement so that:

- (a) CrimTrac is delivered in line with a long term strategic vision which is to be developed and updated through close consultation with all Jurisdictions;
- (b) the benefits, opportunities, costs, and risks of CrimTrac are transparent to each Jurisdiction;
- (c) Jurisdictions which choose to participate in a CrimTrac project meet the costs of that project in a manner which is equitable and agreed to by all participating Jurisdictions; and
- (d) CrimTrac is conducted in accordance with sound business principles and high standards of financial accountability.

## 4. **ROLE OF APMC AND SOG**

### 4.1 *APMC*

The Australasian Police Ministers' Council shall:

- (a) consider and approve the high level strategic policy directions for CrimTrac; and
- (b) approve the CrimTrac strategic plan; and
- (c) approve the development of new initiatives for CrimTrac which require legislation or special funding consideration; and
- (d) approve the policy on data control and release of information to third parties; and
- (e) consider and approve the appointment of members to the Board of Management in accordance with the provisions of clauses 5.2 and 5.3.

### 4.2 *SOG*

The Senior Officers' Group, as the recognised professional advisory body on policing issues, shall:

- (a) advise APMC in relation to CrimTrac including, in particular, all those matters specified in clause 4.1; and
- (b) perform such functions as shall be determined from time to time by resolution of APMC; and
- (c) appoint non-voting members of the Board in accordance with the provisions of clause 5.2.1(d).

## 5. **ESTABLISHMENT OF CRIMTRAC BOARD OF MANAGEMENT**

### 5.1 *Board of Management established*

There shall be a Board of Management of CrimTrac, which is responsible and accountable for the efficient and effective delivery of the CrimTrac initiative.

## 5.2 *Composition of Board*

### **5.2.1 The Board of Management of CrimTrac shall be constituted as follows:**

- (a) One voting member who shall be nominated by the Commonwealth; and
- (b) Two voting members who shall be appointed from the Large Jurisdictions such that the nominees of two separate such Large Jurisdictions are appointed; and
- (c) Two voting members who shall be appointed from the Small Jurisdictions such that the nominees of two separate such Small Jurisdictions are appointed; and
- (d) Two non-voting members to be appointed by SOG to provide specialist advice in each of the following areas:
  - (i) information technology; and
  - (ii) finance.

### **5.2.2 The Board may call upon such other expert assistance including in the area of forensic science, as it considers necessary.**

## 5.3 *Rotation of Board members*

Members will generally be appointed for a term of three years. There will be a rotation of members of the Board of Management to ensure that each jurisdiction is represented on an equitable basis in accordance with the requirements set out in clause 5.2.1. The rotation of Board members is to be determined by APMC with a view to ensuring a reasonable level of stability within the membership of the Board.

## 5.4 *Election of the Chair*

The inaugural Chairperson shall be the person appointed by the Commonwealth pursuant to clause 5.2.1 (a). This appointment shall be for a term of three years, after which the Chair shall be elected by the Board from among the voting Board members.

## 5.5 *Proceedings of the Board of Management*

- (a) Where the Chairperson is absent from a meeting, the Board shall elect another voting member of the Board who is present at that meeting to act temporarily as Chairperson; and
- (b) A quorum for a meeting of the Board shall be four voting members; and
- (c) A member of the Board may, at any time, appoint in writing a deputy to act in his absence and any deputy so appointed may, in the absence of the member, exercise all the powers and functions of the member and his presence shall be deemed to be the presence of the member; and
- (d) At a meeting of the Board each voting member shall have one vote and the Chairperson shall not have a casting vote; and
- (e) The decisions of the Board shall be by majority vote; and
- (f) The Board shall meet as necessary, but at least four times in each financial year; and
- (g) The Board shall develop protocols to ensure that the interests of all jurisdictions are considered in its deliberations; and



- (h) Any decision of the Board involving the expenditure of the initial Commonwealth funding of \$50 million will require the agreement of the Commonwealth member.

