

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) 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* 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 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.

APPROPRIATIONS AND RESOURCING

The total appropriation for ASIO in the 2004–05 Budget is \$152.740m. This is reflected in Table 1.1 and Table 2.1.1 below.

Table 1.2 provides a summary of measures which have been included in the 2004–05 Budget.

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

ASIO has no administered capital and will not receive any loans in 2004–05.

ASIO will receive a total of \$18.011m in departmental equity injections during 2004–05 in relation to the following:

2004–05 Budget measures

- a) \$14.783m as the result of increased funding to intelligence agencies by Government
- b) \$0.560m to strengthen border control measures

2003–04 Budget measures

- c) \$0.906m to establish the National Threat Assessment Centre
- d) \$1.212m to enhance aviation security liaison, and

2002–03 Budget measures

- e) \$0.550m to enhance technical capability.

AUSTRALIAN SECURITY INTELLIGENCE AGENCY— APPROPRIATIONS 2004–05

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 appropriations	Total administered appropriations	
	Bill No 1 (A)	Special approps (B)	Total (C = A+B)	(D)	(E = C+D)	Bill No 1 (F)	Bill No 2 (SPPs & NAOs) (G)	(H)	(I = F+G+H)	(J=C+I)
Outcome 1 – A secure Australia for people and property, for Government business and national infrastructure, and for special events of national and international significance.	134,729	-	134,729 97.5%	3,444	138,173	-	-	-	-	134,729
Total	134,729	-	134,729	3,444	138,173	-	-	-	-	134,729
Departmental capital (equity injections, loans and previous years' outputs)										18,011
Administered capital										-
Total appropriations										152,740

- Columns C, E and I refer to information provided in Table 2.1.1 (Total Resources for Outcome table).
- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
- Refer to Table 3.1 Budgeted Statement of Financial Performance for application of agency revenue.
- Revenue from other sources includes revenue generated from the sales of goods and services on a cost recovery basis including proceeds on the sale of assets but excludes GST refunds under standard accounting practices.
- Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs for Outcome 1.

MEASURES — DEPARTMENT SUMMARY

Table 1.2.1: Summary of expense measures disclosed in the 2004–05 Budget (including depreciation)

Measure	Outcome	Outputs affected	Appropriations Budget 2004–05 (\$'000)			Appropriations Forward Estimate 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)			Appropriations Forward Estimate 2007–08 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Investing in Australia's Security – increased funding to intelligence agencies	1	1.1	-	18,774	18,774	-	31,086	31,086	-	36,507	36,507	-	38,499	38,499
Investing in Australia's Security – strengthening border control measures	1	1.1	-	579	579	-	726	726	-	738	738	-	752	752
Investing in Australia's Security – terrorism training and advice to Melanesia	1	1.1	-	274	274	-	280	280	-	286	286	-	292	292
Melbourne 2006 Commonwealth Games – contribution	1	1.1	-	3,668	3,668	-	3,728	3,728	-	-	-	-	-	-
Total			-	23,295	23,295	-	35,820	35,820	-	37,531	37,531	-	39,543	39,543

MEASURES — DEPARTMENT SUMMARY (CONTINUED)

Table 1.2.2: Summary of capital measures disclosed in the 2004–05 Budget

Measure	Outcome	Outputs affected	Appropriations Budget 2004–05 (\$'000)			Appropriations Forward Estimate 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)			Appropriations Forward Estimate 2007–08 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Investing in Australia's Security – increased funding to intelligence agencies	1	1.1	-	14,782	14,782	-	7,402	7,402	-	1,347	1,347	-	1,918	1,918
Investing in Australia's Security – strengthening border control measures	1	1.1	-	560	560	-	104	104	-	-	-	-	-	-
Total			-	15,342	15,342	-	7,506	7,506	-	1,347	1,347	-	1,918	1,918

REVENUE FROM INDEPENDENT SOURCES

Table 1.3: Revenue from independent sources

	Estimated Revenue 2003–04 \$'000	Estimated Revenue 2004–05 \$'000
DEPARTMENTAL REVENUE		
Sales of goods and services	1,902	1,884
Interest	-	-
Total sales of goods and service and interest	1,902	1,884
Proceeds from sale of assets	881	786
Resources received free of charge	-	-
Other revenue	500	774
Total other	1,381	1,560
Total Estimated Departmental Revenue	3,283	3,444

