

AUSTRALIAN SECURITY  
INTELLIGENCE  
ORGANISATION



## Section 1: Overview, appropriations and budget measures summary

### OVERVIEW

Under the provisions of the *Australian Security Intelligence Organisation Act 1979*, the Australian Security Intelligence Organisation (ASIO) provides information on risks to the nation's security to help government comprehend and manage the security environment.

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 provides security intelligence to Government. It has special powers involving intrusive means to collect information relevant to security under the provisions of the ASIO Act and the Telecommunications (Interception) Act. ASIO has no powers to enforce measures for security. ASIO contributes to Australia's national counter-terrorism response capability by liaising with and providing technical assistance to other federal and State Government bodies such as the police. It also contributes to foreign intelligence collection in Australia at the request of the Ministers 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 a national and international significance" 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 appropriations and performance information. Additional national security classified information is provided to the Attorney-General, the National Security Committee of Cabinet and the Secretaries' Committee on National Security. This enables scrutiny of the detail of ASIO's appropriations and performance information related to outcomes and outputs.

## **APPROPRIATIONS**

The total appropriation for ASIO in the 2001–02 Budget, as shown on Table 1.1, is \$69.074m. Table 1.2 details summary of measures disclosed in the 2001–02 Budget.

## **ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

ASIO has no administered capital. ASIO will receive departmental equity injections of \$4.284m during 2001–02. The two components of the equity injection are:

- \$2.944m for investment in capabilities. The \$2.944m represents the first in a series of three equity injections totalling \$7.115m.
- \$1.340m to purchase equipment associated with implementing recommendations arising from the Inquiry into Security Issues.

Australian Security Intelligence Organisation – Appropriations 2001–02

Table 1.1: Appropriations and other revenue (\$'000)

Outcome	Departmental (price of outputs)					Administered			Total appropriations	
	Revenue from government (appropriations)			Revenue from other sources	Price of outputs	Annual appropriations	Special approps	Total administered appropriations		
	Bill 1	Special approps	Total			Bill 1	Bill 2 (SPPs & NAOs)			
	(A)	(B)	(C=A+B)	(D)	(E= C+D)	(F)	(G)	(H)		(I=F+G+H)
A secure Australia for people and property, for government business and national infrastructure, and for special events of a national and international significance	64,790	-	64,790 93.5%	4,504	69,294	-	-	-	-	64,790
<b>Total</b>	<b>64,790</b>	<b>-</b>	<b>64,790</b>	<b>4,504</b>	<b>69,294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,790</b>
									Departmental capital (equity injections and loans)	4,284
									Administered capital	-
									<b>Total appropriations</b>	<b>69,074</b>

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Notes:

- Columns C, D, E and I refer to information provided in Table 2.1.1.
- Under the appropriation structure, Bill 2 includes Specific Purpose Payments (SPP)'s, New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
- Refer to Budgeted Departmental Statement of Financial Performance for application of agency revenue.
- Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from other sources (eg sales of goods and services). Non-appropriated departmental and administered revenues are detailed in Appendix 1.
- Percentage figure in column c indicates the percentage contribution of revenue from government (departmental appropriations) to the total price of outputs, by outcome.

## BUDGET MEASURES — AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION SUMMARY

Table 1.2: Summary of measures disclosed in the 2001–02 Budget

Measure	Outcome	Outputs affected	Appropriations Budget 2001–02 (\$'000)			Appropriations Forward Estimate 2002–03 (\$'000)			Appropriations Forward Estimate 2003–04 (\$'000)			Appropriations Forward Estimate 2004–05 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Improving security within the Australian intelligence community	1	1.1	-	2,450	2,450	-	1,836	1,836	-	1,864	1,864	-	1,892	1,892
Protection of the National Information Infrastructure	1	1.1	-	600	600	-	-	-	-	-	-	-	-	-
Total			-	3,050	3,050	-	1,836	1,836	-	1,864	1,864	-	1,892	1,892

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### Capital Measures

An equity injection of \$1.340m will be appropriated in 2001–02 to purchase equipment associated with implementing the recommendations arising from the Inquiry into Security Issues, with a further \$0.100m in 2002–03.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUT GROUPS

ASIO has one outcome:

*A secure Australia for people and property, for government business and national infrastructure, and for special events of national and international significance*

