

**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 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 and Defence. 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 1979*. ASIO has no powers to enforce measures for security.

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 s.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 its outcome and outputs.

Appropriations

The total appropriation for ASIO in the 2000–01 Budget is \$62.935m. Table 1.1 shows appropriations (2000–01) and other revenue by outcome.

Administered Capital and Departmental Equity Injections and Loans

ASIO has no administered capital. ASIO will receive an equity injection of \$0.240m to enable it to upgrade microwave equipment following recent changes to bandwidth allocations by the Australian Communications Authority. In addition, as part of the investment in its capabilities, ASIO will receive capital injections totalling \$7.115m over three years commencing in 2001–02.

Budget Measures Summary

Table 1.2 details summary of measures disclosed in the 2000–01 Budget.

Australian Security Intelligence Organisation – Appropriations 2000–01

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

Outcome 1	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)	(J=C+I)
A secure Australia for people and property, for government business and national infrastructure, and for special events of a national and international significance	62 695		62 695 94.8%	3 432	66 127	–	–	–	–	62 695
Total	62 695		62 695	3 432	66 127					62 695
Departmental capital (equity injections and loans)									240	
Administered capital									–	
Total appropriations									62 935	

Notes:

- Columns C, D, E and I refer to information provided in Table 2.1.
- 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 Operating Statement 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 indicates the percentage contribution of revenue from government (departmental appropriations) to the total price of outputs, by outcome.

Australian Security Intelligence Organisation - Budget Measures Summary

Table 1.2 Summary of Measures disclosed in the 2000–01 Budget

Measure	Outcome	Output groups affected	Appropriations Budget			Appropriations Forward Estimate			Appropriations Forward Estimate			Appropriations Forward Estimate		
			2000–01 (\$'000)			2001–02 (\$'000)			2002–03 (\$'000)			2003–04 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin Expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Investment in ASIO's capabilities	1	1.1	–	480	480	–	5 206	5 206	–	5 172	5 172	–	6 564	6 564
Protection of the National Information Infrastructure	1	1.1	–	600	600	–	–	–	–	–	–	–	–	–
Total			–	1 080	1 080	–	5 206	5 206	–	5 172	5 172	–	6 564	6 564

Capital Measures

- \$0.240m in 2000–01 for the upgrade of the microwave equipment following recent changes to bandwidth allocations.
- A total of \$7.115m over three years, commencing in 2001–02, relating to the investment in ASIO's capabilities.

Section 2: Outcome and Outputs Information

Outcome and outputs

ASIO's outcome supports the Government's policy aim of a secure Australia in a secure region:

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

ASIO's output group 'Security Intelligence' comprises four outputs:

- *Security Intelligence Analysis and Advice*
- *Protective Security Advice*
- *Security Intelligence Investigation and Capability*
- *Foreign Intelligence*

Financial 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 outputs.
- Table 2.1 - details financial information for outcome 1.
- Table 2.2 - details non-financial information for outcome 1.

Changes to outcome and outputs

ASIO's outputs are a further refinement of those developed in 1999–2000. They have been recast to more clearly identify those services delivered in support of the outcome.

The changes are:

- the addition of the 'Security Intelligence Investigation and Capability' output, which encompasses key security intelligence capabilities delivered to government;
- amalgamation of the previous outputs 'Security Assessment and Advice' and 'Physical Security Advice and Standards' into the new output 'Protective Security Advice'. This will simplify the reporting process;