Note

All sales of goods and services are priced on a cost recovery basis exclusive of GST refunds in line with standard accounting practices.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUTS

Outcome

The Australian Security Intelligence Organisation 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

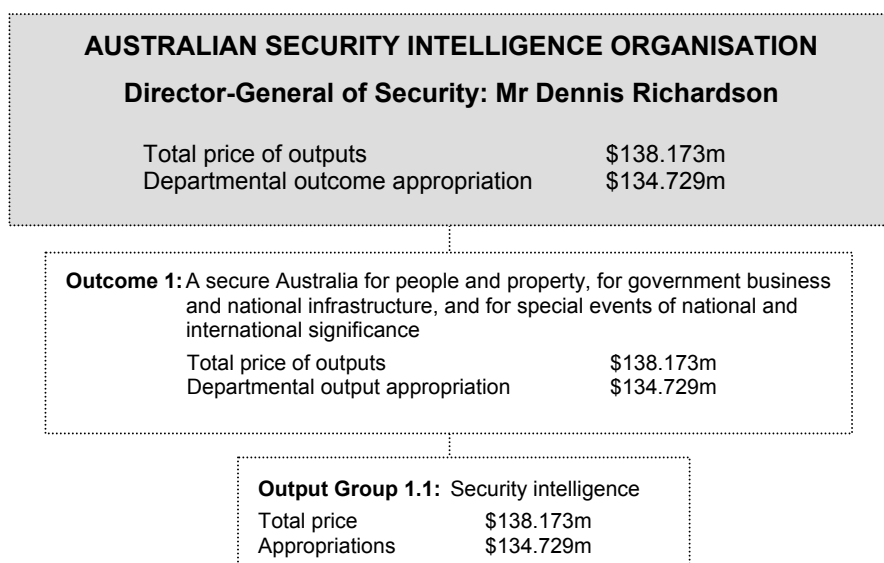
ASIO conducts security intelligence investigations and maintains capabilities to undertake surveillance, collect information from human sources, open sources and by technical means to provide security intelligence to Government. These activities include the use of special powers to collect information, 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 Minister for Foreign Affairs or Defence.

The map below shows the relationship and funding for ASIO's outcome and its output group.

Outcomes and Outputs Map



Output cost attribution

ASIO's output costs are aligned to the Organisation's organisational structure. In addition, corporate support costs are allocated to outputs using activity based costing methodology.

TRENDS IN RESOURCING

Appropriations from Government will increase from \$98.210m in 2003–04 to \$134.729m in 2004–05. This increase reflects additional appropriations in respect of the 2004–05 Budget measures and continued funding for previously agreed counter-terrorism response measures. Continued funding for these measures will see appropriations increasing to \$145.669m in 2005–06, \$141.200m in 2006–07 and \$144.223m in 2007–08 with funding for enhanced technical capabilities lapsing in 2005–06.

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

Measures affecting ASIO's Outcome

The measures in the 2004–05 Budget affecting ASIO's outcome are:

Investing in Australia's Security – increased funding to intelligence agencies

The Government will provide additional funding of \$227.8m (including \$31.5m capital funding) over four years to intelligence agencies to enhance Australia's counter-terrorism capabilities and increase national security capabilities. This funding provides resources for these agencies to meet increased operational demands and improve their analytical and assessment capabilities in high priority areas.

This is a cross portfolio measure, with funding to be provided to the Australian Secret Intelligence Service, Australian Security Intelligence Organisation, Department of Defence and the Office of National Assessments.

As part of this funding, the Government will provide ASIO \$127.3m over four years. In resourcing terms, this amounts to \$150.3m over four years after taking into account \$23.0m over four years in depreciation funding.

Investing in Australia's Security – strengthening border control measures

The Government will provide \$9.2m over four years (including \$3.4m capital funding) to the Department of Immigration and Multicultural and Indigenous Affairs and the Australian Security Intelligence Organisation to further strengthen existing border control measures for Australia.

As part of this funding, the Government will provide ASIO \$3.0m over four years. In resourcing terms, this amounts to \$3.5m over four years after taking into account \$0.5m over four years in depreciation funding.