## **6. ROLE OF THE BOARD OF MANAGEMENT**

### *6.1 Role of the Board*

The responsibilities and functions of the Board of Management are:

- (a) to oversee the operation and financial management of CrimTrac; and
- (b) to recommend new initiatives for CrimTrac which require legislation or special funding consideration and oversee the implementation of agreed new initiatives; and
- (c) to monitor annual work plans of the CrimTrac Agency; and
- (d) to approve and monitor, in respect of each project, the evolving business case; and
- (e) to be satisfied as to the implementation and ongoing operation of appropriate data access controls, security and privacy regimes; and
- (f) to recommend to the relevant Commonwealth Minister the appointment of the Chief Executive Officer and to monitor the performance of the Chief Executive Officer.

### *6.2 Board to ensure appropriate standards in business*

The Board of Management shall be responsible for the adoption within CrimTrac of business practices to ensure appropriate prudential standards are maintained, including:

- (a) ensuring that financial statements of the CrimTrac Agency are audited by the Commonwealth Auditor-General; and
- (b) ensuring accounts are available upon request to Jurisdictions; and
- (c) keeping accounting records that properly record and explain CrimTrac's transactions and financial position and which enable the preparation of financial statements and which allow the convenient and proper auditing of the financial statements.

### *6.3 Board Members to perform duties diligently*

Members of the Board of Management shall perform their duties as Board members diligently and in good faith and, in particular, shall endeavour to attend Board meetings regularly.

## **7. CHIEF EXECUTIVE OFFICER AND THE CRIMTRAC AGENCY**

### *7.1 The Chief Executive Officer*

- (a) The Chief Executive Officer shall be responsible to the Board for the effective delivery of services in accordance with the Board's functions and responsibilities.
- (b) The Chief Executive Officer shall lead the CrimTrac Agency and ensure that all CrimTrac operations are compliant with relevant Commonwealth, State and Territory Acts, including the Commonwealth *Privacy Act 1988* and the *Freedom of Information Act 1982*.

## 7.2 *CrimTrac Agency*

The CrimTrac Agency shall comprise personnel engaged or appointed to implement the CrimTrac initiative and to provide relevant services. The CrimTrac Agency will be a body established on behalf of all the parties which, for administrative purposes, will be established as an Executive Agency under the Commonwealth *Public Service Act 1999* within the Commonwealth Attorney-General's portfolio.

## 7.3 *Chief Executive Officer to have power to delegate etc.*

The Chief Executive Officer shall have the power to:

- (a) oversee the engagement, whether by way of employment pursuant under contracts for services or otherwise, of personnel to assist the Chief Executive Officer either within the CrimTrac Agency or otherwise; and
- (b) delegate appropriate duties and responsibilities to any of those personnel engaged pursuant to clause 7.3(a) to assist the Chief Executive Officer; and
- (c) authorise any of those personnel engaged pursuant to clause 7.3(a), to assist the Chief Executive Officer, to perform appropriate functions or duties.

## **8 INTELLECTUAL PROPERTY**

### 8.1 *Ownership of CrimTrac Intellectual Property*

The Intellectual Property Rights in any and all items and things produced or created by any party (or on behalf of any party) under or in relation to CrimTrac (the "CrimTrac Intellectual Property") will vest in the Commonwealth.

### 8.2 *All parties expressly licensed by the Commonwealth*

For the purposes of sub-clause 8.1, the Commonwealth grants to each of the other parties a perpetual, non-revocable, non-exclusive licence to reproduce, modify, adapt, use and sub-license to third parties, the item or thing for any purpose directly or indirectly associated or connected with CrimTrac.

### 8.3 *States' and Territories' prior intellectual property rights*

- (a) Where a State or Territory owns the intellectual property in any item or thing and that item or thing is subsequently used as part of CrimTrac, the intellectual property continues to be owned by the State or Territory but that State or Territory grants to the Commonwealth and every other party a perpetual, non-revocable, non-exclusive licence to reproduce, modify, adapt, use and sub-license to third parties, the item or thing for any purpose directly or indirectly associated or connected with CrimTrac.
- (b) Where a State or Territory develops any item or thing in which it owns the intellectual property, and that item or thing is used by the State or Territory as a means of communicating with, or as an interface with, the CrimTrac system, the intellectual property rights continue to be owned by the State or Territory.