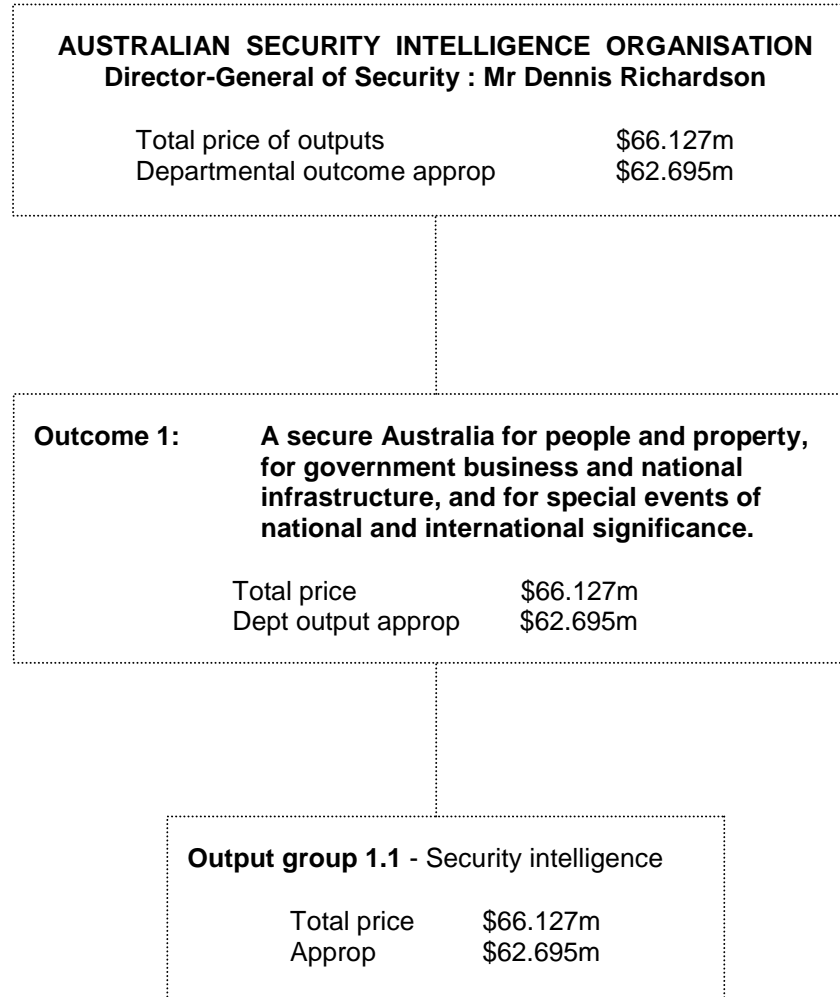
The 'Security Intelligence Advice and Action' and 'Foreign Intelligence' outputs have not been changed.

Trends in resourcing

The price of ASIO's outputs decreases in 2000–01 in comparison to 1999–2000 when additional funding provided to meet Olympics related activities ceases.

The reduction is partially offset by a \$5.3m increase in the price of the outcome to assist in meeting Commonwealth Heads of Government Meetings related security activities. This increase will be spread over two years from 2000–01. The outcome price will make a further and significant increase from 2001–02 when a new measure directed to enhancing ASIO's capabilities takes effect.

Map 2.1 Outcome and outputs



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 output group comprises four outputs:

- **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, 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, 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.

Budget Measures

There are two Budget measures that affect ASIO's outcome:

Measure 1: *Investment in ASIO's capabilities* to enable ASIO to enhance its capabilities in intelligence investigation and protective security.

Measure 2: *Protection of the National Information Infrastructure* to enable ASIO to increase its ability to support broader Government initiatives regarding security of national computer and information infrastructure.

Resourcing

Table 2.1 shows how the 2000–01 appropriations translate to the total resourcing for outcome 1: revenue from government (appropriations), revenue from other sources and the total price of outputs.

Table 2.1 Total resources for outcome 1 (\$'000)

	Estimated Actual 1999–2000 (\$'000)	Budget Estimate 2000–01 (\$'000)
Departmental appropriations		
Output group 1.1 – Security Intelligence	64 062	62 695
Total revenue from government (appropriations) contributing to price of departmental outputs	64 062	62 695
	98.7%	94.8%
Revenue from other sources		
Output group 1.1 – Security Intelligence	835	3 432
Total revenue from other sources	835	3 432
Total Price of departmental outputs <i>(Total revenue from government and other sources)</i>	64 897	66 127
Total estimated resourcing for outcome 1 <i>(Total price of outputs and administered expenses)</i>	64 897	66 127
Average Staffing Level (number)	537.2	538.8

Performance information

Table 2.2 provides information on the strategies chosen to deliver the outcome, and shows the links between the output and the outcome.

