

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

**Entity resources and planned  
performance**



# AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

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# **AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)**

## **Section 1: Entity overview and resources**

### **1.1 STRATEGIC DIRECTION STATEMENT**

In 2015-16 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 ENTITY RESOURCE STATEMENT

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

**Table 1.1: ASIS resource statement — Budget estimates for 2015-16 as at Budget May 2015**

	<i>Actual Available Appropriation 2014-15</i>	Estimate of prior year amounts available in 2015-16	Proposed at 2015-16 Budget	Total 2015-16 estimate
	\$'000	\$'000	\$'000	\$'000
<b>Ordinary annual services (a)</b>				
<b>Departmental appropriation</b>				
Prior year appropriations (b)	93,402	83,159	-	83,159
Departmental appropriation (c)	236,133	-	256,909	256,909
s74 Retained revenue receipts (d)	34,500	-	54,500	54,500
<b>Total</b>	<b>364,035</b>	<b>83,159</b>	<b>311,409</b>	<b>394,568</b>
<b>Total ordinary annual services [A]</b>	<b>364,035</b>	<b>83,159</b>	<b>311,409</b>	<b>394,568</b>
<b>Other services (e)</b>				
<b>Departmental non-operating</b>				
Equity injections	8,725	-	10,964	10,964
<b>Total</b>	<b>8,725</b>	<b>-</b>	<b>10,964</b>	<b>10,964</b>
<b>Total other services [B]</b>	<b>8,725</b>	<b>-</b>	<b>10,964</b>	<b>10,964</b>
<b>Total available annual appropriations [A+B]</b>	<b>372,760</b>	<b>83,159</b>	<b>322,373</b>	<b>405,532</b>

(a) *Appropriation Bill (No. 1) 2015-16.*

(b) Estimated adjusted balance carried forward from previous year.

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

(d) Estimated Retained revenue receipts under section 74 of the PGPA Act.

(e) *Appropriation Bill (No. 2) 2015-16.*

Reader note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to ASIS are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Entity 2015-16 Budget measures**

**Part 1: Measures announced since the 2014-15 Mid-Year Economic and Fiscal Outlook (MYEFO)**

		2014-15	2015-16	2016-17	2017-18	2018-19
	Programme	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expense measures</b>						
National Security - Australian Secret Intelligence Service - Strengthening Capabilities						
	Departmental expenses	1.1	7,955	10,725	15,241	18,062
	Departmental expenses	1.2	2,652	3,575	5,080	6,021
	<b>Total</b>		<b>10,607</b>	<b>14,300</b>	<b>20,321</b>	<b>24,083</b>
	<b>Total expense measures</b>		<b>10,607</b>	<b>14,300</b>	<b>20,321</b>	<b>24,083</b>
<b>Capital measures</b>						
National Security - Australian Secret Intelligence Service - Strengthening Capabilities						
	Departmental capital	1.1	5,168	35,116	39,844	23,094
	Departmental capital	1.2	1,723	11,705	13,282	7,698
	<b>Total</b>		<b>6,891</b>	<b>46,821</b>	<b>53,126</b>	<b>30,792</b>
	<b>Total capital measures</b>		<b>6,891</b>	<b>46,821</b>	<b>53,126</b>	<b>30,792</b>

Prepared on a Government Finance 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 programmes are the primary vehicle by which Government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of ASIS in achieving Government outcomes.

**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 statement**

Table 2.1 provides an overview of the total expenses for Outcome 1 by programme.

**Table 2.1: Budgeted expenses for Outcome 1**

<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>	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
<b>Programme 1.1: Secret Intelligence</b>		
Departmental expenses		
Departmental appropriation (a)	194,338	220,922
Expenses not requiring appropriation in the Budget year (b)	15,168	16,735
<b>Total for programme 1.1</b>	<b>209,506</b>	<b>237,657</b>
<b>Programme 1.2: Other Services</b>		
Departmental expenses		
Departmental appropriation (a)	59,976	73,641
Expenses not requiring appropriation in the Budget year (b)	5,056	5,578
<b>Total for programme 1.2</b>	<b>65,032</b>	<b>79,219</b>
<b>Outcome 1 Totals by appropriation type</b>		
Departmental expenses		
Departmental appropriation (a)	254,314	294,563
Expenses not requiring appropriation in the Budget year (b)	20,224	22,313
<b>Total expenses for Outcome 1</b>	<b>274,538</b>	<b>316,876</b>

(a) Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s 74)'.

(b) Expenses not requiring appropriation in the Budget year is made up of depreciation expense.

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

### Programme 1.1: Secret Intelligence

#### Programme objective

- Secret Intelligence

#### Programme expenses

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:	194,338	220,922	222,413	229,583	234,841
Expenses not requiring appropriation in the Budget year (a)	15,168	16,735	22,529	26,083	27,426
<b>Total programme expenses</b>	<b>209,506</b>	<b>237,657</b>	<b>244,942</b>	<b>255,666</b>	<b>262,267</b>

(a) Expenses not requiring appropriation in the Budget year is made up of depreciation expense.

#### Programme 1.1 deliverables

- Secret Intelligence

#### Programme 1.1 key performance indicators

- The overall achievement of the performance measures for this programme 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.

**Programme 1.2: Other Services**

**Programme objective**

- Other Services

**Programme expenses**

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
Annual departmental expenses:	59,976	73,641	74,138	76,528	78,280
Expenses not requiring appropriation in the Budget year (a)	5,056	5,578	7,509	8,694	9,142
<b>Total programme expenses</b>	<b>65,032</b>	<b>79,219</b>	<b>81,647</b>	<b>85,222</b>	<b>87,422</b>

(a) Expenses not requiring appropriation in the Budget year is made up of depreciation expense.