### 8.4 *Exploitation of CrimTrac Intellectual Property*

Any and all proceeds derived from any commercial exploitation of the CrimTrac Intellectual Property will accrue to, and be held by, the Commonwealth, subject to the following:



- (a) the proceeds will be recorded and accounted for as part of the CrimTrac financial and accounting requirements, including those required by the *Financial Management and Accountability Act 1997* of the Commonwealth; and
- (b) the proceeds will be used only for CrimTrac purposes or such other purposes as APMC may, from time to time, determine.

8.5 *Request by Board of Management*

The Board of Management may, at its discretion, request the Commonwealth to enter into an arrangement, which may be contractual or otherwise, for the exploitation of any Intellectual Property vested in the Commonwealth on behalf of all parties pursuant to this clause.

8.6 *All parties to co-operate in executing documents etc*

Each party shall, at its cost, promptly execute all documents and do all things that any other party from time to time reasonably requires of it to effect, perfect or complete the provisions of this document and any transaction contemplated by it.

## 9 FREEDOM OF INFORMATION

9.1 *Consultation*

- (a) Subject to 9.1(b), the parties agree that, in the event of a request for access to documents or information under a freedom of information law, however described or characterised, being received in any Jurisdiction, no access to information or documents of or relating to CrimTrac will be granted without prior consultation with all other parties whose interest in the documents or information is either obvious or apparent.
- (b) This clause 9.1 does not prevent any Jurisdiction from giving access to documents without consultation in circumstances where there is clearly no basis to deny access to the documents to which access is sought under the relevant freedom of information law.

9.2 *Contact officers to be known*

Each party undertakes to provide, and update as necessary, to all other parties the name or names and contact details, including postal addresses, e-mail addresses, telephone and facsimile numbers, of the freedom of information officer or officers or contact personnel to whom freedom of information requests are to be referred in the first instance.

## 10. FINANCIAL COMMITMENT BY PARTIES

10.1 *Agreement as to financial contribution*

- (a) Each party agrees that, following any decision by APMC pursuant to 4.1(c), it will become bound to make the financial contribution strictly in accordance with the APMC decision; and
- (b) The parties acknowledge that other financial commitments may be made by, or jointly entered into, from time to time between any of the parties or jurisdictions as decided or agreed between them; and
- (c) Where jurisdictions are liable to make contributions or other payments to CrimTrac, these payments will be made in a timely fashion in accordance with agreed procedures.

10.2 *Integrity of parties' finances and processes*

For the removal of doubt:

- (a) The funds provided by the Commonwealth in establishing CrimTrac and including, but not limited to, the new National Automated Fingerprint Identification System, the National DNA Criminal Investigation System, National Child Sex Offender System and integrated police access to national operational policing data will be spent in accordance with Commonwealth budgetary appropriation of those funds; and
- (b) nothing in this Agreement is intended to qualify or affect in any way the rights of any of the parties to make decisions about the expenditure or commitment of their own funding; and
- (c) nothing in the administrative arrangements under this Agreement is intended to be inconsistent with the arrangements for the administration of an Executive Agency under the *Public Service Act 1999*.

**11. VARIATION OF AGREEMENT**

11.1 *This Agreement may be varied from time to time by the unanimous agreement of the parties.*

11.2 *A variation pursuant to this clause shall be in writing, signed by all parties to this Agreement, and notice thereof shall immediately following such signature be given to all the parties.*

**12. ADDITION OF PARTIES**

12.1 *Other parties may become signatories to this Agreement following the unanimous resolution of APMC, from time to time.*

**13. WITHDRAWAL FROM AGREEMENT**

13.1 *A party to this agreement may, by written notice to all other parties, withdraw from this Agreement and such notice shall take effect six months from the date of that notice, but shall not release that party from meeting its agreed funding commitments unless this is agreed by all the parties.*

13.2 *On withdrawal of a party, the party will have no right to claim compensation or payment in respect of any assets (including intellectual property rights) or monies which it has contributed to CrimTrac.*

**14. TERMINATION**

14.1 *Termination*

This Agreement may be terminated at any time by agreement in writing by all the parties and under any terms and conditions as agreed by all the parties.