Table 2.2 Performance information for outcome 1

Effectiveness — overall achievement of the outcome	
<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.
Security of ASIO's activities.	Maintenance of ASIO's security integrity.
Performance Information for departmental output group	
Output group 1.1 — Security Intelligence	<i>Quality:</i> Relevant client feedback on agency outputs with regard to relevance, accuracy, timeliness, responsiveness and security <i>Efficiency:</i> Resource use against priorities and cost-effectiveness

Note:

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 the outcome and outputs.

Competitive tendering and contracting

ASIO has investigated the possibility of outsourcing certain functions and has been able to make modest progress. The extent to which outsourcing can occur is significantly limited by national security considerations.

Section 3: Budgeted Financial Statements

Table 3.1 Departmental Operating Statement (for the year ended 30 June)

	Estimated Actual 1999–00 \$'000	Budget Estimate 2000–01 \$'000	Forward Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000
OPERATING REVENUE					
Revenues from government	64 062	62 695	61 354	61 321	63 634
Sales of goods and services	250	598	366	298	316
Interest	75	45	15	20	30
Other	510	2 789	3 543	510	510
Total operating revenues <i>(before abnormal items)</i>	64 897	66 127	65 278	62 149	64 490
OPERATING EXPENSES					
Employees	36 577	37 447	36 768	35 444	36 284
Suppliers	24 124	29 621	19 363	16 909	17 381
Depreciation and amortisation	6 115	6 479	7 521	7 934	8 698
Total operating expenses	66 816	73 547	63 652	60 287	62 363
Operating surplus or (deficit) before abnormal and extraordinary items	(1 919)	(7 420)	1 626	1 862	2 127
Abnormal and extraordinary items	–	–	–	–	–
Operating surplus or (deficit) after abnormal and extraordinary items	(1 919)	(7 420)	1 626	1 862	2 127
Capital use charge paid	2 316	1 273	1 626	1 862	2 127
Operating surplus or (deficit) after abnormal and extraordinary items and CUC	(4 235)	(8 693)	–	–	–

Table 3.2 Departmental Balance Sheet (as at 30 June)

	Estimated Actual 1999–00 \$'000	Budget Estimate 2000–01 \$'000	Forward Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000
ASSETS					
Financial assets					
Cash	460	268	988	926	908
Receivables	155	186	175	180	180
Investments	8 000	–	–	1 000	2 000
Total financial assets	8 615	454	1 163	2 106	3 098
Non-financial assets					
Land and buildings	7 985	7 637	6 789	5 941	5 093
Infrastructure, plant and equipment	12 626	13 002	16 380	18 426	20 730
Intangibles	2 998	3 058	3 119	3 182	3 246
Other	295	300	300	300	300
Total non-financial assets	23 904	23 997	26 588	27 849	29 369
Total Assets	32 519	24 451	27 751	29 955	32 467
LIABILITIES					
Provisions and payables					
Employees	11 962	12 029	12 525	12 790	13 061
Suppliers	1 257	1 575	1 435	1 412	1 444
Total provisions and payables	13 219	13 604	13 960	14 202	14 505
Total liabilities	13 219	13 604	13 960	14 202	14 505
EQUITY					
Capital	8 928	9 168	12 112	14 074	16 283
Reserves	2 135	2 135	2 135	2 135	2 135
Accumulated surpluses or (deficits)	8 237	(456)	(456)	(456)	(456)
Total equity	19 300	10 847	13 791	15 753	17 962
Current liabilities	3 649	3 996	3 929	3 946	4 021
Non-current liabilities	9 570	9 608	10 031	10 256	10 484
Current assets	8 910	754	1 463	2 406	3 398
Non-current assets	23 609	23 697	26 288	27 549	30 069

