

# **Australian Secret Intelligence Service (ASIS)**

## **Agency resources and planned performance**



# AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

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# AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

In 2010-11 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 2010-11 as at Budget May 2010**

	Estimate of prior + year amounts available in 2010-11 \$'000	Proposed at Budget = 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Departmental appropriation <sup>2</sup>	-	203,449	203,449	202,404
s31 Relevant agency receipts <sup>3</sup>	-	35,970	35,970	32,461
<b>Total</b>	-	<b>239,419</b>	<b>239,419</b>	<b>234,865</b>
<b>Total ordinary annual services</b>	<b>A</b>	<b>239,419</b>	<b>239,419</b>	<b>234,865</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections <sup>4</sup>	-	389	389	12,816
Previous years' programs	40,947	-	40,947	44,009
<b>Total</b>	<b>40,947</b>	<b>389</b>	<b>41,336</b>	<b>56,825</b>
<b>Total other services</b>	<b>B</b>	<b>389</b>	<b>41,336</b>	<b>56,825</b>
<b>Total available annual appropriations</b>	<b>40,947</b>	<b>239,808</b>	<b>280,755</b>	<b>291,690</b>
<b>Total appropriations excluding Special Accounts</b>	<b>40,947</b>	<b>239,808</b>	<b>280,755</b>	<b>291,690</b>
<b>Total resourcing</b>				
A + B				
<b>Total net resourcing for ASIS</b>	<b>40,947</b>	<b>239,808</b>	<b>280,755</b>	<b>291,690</b>

1. Appropriation Bill (No.1) 2010-11.
2. Includes an amount in 2010-11 for the Departmental Capital Budget.
3. s31 Relevant Agency receipts – estimate.
4. Appropriation Bill (No.2) 2010-11.

**Reader Note: All figures are GST exclusive**

### 1.3 BUDGET MEASURES

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

**Table 1.2 Agency 2010-11 Budget Measures**

Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
<b>Expense measures</b>					
Border Security - Illegal foreign fishing - securing Australia's northern waters - continuation <sup>1</sup>					
Departmental expenses	1.1, 1.2	-	-	-	-
<b>Total</b>		-	-	-	-
National Security – enhanced intelligence capability <sup>2</sup>					
Departmental expenses	1.1, 1.2	-	1,548	-	-
<b>Total</b>		-	<b>1,548</b>	-	-
<b>Total expense measures</b>					
Departmental		-	1,548	-	-
<b>Total</b>		-	<b>1,548</b>	-	-
<b>Capital measures</b>					
Border Security - Illegal foreign fishing - securing Australia's northern waters - continuation <sup>1</sup>					
Departmental expenses	1.1, 1.2	-	-	-	-
<b>Total</b>		-	-	-	-
National Security – enhanced intelligence capability <sup>2</sup>					
Departmental expenses	1.1, 1.2	-	320	-	-
<b>Total</b>		-	<b>320</b>	-	-
<b>Total capital measures</b>					
Departmental		-	320	-	-
<b>Total</b>		-	<b>320</b>	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

1. This measure provides for the continuation of funding already in the Forward Estimates.
2. This measure provides for new funding and the continuation of funding already in the Forward Estimates.

## **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.

<b>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</b>	2009-10 Estimated Actual Expenses \$'000	2010-11 Estimated Expenses \$'000
<b>Program 1.1: Secret Intelligence</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>	161,923	162,759
Revenues from independent sources (s31)	25,969	28,776
<b>Total for Program 1.1</b>	<b>187,892</b>	<b>191,535</b>
<b>Program 1.2: Other Services</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>	40,481	40,690
Revenues from independent sources (s31)	6,492	7,194
<b>Total for Program 1.2</b>	<b>46,973</b>	<b>47,884</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1) <sup>1</sup>	202,404	203,449
Revenues from independent sources (s31)	32,461	35,970
<b>Total expenses for Outcome 1</b>	<b>234,865</b>	<b>239,419</b>

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

1. Includes amounts not requiring Appropriation in the budget year.

**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.

**Program Expenses**

	2009-10 Revised budget \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual departmental expenses <sup>1</sup> :	187,892	191,535	185,723	190,361	198,834
<b>Total program expenses</b>	<b>187,892</b>	<b>191,535</b>	<b>185,723</b>	<b>190,361</b>	<b>198,834</b>

1. Includes amounts not requiring Appropriation in the budget year and Forward Estimates.

**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.

**Program Expenses**

	2009-10 Revised budget \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Annual departmental expenses <sup>1</sup> :	46,973	47,884	46,431	47,590	49,709
<b>Total program expenses</b>	<b>46,973</b>	<b>47,884</b>	<b>46,431</b>	<b>47,590</b>	<b>49,709</b>

1. Includes amounts not requiring Appropriation in the budget year and Forward Estimates.

**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 2010-11 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.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act (1997)* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by ASIS.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

		Opening balance <b>2010-11</b> 2009-10	Receipts <b>2010-11</b> 2009-10	Payments <b>2010-11</b> 2009-10	Adjustments <b>2010-11</b> 2009-10	Closing balance <b>2010-11</b> 2009-10
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Other Trust Moneys Special Account (D) s20FMA Act	1	-	-	-	-	-
Services for Other Governments & Non-Agency Bodies Account (D) s20 FMA Act	1	-	-	-	-	-
<b>Total Special Accounts 2010-11 Budget estimate</b>		-	-	-	-	-
<i>Total Special Accounts 2009-10 estimate actual</i>	1	-	-	-	-	-

The purpose of the Other Trust Moneys Special Account is for expenditure of 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*.

