

AUSTRALIAN SECRET INTELLIGENCE SERVICE

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AUSTRALIAN SECRET INTELLIGENCE SERVICE

Section 1: Overview

This section provides a general overview of the agency, its purpose and highlights of planned achievements for the Budget year.

The introductory part of this section should provide a summary description of the agency's role, objectives, governing legislation, statement of expectations and intent, and the strategy for the Budget year.

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.

1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the agency (outputs and administered policies, products and services) which contribute to achievement of outcomes for ASIS are summarised in Table 1.1.

Table 1.1: Contribution to outcomes

Outcome	Description	Output groups
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 Group 1.1 Secret Intelligence
		Output Group 1.2 Other Services

Section 2: Resources for 2007-08

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total appropriation for the ASIS in the 2007-08 Budget is \$162.5 million.

Table 2.1: Appropriations and other resources 2007-08 ('000)

Agency/Outcome/ Non-operating	Departmental			Administered				Total	
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation SPP \$'000	Other (b) \$'000		Special Appropriation \$'000
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.	148,734	13,749	-	17,400	-	-	-	-	-
Equity injections									
Loans									
Previous years' outputs									
Administered assets and liabilities									
Special capital									
Appropriation									
TOTAL	148,734	13,749	-	17,400	-	-	-	-	179,883

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used.

(b) Includes new administered expenses and administered assets and liabilities.

Notes:

- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new administered expenses within new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans. "New administered expenses within new outcomes" does not include revisions to existing outcomes, for example following restructuring of outcomes; or revisions to outcomes following an AAO change where new administered items are not involved.
- Refer to Budgeted Income Statement for application of agency revenue.

2.2 2007-08 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	Output groups affected	Appropriations budget			Appropriations forward estimate 2008-09 \$'000			Appropriations forward estimate 2009-10 \$'000			Appropriations forward estimate 2010-11 \$'000		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Border Security Strategy Anti-People Smuggling - enhanced intelligence collection	1	1.1	-	1,629	1,629	-	2,585	2,585	-	2,372	2,372	-	2,421	2,421
		1.2												

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by ASIS for provision of goods or services. These resources are approved for use by the ASIS and are included in Table 2.1.

Table 2.3: Other resources available to be used¹

	Estimated receipts 2006-07 \$'000	Budget estimate 2007-08 \$'000
Departmental resources		
Sale of goods and services (FMA Act s.31) ²	23,661	17,301
Resources recived free of charge	97	99
Total departmental other resources available to be used	23,758	17,400

Notes:

1. This table represents own source receipts available for spending on departmental purposes.
2. *Financial Management and Accountability Act 1997* (FMA Act) section 31 items are to be included as separate rows. Significant section 31 items are to be identified separately from other section 31 resources where appropriate.

2.6 MOVEMENTS IN 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*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by ASIS.

Table 2.6: Estimates of Special Account cash flows and balances

Name of account (D)	Outcome	Opening	Receipts	Payments	Adjustments	Closing
		balance 2007-08 2006-07	2007-08 2006-07	2007-08 2006-07	2007-08 2006-07	balance 2007-08 2006-07
		\$'000	\$'000	\$'000	\$'000	\$'000
Name of account (D)						
Other Trust Moneys Special Special Account (D) s20 FMA Act	1	-	-	-	-	-
Name of account (D)						
Services for Other Governments & Non-Agency Bodies Account (D) s20FMA Act	1	-	-	-	-	-
Total special accounts 2007-08 Budget estimate		-	-	-	-	-
Total special accounts 2006-07 estimate actual		-	-	-	-	-

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*.

Section 3: Outcomes

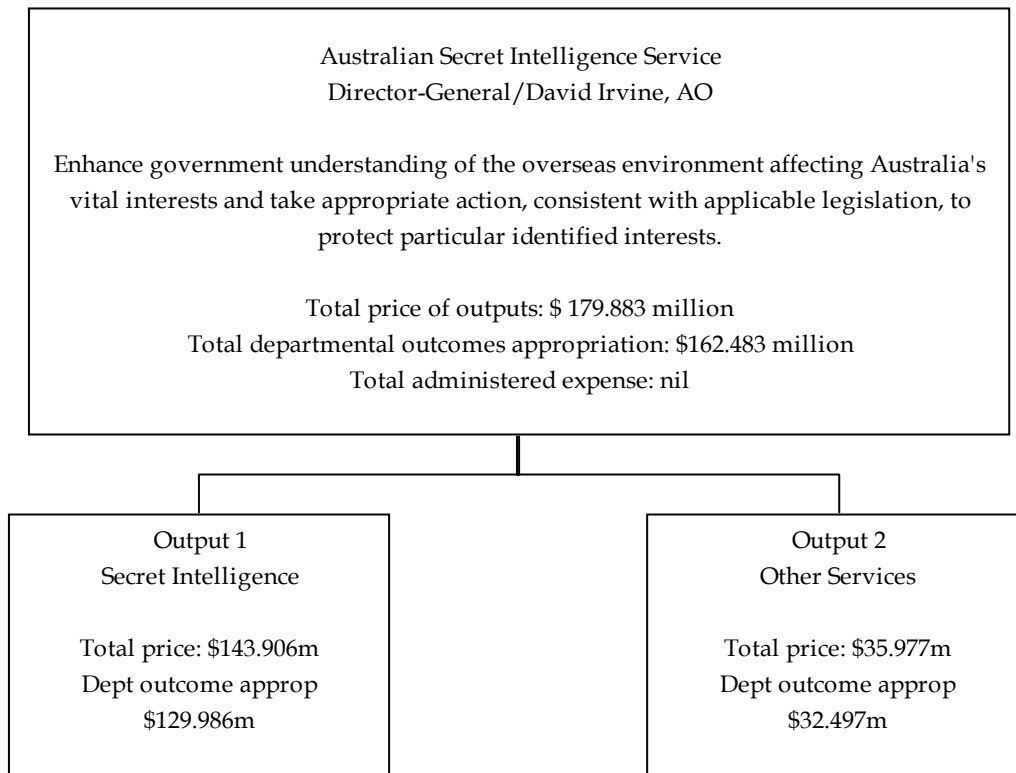
General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer items on behalf of the Government (administered items).