Table 3.3 Departmental Statement of Cash Flows (for the year ended 30 June)

	Estimated Actual 1999–00 \$'000	Budget Estimate 2000–01 \$'000	Forward Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	64 062	62 695	61 354	61 321	63 634
Sales of goods and services	252	567	377	293	306
Interest	75	45	15	20	30
Other	510	2 789	3 543	510	510
Total cash received	64 899	66 096	65 289	62 144	64 480
Cash used					
Employees	36 487	37 380	36 272	35 179	36 013
Suppliers	24 032	29 308	19 503	16 932	17 349
Total cash used	60 519	66 688	55 775	52 111	53 362
Net cash from operating activities	4 380	(592)	9 514	10 033	11 118
INVESTING ACTIVITIES					
Cash received					
Other	–	–	–	–	–
Total cash received	–	–	–	–	–
Cash used					
Purchase of property, plant and equipment	5 770	6 567	10 112	9 195	10 218
Total cash used	5 770	6 567	10 112	9 195	10 218
Net cash from investing activities	(5 770)	(6 567)	(10 112)	(9 195)	(10 218)
FINANCING ACTIVITIES					
Cash Received					
Other	8 928	240	2 944	1 962	2 209
Total cash received	8 928	240	2 944	1 962	2 209
Cash used					
Capital use and dividends paid	2 316	1 273	1 626	1 862	2 127
Total cash used	2 316	1 273	1 626	1 862	2 127
Net cash from financing activities	6 612	(1 003)	1 318	100	82
Net increase in cash held	5 222	(8 192)	720	938	982
Cash at the beginning of the reporting period	3 238	8 460	268	988	1 926
Cash at the end of the reporting period	8 460	268	988	1 926	2 908

Table 3.4 Departmental Capital Budget Statement

	Estimated Actual 1999–00 \$'000	Budget Estimate 2000–01 \$'000	Forward Estimate 2001–02 \$'000	Forward Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	–	240	2 944	1 962	2 209
Represented by:					
Purchase of non-current assets	5 770	6 567	10 112	9 195	10 218
Total	5 770	6 567	10 112	9 195	10 218
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	–	240	2 944	1 962	2 209
Funded internally by departmental resources	5 770	6 327	7 168	7 233	8 009
Total	5 770	6 567	10 112	9 195	10 218

Table 3.5 Departmental Non-Financial Assets — Summary of Movement for Budget Year 2000–01

	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
Gross value							
<i>As at 1 July 2000 (opening)</i>	720	9 039	9 759	24 455	24 455	5 142	39 356
Additions	–	100	100	5 422	5 422	1 045	6 567
<i>As at 30 June 2001 (closing)</i>	720	9 139	9 859	29 877	29 877	6 187	45 923
ACCUMULATED DEPRECIATION							
<i>As at 1 July 2000 (opening)</i>	–	1 774	1 774	11 829	11 829	2 144	15 747
Charge for the reporting period	–	448	448	5 046	5 046	985	6 479
<i>As at 30 June 2001 (closing)</i>	–	2 222	2 222	16 875	16 875	3 129	22 226
Net book value as at 30 June 2001 (Closing book value)	720	6 917	7 637	13 002	13 002	3 058	23 697
Net book value as at 1 July 2000 (Opening book value)	720	7 265	7 985	12 626	12 626	2 998	23 609
TOTAL ADDITIONS							
Self funded	–	100	100	5 182	5 182	1 045	6 327
Appropriations	–	–	–	240	240	–	240
Total	–	100	100	5 422	5 422	1 045	6 567

Notes to the Financial Statements

Supplier expenses from 1999–2000 to 2001–02 remain abnormally high due to the timing of contract payments associated with special project activity and costs associated with Olympics and CHOGM security activities.

Appendix 1**Non-appropriation departmental revenue**

	Estimated Revenue 1999–2000 \$'000	Estimated Revenue 2000–01 \$'000
Section 31 (FMA Act) receipts	250	598
Other revenues from other sources	585	2 834
Total Estimated Revenue	835	3 432