There is one output group for ASIO's outcome:

*Security intelligence*

ASIO's output group: Security Intelligence comprises four outputs, each providing a key contribution to the outcome:

- Security Intelligence Analysis and Advice: includes security intelligence analysis and reporting, threat assessments, visa security checking advice, and deterrence action
- Protective Security Advice: includes personnel security assessments, setting security equipment standards, and electronic and audio-counter-measures advice and action, protective security reporting, and risk management advice.
- Security Intelligence Investigation and Capability: includes capabilities used to provide security intelligence to Government, including the use of special powers to collect information and ASIO's contribution to Australia's national counter-terrorism response capability.
- Foreign Intelligence: intelligence collected in Australia under warrant for the Foreign or Defence Ministers.

Financial detail and non-financial information is provided as follows:

Map 2.1 - details outcome and output resourcing and illustrates the relationship between the outcome and contributing output.

Table 2.1.1 - details financial information for outcome 1.

Table 2.2.1 - details non-financial information for outcome 1.

### CHANGES TO OUTCOMES AND OUTPUTS

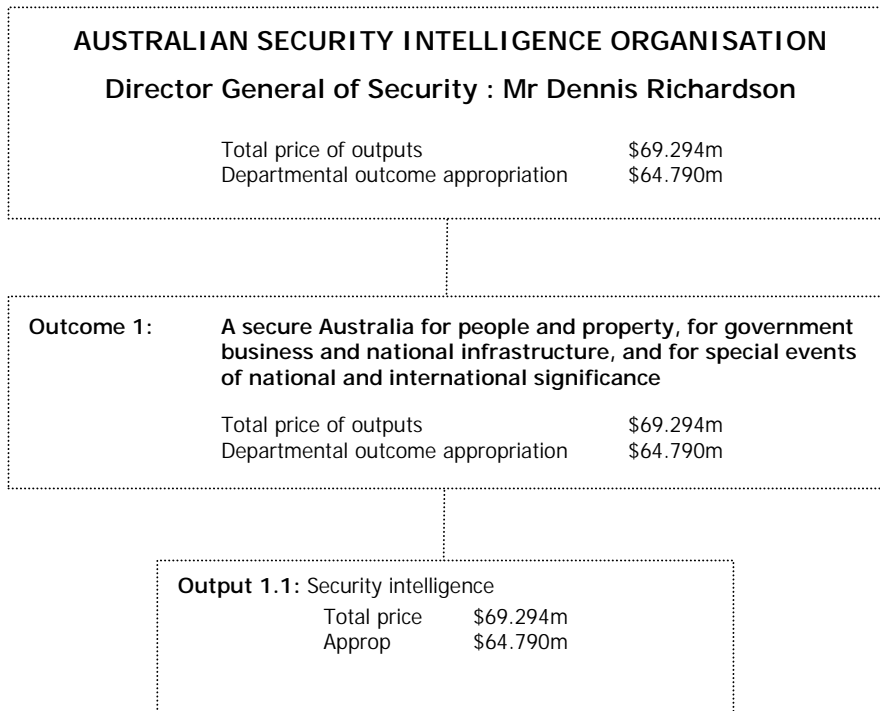
There have been no changes to the outcome and outputs structure for ASIO.

### TRENDS IN RESOURCING ACROSS YEARS

The price of ASIO’s outcome increases in 2001–02 due to forecast rises in funding to assist in meeting Commonwealth Heads of Government Meeting (CHOGM) related security activity, investment in ASIO’s technical capabilities and a new measure directed at implementing the recommendations arising from the Inquiry into Security Issues. The increase in the outcome price in 2001–02 is partially offset by the cessation of additional funding provided over the last four years to meet Olympics related security activities.

The outcome price drops in 2002–03 as funding for CHOGM related security activities ceases and then gradually builds again in the outyears as further increases in the investment in ASIO’s technical capabilities come into effect.

