

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN SECRET INTELLIGENCE SERVICE

| | |
|---|------------|
| SECTION 1: ENTITY OVERVIEW AND RESOURCES | 127 |
| 1.1 Strategic direction statement | 127 |
| 1.2 Entity resource statement..... | 128 |
| SECTION 2: OUTCOMES AND PLANNED PERFORMANCE | 129 |
| 2.1 Budgeted expenses and performance for Outcome 1 | 130 |
| SECTION 3: BUDGETED FINANCIAL STATEMENTS | 131 |
| 3 Budgeted financial statements..... | 131 |
| 3.2 Budgeted financial statements tables | 132 |

AUSTRALIAN SECRET INTELLIGENCE SERVICE

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2020-21 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 provide assistance to the Defence Force in support of military operations and to co-operate with the Defence Force on intelligence matters;
- (d) to conduct counter-intelligence activities;
- (e) to liaise with intelligence or security services, or other authorities, of other countries;
- (f) to co-operate with and assist ASD, AGO, ASIO and other Commonwealth and State authorities in the performance of their functions; and
- (g) 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 funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ASIS resource statement — Budget estimates for 2020-21 as at Budget October 2020

| | <i>2019-20</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i> | <i>2020-21</i> <i>Estimate</i> <i>\$'000</i> |
|--|--|--|
| Departmental | | |
| Annual appropriations - ordinary annual services (a) | | |
| Prior year appropriations available | 142,300 | 168,657 |
| Departmental appropriation (b) | 326,558 | 306,866 |
| s74 External Revenue (c) | 97,200 | 94,000 |
| Departmental capital budget (d) | 18,762 | 17,540 |
| Annual appropriations - other services - non-operating (e) | | |
| Equity injection | 53,503 | 43,261 |
| Total departmental annual appropriations | 638,323 | 630,324 |
| Total departmental resourcing | 638,323 | 630,324 |
| Total resourcing for ASIS | 638,323 | 630,324 |

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (i.e. appropriations available) basis.

(a) Appropriation Bill (No. 1) 2020-21.

(b) Excludes Departmental Capital Budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the *PGPA Act 2013*.

(d) Departmental Capital Budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Appropriation Bill (No. 2) 2020-21.

Section 2: Outcomes and planned performance

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 entities achieve the intended results of their outcome statements. Entities 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. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

2.1 BUDGETED EXPENSES AND PERFORMANCE 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

Budgeted expenses for Outcome 1

This table shows how much ASIS intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1.1: Budgeted expenses 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 | | | | | |
|---|------------------|----------------|-------------------|-------------------|-------------------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| | Estimated actual | Budget | Forw ard estimate | Forw ard estimate | Forw ard estimate |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Program 1.1: Secret Intelligence | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | 237,590 | 230,149 | 235,190 | 230,482 | 231,070 |
| s74 External Revenue (a) | 72,900 | 70,500 | 71,250 | 65,250 | 68,250 |
| Expenses not requiring appropriation in the Budget year (b) | 29,189 | 25,969 | 34,517 | 37,191 | 39,827 |
| Departmental total | 339,679 | 326,618 | 340,957 | 332,923 | 339,147 |
| Total expenses for program 1.1 | 339,679 | 326,618 | 340,957 | 332,923 | 339,147 |
| Departmental expenses | | | | | |
| Departmental appropriation | 79,196 | 76,717 | 78,397 | 76,827 | 77,024 |
| s74 External Revenue (a) | 24,300 | 23,500 | 23,750 | 21,750 | 22,750 |
| Expenses not requiring appropriation in the Budget year (b) | 9,729 | 8,656 | 11,505 | 12,397 | 13,275 |
| Departmental total | 113,225 | 108,873 | 113,652 | 110,974 | 113,049 |
| Total expenses for program 1.2 | 113,225 | 108,873 | 113,652 | 110,974 | 113,049 |
| Outcome 1 Totals by appropriation type | | | | | |
| Departmental expenses | | | | | |
| Departmental appropriation | 316,786 | 306,866 | 313,587 | 307,309 | 308,094 |
| s74 External Revenue (a) | 97,200 | 94,000 | 95,000 | 87,000 | 91,000 |
| Expenses not requiring appropriation in the Budget year (b) | 38,918 | 34,625 | 46,022 | 49,588 | 53,102 |
| Departmental total | 452,904 | 435,491 | 454,609 | 443,897 | 452,196 |
| Total expenses for Outcome 1 | 452,904 | 435,491 | 454,609 | 443,897 | 452,196 |

(a) Estimated expenses incurred in relation to retained receipts under section 74 of the *PGPA Act 2013*.

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

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

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of ASIS' finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

| | 2019-20 Estimated actual \$'000 | 2020-21 Budget \$'000 | 2021-22 Forw ard estimate \$'000 | 2022-23 Forw ard estimate \$'000 | 2023-24 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| EXPENSES | | | | | |
| Total expenses (a) | 452,904 | 435,491 | 454,609 | 443,897 | 452,196 |
| LESS: | | | | | |
| OWN-SOURCE INCOME | | | | | |
| Own-source revenue | | | | | |
| Other | 97,200 | 94,000 | 95,000 | 87,000 | 91,000 |
| Total own-source revenue | 97,200 | 94,000 | 95,000 | 87,000 | 91,000 |
| Total own-source income | 97,200 | 94,000 | 95,000 | 87,000 | 91,000 |
| Net (cost of)/contribution by services | (355,704) | (341,491) | (359,609) | (356,897) | (361,196) |
| Revenue from Government | 326,558 | 306,866 | 313,587 | 307,309 | 308,094 |
| Surplus/(deficit) attributable to the Australian Government | (29,146) | (34,625) | (46,022) | (49,588) | (53,102) |
| Total comprehensive income/(loss) attributable to the Australian Government | (29,146) | (34,625) | (46,022) | (49,588) | (53,102) |

Note: Impact of net cash appropriation arrangements

| | 2019-20 \$'000 | 2020-21 \$'000 | 2021-22 \$'000 | 2022-23 \$'000 | 2023-24 \$'000 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, principal repayments on leased assets | 9,772 | - | - | - | - |
| less: Depreciation/amortisation expenses previously funded through revenue appropriations (b) | 38,918 | 34,625 | 46,022 | 49,588 | 53,102 |
| Total comprehensive income/(loss) - as per the statement of comprehensive income | (29,146) | (34,625) | (46,022) | (49,588) | (53,102) |

Prepared on Australian Accounting Standards basis.

