

## **AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION**

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## AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION

### Section 1: Agency overview

Under the provisions of the *Australian Security Intelligence Organisation Act 1979*, the Australian Security Intelligence Organisation (ASIO) assesses threats to national security. ASIO provides assessments, reports and briefings for Government decision makers and client agencies to help them manage risks and take appropriate steps to protect Australia, Australians and Australian interests from threats to security both here and abroad.

Security as defined in the ASIO Act is the protection of Australia and Australians from politically motivated violence (terrorism), communal violence, espionage, foreign interference, sabotage and attacks on Australia's defence system.

ASIO has special powers involving intrusive means to collect information relevant to security under the provisions of the ASIO Act and the Telecommunications (Interception) Act. It is not a function of ASIO to carry out or enforce measures for security. ASIO contributes to Australia's national counter-terrorism response working with other Commonwealth and State Government bodies such as the police. It also contributes to foreign intelligence collection in Australia at the request of the Minister for Foreign Affairs or Defence.

ASIO's outcome *A secure Australia for people and property, for government business and national infrastructure, and for special events of national and international significance* - which supports the Government's policy aim of 'A secure Australia in a secure region'.

The information provided in the ASIO Budget Statement has necessarily been limited by the need to observe the requirements of national security. This is consistent with current practice observed by ASIO in presenting its Annual Report, where all sensitive information is excluded in accordance with section 94 of the ASIO Act.

This Budget Statement contains broad information on appropriations and performance. Additional national security classified information is provided to the Attorney-General and the National Security Committee of Cabinet. This enables scrutiny of the detail of ASIO's appropriations and performance information related to outcomes and outputs.

**Table 1.1: Agency outcomes and output groups**

<b>Australian Security Intelligence Organisation</b> <b>Director General of Security: Mr Dennis Richardson</b>	
Total Price of Outputs	\$177.337m
Departmental Outcome Appropriation	\$171.727m
<b>Outcome 1: A secure Australia for people and property, for government business and national infrastructure, and for special events of national and international significance</b>	
Total Price of Outputs	\$177.337m
Departmental Outcome Appropriation	\$171.727m
<b>Output 1.1: Security intelligence</b>	
Total Price	\$177.337m
Appropriation	\$171.727m

## Section 2: Agency resources for 2005–06

### 2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from departmental appropriations (Bill 1) and departmental equity injections (Bill 2) for 2005–06 as well as revenue from other sources against ASIO’s outcome. ASIO does not receive special appropriations or appropriations for administered items.

The total appropriation for ASIO in the 2005–06 Budget is \$191.538m, comprising \$171.727m in departmental appropriations (Bill 1), \$5.610m in revenue from other sources and one off capital funding through departmental equity injections (Bill 2) of \$14.201m. Departmental equity injections comprise \$5.652m arising from the 2005–06 Budget measures and \$8.549m from measures announced in previous Budgets.

### 2.2: 2005–06 BUDGET MEASURES

Budget measures relating to ASIO’s outcome as explained in Budget Paper No. 2 are summarised in Tables 2.2.1 and 2.2.2. The tables identify the relevant outcomes and outputs associated with each measure.

**Table 2.1: Appropriations and other revenue 2005–06<sup>1</sup> ('000)**

Outcome	Appropriations				Revenue from Other Sources <sup>5</sup>		Total Resources <sup>7</sup>
	Bill No. 1	Bill No. 2 <sup>2</sup>	Special approp <sup>3</sup>	Total approp <sup>4</sup>		% <sup>6</sup>	
<b>Outcome 1</b> A secure Australia for people and property, for Government business and national infrastructure, and for special events of national and international significance.							
Departmental	171,727	-	-	171,727	5,610	3	177,337
<b>Total outcome 1</b>	<b>171,727</b>	<b>-</b>	<b>-</b>	<b>171,727</b>	<b>5,610</b>		<b>177,337</b>
Departmental capital (equity injections)	-	14,201	-	14,201	-		-
<b>Total resources</b>	<b>171,727</b>	<b>14,201</b>	<b>-</b>	<b>185,928</b>	<b>5,610</b>		<b>191,538</b>

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.