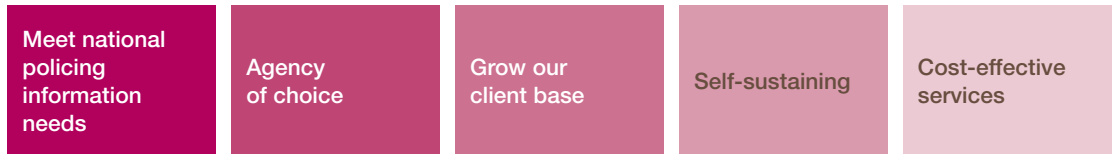
*Signed and witnessed by*

(names of Police Ministers signing on behalf of jurisdictions)

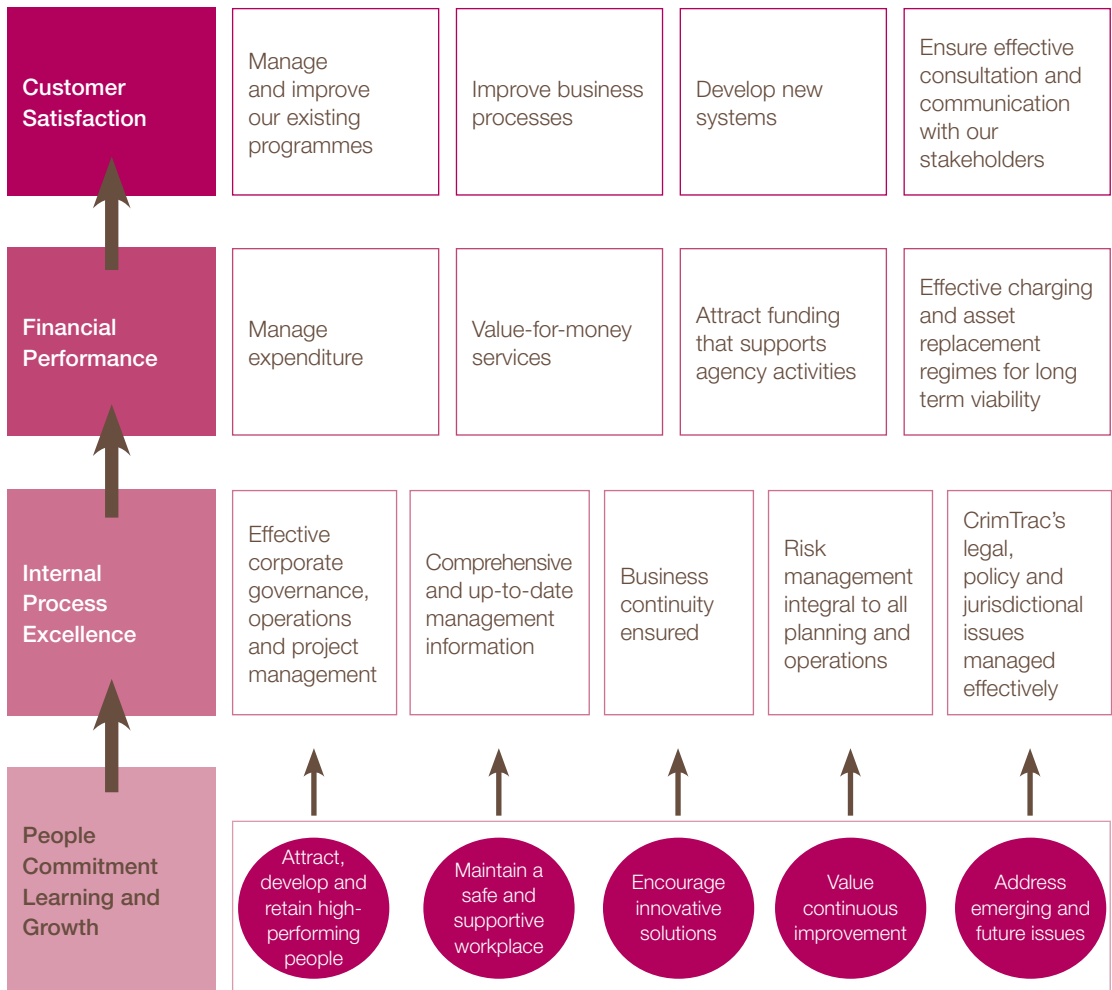


## Appendix B – Balanced Scorecard

### Strategic Themes



### Balanced Scorecard components



CUSTOMER PERSPECTIVE		
	Objectives	Initiatives
<i>What customer needs must we satisfy to achieve our vision?</i>	Manage and improve our existing programmes	IT Infrastructure Library
		Common Services Infrastructure Tiers 1 and 2
		NAFIS upgrade
		NAFIS evaluation
		New Telephone Directory Search
		Enterprise Architecture Boards
		External Agency Management System 3
		NHBSS evaluation
	Improve business processes	CrimTrac Programme Performance Management Framework
		Project coordination Committee Charter
		NCIDD best practice guide
		Decommission the mainframe
	Develop new systems	MNPP
		ANCOR
	Ensure effective consultation with our stakeholders	Customer Service Charter
		Stakeholder survey
		Common memoranda of understanding
		Communication Strategy
		Strategic Issues Group
		CrimTrac Portal
Common information standards		



FINANCIAL		
	Objectives	Initiatives
<p><i>To succeed financially and satisfy our customers and stakeholders, what financial objectives must we accomplish?</i></p>	Manage expenditure	Agency funding strategy
		New pricing policies for NCHRC and NAFIS
		Financial Management Information System
		External Agency Management System/Financial Management Information System interface
	Value for money services	IT Strategic Plan
	Attract new funding that supports agency activity	New funding proposal
		Intellectual property policy
