

Australian Secret Intelligence Service (ASIS)

Agency Resources and Planned Performance

AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

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AUSTRALIAN SECRET INTELLIGENCE SERVICE (ASIS)

Section 1: Agency Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

In 2014-15 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:

- to obtain, in accordance with the Government's requirements, intelligence about the capabilities, intentions or activities of people or organisations outside Australia;
- to communicate, in accordance with the Government's requirements, such intelligence;
- to conduct counter-intelligence activities;
- to liaise with intelligence or security services, or other authorities, of other countries; and
- 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 AGENCY 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 2014-15 as at Budget May 2014

	Estimate of prior year amounts available in	+	Proposed at Budget	=	Total estimate		Actual available appropriation
	2014-15 \$'000		2014-15 \$'000		2014-15 \$'000		2013-14 \$'000
Ordinary annual services¹							
Departmental appropriation							
Prior year departmental appropriation ²	78,828		-		78,828		72,735
Departmental appropriation ³	-		220,750		220,750		214,417
s31 Relevant agency receipts ⁴	-		34,500		34,500		37,465
Total	78,828		255,250		334,078		324,617
Total ordinary annual services	A 78,828		255,250		334,078		324,617
Other services⁵							
Departmental non-operating							
Equity injections	-		2,744		2,744		2,916
Total	-		2,744		2,744		2,916
Total other services	B -		2,744		2,744		2,916
Total resourcing							
A+B	78,828		257,994		336,822		327,533
Total net resourcing for ASIS	78,828		257,994		336,822		327,533

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount in 2014-15 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts — estimate.

5 Appropriation Bill (No.2) 2014-15.

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: Agency 2014-15 Budget measures

Part 1: Measures announced since the 2013-14 MYEFO

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Expense measures						
Efficiency dividend – a further temporary increase of 0.25 per cent ¹						
	Departmental expenses	1.1	-	(395)	(770)	(1,035)
	Departmental expenses	1.2	-	(132)	(257)	(345)
	Total		-	(527)	(1,027)	(1,380)
	Total expense measures		-	(527)	(1,027)	(1,380)
Capital measures						
Efficiency dividend – a further temporary increase of 0.25 per cent ¹						
	Departmental capital	1.1	-	(29)	(59)	(73)
	Departmental capital	1.2	-	(10)	(19)	(24)
	Total		-	(39)	(78)	(97)
	Total capital measures		-	(39)	(78)	(97)

1 The Efficiency dividend was announced in the 2014-15 Budget but not previously reported in a portfolio statement.

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 agencies achieve the intended results of their outcome statements. Agencies 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

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.	2013-14 Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Programme 1.1: Secret Intelligence		
Departmental expenses		
Departmental appropriation ¹	177,318	179,931
Expenses not requiring appropriation in the Budget year ²	16,030	16,028
Total for Programme 1.1	193,348	195,959
Programme 1.2: Other Services		
Departmental expenses		
Departmental appropriation ¹	59,106	59,976
Expenses not requiring appropriation in the Budget year ²	5,343	5,343
Total for Programme 1.2	64,449	65,319
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	236,424	239,907
Expenses not requiring appropriation in the Budget year ²	21,373	21,371
Total expenses for Outcome 1	257,797	261,278

1 Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

2 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.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses:	177,318	179,931	175,925	173,808	175,384
Expenses not requiring appropriation in the Budget year ¹	16,030	16,028	17,238	13,827	11,196
Total Programme expenses	193,348	195,959	193,163	187,635	186,580

¹ 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.

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses	59,106	59,976	58,642	57,936	58,461
Expenses not requiring appropriation in the Budget year ¹	5,343	5,343	5,746	4,609	3,732
Total Programme expenses	64,449	65,319	64,388	62,545	62,193

¹ 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 agency finances for the 2014-15 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

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Total expenses	257,797	261,278	257,551	250,181	248,774
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other revenue	37,465	34,500	34,500	34,500	34,500
Total own-source revenue	37,465	34,500	34,500	34,500	34,500
Gains					
Other gains	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	37,465	34,500	34,500	34,500	34,500
Net cost of (contribution by) services	220,332	226,778	223,051	215,681	214,274
Revenue from Government	198,959	205,407	200,067	197,244	199,345
Surplus (Deficit) attributable to the Australian Government	(21,373)	(21,371)	(22,984)	(18,437)	(14,929)
Total comprehensive income (loss) attributable to the Australian Government	(21,373)	(21,371)	(22,984)	(18,437)	(14,929)

Note: Impact of Net Cash Appropriation Arrangements

	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ¹	21,373	21,371	22,984	18,437	14,929
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(21,373)	(21,371)	(22,984)	(18,437)	(14,929)

¹ From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies 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)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets	78,211	78,492	77,458	76,942	77,438
Non-financial assets	138,054	134,770	127,004	125,386	124,225
Total assets	216,265	213,262	204,462	202,328	201,663
LIABILITIES					
Payables	25,576	25,320	24,941	24,741	24,890
Interest bearing liabilities	-	-	-	-	-
Provisions	34,688	35,225	34,570	34,254	34,601
Total liabilities	60,264	60,545	59,511	58,995	59,491
Net assets	156,001	152,717	144,951	143,333	142,172
EQUITY*					
Parent entity interest					
Contributed equity	126,374	144,461	159,679	176,498	190,265
Reserves	74,000	74,000	74,000	74,000	74,000
Retained surplus (accumulated deficit)	(44,373)	(65,744)	(88,728)	(107,165)	(122,093)
Total parent entity interest	156,001	152,717	144,951	143,333	142,172
Total Equity	156,001	152,717	144,951	143,333	142,172

* '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 2014-15)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2014					
Balance carried forward from previous period	(44,373)	-	74,000	126,374	156,001
Adjusted opening balance	(44,373)	-	74,000	126,374	156,001
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	(21,371)	-	-	-	(21,371)
Total comprehensive income	(21,371)	-	-	-	(21,371)
of which:					
Attributable to the Australian Government	(21,371)	-	-	-	(21,371)
Transactions with owners					
Contributions by owners					
Equity Injection - Appropriation	-	-	-	2,744	2,744
Departmental Capital Budget (DCBs)	-	-	-	15,343	15,343
Sub-total transactions with owners	-	-	-	18,087	18,087
Estimated closing balance as at 30 June 2015					
	(65,744)	-	74,000	144,461	152,717
Closing balance attributable to the Australian Government	(65,744)	-	74,000	144,461	152,717

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	193,748	205,127	201,101	197,760	198,849
Other	37,465	34,500	34,500	34,500	34,500
Total cash received	231,213	239,627	235,601	232,260	233,349
Cash used					
Other	235,160	239,627	235,601	232,260	233,349
Total cash used	235,160	239,627	235,601	232,260	233,349
Net cash from (used by) operating activities	(3,947)	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	21,427	18,087	15,218	16,819	13,767
Total cash used	21,427	18,087	15,218	16,819	13,767
Net cash from (used by) investing activities	(21,427)	(18,087)	(15,218)	(16,819)	(13,767)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	18,374	18,087	15,218	16,819	13,767
Total cash received	18,374	18,087	15,218	16,819	13,767
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) financing activities	18,374	18,087	15,218	16,819	13,767
Net increase (decrease) in cash held	(7,000)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	23,000	16,000	16,000	16,000	16,000
Cash and cash equivalents at the end of the reporting period	16,000	16,000	16,000	16,000	16,000

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 agency's transactions. ASIS is fully accountable for assets, liabilities, revenues and expenses in relation to the agency. ASIS has no administered transactions.

