

Australian Secret Intelligence Service (ASIS)

Agency resources and planned performance

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

- Section 1: Agency overview and resources 165**
 - 1.1 Strategic Direction Statement..... 165
 - 1.2 Agency Resource Statement..... 166
 - 1.3 Budget Measures..... 167
- Section 2: Outcomes and planned performance 168**
 - 2.1 Outcomes and performance information 168
- Section 3: Explanatory tables and budgeted financial statements 172**
 - 3.1 Explanatory tables 173
 - 3.2 Budgeted Financial Statements..... 173

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2011-12 the Australian Secret Intelligence Service (ASIS) will continue to enhance government understanding of the overseas environment affecting Australia's vital interests. ASIS will take appropriate action, consistent with applicable legislation, to protect and promote Australia's vital interests through the provision of unique foreign intelligence services as directed by the Government.

The primary 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.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: ASIS Resource Statement — Budget Estimates for 2011-12 as at Budget May 2011

	Estimate of prior + year amounts available in 2011-12 \$'000	Proposed at Budget = 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation 2010-11 \$'000
Ordinary annual services¹				
Departmental appropriation				
Departmental appropriation ²	-	192,858	192,858	203,449
s31 Relevant agency receipts ³	-	52,465	52,465	46,326
Total	-	245,323	245,323	249,775
Total ordinary annual services	A	245,323	245,323	249,775
Other services				
Departmental non-operating				
Equity injections ⁴	-	219	219	389
Previous years programs	24,194	-	24,194	28,247
Total	24,194	219	24,413	28,636
Total other services	B	219	24,413	28,636
Total available annual appropriations	24,194	245,542	269,736	278,411
Total appropriations excluding Special Accounts	24,194	245,542	269,736	278,411

¹ Appropriation Bill (No.1) 2011-12

² Includes an amount for the Departmental Capital Budget
For accounting purposes this amount has been designated as 'contributions by owners'

³ s31 Relevant Agency receipts - estimate

⁴ Appropriation Bill (No.2) 2011-12

1.3 BUDGET MEASURES

Budget measures relating to ASIS are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2011-12 Budget measures

	Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures						
Border Security - Combating people smuggling - enhanced intelligence capability						
Departmental expenses	1.1	-	-	-	-	-
Departmental expenses	1.2	-	-	-	-	-
Total		-	7,392	7,264	-	-
National Security - reprioritisation of resources - savings						
Departmental expenses	1.1	-	-	-	-	-
Departmental expenses	1.2	-	-	-	-	-
Total		-	(7,391)	(7,388)	-	-
Efficiency dividend - temporary increase in the rate						
Departmental expenses	1.1	-	-	-	-	-
Departmental expenses	1.2	-	-	-	-	-
Total		-	(857)	(1,851)	(2,439)	(2,989)
Total expense measures						
Departmental		-	(856)	(1,975)	(2,439)	(2,989)
Total		-	(856)	(1,975)	(2,439)	(2,989)
Capital measures						
Border Security - Combating people smuggling - enhanced intelligence capability						
Departmental capital	1.1	-	-	-	-	-
Departmental capital	1.2	-	-	-	-	-
Total		-	150	-	-	-
Efficiency dividend - temporary increase in the rate						
Departmental capital	1.1	-	-	-	-	-
Departmental capital	1.2	-	-	-	-	-
Total		-	(85)	(163)	(207)	(249)
Total capital measures						
Departmental		-	65	(163)	(207)	(249)
Total		-	65	(163)	(207)	(249)

Prepared on a Government Financial Statistics (fiscal) basis

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of ASIS in achieving Government outcomes. Further information in relation to detailed performance measures and mandatory targets are not provided in the interests of national security.

Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia.

Outcome 1 Strategy

- Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia.

Outcome Expense and Resource Statement

Table 2.1 provides an overview of the total expenses for outcome 1 by program.

Table 2.1: Budgeted Expenses and Resources for Outcome 1

Outcome 1: Enhanced understanding for the Government of the overseas environment affecting Australia's interests through the provision of covert intelligence services about the capabilities, intentions or activities of people or organisations outside Australia		
	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
Program 1.1: Secret Intelligence		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	140,414	132,158
Revenues from independent sources (s31)	34,744	39,349
Expenses not requiring appropriation in the Budget year	16,500	15,580
Total for Program 1.1	191,658	187,086
Program 1.2: Other Services		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	46,805	44,053
Revenues from independent sources (s31)	11,581	13,116
Expenses not requiring appropriation in the Budget year	5,500	5,193
Total for Program 1.2	63,886	62,362
Outcome 1 Totals by appropriation type		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	187,218	176,210
Revenues from independent sources (s31)	46,326	52,465
Expenses not requiring appropriation in the Budget year	22,000	20,773
Total expenses for Outcome 1	255,544	249,448

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 1

Program 1.1: Secret Intelligence

Program objective

- Secret Intelligence

Program expenses

All variations to program 1.1 are a result of measures and other adjustments as provided by the Government.

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
Annual departmental expenses:	175,158	171,506	164,470	171,736	174,640
Expenses not requiring appropriation in the Budget year	16,500	15,580	15,541	15,587	15,691
Total program expenses	191,658	187,086	180,011	187,324	190,330

Program 1.1 Deliverables

- Secret Intelligence

Program 1.1 Key Performance Indicators

The overall achievement of the performance measures for this program for ASIS 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, the results of which are reported to the Government. The assessment of performance includes both qualitative and quantitative analysis. Details of this process are not divulged in the interests of national security.

