

AUSTRALIAN SECRET INTELLIGENCE SERVICE

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AUSTRALIAN SECRET INTELLIGENCE SERVICE

Section 1: Agency overview

The functions of ASIS are:

- (a) to obtain, in accordance with the Government's requirements, intelligence about the capabilities, intentions or activities of people or organisations outside Australia;
- (b) to communicate, in accordance with the Government's requirements, such intelligence;
- (c) to conduct counter-intelligence activities;
- (d) to liaise with intelligence or security services, or other authorities, of other countries; and
- (e) to undertake such other activities as the responsible Minister directs relating to the capabilities, intentions or activities of people or organisations outside Australia.

Table 1.1: Agency outcomes and outputs

Outcome	Description	Output
Outcome 1		
Enhance government understanding of the overseas environment affecting Australia's vital interests and take appropriate action, consistent with applicable legislation, to protect particular identified interests.	Enhance government understanding of the overseas environment affecting Australia's vital interests and take appropriate action, consistent with applicable legislation, to protect particular identified interests.	Output 1.1 Secret Intelligence Output 1.2 Other Services

Section 2: Agency resources for 2005-06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005-06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for ASIS in the 2005-06 Budget is \$100.4 million.

Table 2.1: Appropriations and other revenue 2005-06¹ ('000)

Outcome	Appropriations				Revenue from other sources ⁵		Total resources ⁷ \$'000
	\$'000 Bill No. 1	\$'000 Bill No. 2 ²	\$'000 Special approp ³	\$'000 Total approp ⁴	\$'000	% ⁶	
Outcome 1							
Enhance government understanding of the overseas environment affecting Australia's vital interests and take appropriate action, consistent with applicable legislation, to protect particular identified interests.							
Administered							
Departmental	97,663	2,687	0	100,350	25,497	20%	125,847
Total outcome 1	97,663	2,687	0	100,350	25,497	20%	125,847
Total agency							
Departmental	97,663	2,687	0	100,350	25,497	20%	125,847
Total agency	97,663	2,687	0	100,350	25,497	20%	125,847
Departmental capital (equity injections)							2,687
Previous year's outputs							111,751
Administered assets and liabilities							0
Total resources	97,663	2,687	0	100,350	25,497	20%	125,847

Agency Budget Statements – Agency resources - ASIS

- 1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.
 - 2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
 - 3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.
 - 4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.
 - 5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
 - 6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.
 - 7 Total resources = Total appropriations + Revenue from other sources.
- Note: Refer to Budgeted statement of financial performance for application of agency revenue.

2.2: 2005-06 BUDGET MEASURES

Budget measures relating to ASIS as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2: ASIS measures

Measure	Outcome	Outputs affected	Appropriations budget		Appropriations forward estimate		Appropriations forward estimate							
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total			
Providing for Australia's Security - regional counter-terrorism assistance - building regional capabilities	1	1.1	0	(22)	(22)	0	(589)	(589)	0	6,094	6,094	0	4,192	4,192
		1.2												
Providing for Australia's Security - counter-proliferation intelligence enhancement	1	1.1	0	2,840	2,840	0	6,042	6,042	0	6,720	6,720	0	6,517	6,517
		1.2												
Package to Mitigate People Smuggling Threats, Gaps and Vulnerabilities	1	1.1	0	346	346	0	655	655	0	550	550	0	563	563
		1.2												
Providing for Australia's Security - Continuity of Government Plan - implementation and maintenance	1	1.1	0	50	50	0	3,028	3,028	0	2,097	2,097	0	411	411
		1.2												
Total			0	3,214	3,214	0	9,136	9,136	0	15,461	15,461	0	11,683	11,683

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and include FMA s.31 receipts, CAC body receipts that are available to be spent, special accounts (non-appropriation receipts) and resources received free of charge.

Table 2.3: Other receipts available to be used

	Estimated receipts 2004-05 \$'000	Budget estimate 2005-06 \$'000
Outcome 1		
Departmental other receipts		
Interest	0	0
Sale of goods and services	13,697	13,971
Resources received free of charge	8,500	8,600
Other revenue	400	2,926
Total departmental other receipts available to be used	22,597	25,497

1. This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

2.6: SPECIAL ACCOUNTS

Table 2.6: Estimates of special account flows and balances

Name of account	Outcome	Opening balance	Receipts	Payments	Adjustments	Closing balance
		2005-06	2005-06	2005-06	2005-06	2005-06
		2004-05	2004-05	2004-05	2004-05	2004-05
		\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Moneys Special Special Account (D) s20 FMA Act	1	0	0	0	0	0
		0	0	0	0	0
Services for Other Governments & Non-Agency Bodies Account (D) s20 FMA Act	1	0	0	0	0	0
		0	0	0	0	0
Total special accounts						
2005-06 Budget estimate			0	0	0	0
Total Special Accounts						
2004-05 estimate actual			0	0	0	0

The purpose of the *Other Trust Moneys Special Account* is for expenditure for moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

The purpose of the *Services for Other Government & Non Agency Bodies Special Account* is for expenditure in connection with services performed on behalf of other Governments and bodies that are not Agencies under the *Financial Management and Accountability Act 1997*.