6 Percentage figures indicate the percentage contribution of Revenue from Government (departmental appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.

7 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

**Table 2.2.1: Summary of expense measures disclosed in the 2005–06 Budget (impact on fiscal balance)**

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)			Appropriations Forward Estimate 2007–08 (\$'000)			Appropriations Forward Estimate 2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Providing for Australia's Security - counter-terrorism intelligence cooperation and joint training centre	1	1	-	4,333	4,333	-	4,868	4,868	-	5,027	5,027	-	4,975	4,975
Providing for Australia's Security - linguistic capability	1	1	-	747	747	-	761	761	-	777	777	-	777	777
Providing for Australia's Security - enhanced border control systems	1	1	-	1,906	1,906	-	1,944	1,944	-	1,984	1,984	-	1,987	1,987
Providing for Australia's Security - business liaison unit	1	1	-	-	-	-	-	-	-	-	-	-	-	-
Providing for Australia's Security - ASIO enhanced capability	1	1	-	11,320	11,320	-	11,344	11,344	-	11,698	11,698	-	11,593	11,593
Providing for Australia's Security - counter-proliferation intelligence enhancement	1	1	-	1,253	1,253	-	1,278	1,278	-	1,305	1,305	-	1,334	1,334
Asia Pacific Economic Cooperation 2007	1	1	-	614	614	-	3,725	3,725	-	2,760	2,760	-	-	-
Providing for Australia's Security - Asian overseas diplomatic missions - improved security	1	1	-	12	12	-	18	18	-	15	15	-	15	15
Providing for Australia's Security - ASIO central office building	1	1	-	-	-	-	-	-	-	1,183	1,183	-	2,405	2,405
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	1	-	(374)	(374)	-	(801)	(801)	-	(1,250)	(1,250)	-	(1,250)	(1,250)
<b>Total expense measures - including depreciation</b>			-	<b>19,811</b>	<b>19,811</b>	-	<b>23,137</b>	<b>23,137</b>	-	<b>23,499</b>	<b>23,499</b>	-	<b>21,836</b>	<b>21,836</b>

**Table 2.2.2: Summary of capital measures disclosed in the 2005–06 Budget (impact on fiscal balance)**

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)			Appropriations Forward Estimate 2007–08 (\$'000)			Appropriations Forward Estimate 2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Providing for Australia's Security - counter-terrorism intelligence cooperation and joint training centre			-	704	704	-	-	-	-	-	-	-	-	-
Providing for Australia's Security - enhanced border control systems			-	866	866	-	884	-	-	-	-	-	-	-
Providing for Australia's Security - ASIO enhanced capability			-	2,147	2,147	-	-	-	-	-	-	-	-	-
Providing for Australia's Security - counter-proliferation intelligence enhancement			-	148	148	-	-	-	-	-	-	-	-	-
Providing for Australia's Security - Australian overseas diplomatic missions - improved security			-	509	509	-	92	-	-	-	-	-	-	-
Providing for Australia's Security - ASIO central office building			-	1,278	1,278	-	2,360	-	-	-	-	-	-	-
<b>Total capital measure</b>			-	<b>5,652</b>	<b>5,652</b>	-	<b>3,336</b>	-	<b>20,894</b>	-	<b>20,894</b>	-	<b>28,362</b>	<b>28,362</b>

## 2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Relevant receipts for ASIO are set out below.

**Table 2.3: Other receipts available to be used**

	Note	Estimated Receipts 2004–05 \$'000	Budget Estimate 2005–06 \$'000
<b>DEPARTMENTAL OTHER RECEIPTS</b>			
Sales of goods and services	1	2,638	2,694
Proceeds from sale of assets		786	645
Other revenue		924	1401
Resources received free of charge		853	870
<b>Total departmental other receipts available to be used</b>		<b>5,201</b>	<b>5,610</b>

1. All sales of goods and services are priced on a cost recovery basis.

## Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs contributing to ASIO's outcome.