It is anticipated that there will not be any transactions through either of the ASIS Special Accounts during 2010-11 and future out-years. These accounts remain in place in the event that transactions are required.

### 3.2 BUDGETED FINANCIAL STATEMENTS

#### 3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>EXPENSES</b>					
<b>Total expenses<sup>1</sup></b>	<b>234,865</b>	<b>239,419</b>	<b>232,154</b>	<b>237,951</b>	<b>248,543</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Other	32,461	35,970	35,970	35,970	35,970
<b>Total revenue</b>	<b>32,461</b>	<b>35,970</b>	<b>35,970</b>	<b>35,970</b>	<b>35,970</b>
<b>Gains</b>					
Sale of assets					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>32,461</b>	<b>35,970</b>	<b>35,970</b>	<b>35,970</b>	<b>35,970</b>
<b>Net cost of (contribution by) services</b>	<b>202,404</b>	<b>203,449</b>	<b>196,184</b>	<b>201,981</b>	<b>212,573</b>
Revenue from Government <sup>2</sup>	202,404	203,449	196,184	201,981	212,573
<b>Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes:

1. Includes an amount for expenses not requiring appropriation in the Budget year and Forward Estimates.
2. Includes an amount in 2010-11 and forward estimates for the Department Capital Budget.

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
<b>Total financial assets</b>	86,999	83,747	82,426	82,099	81,623
<b>Non-financial assets</b>					
<b>Total non-financial assets</b>	115,275	122,167	126,809	130,455	134,182
<b>Total assets</b>	<b>202,274</b>	<b>205,914</b>	<b>209,234</b>	<b>212,554</b>	<b>215,805</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
<b>Total payables</b>	15,797	16,115	16,433	16,751	17,069
<b>Interest bearing liabilities</b>					
<b>Total interest bearing liabilities</b>	-	-	-	-	-
<b>Provisions</b>					
<b>Total provisions</b>	27,632	30,565	33,498	36,431	39,364
<b>Total liabilities</b>	<b>43,429</b>	<b>46,680</b>	<b>49,931</b>	<b>53,182</b>	<b>56,433</b>
<b>Net assets</b>	<b>158,845</b>	<b>159,234</b>	<b>159,303</b>	<b>159,372</b>	<b>159,372</b>
<b>EQUITY *</b>					
<b>Parent entity interest</b>					
Contributed equity	79,921	80,310	80,379	80,448	80,448
Reserves	38,689	38,689	38,689	38,689	38,689
Retained surplus (accumulated deficit)	40,235	40,235	40,235	40,235	40,235
<b>Total parent entity interest</b>	<b>158,845</b>	<b>159,234</b>	<b>159,303</b>	<b>159,372</b>	<b>159,372</b>

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

Prepared on Australian Accounting Standards basis.

ASIS Budget Statements

**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2010</b>					
Balance carried forward from previous period	40,235	-	38,689	79,921	158,845
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>40,235</b>	<b>-</b>	<b>38,689</b>	<b>79,921</b>	<b>158,845</b>
<b>Transactions with owners</b>					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	389	389
Other					
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>389</b>	<b>389</b>
<b>Estimated closing balance as at 30 June 2011</b>	<b>40,235</b>	<b>-</b>	<b>38,689</b>	<b>80,310</b>	<b>159,234</b>

Prepared on Australian Accounting Standards basis.



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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations <sup>1</sup>	202,404	203,449	196,184	201,981	212,573
Other	38,514	43,023	42,023	42,023	42,023
<b>Total cash received</b>	<b>240,918</b>	<b>246,472</b>	<b>238,207</b>	<b>244,004</b>	<b>254,596</b>
<b>Cash used</b>					
Other	219,769	226,188	218,565	225,258	235,581
<b>Total cash used</b>	<b>219,769</b>	<b>226,188</b>	<b>218,565</b>	<b>225,258</b>	<b>235,581</b>
<b>Net cash from (used by) operating activities</b>	<b>21,149</b>	<b>20,284</b>	<b>19,642</b>	<b>18,746</b>	<b>19,015</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Other	37,225	23,123	21,231	19,540	19,689
<b>Total cash used</b>	<b>37,225</b>	<b>23,123</b>	<b>21,231</b>	<b>19,540</b>	<b>19,689</b>
<b>Net cash from (used by) investing activities</b>	<b>(37,225)</b>	<b>(23,123)</b>	<b>(21,231)</b>	<b>(19,540)</b>	<b>(19,689)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity <sup>2</sup>	12,816	389	69	69	-
<b>Total cash received</b>	<b>12,816</b>	<b>389</b>	<b>69</b>	<b>69</b>	<b>-</b>
<b>Cash used</b>					
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>12,816</b>	<b>389</b>	<b>69</b>	<b>69</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(3,260)</b>	<b>(2,450)</b>	<b>(1,520)</b>	<b>(725)</b>	<b>(674)</b>
Cash and cash equivalents at the beginning of the reporting period	15,226	11,966	9,516	7,996	7,272
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>11,966</b>	<b>9,516</b>	<b>7,996</b>	<b>7,272</b>	<b>6,598</b>

## Notes:

1. Includes an amount in 2010-11 and Forward Estimates for the Departmental Capital Budget.
2. Excludes amount for Departmental Capital Budget. For ASIS, this figure is included with the cash received, operating activities appropriations.

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.