

VOTE *Serious* *Fraud*

Serious Fraud

Overview

The appropriations sought for Vote Serious Fraud in 2006/07 total \$5.474 million. The appropriations are intended to be spent as follows:

- \$635,000 (11.6% of the total departmental appropriation in this Vote) for the initial funding of the Serious Fraud Office to operate the non-conviction based forfeiture provisions of the proposed Criminal Proceeds and Instruments Act due to be passed in 2006. This will see the Office investigating and where appropriate seeking the forfeiture of assets obtained directly or indirectly from criminal activity whether or not there has been a conviction in relation to those criminal assets.
- \$4.839 million (88.4% of the total departmental appropriation in this Vote) for the detection, investigation and prosecution of cases of suspected serious or complex fraud offending brought to the attention of, or detected by, the Serious Fraud Office. This output includes the completion of sufficient investigative work to enable the Director to determine in each case whether or not to prosecute the alleged offender(s) and where criminal charges are to proceed, the subsequent preparation of a well-researched and documented prosecution case.

Details of how the appropriations are to be applied appear in Parts B1 and C of this Vote.

Minister Portfolio Table

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Attorney-General

Serious Fraud

VOTE MINISTER: Attorney-General

ADMINISTERING DEPARTMENT: Serious Fraud Office

The Attorney-General is the Responsible Minister for the Serious Fraud Office

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote

Related Government Outcomes

The appropriations in Vote Serious Fraud will contribute to the Government theme of economic transformation by:

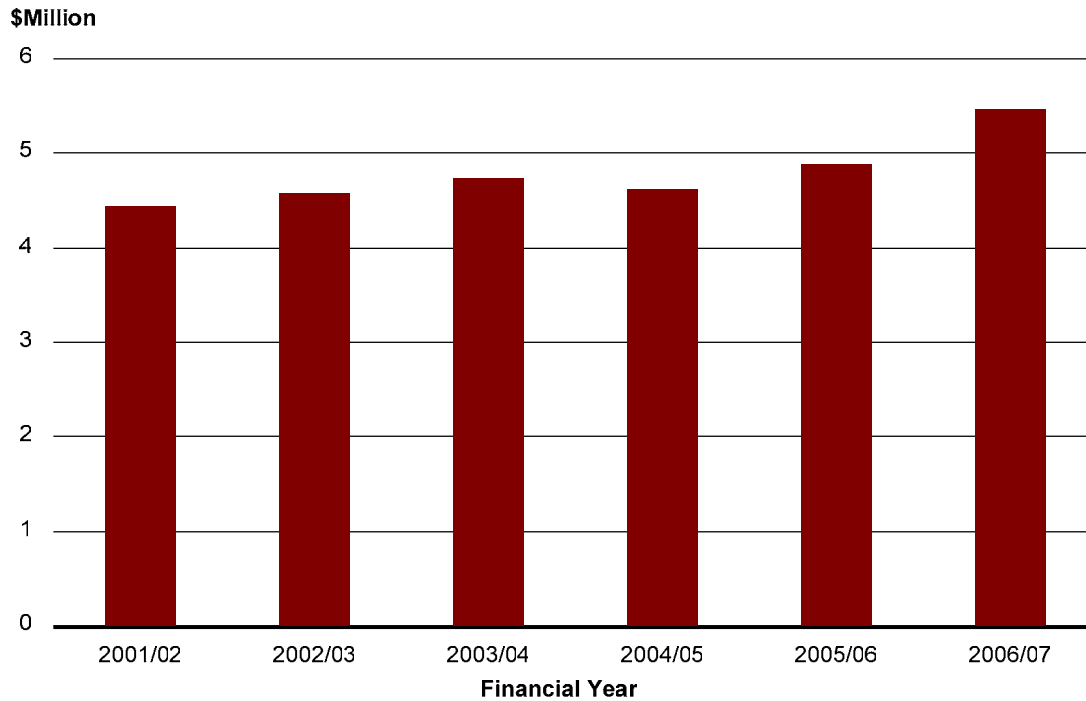
- reducing and deterring the incidence of “white collar” fraud offending
- improving the quality of the regulatory environment
- encouraging economic growth and development with an honest capital market conducive to the fair and efficient conduct of business
- encouraging savings and investment within a stable and neutral investment environment.

The appropriations will also contribute to building safer communities and developing a fairer more credible and more effective justice system, by:

- taking appropriate investigative and enforcement action against white collar offending
- reducing the rewards from crime for the individual
- reducing the attraction of crime for potential offenders
- reducing the resources that could potentially be used to engage in further criminal activity.

Part A2 - Trends in Vote

The chart below shows the trend in total departmental appropriation over time:



Source: Serious Fraud Office

The increase of \$635,000 in the appropriations for 2006/07 is to fund the new departmental output expense for the civil forfeiture of criminal assets once the Criminal Proceeds and Instruments Bill becomes law.

New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
Implementation of the civil forfeiture provisions of the Criminal Proceeds and Instruments Act.	Departmental Output Expense - Civil Forfeiture of Criminal Assets	-	635	1,775	2,490	2,490
	Impact on Net Asset Schedule	-	290	-	-	-

Part B - Statement of Appropriations

Summary of Financial Activity

	2001/02	2002/03	2003/04	2004/05	2005/06		2006/07 Appropriations to be Used				2007/08	2008/09	2009/10	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Appropriations														
Output Expenses	4,444	4,587	4,747	4,607	4,874	4,874	5,474	-	-	-	5,474	6,634	7,349	7,349
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	4,444	4,587	4,747	4,607	4,874	4,874	5,474	-	-	-	5,474	6,634	7,349	7,349
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-

Part B1 - Details of Appropriations

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Civil Forfeiture of Criminal Assets (M5)	-	-	-	-	635	-	- Cost of investigating and where appropriate restraining and/or forfeiting assets derived from criminal activity under the civil forfeiture provisions of the Criminal Proceeds and Instruments Act.
Investigation and Prosecution of Complex or Serious Fraud (M5)	4,874	-	4,874	-	4,839	-	- The detection, investigation and prosecution of cases of suspected serious fraud offending brought to the attention of, or detected by, the Serious Fraud Office.
Total Departmental Output Expenses (General)	4,874	-	4,874	-	5,474	-	
Total Appropriations	4,874	-	4,874	-	5,474	-	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Civil Forfeiture of Criminal Assets

This output expense covers the investigation and obtaining of the appropriate forfeiture orders by the Serious Fraud Office for the forfeiture of assets obtained directly or indirectly from criminal activity whether or not there has been a conviction in relation to that criminal activity.

It will cover the implementation costs of the new policy, and all aspects of the investigative process and all preliminary and substantive Court appearances including the briefing of outside counsel engaged to argue forfeiture applications before the High Court.

Detection, Investigation and Prosecution of Complex or Serious Fraud

This output expense covers the investigation and prosecution of cases of serious or complex fraud brought to the attention of, or detected by, the Serious Fraud Office. It includes the briefing of the outside counsel engaged for trials, the giving of evidence at trials and the provision of expert advice throughout the course of trials.

Part E - Explanation of Capital Flows

Part E1 - Explanation of Movements in Departmental Net Asset Schedules

Details of Net Asset Schedule for Serious Fraud Office	Estimated Actual 2005/06 \$000	Projected 2006/07 \$000	Explanation of Projected Movements in 2006/07
Opening Balance	388	388	
Capital Injections	-	290	Funding for increased accommodation and support services associated with the implementation of the new Civil Forfeiture of Criminal Assets output expense.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	388	678	