Funding is allocated to outputs on the basis of actual costs incurred, together with an allocation of shared costs using activity based costing methodology.

### 3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

There has been no change to ASIO's outcome and output structure from the 2004-05 Portfolio Budget Statements.

#### Outcome

ASIO works towards one outcome – *A secure Australia for people and property, for government business and national infrastructure, and for special events of national and international significance* – which supports the Government's policy aim of "A secure Australia in a secure region."

#### Outputs

In support of ASIO's outcome and its output group *Security Intelligence* are four related outputs, each providing a key contribution to the outcome:

### **Security Intelligence Analysis and Advice**

ASIO provides security intelligence analysis and advice through the provision of security intelligence analysis and reporting, threat assessments, visa security checking advice and deterrence action.

### **Protective Security Advice**

Protective security advice is provided in the form of advice on personnel security (security clearances), physical security, including protective security reporting and risk management, advice on security equipment standards, electronic and audio surveillance counter measures.

### **Security Intelligence Investigation and Capability**

ASIO conducts security intelligence investigations and maintains capabilities to undertake surveillance, collect information from human sources, open sources and by technical means to provide security intelligence to Government. These activities include the use of special powers to collect information, and ASIO's contribution to Australia's national counter-terrorism response capability.

### **Foreign Intelligence**

ASIO collects foreign intelligence in Australia under warrant at the request of the Ministers for Foreign Affairs or Defence.

## **3.2: OUTCOMES — DEPARTMENTAL AND ADMINISTERED**

### **Departmental appropriations by outcome**

Departmental appropriations for ASIO is \$171.7m in 2005-06 compared to \$137.4m in 2004-05. This increase reflects funding for an extension to the ASIO central office building, the 2004 election commitments, some new measures in the 2005-06 Budget and the provision of security services to APEC in 2007. Including revenue received from other sources, the total price of outputs in 2005-06 is \$177.3m.

## **3.3: OUTCOMES RESOURCING**

### **Outcome 1 Resourcing**

Table 3.1 shows the total price of outputs for ASIO in the 2005-06 Budget appropriations comprising departmental appropriation and revenue from other sources. ASIO does not receive special appropriations or appropriations for administered items.

**Table 3.1 Total resources for Outcome 1**

	<b>Estimated Actual 2004–05 \$'000</b>	<b>Budget Estimate 2005–06 \$'000</b>
<b>DEPARTMENTAL APPROPRIATIONS</b>		
Output Group 1.1 - Security intelligence	137,454	171,727
<b>Total revenue from Government (appropriations) Contributing to price of departmental outputs</b>	<b>137,454</b>	<b>171,727</b>
<b>REVENUE FROM OTHER SOURCES</b>		
Sales of goods and services	2,638	2,694
Proceeds from sale of assets	786	645
Resource received free of charge	853	870
Revenue from other sources	924	1,401
<b>Total revenue from other sources</b>	<b>5,201</b>	<b>5,610</b>
<b>Total price from departmental outputs (Total revenue from Government and from other sources)</b>	<b>142,655</b>	<b>177,337</b>
	2004–05	2005–06
<b>Average staffing level (number)</b>	<b>893</b>	<b>1,065</b>

**Measures affecting Outcome 1**

A summary of measures in the 2005–06 Budget is at Tables 2.2.1 and 2.2.2.