This section summarises how the resources identified in Section 2 will be used to contribute to the outcome for ASIS. Emphasis is placed on estimating the contribution to outcomes through administered items and outputs delivered by the agency. Key performance measures and performance evaluation activities are specified for each outcome. More detailed information on output and administered item attributes is maintained by agencies for internal management purposes.

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of ASIS and the outcomes is summarised in Figure 2.

Figure 2: Contributions to outcomes



3.2 OUTCOME RESOURCES AND PERFORMANCE INFORMATION

3.2.1 Outcome 1 resourcing

Table 3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

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

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
Administered appropriations	-	-
Total administered appropriations	-	-
Departmental appropriations		
Output Group 1.1 - Secret Intelligence	115,581	129,986
Subtotal Output Group 1.1		
Departmental appropriations		
Output Group 1.2 - Other Services	28,895	32,497
Subtotal Output Group 1.2		
Total revenue from government (appropriations) Contributing to price of departmental outputs	144,476	162,483
Revenue from other sources		
Sale of goods and services	23,050	16,686
Recourses received free of charge	97	99
Other Revenue	611	615
Total revenue from other sources	23,758	17,400
Total price from departmental outputs (Total revenue from government and from other sources)	168,234	179,883
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	168,234	179,883

3.2.2 Measures affecting Outcome 1

Border Security Strategy Anti-People Smuggling - enhanced intelligence collection

Total Resourcing¹: Outcome 1 will receive \$9.2 million over four years. The annual funding will be \$1.5 million in 2007-08, \$2.4 million in 2008-09, \$2.4 million in 2009-10 and \$2.5 million in 2010-11 under Appropriation Bill No.1. Under Appropriation bill No .2 the annual funding will be \$0.2 million in 2007-08 and \$0.2 million in 2008-09.

3.2.4 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.

3.2.5 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.

¹ Total resourcing in some cases is higher than figures contained in Budget Paper No. 2 Budget Measures 2007-08, arising from funding of depreciation and other items that do not have an impact on fiscal and underlying cash balances.

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 income statement (for the period ended 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	124,020	148,734	164,164	176,750	176,824
Goods and services	23,050	16,686	17,086	17,486	17,791
Other	508	514	519	523	526
Total revenue	147,578	165,934	181,769	194,759	195,141
Gains					
Sale of assets	200	200	200	200	200
Total gains	200	200	200	200	200
Total income	147,778	166,134	181,969	194,959	195,341
EXPENSE					
Total expenses	147,778	166,134	181,969	194,959	195,341
Surplus (deficit) attributable to the Australian Government	-	-	-	-	-

Table 5.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Total financial assets	17,960	20,763	23,495	26,246	27,058
Non-financial assets					
Total non-financial assets	90,479	104,227	119,040	126,760	126,760
Total assets	108,439	124,990	142,535	153,006	153,818
LIABILITIES					
Interest bearing liabilities					
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Total provisions	16,476	18,385	20,393	22,505	22,871
Payables					
Total payables	5,735	6,628	7,352	7,991	8,437
Total liabilities	22,211	25,013	27,745	30,496	31,308
Net assets	86,228	99,977	114,790	122,510	122,510
EQUITY*					
Parent entity interest					
Contributed equity	32,768	46,517	61,330	69,050	69,050
Reserves	27,429	27,429	27,429	27,429	27,429
Retained surpluses or accumulated deficits	26,031	26,031	26,031	26,031	26,031
Total parent entity interest	86,228	99,977	114,790	122,510	122,510
Total equity	86,228	99,977	114,790	122,510	122,510
Current assets	18,776	21,579	24,311	27,062	27,874
Non-current assets	89,663	103,411	118,224	125,944	125,944
Current liabilities	17,327	18,871	21,334	23,306	23,513
Non-current liabilities	4,884	6,143	6,411	7,191	7,795

*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)

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	24,493	18,287	18,776	19,232	19,515
Appropriations	124,020	148,734	164,164	176,750	176,824
Other	4,732	5,477	5,943	6,323	6,326
Total cash received	153,245	172,498	188,883	202,305	202,665
Cash used					
Total cash used	176,707	158,114	170,907	182,379	184,292
Net cash from or (used by) operating activities	(23,462)	14,384	17,976	19,926	18,373
INVESTING ACTIVITIES					
Cash received					
Total cash received	200	200	200	200	200
Cash used					
Total cash used	29,965	26,117	30,705	25,372	17,652
Net cash from or (used by) investing activities	(29,765)	(25,917)	(30,505)	(25,172)	(17,452)
FINANCING ACTIVITIES					
Cash received					
Total cash received	20,456	13,749	14,813	7,720	-
Cash used					
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	20,456	13,749	14,813	7,720	-
Net increase or (decrease) in cash held	(32,771)	2,216	2,284	2,474	921
Cash at the end of the reporting period	10,944	13,160	15,444	17,918	18,839

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget year 2007-08)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	26,031	27,429	-	32,768	86,228
Adjustment for changes in accounting policies					
Adjusted opening balance	26,031	27,429	-	32,768	86,228
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Surplus (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	13,749	13,749
Sub-total transactions with owners	-	-	-	13,749	13,749
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2008	26,031	27,429	-	46,517	99,977

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.