2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

ASIS will receive an equity injection of \$2.7 million in 2005-06 as indicated in Table 2.1. Details of the equity injection have necessarily been limited by the need to observe the requirements of national security.

Section 3: Agency outcomes

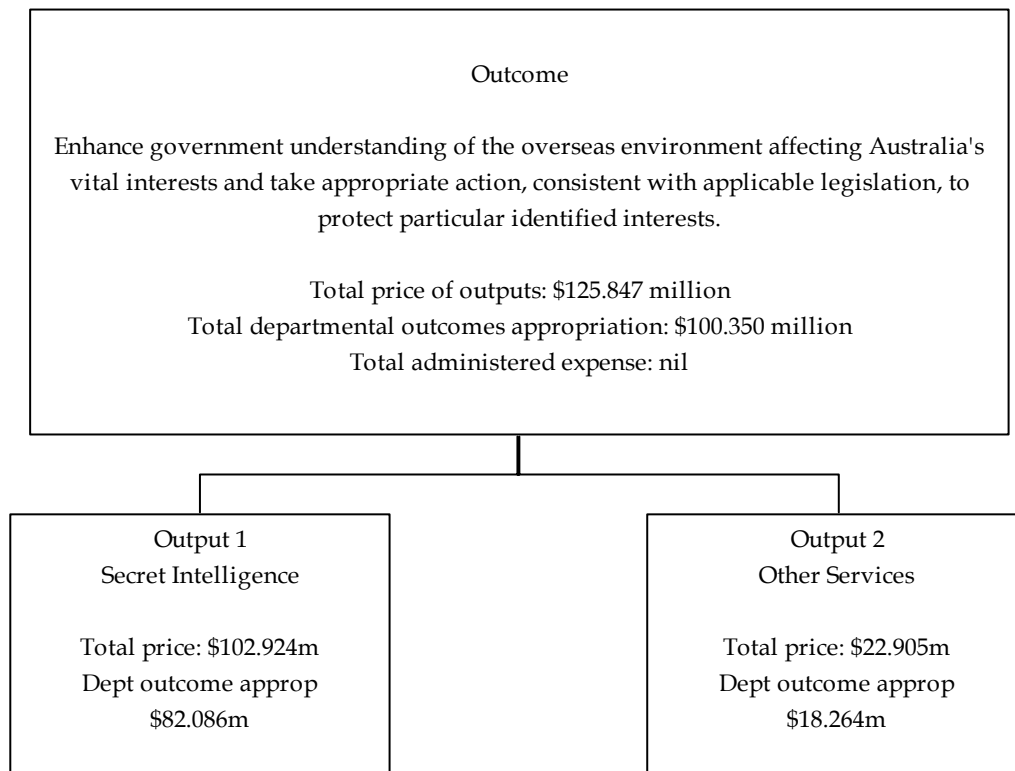
This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for ASIS.

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS.

The Service allocates overheads and other expenses between outputs as part of determining their full price. Direct costs are allocated to specified output activities whilst indirect costs are allocated based on a regular internal reporting of effort against specified output activities.

The relationship between activities of ASIS and the outcome is summarised in Figure 4.

Figure 4: Outcomes and outputs and administered items



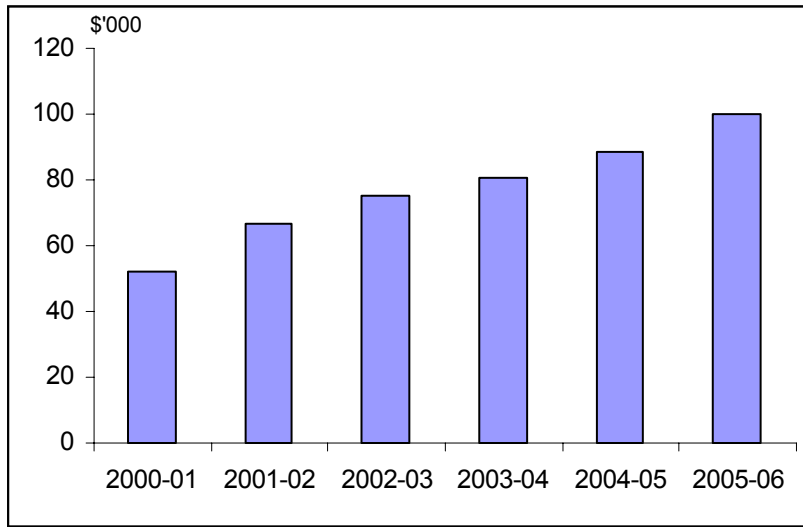
There are no changes to outcomes from the previous year.