## Performance information for Outcome 1

Table 3.2: Performance information for Outcome 1

<b>Effectiveness — overall achievement of the outcome</b>	
<i>Effectiveness indicators</i>	<i>Measures</i>
<p>The contribution of ASIO's action and advice to the management and the reduction of risk to:</p> <ul style="list-style-type: none"> <li>• People and property</li> <li>• Government business and national infrastructure</li> <li>• Special events of national and international significance</li> </ul> <p>The security of ASIO's activities</p>	<p>Level of Government satisfaction to be monitored by client feedback</p> <p>Maintenance of ASIO's security integrity</p>
<b>Efficiency — Performance indicators for output group 1.1</b>	
<i>Output description</i>	<i>Performance measure</i>
<p><b>Output Group 1.1:</b> Security intelligence</p>	<p>In terms of relevant client feedback on agency outputs in regard to quality and timeliness</p> <p>In terms of resource use against priorities and cost effectiveness</p> <p>ASIO's security performance</p>

Detailed performance information is reported in ASIO's Annual Report.

### Evaluations for Outcome 1

Consistent with previous years, ASIO will report on its evaluation program in its 2005-06 Annual Report.

## Section 4: Other reporting requirements

### **4.1: PURCHASER-PROVIDER ARRANGEMENTS**

ASIO has not entered into any purchaser/provider arrangements.

### **4.2: COST RECOVERY ARRANGEMENTS**

ASIO provides:

- Protective security policy advice to Government and specific advice to departments and agencies on protective security measures including:
  - risk management advice and some specialist protective security training
  - security equipment assessment and testing, and
  - technical surveillance counter-measures advice and testing (electronic sweeps)
- Protective security advice and services are provided on a full cost recovery basis with over 70% of its revenue relating to Government departments and agencies
- Advice to the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) on the entry to Australia of unauthorised arrivals. This work is charged on a cost recovery basis under a Memorandum of Understanding
- Rental accommodation and business support facilities to the Office of National Assessment, and
- Security advice to the Australian Federal Police (AFP), such as security checking advice for holders of Aviation Security Identification Cards and Maritime Security Identification Cards.

### **Summary of cost recovery impact statement**

ASIO's cost recovery arrangements as defined in the Commonwealth Cost Recovery Guidelines is not significant and the preparation of a cost recovery impact statement is not required.

## Section 5: Budgeted financial statements

### 5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

ASIO's departmental funding for 2005-06 is \$171.727m compared to \$137.454m in 2004-05. Revenue from other sources in 2005-06 is estimated at \$5.610m compared to \$5.201m in 2004-05. In addition, equity funding for 2005-06 is \$14.201m against \$23.933m in 2004-05. In total the resources available for ASIO in 2005-06 is \$191.538m compared to \$166.588m in 2004-05.

#### Statement of financial performance

##### Revenue appropriations

The increase in revenue funding is the result of new measures agreed in the 2005-06 Budget of \$21.738m (before additional 0.25 per cent efficiency dividend of \$0.374m), additional funding for measures agreed in previous budgets of \$12.019m and parameter adjustments net of efficiency dividends totalling \$0.516m.

##### Revenue from other sources

Revenue from other sources relates to other revenue received under s.31 of the FMA Act. This includes revenue for the provision of security assessments and protective security advice, proceeds on sale of assets and other miscellaneous income such as rental charges and also includes resources that are received free of charge. All services are charged on a cost recovery basis.

##### Employee expenses

Employee expenses are projected to increase from \$77.444m in 2004-05 to \$94.237m in 2005-06. This increase reflects the planned expansion in resources required for counter-terrorism as well as increased wage costs. It also includes staff to be recruited in support of the Commonwealth's contributions towards security for the Melbourne 2006 Commonwealth Games. Staff numbers are expected to grow from around 980 by the end of 2004-05 to around 1,150 (including attrition) by the end of 2005-06 or early 2006-07.

##### Supplier expenses

Supplier expenses represent payments to third parties, other than to staff, that are necessary to conduct investigations, information management and analysis and other recurrent business support costs. Supplier expenses include amounts payable for new measures funded by Government.

Supplier expenses will continue to increase in 2005–06 reflecting increases in operational expenditure and other fixed costs to meet increased accommodation, communications and information management requirements.