Australian Federal Police – continued presence and support in Melanesia

The Government will provide funding of \$20.3m over four years to the Australian Federal Police (AFP) to continue work with Pacific law enforcement agencies to tackle transnational crime before it reaches Australia. The programme currently funds eight AFP officers in Suva, Port Vila, Honiara, Port Moresby and Canberra to undertake a range of law enforcement liaison, cooperation and training activities.

The Government will also provide funding of \$1.2m over four years to the Australian Security Intelligence Organisation to continue to provide counter-terrorism training and advice to Melanesia.

Melbourne 2006 Commonwealth Games – contribution

The Government will provide a cross-portfolio package of assistance totalling \$272.5m over four years from 2003-04 to 2006-07 to contribute to the staging of the Melbourne Commonwealth Games (M2006) to be held from 15-26 March 2006.

As part of this measure, the Government will provide \$7.4m to ASIO over two years from 2004-05 to 2005-06. In addition, ASIO will contribute \$3.2m from the use of existing resources.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2004-05 Budget appropriations translate to total resourcing for ASIO's outcome. This is expressed as the total price of outputs and is made up of revenue from government (appropriations) and revenue from other sources. This table should be read in conjunction with Table 1.1 above.

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

	Estimated actual 2003–04 \$'000	Budget estimate 2004–05 \$'000
DEPARTMENTAL APPROPRIATIONS		
Output Group 1.1 - Security intelligence	98,210	134,729
Subtotal Output Group 1.1	98,210	134,729
Total revenue from government (appropriations) contributing to price of departmental outputs	98,210	134,729
REVENUE FROM OTHER SOURCES		
Sales of goods and services	1,902	1,884
Proceeds from sale of assets	881	786
Revenue from other sources	500	774
Total revenue from other sources	3,283	3,444
Total price from departmental outputs (Total revenue from government and from other sources)	101,493	138,173
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	101,493	138,173
Average staffing level (number)	738	869

Notes

- Note 1. Departmental appropriations for output group 1.1 in 2004–05 includes reduction in funding due to parameter adjustments and efficiency dividends of \$0.457m and funding for 2004–05 new policy proposals totalling \$23.295m.
- Note 2. Average staffing level is the average number of employees receiving salary or wages over the financial year, with adjustments for casual and part-time employees to show the full time equivalent.

PERFORMANCE INFORMATION FOR OUTCOME 1

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

Broad information in relation to ASIO's performance measures is set out in Table 2.2.1 below. Additional national security classified information is provided to the Attorney-General, the National Security Committee of Cabinet and reported in ASIO's classified Annual Report.

Table 2.2.1: Performance information for Outcome 1

Effectiveness — overall achievement of the outcome	
<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"> • People and property • Government business and national infrastructure • Special events of national and international significance <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>
Efficiency — Performance indicators for output group 1.1	
<i>Output description</i>	<i>Performance measure</i>
<p>Output Group 1.1: 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>

EVALUATIONS

Consistent with previous years, ASIO will report on its continuing evaluation program in its 2004–05 Annual Report.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

ASIO receives its principle funding from Government appropriations. Revenue appropriations for ASIO have increased from \$85.675m in 2002–03 to \$98.210m in 2003–04 and \$134.729m in 2004–05. Funding will grow to \$144.223m in 2007–08 in keeping with Government initiatives to enhance security capabilities. In addition, ASIO will receive capital funding over a four year period totalling \$29.448m, with \$18.011m in 2004–05 to invest in capabilities.

Statement of Financial Performance

Revenue Appropriations

Revenue appropriations from Government will increase by 37% from \$98.210m in 2003–04 to \$134.729m in 2004–05. Included in this increase is a reduction in funding due to parameter adjustments and efficiency dividends of \$0.457m, revenue funding of \$23.295m for the 2004–05 new policy proposals, and \$13.681m in continued funding for earlier counter-terrorism measures.

Revenue from independent sources

Revenue from independent sources relates to other revenue received under s31 of the Financial Management 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. All revenue from independent sources are charged on a cost recovery basis.

Employee expenses

Employee expenses are projected to increase from \$60.514m in 2003–04 to \$73.696m in 2004–05. This increase reflects the planned expansion in resources required for counter-terrorism, and increased salary costs. It also includes staff to be recruited in support of the Commonwealth's contributions towards security for the Melbourne 2006 Commonwealth Games.