(a) Includes depreciation on ROU assets.

(b) From 2010-11, the Government introduced net cash appropriation arrangements. This involved 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.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

| | 2019-20 Estimated actual \$'000 | 2020-21 Budget \$'000 | 2021-22 Forw ard estimate \$'000 | 2022-23 Forw ard estimate \$'000 | 2023-24 Forw ard estimate \$'000 |
|--|--|-----------------------------|---|---|---|
| ASSETS | | | | | |
| Financial assets | 178,376 | 178,732 | 179,316 | 179,987 | 180,744 |
| Non-financial assets | 324,936 | 351,112 | 346,719 | 338,751 | 326,077 |
| Total assets | 503,312 | 529,844 | 526,035 | 518,738 | 506,821 |
| LIABILITIES | | | | | |
| Payables (a) | 103,279 | 103,279 | 103,462 | 103,713 | 104,032 |
| Provisions | 59,051 | 59,407 | 59,808 | 60,228 | 60,666 |
| Total liabilities | 162,330 | 162,686 | 163,270 | 163,941 | 164,698 |
| Net assets | 340,982 | 367,158 | 362,765 | 354,797 | 342,123 |
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 440,094 | 500,895 | 542,524 | 584,144 | 624,572 |
| Reserves | 81,105 | 81,105 | 81,105 | 81,105 | 81,105 |
| Retained surplus (accumulated deficit) | (180,217) | (214,842) | (260,864) | (310,452) | (363,554) |
| Total parent entity interest | 340,982 | 367,158 | 362,765 | 354,797 | 342,123 |
| Total equity | 340,982 | 367,158 | 362,765 | 354,797 | 342,123 |

Prepared on Australian Accounting Standards basis.

(a) Includes interest-bearing liabilities.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020-21)

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Other reserves \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|-----------------------------|-------------------------------------|--------------------------|--|------------------------|
| Opening balance as at 1 July 2020 | | | | | |
| Balance carried forward from previous period | (180,217) | | 81,105 | 440,094 | 340,982 |
| Adjusted opening balance | (180,217) | - | 81,105 | 440,094 | 340,982 |
| Comprehensive income | | | | | |
| Surplus/(deficit) for the period | (34,625) | | | | (34,625) |
| Total comprehensive income | (34,625) | - | - | - | (34,625) |
| of which: | | | | | |
| Attributable to the Australian Government | (34,625) | - | - | - | (34,625) |
| Transactions with owners | | | | | |
| Contributions by owners | | | | | |
| Equity injection - Appropriation | - | - | - | 43,261 | 43,261 |
| Departmental Capital Budget (DCB) | - | - | - | 17,540 | 17,540 |
| Sub-total transactions with owners | - | - | - | 60,801 | 60,801 |
| Estimated closing balance as at 30 June 2021 | (214,842) | - | 81,105 | 500,895 | 367,158 |
| Closing balance attributable to the Australian Government | (214,842) | - | 81,105 | 500,895 | 367,158 |

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | 2019-20 Estimated actual \$'000 | 2020-21 Budget \$'000 | 2021-22 Forward estimate \$'000 | 2022-23 Forward estimate \$'000 | 2023-24 Forward estimate \$'000 |
|---|--|-----------------------------|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations | 298,747 | 306,510 | 313,003 | 306,638 | 307,336 |
| Other | 101,927 | 94,000 | 95,000 | 87,000 | 91,000 |
| Total cash received | 400,674 | 400,510 | 408,003 | 393,638 | 398,336 |
| Cash used | | | | | |
| Other | 397,045 | 400,510 | 408,003 | 393,638 | 398,336 |
| Total cash used | 397,045 | 400,510 | 408,003 | 393,638 | 398,336 |
| Net cash from/(used by) operating activities | 3,629 | - | - | - | - |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Other | 490 | - | - | - | - |
| Total cash received | 490 | - | - | - | - |
| Cash used | | | | | |
| Other | 77,535 | 60,801 | 41,629 | 41,620 | 40,428 |
| Total cash used | 77,535 | 60,801 | 41,629 | 41,620 | 40,428 |
| Net cash from/(used by) investing activities | (77,045) | (60,801) | (41,629) | (41,620) | (40,428) |
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Other | 67,653 | 60,801 | 41,629 | 41,620 | 40,428 |
| Total cash received | 67,653 | 60,801 | 41,629 | 41,620 | 40,428 |
| Net cash from/(used by) financing activities | 67,653 | 60,801 | 41,629 | 41,620 | 40,428 |
| Net increase/(decrease) in cash held | (5,763) | - | - | - | - |
| Cash and cash equivalents at the beginning of the reporting period | 61,214 | 55,451 | 55,451 | 55,451 | 55,451 |
| Cash and cash equivalents at the end of the reporting period | 55,451 | 55,451 | 55,451 | 55,451 | 55,451 |

Prepared on Australian Accounting Standards basis.