### **Depreciation**

Depreciation charges are expected to rise over the next four years as investments in technology and operational capabilities are being implemented. Depreciation charges are projected to increase from around \$13.903m in 2004–05 to \$15.617m in 2005–06.

Depreciation charges are included in the statement of financial performance so that the original purchase cost of the assets can be progressively recognised over their estimated useful lives and treated as an expense from ordinary activities under accruals accounting principles. Depreciation represents a notional capacity for the organisation to meet the cost of asset re-investment in future years as those assets reach the end of their useful lives.

### **Operating surplus or deficits from ordinary activities**

An operating surplus of \$8.582m is projected for 2005–06. Additional efficiency dividends and wage cost increases will result in operating deficits in the forward years.

### **Statement of financial position**

#### **Non-current assets**

Non-financial assets comprise land and buildings, infrastructure plant and equipment and computer software. The increase in non-financial assets from \$67.950m in 2004–05 to \$88.782m in 2005–06 reflects ASIO's growing need for increased technical capabilities and additional accommodation. These increases are offset by the write down of assets through depreciation and retirements as they come to the end of their useful lives.

For 2005–06 ASIO will invest a total of \$37.223m (excluding GST) on capital items, continuing to build on capabilities funded in the 2004–05 budget. This is supplemented by equity injections from Government totalling \$14.201m in the 2005–06 Budget.

#### **Equity injection**

The increase in contributed equity from \$56.713m in 2004–05 to \$70.914m in 2005–06 reflects equity injections of \$14.201m for capital items.

### **Statement of cash flows**

The Statement of Cash Flows sets out the net cash received from operating activities, investment in assets and other technical capabilities (as reflected in the acquisition of property, plant and equipment) and financing activities in the form of equity injections from Government for capability investments.

Projected cashflow through to 2008–09 takes into account the need to maintain staffing capabilities, wage cost increases and the capacity to cover surge activities and asset replacements.

### Capital budget statement

The capital budget statement shows the total equity injections of \$14.201m, relating to agreed budget measures in 2004–05 and 2005–06.

### Non-financial assets — summary of movement

The non-financial assets — summary of movement table shows the capital expenditure in 2005 by asset categories.

## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June**

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from Government	137,454	171,727	171,023	179,419	183,371
Goods and services	2,638	2,694	2,783	2,863	2,882
Resource received free of charge	853	870	887	905	923
Revenue from sales of assets	786	645	788	827	868
Other	924	1,401	1,458	1,519	1,263
<b>Total</b>	<b>142,655</b>	<b>177,337</b>	<b>176,939</b>	<b>185,532</b>	<b>189,307</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	77,444	94,237	106,248	109,314	110,759
Suppliers	44,597	58,127	53,857	55,555	55,814
Depreciation and amortisation	13,903	15,617	16,338	20,993	23,954
Value of assets sold	884	774	945	992	1,042
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>136,828</b>	<b>168,755</b>	<b>177,388</b>	<b>186,854</b>	<b>191,569</b>
Borrowing costs expense	10				
<b>Operating surplus or (deficit) from ordinary activities</b>	<b>5,817</b>	<b>8,582</b>	<b>(449)</b>	<b>(1,322)</b>	<b>(2,261)</b>
<b>Net surplus or deficit</b>	<b>5,817</b>	<b>8,582</b>	<b>(449)</b>	<b>(1,322)</b>	<b>(2,261)</b>