Supplier expenses

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

Supplier expenses are projected to run at significantly higher levels in 2004–05 and the years ahead, reflecting increases in both operating and fixed costs such as increased accommodation and communications requirements.

Depreciation

ASIO projects depreciation charges to rise over the next four years from its present level as investments in technology and operational capabilities are being implemented. Depreciation charges are projected to increase from around \$8.479m in 2003–04 to \$15.350m in 2004–05.

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 as part of the total expenses 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 deficit from ordinary activities

An operating surplus of \$5.587m is projected for 2004–05, in contrast with the deficits recorded for 2002–03 and 2003–04 of around \$2.000m. This surplus reflects the easing of budgetary pressures on the Organisation since 2002–03 through additional funding by Government.

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 \$44.567m in 2003–04 to \$54.604m in 2004–05 reflect new assets acquired relating to the 2004–05 budget measures and other internal capital investments. This is offset by a write down of the asset base through depreciation and asset retirements.

For 2004–05 ASIO will invest a total of \$26.271m (excluding GST) on capital items of which \$18.011m is funded through new measures agreed by Government in the 2003–04 and 2004–05 Budget.

Equity injection

The increase in contributed equity from \$32.781m in 2003–04 to \$50.792m in 2004–05 reflects equity injections of \$18.011m 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 which for ASIO is largely represented by equity injections from Government to cover capability investment requirements.

Projected cashflow through to 2007-08 takes into account staff growth and ongoing cost commitments associated with new policy proposals and the desired cash reserves necessary to meet surge requirements.

Capital Budget Statement

The capital budget statement shows the total equity injections of \$18.011m, relating to agreed Government measures for 2003-04 and 2004-05. This level of funding represents 68.5% of ASIO's investments in equipment and technology in 2004-05.

Non-financial Assets — Summary of Movement

The non-financial assets - summary of movement table shows the respective asset categories of the Organisation and its investments in equipment and technology in 2004-05.

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

	Estimated Actual 2003-04 \$'000	Budget Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from government	98,210	134,729	145,669	141,200	144,223
Goods and services	1,902	1,884	1,859	1,910	1,964
Interest	-	-	-	-	-
Other	1,381	1,560	1,448	1,547	1,573
Total	101,493	138,173	148,976	144,657	147,760
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	60,514	73,696	83,678	88,340	90,903
Suppliers	33,672	42,613	47,179	41,060	41,332
Depreciation and amortisation	8,479	15,350	16,786	14,019	13,740
Other	1,201	884	990	1,080	1,080
(Expenses from ordinary activities excluding borrowing costs expense)	103,866	132,543	148,633	144,499	147,055
Borrowing costs expense	43	43	-	-	-
Operating surplus or deficit from ordinary activities	(2,416)	5,587	343	158	705
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	(2,416)	5,587	343	158	705

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

	Estimated Actual 2003–04 \$'000	Budget Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000
ASSETS					
Financial assets					
Cash	4,553	18,844	21,354	18,882	17,963
Receivables	2,031	1,896	1,883	1,909	1,936
Other	-	-	-	-	-
Total financial assets	6,584	20,740	23,237	20,791	19,899
Non-financial assets					
Land and buildings	12,775	20,289	18,086	15,895	13,703
Infrastructure, plant and equipment	29,317	29,407	38,378	43,214	49,303
Intangibles	1,847	4,280	4,054	5,698	6,229
Other	628	628	628	628	628
Total non-financial assets	44,567	54,604	61,146	65,435	69,863
Total assets	51,151	75,344	84,383	86,226	89,762
LIABILITIES					
Interest bearing liabilities					
Leases	138	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	138	-	-	-	-
Provisions					
Employees	14,494	15,016	15,617	16,251	16,901
Other	-	-	-	-	-
Total provisions	14,495	15,016	15,617	16,251	16,901
Payables					
Suppliers	3,500	3,711	4,091	3,581	3,604
Other	1,031	1,031	1,031	1,031	1,031
Total payables	4,531	4,742	5,122	4,612	4,635
Total liabilities	19,163	19,758	20,739	20,863	21,536
EQUITY					
Parent entity interest					
Contributed equity	32,781	50,792	58,507	60,069	62,228
Reserves	6,279	6,279	6,279	6,279	6,279
Retained surpluses	(7,072)	(1,485)	(1,142)	(985)	(281)
Total parent entity interest	31,988	55,586	63,644	65,363	68,226
Outside equity interest	-	-	-	-	-
Total equity	51,151	75,344	84,383	86,226	89,762
TOTAL ASSETS AND LIABILITIES BY MATURITY					
Current assets	7,212	21,368	23,865	21,419	20,527
Non-current assets	43,939	53,976	60,518	64,807	69,235
Current liabilities	10,763	10,901	11,575	11,374	11,712
Non-current liabilities	8,400	8,857	9,164	9,489	9,824