**Map 2.1: Outcome and output groups**



## **OUTCOME 1 — A SECURE AUSTRALIA FOR PEOPLE AND PROPERTY, FOR GOVERNMENT BUSINESS AND NATIONAL INFRASTRUCTURE, AND FOR SPECIAL EVENTS OF NATIONAL AND INTERNATIONAL SIGNIFICANCE**

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

ASIO provides security intelligence to Government. It has special powers involving intrusive means to collect information relevant to security under the provisions of the ASIO Act and the Telecommunications (Interception) Act. ASIO has no powers to enforce measures for security. ASIO contributes to Australia's national counter-terrorism response capability by liaising with and providing technical assistance to other federal and State Government bodies such as the police. It also contributes to foreign intelligence collection in Australia at the request of the Ministers for Foreign Affairs or Defence.

### **MEASURES AFFECTING OUTCOME 1**

There are two measures that affect ASIO's outcome:

- Measure 1 – *Improving security within the Australian intelligence community* will enable ASIO to enhance its internal security and provide enhanced protective security advice to Government.
- Measure 2 – *Protection of the National Information Infrastructure* will enable ASIO to maintain its ability to support broader Government initiatives regarding security of national computer and information infrastructure.

**OUTCOME 1 — RESOURCING**

Table 2.1.1 shows how the 2001–02 appropriations translate to total resourcing for ASIO for outcome 1: revenue from government (appropriations), revenue from other sources and the total price of the outputs.

**Table 2.1.1: Total resources for outcome 1 (\$'000)**

	Estimated Actual 2000–01 (\$'000)	Budget Estimate 2001–02 (\$'000)
<b>DEPARTMENTAL APPROPRIATIONS</b>		
Output 1.1: Security intelligence	62,695	64,790
Total revenue from government (appropriations) contributing to price of departmental outputs	62,695 94.8%	64,790 93.5%
<b>REVENUE FROM OTHER SOURCES</b>		
Output 1.1: Security intelligence		
Sales of goods and services	598	366
Interest	45	15
Other	2,789	4,123
Total revenue from other sources	3,432	4,504
<b>Total price of departmental outputs</b> <i>(Total revenue from government and other sources)</i>	<b>66,127</b>	<b>69,294</b>
<b>Total estimated resourcing for outcome 1</b> <i>(Total price of outputs and administered expenses)</i>	<b>66,127</b>	<b>69,294</b>
<b>AVERAGE STAFFING LEVEL</b>	538.8	563.1

## OUTCOME 1 — PERFORMANCE INFORMATION

Table 2.2.1 provides information on the strategies chosen to deliver outcome 1, and shows the links between the outputs and the outcome.

Table 2.2.1 Performance information for outcome 1

<b>Effectiveness — overall achievement of the outcome</b>	
<i>Effectiveness indicators</i>	<i>Measures</i>
Utility and credibility of the overall ASIO contribution to the understanding and management of risk	Level of Government awareness and satisfaction to be monitored by client feedback
Level of Government awareness and satisfaction to be monitored by client feedback	Maintenance of ASIO's security integrity
<b>Performance information for departmental outputs</b>	
<i>Output description</i>	<i>Performance measure</i>
<b>Output Group 1.1:</b> Security intelligence	<p><i>Quality:</i> In terms of relevant client feedback on agency outputs in regard to relevance, accuracy, timeliness, responsiveness and security</p> <p><i>Efficiency:</i> In terms of resource use against priorities and cost-effectiveness</p>

Additional national security classified information is provided to the Attorney-General, the Secretaries Committee on National Security, 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.

## COMPETITIVE TENDERING AND CONTRACTING

The extent to which outsourcing can occur in ASIO is significantly limited by national security considerations, however, where practicable outsourcing does occur.

## Section 3: Budgeted Financial Statements

Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June

	Estimated Actual 2000–01 \$'000	Budget Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000
<b>Revenues from ordinary activities</b>					
Revenue from government	62,695	64,790	63,672	66,464	67,796
Sales of goods and services	598	366	298	316	316
Interest	45	15	20	30	30
Other	2,789	4,123	1,098	1,106	1,114
<b>Total revenues from ordinary activities</b>	<b>66,127</b>	<b>69,294</b>	<b>65,088</b>	<b>67,916</b>	<b>69,256</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	37,447	38,916	37,277	38,447	38,595
Suppliers	26,568	23,428	17,468	18,097	19,289
Depreciation and amortisation	6,479	7,834	8,280	9,044	9,044
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>70,494</b>	<b>70,178</b>	<b>63,025</b>	<b>65,588</b>	<b>66,928</b>
Borrowing cost expense	-	-	-	-	-
<b>Net surplus or (deficit) from ordinary activities</b>	<b>(4,367)</b>	<b>(884)</b>	<b>2,063</b>	<b>2,328</b>	<b>2,328</b>
Gain or loss on extraordinary items	-	-	-	-	-
<b>Net surplus or (deficit)</b>	<b>(4,367)</b>	<b>(884)</b>	<b>2,063</b>	<b>2,328</b>	<b>2,328</b>
Capital use charge	(1,626)	(1,816)	(2,063)	(2,328)	(2,328)
<b>Net surplus or (deficit) after capital use charge</b>	<b>(5,993)</b>	<b>(2,700)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at 30 June**