Effective charging and asset replacement regimes for long term viability	Financial Management Information System	
	New pricing policies for NCHRC and NAFIS	
	Agency asset replacement and management plan	
INTERNAL PROCESSES		
	Objectives	Initiatives
<p><i>Which internal processes must we excel at to satisfy our customers and stakeholders?</i></p>	Effective corporate governance, operations and project management	Steering committees for all projects
		Review of the IGA
		IT Strategic Plan
	Comprehensive and up to date management information	Policy Register
		International Financial Reporting Standards
		Annual Report
	Business continuity ensured	Memoranda of understanding and service level agreements with supplier organisations
		Disaster recovery and business continuity plans

	Risk management integral to all planning and operations	Risk compliance register
	CrimTrac's legal, policy and police agency issues managed effectively	Memoranda of understanding with all police agencies and for all systems
		Legal advice on key issues
<b>LEARNING AND GROWTH</b>		
<i>To achieve our goals, how must our organisation provide the basis for its people to learn and innovate?</i>	<b>Objectives</b>	<b>Initiatives</b>
	Attract, develop and retain high-performing people	New Certified Agreement
		Australian Workplace Agreements
		Agency-wide succession plan
	Maintain a safe and supportive workplace	OH&S and human resources policies published
	Encourage innovative solutions to deliver improved outcomes	Staff survey
	Value continuous improvement and the attributes of a learning organisation	Certificates of appreciation
Performance management		
Performance bonuses		
Address emerging and future issues	Strategic Issues Group	