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

	Estimated Actual 2003–04 \$'000	Budget Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	98,210	134,729	145,669	141,200	144,223
Sales of goods and services	1,902	2,019	1,871	1,884	1,937
Interest	-	-	-	-	-
Other	5,706	7,663	7,772	6,692	6,731
Total cash received	105,818	144,411	155,313	149,776	152,891
Cash used					
Employees	59,801	73,174	83,079	87,707	90,252
Suppliers	34,695	42,402	46,797	41,570	41,310
Interest	-	-	-	-	-
Other	3,387	4,261	4,718	4,106	4,133
Total cash used	97,884	119,837	134,594	133,383	135,695
Net cash from operating activities	7,934	24,574	20,718	16,393	17,196
INVESTING ACTIVITIES					
Cash Received					
Other	881	786	825	900	900
Total cash received	881	786	825	900	900
Cash used					
Purchase of property, plant and equipment	20,006	28,899	26,749	21,327	21,174
Total cash used	20,006	28,899	26,749	21,327	21,174
Net cash from investing activities	(19,125)	(28,113)	(25,924)	(20,427)	(20,274)
FINANCING ACTIVITIES					
Cash received					
Cash from capital injections	10,637	18,011	7,716	1,562	2,159
Total cash received	10,637	18,011	7,716	1,562	2,159
Cash used					
Capital use and dividends paid	243	181	-	-	-
Total cash used	243	181	-	-	-
Net cash from financing activities	10,394	17,830	7,716	1,562	2,159
Net increase (decrease) in cash held	(797)	14,291	2,510	(2,472)	(919)
Cash at the beginning of the reporting period	5,350	4,553	18,844	21,354	18,882
Cash at the end of the reporting period	4,553	18,844	21,354	18,882	17,963

Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

	Estimated Actual 2003–04 \$'000	Budget Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	10,637	18,011	7,716	1,562	2,159
Total loans	-	-	-	-	-
Appropriation for previous year's outputs	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	10,637	18,011	7,716	1,562	2,159
Other	-	-	-	-	-
Total	10,637	18,011	7,716	1,562	2,159
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	10,637	18,011	7,716	1,562	2,159
Funded internally by departmental resources	7,551	8,260	16,601	17,826	17,090
Total¹	18,187	26,271	24,317	19,388	19,249

Note

Note 1. Figures disclosed exclusive of GST of \$2.627m.

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2004–05)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	944	11,831	-	29,317	-	1,847	-	43,939
Additions	-	10,243	-	10,088	-	5,940	-	26,271
Disposals	-	-	-	883	-	-	-	883
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expenses	-	(2,729)	-	(9,115)	-	(3,507)	-	(15,350)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	944	19,345	-	29,407	-	4,280	-	53,977
Total Additions								
Self funded	-	3,000	-	2,920	-	2,340	-	8,260
Appropriations	-	7,243	-	7,168	-	3,600	-	18,011
Total	-	10,243	-	10,088	-	5,940	-	26,271

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

1. 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.
2. The Budget statements do not reflect as revenue, resources received free of charge nor are these costs included in as operating expenses.
3. GST has been included in the cashflow statements but excluded in the Statement of Financial Performance, consistent with standard accounting practices.
4. 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 deprival or fair value.

Section 4: Purchaser/Provider and Cost Recovery arrangements

PURCHASER/PROVIDER ARRANGEMENTS

ASIO has not entered into any purchaser/provider arrangements.

COST RECOVERY ARRANGEMENTS

ASIO provides:

- a) 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 approximately 70% of its revenue relating to Government departments and agencies.

- b) 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.
- c) Rental accommodation and business support facilities to the Office of National Assessment.
- d) Security advice to the Australian Federal Police (AFP), such as security checking advice for holders of Aviation Security Identification Cards.