	Estimated Actual 2000–01 \$'000	Budget Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,479	2,418	2,500	2,615	1,509
Receivables	186	175	180	180	180
Investments	2,700	-	1,000	2,000	2,000
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>4,365</b>	<b>2,593</b>	<b>3,680</b>	<b>4,795</b>	<b>3,689</b>
<b>Non-financial assets</b>					
Land and buildings	7,637	6,789	5,941	5,093	5,093
Infrastructure, plant and equipment	14,002	18,407	20,207	22,165	23,159
Intangibles	3,058	3,119	3,182	3,246	3,246
Other	300	300	300	300	300
<b>Total non-financial assets</b>	<b>24,997</b>	<b>28,615</b>	<b>29,630</b>	<b>30,804</b>	<b>31,798</b>
<b>Total assets</b>	<b>29,362</b>	<b>31,208</b>	<b>33,310</b>	<b>35,599</b>	<b>35,487</b>
<b>LIABILITIES</b>					
<b>Debt</b>					
Leases	711	529	331	115	-
Other	-	-	-	-	-
<b>Total debt</b>	<b>711</b>	<b>529</b>	<b>331</b>	<b>115</b>	<b>-</b>
<b>Provisions and payables</b>					
Employees	13,529	14,088	14,348	14,610	14,611
Suppliers	1,575	1,460	1,438	1,472	1,474
Other	-	-	-	-	-
<b>Total provisions and payables</b>	<b>15,104</b>	<b>15,548</b>	<b>15,786</b>	<b>16,082</b>	<b>16,085</b>
<b>Total liabilities</b>	<b>15,815</b>	<b>16,077</b>	<b>16,117</b>	<b>16,197</b>	<b>16,085</b>
<b>EQUITY</b>					
Capital	9,168	13,452	15,514	17,723	17,723
Reserves	2,135	2,135	2,135	2,135	2,135
Accumulated surpluses or deficits	2,244	(456)	(456)	(456)	(456)
<b>Total equity</b>	<b>13,547</b>	<b>15,131</b>	<b>17,193</b>	<b>19,402</b>	<b>19,402</b>
<b>Current liabilities</b>	<b>4,178</b>	<b>4,152</b>	<b>4,188</b>	<b>4,154</b>	<b>4,041</b>
<b>Non-current liabilities</b>	<b>11,637</b>	<b>11,925</b>	<b>11,929</b>	<b>12,043</b>	<b>12,044</b>
<b>Current assets</b>	<b>4,665</b>	<b>2,893</b>	<b>3,980</b>	<b>5,095</b>	<b>3,989</b>
<b>Non-current assets</b>	<b>24,697</b>	<b>28,315</b>	<b>29,330</b>	<b>30,504</b>	<b>31,498</b>

