

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 2019-20 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 2019-20 as at Budget April 2019

	<i>2018-19 (a)</i> <i>Estimated</i> <i>actual</i> \$'000	2019-20 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	100,612	103,316
Departmental appropriation	302,979	318,192
s74 External Revenue (c)	105,800	97,200
Departmental capital budget (d)	16,852	18,858
Annual appropriations - other services - non-operating (e)		
Equity injection	57,795	48,891
Total departmental annual appropriations	<u>584,038</u>	<u>586,457</u>
Total departmental resourcing	584,038	586,457

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

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

- (a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.
- (b) Appropriation Bill (No. 1) 2019-20.
- (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) 2019-20.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Secret Intelligence					
Departmental expenses					
Departmental appropriation	224,228	238,644	220,949	228,122	234,393
s74 External Revenue (a)	79,350	72,900	70,500	71,325	65,250
Expenses not requiring appropriation in the Budget year (b)	22,089	30,824	42,295	45,601	44,509
Departmental total	325,667	342,368	333,744	345,048	344,152
Total expenses for program 1.1	325,667	342,368	333,744	345,048	344,152
Program 1.2: Other Services					
Departmental expenses					
Departmental appropriation	74,742	79,548	73,650	76,041	78,131
s74 External Revenue (a)	26,450	24,300	23,500	23,775	21,750
Expenses not requiring appropriation in the Budget year (b)	7,363	10,275	14,098	15,200	14,836
Departmental total	108,555	114,123	111,248	115,016	114,717
Total expenses for program 1.2	108,555	114,123	111,248	115,016	114,717
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	298,970	318,192	294,599	304,163	312,524
s74 External Revenue (a)	105,800	97,200	94,000	95,100	87,000
Expenses not requiring appropriation in the Budget year (b)	29,452	41,099	56,393	60,801	59,345
Departmental total	434,222	456,491	444,992	460,064	458,869
Total expenses for Outcome 1	434,222	456,491	444,992	460,064	458,869

(a) Estimated expenses incurred in relation to receipts retained 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 2019-20 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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Total expenses	434,222	456,491	444,992	460,064	458,869
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	105,800	97,200	94,000	95,100	87,000
Total own-source revenue	105,800	97,200	94,000	95,100	87,000
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	105,800	97,200	94,000	95,100	87,000
Net (cost of)/contribution by services	(328,422)	(359,291)	(350,992)	(364,964)	(371,869)
Revenue from Government	298,970	318,192	294,599	304,163	312,524
Surplus/(deficit) attributable to the Australian Government	(29,452)	(41,099)	(56,393)	(60,801)	(59,345)
Total comprehensive income/(loss) attributable to the Australian Government	(29,452)	(41,099)	(56,393)	(60,801)	(59,345)

Note: Impact of net cash appropriation arrangements

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	29,452	41,099	56,393	60,801	59,345
Total comprehensive income/(loss) - as per the statement of comprehensive income	(29,452)	(41,099)	(56,393)	(60,801)	(59,345)

Prepared on Australian Accounting Standards basis.

- (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.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets	100,612	103,316	106,117	109,018	112,025
Non-financial assets	277,439	304,089	295,689	276,219	258,948
Total assets	378,051	407,405	401,806	385,237	370,973
LIABILITIES					
Payables	37,550	38,100	38,650	39,200	39,750
Provisions	51,062	53,216	55,467	57,818	60,275
Total liabilities	88,612	91,316	94,117	97,018	100,025
Net assets	289,439	316,089	307,689	288,219	270,948
EQUITY*					
Parent entity interest					
Contributed equity	367,891	435,640	483,633	524,964	567,038
Reserves	83,000	83,000	83,000	83,000	83,000
Retained surplus (accumulated deficit)	(161,452)	(202,551)	(258,944)	(319,745)	(379,090)
Total parent entity interest	289,439	316,089	307,689	288,219	270,948
Total equity	289,439	316,089	307,689	288,219	270,948

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	(161,452)		83,000	367,891	289,439
Adjusted opening balance	(161,452)	-	83,000	367,891	289,439
Comprehensive income					
Other comprehensive income					
Surplus/(deficit) for the period	(41,099)				(41,099)
Total comprehensive income	(41,099)	-	-	-	(41,099)
of which:					
Attributable to the Australian Government	(41,099)	-	-	-	(41,099)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	48,891	48,891
Departmental Capital Budget (DCB)	-	-	-	18,858	18,858
Sub-total transactions with owners	-	-	-	67,749	67,749
Estimated closing balance as at 30 June 2020	(202,551)	-	83,000	435,640	316,089
Closing balance attributable to the Australian Government	(202,551)	-	83,000	435,640	316,089

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	296,358	315,488	291,799	301,262	309,517
Other	105,800	97,200	94,000	95,100	87,000
Total cash received	402,158	412,688	385,799	396,362	396,517
Cash used					
Other	402,158	412,688	385,799	396,362	396,517
Total cash used	402,158	412,688	385,799	396,362	396,517
Net cash from/(used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	80,891	67,749	47,993	41,330	42,074
Total cash used	80,891	67,749	47,993	41,330	42,074
Net cash from/(used by) investing activities	(80,891)	(67,749)	(47,993)	(41,330)	(42,074)
FINANCING ACTIVITIES					
Cash received					
Other	80,891	67,749	47,993	41,330	42,074
Total cash received	80,891	67,749	47,993	41,330	42,074
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	80,891	67,749	47,993	41,330	42,074
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	49,000	49,000	49,000	49,000	49,000
Cash and cash equivalents at the end of the reporting period	49,000	49,000	49,000	49,000	49,000

Prepared on Australian Accounting Standards basis.