Table 5.2: Budgeted Departmental Statement of Financial Position as at 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	22,763	29,037	21,225	14,525	5,730
Receivables	1,319	885	929	969	979
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>24,082</b>	<b>29,922</b>	<b>22,155</b>	<b>15,494</b>	<b>6,709</b>
<b>Non-financial assets</b>					
Land and buildings	23,871	31,051	38,171	60,830	86,636
Infrastructure, plant and equipment	36,099	48,155	57,496	69,590	81,710
Intangibles	5,581	7,177	6,349	4,531	4,926
Other non-financial assets	2,398	2,398	2,398	2,398	2,398
<b>Total non-financial assets</b>	<b>67,950</b>	<b>88,782</b>	<b>104,414</b>	<b>137,349</b>	<b>175,671</b>
<b>Total assets</b>	<b>92,032</b>	<b>118,703</b>	<b>126,569</b>	<b>152,843</b>	<b>182,379</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	19,291	22,054	25,216	28,446	31,711
Other	-	-	-	-	-
<b>Total provisions</b>	<b>19,291</b>	<b>22,054</b>	<b>25,216</b>	<b>28,446</b>	<b>31,711</b>
<b>Payables</b>					
Suppliers	4,555	5,681	5,324	5,464	5,484
Other	1,487	1,487	1,487	1,487	1,487
<b>Total payables</b>	<b>6,042</b>	<b>7,168</b>	<b>6,811</b>	<b>6,951</b>	<b>6,971</b>
<b>Total liabilities</b>	<b>25,333</b>	<b>29,222</b>	<b>32,027</b>	<b>35,397</b>	<b>38,682</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	56,713	70,914	76,424	100,650	129,162
Reserves	9,496	9,496	9,496	9,496	9,496
Retained surpluses or accumulated deficits	489	9,071	8,622	7,300	5,039
<b>Total parent entity interest</b>	<b>66,699</b>	<b>89,481</b>	<b>94,542</b>	<b>117,446</b>	<b>143,697</b>
<b>Total outside equity interest</b>					
<b>Total equity</b>	<b>92,032</b>	<b>118,703</b>	<b>126,569</b>	<b>152,843</b>	<b>182,379</b>
<b>TOTAL ASSETS AND LIABILITIES BY MATURITY</b>					
<b>Current assets</b>	<b>26,480</b>	<b>32,320</b>	<b>24,553</b>	<b>17,892</b>	<b>9,107</b>
<b>Non-current assets</b>	<b>65,552</b>	<b>86,384</b>	<b>102,016</b>	<b>134,951</b>	<b>173,273</b>
<b>Current liabilities</b>	<b>14,454</b>	<b>16,997</b>	<b>18,263</b>	<b>20,060</b>	<b>21,756</b>
<b>Non-current liabilities</b>	<b>10,879</b>	<b>12,224</b>	<b>13,764</b>	<b>15,337</b>	<b>16,926</b>

\* '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 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	3,165	3,128	2,739	2,823	2,872
Appropriations	137,454	171,727	171,023	179,419	183,371
Other	8,536	10,848	10,047	12,476	13,084
<b>Total cash received</b>	<b>149,155</b>	<b>185,704</b>	<b>183,808</b>	<b>194,718</b>	<b>199,328</b>
<b>Cash used</b>					
Employees	75,172	91,474	103,086	106,083	107,494
Suppliers	43,045	56,131	53,327	54,510	54,871
Other	4,374	5,726	5,297	5,465	5,489
<b>Total cash used</b>	<b>122,591</b>	<b>153,331</b>	<b>161,710</b>	<b>166,058</b>	<b>167,854</b>
<b>Net cash from operating activities</b>	<b>26,565</b>	<b>32,373</b>	<b>22,098</b>	<b>28,659</b>	<b>31,473</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	786	645	788	827	868
<b>Total cash received</b>	<b>786</b>	<b>645</b>	<b>788</b>	<b>827</b>	<b>868</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	35,611	40,945	36,207	60,412	69,649
<b>Total cash used</b>	<b>35,611</b>	<b>40,945</b>	<b>36,207</b>	<b>60,412</b>	<b>69,649</b>
<b>Net cash from or (used by) investing activities</b>	<b>(34,825)</b>	<b>(40,300)</b>	<b>(35,419)</b>	<b>(59,585)</b>	<b>(68,781)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash from capital injections	23,933	14,201	5,510	24,226	28,512
<b>Total cash received</b>	<b>23,933</b>	<b>14,201</b>	<b>5,510</b>	<b>24,226</b>	<b>28,512</b>
<b>Cash used</b>					
Repayments of debt	125	-	-	-	-
<b>Total cash used</b>	<b>125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>23,808</b>	<b>14,201</b>	<b>5,510</b>	<b>24,226</b>	<b>28,512</b>
<b>Net increase or (decrease) in cash held</b>	<b>15,547</b>	<b>6,274</b>	<b>(7,812)</b>	<b>(6,700)</b>	<b>(8,795)</b>
Cash at the beginning of the reporting period	7,216	22,763	29,037	21,225	14,525
<b>Cash at the end of the reporting period</b>	<b>22,763</b>	<b>29,037</b>	<b>21,225</b>	<b>14,525</b>	<b>5,730</b>