3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED

Departmental appropriations by outcome

Chart 1 shows the trend for appropriations for all outcomes from 2000-01 to 2005-06.

Chart 1: Trends in appropriations for all outcomes ('000)



3.3: OUTCOMES RESOURCING

Outcome 1 resourcing

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000
Administered appropriations	0	0
Total administered appropriations	0	0
from Special Accounts (estimated payments from Special Account balances²)		
Other Trust Moneys Special Account - s20 FMA Act	0	0
Services for Other Governments & Non-Agency Bodies - s20 FMA Act	0	0
Total Special Account outflows	0	0
Departmental appropriations		
Output Group 1.1 - Secret Intelligence	72,928	82,086
Subtotal Output Group 1.1	72,928	82,086
Departmental appropriations		
Output Group 1.2 - Other Services	16,226	18,264
Subtotal Output Group 1.2	16,226	18,264
Total revenue from government (appropriations)	89,154	100,350
Contributing to price of departmental outputs	80%	80%
Revenue from other sources		
Sale of goods and services	13,697	13,971
Resources received free of charge	8,500	8,600
Other revenue	400	2,926
Total revenue from other sources	22,597	25,497
Total price from departmental outputs	20%	20%
(Total revenue from government and from other sources)	111,751	125,847
Total estimated resourcing for Outcome 1	111,751	125,847
(Total price of outputs and administered appropriations)		

1 Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 2.6.

2 Special Account outflows are shown in the payments column of the Special Account table in Table 2.6. The estimated payments from special account balances are provided by way of note only and do not form part of the total estimated resourcing.

3 Where names of Acts have been abbreviated, the full name of the Act can be found in the Acts Glossary at the end of Table 2.6.

Measures affecting Outcome 1¹

Providing for Australia's Security - regional counter-terrorism assistance - building regional capabilities

Total Resourcing*: Outcome 1 will receive \$10.98 million over four years. The yearly funding will be \$0.02 million in 2005-06, savings of \$0.4 million in 2006-07, funding of \$4.7 million in 2007-08 and \$5.4 million in 2008-09 under Appropriation Bill No. 1 and savings of \$0.4 million in 2005-06, \$0.2 million in 2006-07, funding of \$1.9 million in 2007-08 and savings of \$0.4 million in 2008-09 under Appropriation Bill No. 2.

Providing for Australia's Security - counter-proliferation intelligence enhancement

Total Resourcing*: Outcome 1 will receive \$23.5 million over four years. The yearly funding will be \$0.23 million in 2005-06, \$4.8 million in 2006-07, \$6.7 million in 2007-08 and \$7.0 million in 2008-09 under Appropriation Bill No. 1 and \$0.6 million in 2005-06, \$1.7 million in 2006-07 and \$0.4 million in 2007-08 under Appropriation Bill No. 2.

Package to Mitigate People Smuggling Threats, Gaps and Vulnerabilities

Total Resourcing: Outcome 1 will receive \$2.4 million over four years. The yearly funding will be \$0.1 million in 2005-06, \$0.6 million in 2006-07, \$0.6 million in 2007-08 and \$0.6 million in 2008-09 under Appropriation Bill No. 1 and \$0.3 million in 2005-06 and \$0.1 million in 2006-07 under Appropriation Bill No. 2.

Providing for Australia's Security - Continuity of Government Plan - implementation and maintenance

Total Resourcing*: Outcome 1 will receive \$8.2 million over four years. The yearly funding will be \$0.1 million in 2005-06, \$0.9 million in 2006-07, \$1.4 million in 2007-08 and \$1.4 million in 2008-09 under Appropriation Bill No. 1 and \$2.7 million in 2005-06 and \$1.7 million in 2006-07 under Appropriation Bill No. 2.

Further details of the above measures may be found in Budget Paper No. 2.