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June**

	Estimated Actual 2000–01 \$'000	Budget Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations for outputs	62,695	64,790	63,672	66,464	67,796
Sales of goods and services	567	377	293	316	316
Interest	45	15	20	30	30
Other	2,789	4,123	1,098	1,106	1,114
<b>Total cash received</b>	<b>66,096</b>	<b>69,305</b>	<b>65,083</b>	<b>67,916</b>	<b>69,256</b>
<b>Cash used</b>					
Employees	35,880	38,357	37,017	38,185	38,594
Suppliers	26,255	23,543	17,490	18,063	19,287
Other	-	-	-	-	-
<b>Total cash used</b>	<b>62,135</b>	<b>61,900</b>	<b>54,507</b>	<b>56,248</b>	<b>57,881</b>
<b>Net cash from operating activities</b>	<b>3,961</b>	<b>7,405</b>	<b>10,576</b>	<b>11,668</b>	<b>11,375</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	7,567	11,452	9,295	10,218	10,038
<b>Total cash used</b>	<b>7,567</b>	<b>11,452</b>	<b>9,295</b>	<b>10,218</b>	<b>10,038</b>
<b>Net cash from investing activities</b>	<b>(7,567)</b>	<b>(11,452)</b>	<b>(9,295)</b>	<b>(10,218)</b>	<b>(10,038)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash Received</b>					
Other	240	4,284	2,062	2,209	-
<b>Total cash received</b>	<b>240</b>	<b>4,284</b>	<b>2,062</b>	<b>2,209</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt	167	182	198	216	115
Capital use and dividends paid	1,626	1,816	2,063	2,328	2,328
<b>Total cash used</b>	<b>1,793</b>	<b>1,998</b>	<b>2,261</b>	<b>2,544</b>	<b>2,443</b>
<b>Net cash from financing activities</b>	<b>(1,553)</b>	<b>2,286</b>	<b>(199)</b>	<b>(335)</b>	<b>(2,443)</b>
<b>Net increase in cash held</b>	<b>(5,159)</b>	<b>(1,761)</b>	<b>1,082</b>	<b>1,115</b>	<b>(1,106)</b>
Cash at the beginning of the reporting period	9,338	4,179	2,418	3,500	4,615
<b>Cash at the end of the reporting period</b>	<b>4,179</b>	<b>2,418</b>	<b>3,500</b>	<b>4,615</b>	<b>3,509</b>

Table 3.4: Departmental Capital Budget Statement

	Estimated Actual 2000–01 \$'000	Budget Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	240	4,284	2,062	2,209	-
Total loans	-	-	-	-	-
<b>Represented by:</b>					
Purchase of non-current assets	7,567	11,452	9,295	10,218	10,038
Other	-	-	-	-	-
Total	7,567	11,452	9,295	10,218	10,038
<b>PURCHASE OF NON-CURRENT ASSETS</b>					
Funded by capital appropriations	240	4,284	2,062	2,209	-
Funded internally by departmental resources	7,327	7,168	7,233	8,009	10,038
Total	7,567	11,452	9,295	10,218	10,038

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget Year 2001–02)

	Land	Buildings	Total land and buildings	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROSS VALUE</b>							
<i>As at 1 July 2001 (opening)</i>	720	9,039	9,759	25,831	25,831	5,202	40,792
Additions	-	757	757	8,852	8,852	1,843	11,452
Disposals	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	720	9,796	10,516	34,683	34,683	7,045	52,244
<b>ACCUMULATED DEPRECIATION</b>							
<i>As at 1 July 2001 (opening)</i>	-	2,122	2,122	11,829	11,829	2,144	16,095
Disposals	-	-	-	-	-	-	-
Charge for the reporting period	-	1,248	1,248	5,545	5,545	1,041	7,834
Other movements	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	3,370	3,370	17,374	17,374	3,185	23,929
<b>Net book value as at 30 June 2002 (closing book value)</b>	720	6,426	7,146	17,309	17,309	3,860	28,315
<b>Net book value as at 1 July 2001 (opening book value)</b>	720	6,917	7,637	14,002	14,002	3,058	24,697
<b>TOTAL ADDITIONS</b>							
Self funded	-	257	257	6,018	6,018	893	7,168
Appropriations	-	500	500	2,834	2,834	950	4,284
<b>Total</b>	-	757	757	8,852	8,852	1,843	11,452

## NOTES TO THE FINANCIAL STATEMENTS

### Departmental

The operating losses reflected in the Statement of Financial Performance for 2000-01 and 2001-02 are due to abnormally high supplier expenses arising from the timing of contract payments associated with special project activity.

## Appendix 1

## Non-Appropriation Departmental Revenue

	Estimated Revenue 2000-01 \$'000	Estimated Revenue 2001-02 \$'000
<b>DEPARTMENTAL REVENUE</b>		
Sales of goods and services	598	366
Interest	45	15
Other	2,789	4,123
<b>Total Estimated Departmental Revenue</b>	<b>3,432</b>	<b>4,504</b>