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# Glossary





## Glossary

<b>accredited agency</b>	An organisation other than a police service authorised through an accreditation process to access information through the CrimTrac systems.
<b>allele</b>	One of two or more alternative forms of a gene or other defined region of DNA.
<b>APMC Firearms Policy Working Party</b>	A working group focused on a development of nationally consistent firearms policies.
<b>AustRoads</b>	The association of Australian and New Zealand road transport and traffic authorities whose purpose is to contribute to the achievement of improved Australian and New Zealand transport-related outcomes.
<b>automated jurisdictional laboratory interface</b>	The computer process for passing data from LIMS to the NCIDD.
<b>biometrics</b>	Automated methods of identifying, or authenticating the identity of a person(s) based on physiological or behavioural characteristics.
<b>central site</b>	Central computer site for NAFIS system.
<b>digital fingerprint images</b>	Fingerprint images (arrest set or crime scene images) captured by electronic means. NAFIS stores images with 256 grey scale levels and at a resolution of 500 dpi (dots per square inch) or above.
<b>DNA profile matching</b>	Comparison of two or more DNA profiles for similarity between the two alleles of each of the ten genes analysed by the laboratory.
<b>external interface booking units</b>	Desktop PC and SAGEM proprietary software that enables Livescan messages (NAFIS search requests) to be translated and processed on the CrimTrac NAFIS system.
<b>front-end application</b>	A computer application which is used by a person, as opposed to a back-end application which performs complex computer processing on the basis of instructions issued by another computer or application.
<b>full function NAFIS workstation</b>	Desktop PC and flat bed scanner incorporating SAGEM proprietary automated fingerprint identification system software that enables access by a police agency user to the CrimTrac NAFIS system.
<b>interface</b>	The point of connection between a user and a computer system (usually a screen), or two computer systems (usually transactions).
<b>inter-operability</b>	The ability of systems, implemented on different hardware and/or software platforms, to interact with each other.
<b>junk DNA</b>	Non-coding DNA of unknown function or purpose.
<b>jurisdiction</b>	A state or territory within which a common set of legislative rules apply.

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<b>large jurisdiction</b>	The police service of New South Wales, Victoria or Queensland.
<b>latent</b>	Fingerprint images originating from latent prints lifted from crime scenes. Also known as marks.
<b>Livescan</b>	The electronic scanning of live fingerprints for entry to or query of the NAFIS. Livescan removes the requirement for tenprint cards.
<b>Local Area Network (LAN)</b>	The computer communications network linking a group of computers together, enabling the sharing of resources such as files, email servers and printers.
<b>mainframe application</b>	A computer application, which runs on large commercial computers.
<b>match</b>	A match resulting from the search and verification of matching a record with other records in the database.
<b>matching rules</b>	The rules derived from State/Commonwealth legislation and associated with each legal category of DNA sample, which govern whether NCIDD is permitted to compare any two DNA profiles.
<b>memorandum of understanding (MOU)</b>	An MOU sets out the terms and conditions between CrimTrac and service providers, police services and accredited agencies.
<b>midrange applications</b>	Computer programmes that run on all computers positioned between mainframes and workstation PCs.
<b>name matching algorithms</b>	The computer code which interprets variations in spelling of names, and compares two or more interpretations for commonality.
<b>name search</b>	A demographic search transaction made on the Police Reference System (PRS). A name search can be made with any combination including name, date of birth, sex.
<b>outcomes</b>	The results, impacts or consequence of actions by the Commonwealth on the Australian community. They should be consistent with those listed in agencies' PBS/PAES.
<b>outputs</b>	The goods or services produced by agencies on behalf of government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to an agency.
<b>person of interest (POI)</b>	An individual of interest to police.
<b>Police Reference System</b>	The Police Reference System (PRS) facilitates the current electronic exchange of police agency information on a national basis.
<b>Projects in Controlled Environments Version 2 (PRINCE2)</b>	A structured method for effective project management.



<b>profile</b>	The uniquely identifiable genotype sequence.
<b>real time</b>	An immediate response to a request sent to a computer, as opposed to batch processing where computer requests may be stored for later processing when computer resources become available.
<b>Service Level Agreement (SLA)</b>	An SLA defines the standards of services between CrimTrac and service providers, police services and accredited agencies.
<b>small jurisdiction</b>	The police service of Western Australia, South Australia, Tasmania, the Northern Territory or the Australian Capital Territory.
<b>tenprint</b>	A term used to describe a fingerprint form completed when a person is arrested (Livescan or paper based) comprising of rolled and flat fingerprint impression and the left and right palm friction ridge detail.
<b>Unix environment</b>	A computer operating system and hardware which, in processing capacity, usually falls between the desktop/server PC systems, and the very large mainframe systems.
<b>User Advisory Group (UAG)</b>	The UAGs assist and advise CrimTrac in the development and implementation of its projects; for example, the NCIDD UAG, the NAFIS UAG, and the CPRS UAG.

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