Program 1.2: Other Services

Program objective

- Other Services

Program expenses

All variations to program 1.2 are a result of measures and other adjustments as provided by the Government.

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
Annual departmental expenses:	58,386	57,169	54,823	57,245	58,213
Expenses not requiring appropriation in the Budget year	5,500	5,193	5,180	5,196	5,230
Total program expenses	63,886	62,362	60,004	62,441	63,443

Program 1.2 Deliverables

- Other Services

Program 1.2 Key Performance Indicators

The overall achievement of the performance measures for this program for ASIS 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, the results of which are reported to the Government. The assessment of performance includes both qualitative and quantitative analysis. Details of this process are not divulged in the interests of national security.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2011-12 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Total expenses	255,544	249,448	240,015	249,765	253,774
LESS:					
OWN-SOURCE INCOME					
Revenue					
Other	46,326	52,465	37,465	37,465	37,465
Total revenue	46,326	52,465	37,465	37,465	37,465
Gains					
Sale of assets					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	46,326	52,465	37,465	37,465	37,465
Net cost of (contribution by) services	209,218	196,983	202,550	212,300	216,309
Revenue from Government	187,218	176,210	181,829	191,517	195,338
Surplus (Deficit)	(22,000)	(20,773)	(20,721)	(20,783)	(20,921)
Surplus (Deficit) attributable to the Australian Government	(22,000)	(20,773)	(20,721)	(20,783)	(20,921)
Note: Reconciliation of operating result attributable to the agency					
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating result attributable to the Australian Government	(22,000)	(20,773)	(20,721)	(20,783)	(20,921)
plus non-appropriated expenses					
depreciation and amortisation expenses	22,000	20,773	20,721	20,783	20,921
Operating result attributable to the Agency	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	For ward estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
<i>Total financial assets</i>	57,002	57,200	57,198	57,396	60,647
Non-financial assets					
<i>Total non-financial assets</i>	122,330	121,477	120,137	118,652	113,997
Total assets	179,332	178,677	177,335	176,048	174,644
LIABILITIES					
Payables					
<i>Total payables</i>	24,203	24,521	24,839	25,157	25,475
Interest bearing liabilities					
<i>Total interest bearing liabilities</i>	-	-	-	-	-
Provisions					
<i>Total provisions</i>	28,232	31,165	34,098	37,031	39,964
Total liabilities	52,435	55,686	58,937	62,188	65,439
Net assets	126,897	122,991	118,398	113,860	109,205
EQUITY					
Parent entity interest					
Contributed equity	70,558	87,425	103,553	119,798	136,064
Reserves	38,689	38,689	38,689	38,689	38,689
Retained surplus (accumulated deficit)	17,650	(3,123)	(23,844)	(44,627)	(65,548)
Total parent entity interest	126,897	122,991	118,398	113,860	109,205

* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2011-12)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	17,650	-	38,689	70,558	126,897
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	17,650	-	38,689	70,558	126,897
Comprehensive income					
Comprehensive income recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	(20,773)	-	-	-	(20,773)
Total comprehensive income recognised directly in equity	(20,773)	-	-	-	(20,773)
Transactions with owners					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	219	219
Appropriation (departmental capital budget)	-	-	-	16,648	16,648
Other					
Sub-total transactions with owners	-	-	-	16,867	16,867
Estimated closing balance as at 30 June 2011	(3,123)	-	38,689	87,425	122,991

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2010-11	2011-12	2012-13	2013-14	2014-15
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	187,218	176,210	181,829	191,517	195,388
Other	53,379	58,518	43,718	43,518	40,465
Total cash received	240,597	234,728	225,547	235,035	235,853
Cash used					
Other	236,544	231,675	222,294	231,982	235,853
Total cash used	236,544	231,675	222,294	231,982	235,853
Net cash from (used by) operating activities	4,053	3,053	3,253	3,053	0
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	20,673	19,920	19,381	19,298	16,266
Total cash used	20,673	19,920	19,381	19,298	16,266
Net cash from (used by) investing activities	(20,673)	(19,920)	(19,381)	(19,298)	(16,266)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	16,620	16,867	16,128	16,245	16,266
Proceeds from issuing financial instruments					
Other					
Total cash received	16,620	16,867	16,128	16,245	16,266
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) financing activities	16,620	16,867	16,128	16,245	16,266
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	25,069	25,069	25,069	25,069	25,069
Cash and cash equivalents at the end of the reporting period	25,069	25,069	25,069	25,069	25,069

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Departmental Financial Statements

Under the Australian Government's 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.

PORTFOLIO GLOSSARY

Term	Meaning
Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Administered	Revenues, expenses, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Annual appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF).
Departmental	Revenue, expenses, assets and liabilities that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.

Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness indicators	Measure the joint or independent contribution of programs to the achievement of their specified outcome.
Efficiency indicators	Measure the adequacy of an agency's management of its programs. Includes price, quality and quantity indicators. The interrelationship between the three efficiency indicators of any one program should be considered when judging efficiency.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Operating result	Equals revenue less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of programs.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality

	involves use of information gathered from interested parties to identify differences between the user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of a program; count or volume measures; how many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (<i>Financial Management and Accountability (FMA) Act 1997</i> , subsection 20 and 21). Special Accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (section 20 FMA Act) or through an Act of Parliament (referred to in section 21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For Special Appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing Appropriations are a sub-category consisting of ongoing Special Appropriations - the amount appropriated will depend on circumstances specified in the legislation.