

Australian Secret Intelligence Service (ASIS)

Entity resources and planned performance

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

- Section 1: Entity overview and resources 130**
 - 1.1 Strategic direction statement 130
 - 1.2 Entity resource statement 131
 - 1.3 Budget measures 132

- Section 2: Outcomes and planned performance 133**
 - 2.1 Budgeted expenses and performance for Outcome 1 134

- Section 3: Budgeted financial statements 135**
 - 3.2 Budgeted financial statements tables 136

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2017-18 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' table 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 2017-18 as at Budget May 2017

	<i>2016-17 Estimated actual \$'000</i>	<i>2017-18 Estimate \$'000</i>
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	103,942	105,782
Departmental appropriation	257,659	256,805
s 74 retained revenue receipts (b)	63,500	79,000
Departmental capital budget (c)	18,499	15,234
Annual appropriations - other services - non-operating (d)		
Equity injection	20,879	48,796
<i>Total departmental annual appropriations</i>	<i>464,479</i>	<i>505,617</i>
Total departmental resourcing	464,479	505,617
Total resourcing for ASIS	464,479	505,617

Prepared on a resourcing (that is, appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

(a) Appropriation Bill (No.1) 2017-18.

(b) Estimated retained revenue receipts under s 74 of the PGPA Act.

(c) 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'.

(d) Appropriation Bill (No.2) 2017-18.

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 2017-18 Budget measures

Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)

		2016-17	2017-18	2018-19	2019-20	2020-21
	Program	\$'000	\$'000	\$'000	\$'000	\$'000
Expense measures						
National Security - Australian Secret Intelligence Service - additional funding	1.1, 1.2					
Departmental expenses		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Capital measures						
National Security - Australian Secret Intelligence Service - additional funding	1.1, 1.2					
Departmental capital		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp

Prepared on a Government Finance Statistics (fiscal) basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
Program 1.1: Secret Intelligence					
Departmental expenses					
Departmental appropriation	193,244	192,604	193,844	197,859	204,946
s 74 Retained revenue receipts (a)	47,625	59,250	62,250	64,500	66,375
Expenses not requiring appropriation in the Budget year (b)	18,478	22,847	27,896	29,429	28,128
Departmental total	259,347	274,701	283,990	291,788	299,449
Total expenses for program 1.1	259,347	274,701	283,990	291,788	299,449
Program 1.2: Other Services					
Departmental expenses					
Departmental appropriation	64,415	64,201	64,614	65,953	68,315
s 74 Retained revenue receipts (a)	15,875	19,750	20,750	21,500	22,125
Expenses not requiring appropriation in the Budget year (b)	6,159	7,615	9,298	9,809	9,376
Departmental total	86,449	91,566	94,662	97,262	99,816
Total expenses for program 1.2	86,449	91,566	94,662	97,262	99,816
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	257,659	256,805	258,458	263,812	273,261
s74 Retained revenue receipts (a)	63,500	79,000	83,000	86,000	88,500
Expenses not requiring appropriation in the Budget year (b)	24,637	30,462	37,194	39,238	37,504
Departmental total	345,796	366,267	378,652	389,050	399,265
Total expenses for Outcome 1	345,796	366,267	378,652	389,050	399,265

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

(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 2017-18 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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
EXPENSES					
Total expenses	345,796	366,267	378,652	389,050	399,265
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	63,500	79,000	83,000	86,000	88,500
Total own-source revenue	63,500	79,000	83,000	86,000	88,500
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	63,500	79,000	83,000	86,000	88,500
Net (cost of)/contribution by services	(282,296)	(287,267)	(295,652)	(303,050)	(310,765)
Revenue from Government	257,659	256,805	258,458	263,812	273,261
Surplus/(deficit) attributable to the Australian Government	(24,637)	(30,462)	(37,194)	(39,238)	(37,504)
Total comprehensive income/(loss) attributable to the Australian Government	(24,637)	(30,462)	(37,194)	(39,238)	(37,504)

Note: Impact of net cash appropriation arrangements

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	24,637	30,462	37,194	39,238	37,504
Total comprehensive income/(loss) - as per the statement of comprehensive income	(24,637)	(30,462)	(37,194)	(39,238)	(37,504)

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
ASSETS					
Financial assets	105,782	108,007	109,369	111,098	113,273
Non-financial assets	168,741	202,310	227,370	246,561	246,579
Total assets	274,523	310,317	336,739	357,659	359,852
LIABILITIES					
Payables	44,550	45,100	45,650	46,200	46,750
Interest bearing liabilities	-	-	-	-	-
Provisions	45,232	46,908	47,720	48,898	50,524
Total liabilities	89,782	92,008	93,370	95,098	97,274
Net assets	184,741	218,309	243,369	262,561	262,578
EQUITY*					
Parent entity interest					
Contributed equity	219,378	283,408	345,662	404,092	441,613
Reserves	80,000	80,000	80,000	80,000	80,000
Retained surplus (accumulated deficit)	(114,637)	(145,099)	(182,293)	(221,531)	(259,035)
Total parent entity interest	184,741	218,309	243,369	262,561	262,578
Total equity	184,741	218,309	243,369	262,561	262,578

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

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017					
Balance carried forward from previous period	(114,637)	-	80,000	219,378	184,741
Adjusted opening balance	(114,637)	-	80,000	219,378	184,741
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(30,462)	-	-	-	(30,462)
Total comprehensive income	(30,462)	-	-	-	(30,462)
of which:					
Attributable to the Australian Government	(30,462)	-	-	-	(30,462)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	48,796	48,796
Departmental capital budget (DCB)	-	-	-	15,234	15,234
Sub-total transactions with owners	-	-	-	64,030	64,030
Estimated closing balance as at 30 June 2018	(145,099)	-	80,000	283,408	218,309
Closing balance attributable to the Australian Government	(145,099)	-	80,000	283,408	218,309

Prepared on Australian Accounting Standards basis.

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

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	256,877	254,579	257,096	262,084	271,085
Other	63,500	79,000	83,000	86,000	88,500
Total cash received	320,377	333,579	340,096	348,084	359,585
Cash used					
Other	320,377	333,579	340,096	348,084	359,585
Total cash used	320,377	333,579	340,096	348,084	359,585
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	39,378	64,030	62,254	58,430	37,521
Total cash used	39,378	64,030	62,254	58,430	37,521
Net cash from/(used by) investing activities	(39,378)	(64,030)	(62,254)	(58,430)	(37,521)
FINANCING ACTIVITIES					
Cash received					
Other	39,378	64,030	62,254	58,430	37,521
Total cash received	39,378	64,030	62,254	58,430	37,521
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	39,378	64,030	62,254	58,430	37,521
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	30,000	30,000	30,000	30,000	30,000
Cash and cash equivalents at the end of the reporting period	30,000	30,000	30,000	30,000	30,000

Prepared on Australian Accounting Standards basis.