**Programme 1.2 deliverables**

- Other Services

**Programme 1.2 key performance indicators**

- The overall achievement of the performance measures for this programme 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: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses.

## 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**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>EXPENSES</b>					
<b>Total expenses</b>	<b>274,538</b>	<b>316,876</b>	<b>326,589</b>	<b>340,888</b>	<b>349,689</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other	34,500	54,500	55,500	56,500	57,500
<b>Total own-source revenue</b>	<b>34,500</b>	<b>54,500</b>	<b>55,500</b>	<b>56,500</b>	<b>57,500</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>34,500</b>	<b>54,500</b>	<b>55,500</b>	<b>56,500</b>	<b>57,500</b>
<b>Net cost of/(contribution by) services</b>	<b>240,038</b>	<b>262,376</b>	<b>271,089</b>	<b>284,388</b>	<b>292,189</b>
Revenue from Government	219,814	240,063	241,051	249,611	255,621
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(20,224)</b>	<b>(22,313)</b>	<b>(30,038)</b>	<b>(34,777)</b>	<b>(36,568)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(20,224)</b>	<b>(22,313)</b>	<b>(30,038)</b>	<b>(34,777)</b>	<b>(36,568)</b>

**Note: Impact of net cash appropriation arrangements**

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	20,224	22,313	30,038	34,777	36,568
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>(20,224)</b>	<b>(22,313)</b>	<b>(30,038)</b>	<b>(34,777)</b>	<b>(36,568)</b>

- a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations.  
Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>	83,159	85,552	86,572	89,072	91,074
<b>Non-financial assets</b>	141,820	147,317	184,327	219,441	230,580
<b>Total assets</b>	<b>224,979</b>	<b>232,869</b>	<b>270,899</b>	<b>308,513</b>	<b>321,654</b>
<b>LIABILITIES</b>					
<b>Payables</b>	26,118	22,800	23,457	24,517	25,441
<b>Interest bearing liabilities</b>	-	-	-	-	-
<b>Provisions</b>	40,041	45,752	46,115	47,554	48,633
<b>Total liabilities</b>	<b>66,159</b>	<b>68,552</b>	<b>69,572</b>	<b>72,071</b>	<b>74,074</b>
<b>Net assets</b>	<b>158,820</b>	<b>164,317</b>	<b>201,327</b>	<b>236,442</b>	<b>247,580</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	152,044	179,854	246,902	316,793	364,499
Reserves	73,000	73,000	73,000	73,000	73,000
Retained surplus (accumulated deficit)	(66,224)	(88,537)	(118,575)	(153,351)	(189,919)
<b>Total parent entity interest</b>	<b>158,820</b>	<b>164,317</b>	<b>201,327</b>	<b>236,442</b>	<b>247,580</b>
<b>Total Equity</b>	<b>158,820</b>	<b>164,317</b>	<b>201,327</b>	<b>236,442</b>	<b>247,580</b>

\* '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 2015-16)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2015</b>					
Balance carried forward from previous period	(66,224)	-	73,000	152,044	158,820
<b>Adjusted opening balance</b>	<b>(66,224)</b>	<b>-</b>	<b>73,000</b>	<b>152,044</b>	<b>158,820</b>
<b>Comprehensive income</b>					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(22,313)	-	-	-	(22,313)
<b>Total comprehensive income</b>	<b>(22,313)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22,313)</b>
of which:					
Attributable to the Australian Government	(22,313)	-	-	-	(22,313)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection - Appropriation	-	-	-	10,964	10,964
Departmental Capital Budget (DCB)	-	-	-	16,846	16,846
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,810</b>	<b>27,810</b>
<b>Estimated closing balance as at 30 June 2016</b>	<b>(88,537)</b>	<b>-</b>	<b>73,000</b>	<b>179,854</b>	<b>164,317</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(88,537)</b>	<b>-</b>	<b>73,000</b>	<b>179,854</b>	<b>164,317</b>

Prepared on Australian Accounting Standards basis.

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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forw ard estimate \$'000	2017-18 Forw ard estimate \$'000	2018-19 Forw ard estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	230,655	237,671	240,030	247,112	253,618
Other	34,500	54,500	55,500	56,500	57,500
<b>Total cash received</b>	<b>265,155</b>	<b>292,171</b>	<b>295,530</b>	<b>303,612</b>	<b>311,118</b>
<b>Cash used</b>					
Other	265,155	292,171	295,530	303,612	311,118
<b>Total cash used</b>	<b>265,155</b>	<b>292,171</b>	<b>295,530</b>	<b>303,612</b>	<b>311,118</b>
<b>Net cash from/(used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	25,044	27,810	67,048	69,891	47,706
<b>Total cash used</b>	<b>25,044</b>	<b>27,810</b>	<b>67,048</b>	<b>69,891</b>	<b>47,706</b>
<b>Net cash from/(used by) investing activities</b>	<b>(25,044)</b>	<b>(27,810)</b>	<b>(67,048)</b>	<b>(69,891)</b>	<b>(47,706)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Other	25,044	27,810	67,048	69,891	47,706
<b>Total cash received</b>	<b>25,044</b>	<b>27,810</b>	<b>67,048</b>	<b>69,891</b>	<b>47,706</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>25,044</b>	<b>27,810</b>	<b>67,048</b>	<b>69,891</b>	<b>47,706</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	19,000	19,000	19,000	19,000	19,000
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>

Prepared on Australian Accounting Standards basis.



### **3.2.4 Notes to the financial statements**

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