**Table 5.4: Departmental Capital Budget Statement for the period ended 30 June**

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	23,933	14,201	5,510	24,226	28,512
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	<b>23,933</b>	<b>14,201</b>	<b>5,510</b>	<b>24,226</b>	<b>28,512</b>
<b>Represented by:</b>					
Purchase of non-financial assets	23,933	14,201	5,510	24,226	28,512
Other	-	-	-	-	-
<b>Total represented by</b>	<b>23,933</b>	<b>14,201</b>	<b>5,510</b>	<b>24,226</b>	<b>28,512</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	20,006	18,127	5,510	24,226	28,512
Funded internally by departmental resources	12,367	19,096	27,406	30,694	34,805
<b>Total</b>	<b>32,374</b>	<b>37,223</b>	<b>32,915</b>	<b>54,920</b>	<b>63,317</b>

**Table 5.5: Departmental Property, Plant, Equipment and Intangibles — Summary of Movement (Budget year 2005–06)**

	Land \$'000	Buildings \$'000	Other Infrastructure Plant and Equipment \$'000	Computer Software \$'000	Total \$'000
<b>As at 1 July 2005</b>					
Gross book value	1,340	24,741	43,522	14,673	84,276
Accumulated depreciation	-	2,210	7,423	9,092	18,725
<b>Opening net book value</b>	<b>1,340</b>	<b>22,531</b>	<b>36,099</b>	<b>5,581</b>	<b>65,551</b>
Additions:					
by purchase	-	10,023	23,215	3,985	37,223
by finance lease	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-
Reclassifications	-	-	-	-	-
Depreciation/amortisation expense	-	2,843	10,385	2,389	15,617
Recoverable amount write-downs	-	-	-	-	-
Other movements	-	-	-	-	-
Disposals:					
from disposal of entities or operations (including restructuring)	-	-	-	-	-
other disposals	-	-	774	-	774
<b>As at 30 June 2006</b>					
Gross book value	1,340	34,763	65,963	18,658	120,725
Accumulated depreciation	-	5,052	17,809	11,481	34,342
<b>Closing net book value</b>	<b>1,340</b>	<b>29,711</b>	<b>48,155</b>	<b>7,177</b>	<b>86,383</b>

### **5.3: NOTES TO THE FINANCIAL STATEMENTS**

#### **Basis of accounting**

- The budget statements for ASIO have been prepared in accordance with Australian Accounting standards, other authoritative pronouncements of the Accounting Standards, other authoritative pronouncements of the Accounting Standards Board (Accounting Guidance Releases), the consensus view of the Urgent Issues Group and having regard to Statements of Accounting Concepts
- The Budget statements do not reflect as revenue, resources received free of charge nor are these costs included in as operating expenses
- GST has been included in the cashflow statements but excluded in the Statement of Financial Performance, consistent with standard accounting practices, and
- Land, buildings, infrastructure, plant and equipment are stated at carrying values following the most recent valuations which are not more than three years old. Valuations are provided either on the basis of fair value.

