

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 2018-19 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 2018-19 as at Budget May 2018

	<i>2017-18 Estimated actual \$'000</i>	<i>2018-19 Estimate \$'000</i>
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	94,351	104,992
Departmental appropriation	283,084	302,979
s74 Retained revenue receipts (b)	83,000	89,600
Departmental capital budget (c)	15,234	16,852
Annual appropriations - other services - non-operating (d)		
Equity injection	52,671	57,795
Total departmental annual appropriations	<u>528,340</u>	<u>572,218</u>
Total departmental resourcing	528,340	572,218
Total resourcing for ASIS	528,340	572,218

(a) Appropriation Bill (No.1) 2018-19.

(b) Estimated retained revenue receipts under section 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) 2018-19.

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.

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 2018-19 Budget measures

Part 1: Measures announced since the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	2017-18	2018-19	2019-20	2020-21	2021-22
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 expense measures	-	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 capital measures	-	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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
Program 1.1: Secret Intelligence					
Departmental expenses					
Departmental appropriation	212,313	227,234	235,550	216,497	221,580
s74 Retained revenue receipts (a)	62,250	67,200	68,550	65,850	67,125
Expenses not requiring appropriation in the Budget year (b)	17,771	23,819	33,623	41,022	50,016
Departmental total	292,334	318,253	337,723	323,369	338,721
Total expenses for program 1.1	292,334	318,253	337,723	323,369	338,721
Program 1.2: Other Services					
Departmental expenses					
Departmental appropriation	70,771	75,745	78,516	72,166	73,860
s74 Retained revenue receipts (a)	20,750	22,400	22,850	21,950	22,375
Expenses not requiring appropriation in the Budget year (b)	5,924	7,940	11,208	13,674	16,672
Departmental total	97,445	106,085	112,574	107,790	112,907
Total expenses for program 1.2	97,445	106,085	112,574	107,790	112,907
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	283,084	302,979	314,066	288,663	295,440
s74 Retained revenue receipts (a)	83,000	89,600	91,400	87,800	89,500
Expenses not requiring appropriation in the Budget year (b)	23,695	31,759	44,831	54,696	66,688
Departmental total	389,779	424,338	450,297	431,159	451,628
Total expenses for Outcome 1	389,779	424,338	450,297	431,159	451,628

(a) Estimated expenses incurred in relation to receipts under section 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 2018-19 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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
EXPENSES					
Total expenses	389,779	424,338	450,297	431,159	451,628
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	83,000	89,600	91,400	87,800	89,500
Total own-source revenue	83,000	89,600	91,400	87,800	89,500
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	83,000	89,600	91,400	87,800	89,500
Net (cost of)/contribution by services	(306,779)	(334,738)	(358,897)	(343,359)	(362,128)
Revenue from Government	283,084	302,979	314,066	288,663	295,440
Surplus/(deficit) attributable to the Australian Government	(23,695)	(31,759)	(44,831)	(54,696)	(66,688)
Total comprehensive income/(loss) attributable to the Australian Government	(23,695)	(31,759)	(44,831)	(54,696)	(66,688)

Note: Impact of net cash appropriation arrangements

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	23,695	31,759	44,831	54,696	66,688
Total comprehensive income/(loss) - as per the statement of comprehensive income	(23,695)	(31,759)	(44,831)	(54,696)	(66,688)

(a) 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) being 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)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
ASSETS					
Financial assets	104,992	109,420	111,921	108,133	109,974
Non-financial assets	223,210	266,099	286,514	277,063	251,175
Total assets	328,202	375,519	398,435	385,196	361,149
LIABILITIES					
Payables	34,550	35,100	35,650	36,200	36,750
Interest bearing liabilities	-	-	-	-	-
Provisions	57,442	61,321	63,272	58,933	60,224
Total liabilities	91,992	96,421	98,922	95,133	96,974
Net assets	236,210	279,098	299,513	290,063	264,175
EQUITY*					
Parent entity interest					
Contributed equity	286,905	361,552	426,799	472,045	512,845
Reserves	82,000	82,000	82,000	82,000	82,000
Retained surplus (accumulated deficit)	(132,695)	(164,454)	(209,286)	(263,982)	(330,670)
Total parent entity interest	236,210	279,098	299,513	290,063	264,175
Total equity	236,210	279,098	299,513	290,063	264,175

* '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 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018					
Balance carried forward from previous period	(132,695)	-	82,000	286,905	236,210
Adjusted opening balance	(132,695)	-	82,000	286,905	236,210
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(31,759)	-	-	-	(31,759)
Total comprehensive income	(31,759)	-	-	-	(31,759)
of which:					
Attributable to the Australian Government	(31,759)	-	-	-	(31,759)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	57,795	57,795
Departmental Capital Budget (DCB)	-	-	-	16,852	16,852
Sub-total transactions with owners	-	-	-	74,647	74,647
Estimated closing balance as at 30 June 2019	(164,454)	-	82,000	361,552	279,098
Closing balance attributable to the Australian Government	(164,454)	-	82,000	361,552	279,098

Prepared on Australian Accounting Standards basis.

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

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	272,092	298,552	311,566	292,449	293,599
Other	83,000	89,600	91,400	87,800	89,500
Total cash received	355,092	388,152	402,966	380,249	383,099
Cash used					
Other	355,092	388,152	402,966	380,249	383,099
Total cash used	355,092	388,152	402,966	380,249	383,099
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	67,905	74,647	65,247	45,245	40,800
Total cash used	67,905	74,647	65,247	45,245	40,800
Net cash from/(used by) investing activities	(67,905)	(74,647)	(65,247)	(45,245)	(40,800)
FINANCING ACTIVITIES					
Cash received					
Other	67,905	74,647	65,247	45,245	40,800
Total cash received	67,905	74,647	65,247	45,245	40,800
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	67,905	74,647	65,247	45,245	40,800
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	42,000	42,000	42,000	42,000	42,000
Cash and cash equivalents at the end of the reporting period	42,000	42,000	42,000	42,000	42,000

Prepared on Australian Accounting Standards basis.