1 This relates to measures disclosed in the 2005-06 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook 2004-05 (MYEFO)*).

* Note: Total Resourcing in some cases is higher than figures contained in Budget Paper 2 Budget Measures 2005-06, arising from the funding of depreciation and other items that do not have an impact on the fiscal and underlying cash balances.

Performance information for Outcome 1

Overall achievement of the ASIS outcome is assessed by reference to the customers for ASIS services. This is done continuously and is also the subject of comprehensive annual internal and external assessment of results of which are reported to Government. The assessment of performance includes both qualitative and quantitative analysis. No further details of this process are divulged for reasons of national security.

Evaluations for Outcome 1

Evaluation studies are undertaken in ASIS to improve the quality of the Service's programmes. They address three key objectives:

- To assess the impact and improve the quality of the Service operations;
- To provide better feedback on lessons learned; and
- To strengthen activity management procedures.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The increase in ASIS's operating revenues and net increase in assets is due to new measures as provided by Government over the last four years. Further analysis of the budgeted financial statements is not provided due to the need to observe the requirements of national security.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from Government	84,756	97,663	102,343	112,980	112,955
Goods and services	13,697	13,971	14,250	14,536	14,536
Resources received free of charge	8,500	8,600	8,600	8,600	8,600
Other	400	2,926	1,734	2,475	1,129
Revenues from ordinary activities	107,353	123,160	126,927	138,591	137,220
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
	107,353	123,160	126,927	138,591	137,220
Net surplus or (deficit)	0	0	0	0	0

**Table 5.2: Budgeted departmental statement of financial position
as at 30 June 2006**

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets	24,563	23,621	23,576	27,871	29,292
Total financial assets					
Non-financial assets	60,666	65,193	69,896	74,200	73,840
Total non-financial assets					
Total assets	85,229	88,814	93,472	102,071	103,132
LIABILITIES					
Interest bearing liabilities					
Total interest bearing liabilities	0	0	0	0	0
Provisions and payables					
Total provisions and payables	25,397	26,294	26,364	30,784	32,205
Total liabilities	25,397	26,294	26,364	30,784	32,205
EQUITY*					
Contributed equity	9,625	12,312	16,900	21,079	20,719
Reserves	17,247	17,247	17,247	17,247	17,247
Retained surpluses or accumulated deficits	32,960	32,961	32,961	32,961	32,961
Total equity	59,832	62,520	67,108	71,287	70,927
Current assets	24,563	23,621	23,576	27,871	29,292
Non-current assets	60,666	65,193	69,896	74,200	73,840
Current liabilities	17,985	18,164	18,178	19,062	19,347
Non-current liabilities	7,412	8,130	8,186	11,722	12,858

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June 2006

	Estimated actual 2004-05 \$'000	Budget estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	13,697	13,971	14,250	14,536	14,536
Appropriations	84,756	97,663	102,343	112,980	112,955
Other	3,000	5,526	4,334	5,075	3,729
Total cash received	101,453	117,160	120,927	132,591	131,220
Cash used					
Total cash used	98,212	111,303	115,100	122,424	123,926
Net cash from or (used by) operating activities	3,241	5,857	5,827	10,167	7,294
INVESTING ACTIVITIES					
Cash received					
Total cash received	20,200	15,200	15,200	15,200	15,200
Cash used					
Total cash used	16,648	24,687	25,660	25,251	20,713
Net cash from or (used by) investing activities	3,552	(9,487)	(10,460)	(10,051)	(5,513)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	4,398	2,687	4,588	4,179	(360)
Total cash received	4,398	2,687	4,588	4,179	(360)
Cash used					
Total cash used	0	0	0	0	0
Net cash from/(used by) financing activities	4,398	2,687	4,588	4,179	(360)
Net increase or (decrease) in cash held	11,191	(943)	(45)	4,295	1,421
Cash at the beginning of the reporting period	3,372	14,563	13,621	13,576	17,871
Effect of exchange rate movements on cash at the beginning of reporting period	0	0	0	0	0
Cash at the end of the reporting period	14,563	13,621	13,576	17,871	19,292

5.3: NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements

Under the Australian Government's accrual budgeting framework, and consistent with Australian Accounting Standards, ASIS controls all the agency's transactions. ASIS is fully accountable for assets, liabilities, revenues and expenses in relation to the agency. ASIS has no administered transactions.

Appropriations in the accrual budget framework

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's funding for outputs from agencies; and
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies.

Asset valuation

From 1 July 2002 Australian Government agencies and authorities are required to use either the cost basis or the fair value to measure Property, Planet and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.