

Australian Security Intelligence Organisation

**Entity resources and planned
performance**

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Australian Security Intelligence Organisation

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Security Intelligence Organisation (ASIO) protects Australia and Australians from threats to their security. ASIO will advance this purpose during 2023–24 through the following key priorities:

- Counter-espionage and foreign interference
- Counter-terrorism
- Top Secret-Privileged Access Vetting

Australia's security environment remains complex, challenging and changing. Threats are increasingly intersecting, emerging from new places and blurring the distinctions between ASIO's legislated responsibilities.

In an environment where espionage and foreign interference has surpassed terrorism as ASIO's principal security concern, the threats facing Australia are more serious and sophisticated than ever before. Foreign intelligence services are seeking to penetrate government, defence, academia and business to steal classified information, military capabilities, policy plans and sensitive research and innovation. They are targeting all levels of government, intimidating members of diaspora communities and seeking to interfere in our democratic institutions. The threat is pervasive, multifaceted and, if left unchecked, could do serious damage to our sovereignty, values, and national interest.

ASIO is stepping up work with government, business and industry on how to identify and counter insider threats. Insiders are current and former employees or contractors who have legitimate access to information, techniques, activities, technology, assets or facilities. Insiders become 'insider threats' when they disclose sensitive information without authorisation, conduct espionage, foreign interference, sabotage or help a third party conduct these activities.

Australia's National Terrorism Threat Level was lowered from PROBABLE to POSSIBLE in November 2022. ASIO assesses that Australia remains a potential terrorist target, but there are fewer extremists with the intention to conduct an attack onshore than there were when the threat was raised in 2014. However, despite the lower threat level, the counter-terrorism mission remains challenging and the operational tempo is not diminishing.

Significant challenges and changes in the onshore security environment are adding to this complexity. The reach of extremist content online means that individuals are radicalising very quickly. The radicalisation of minors is another concerning trend. Terrorism remains a significant threat in some parts of the world, and emerging in other parts of the world, and development overseas could resonate here in Australia. All of these factors mean that ASIO must continue to work with national and international partners to disrupt terrorism.

In this context, ASIO's work to protect Australia and Australians from threats to their security remains critically important.

- ASIO will protect Australia by countering espionage and foreign interference from foreign intelligence services. ASIO will collect intelligence and investigate to uncover and understand threats to Australian government, defence, political and other national interests. ASIO's intelligence will shape government decisions and inform tactical operations to thwart espionage and foreign interference. ASIO's impactful and trusted advice to government and industry will raise awareness of the threat and establish a less permissive environment for covert actors. ASIO will work with partners to disrupt and deter those attempting to undermine Australia's national interests.
- Prioritising ASIO's resources against the greatest threats, the Organisation will continue to collect intelligence within Australia and overseas, analyse and investigate terrorist threats, and work with partners to strengthen public safety and intervene to disrupt attacks. ASIO's intelligence collection, investigation and assessment efforts enable ASIO to identify the threats Australia faces, and provide impactful advice to inform government policy and responses to religiously motivated and ideologically motivated violent extremism.

Given the evolving nature of the security environment, ASIO must adapt quickly because our success—and Australia's security—depends on it. ASIO will continue to invest in its capabilities—its people, practices and technology—to meet future operational challenges and opportunities. This includes the delivery of high assurance and transferable security clearances to Australia's highest-cleared workforce through ASIO's Top Secret-Privileged Access Vetting Authority.

Security is a shared responsibility. ASIO's mission is enabled by our strong partnerships with the National Intelligence Community, law enforcement, state, territory and federal governments, and our international counterparts.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ASIO resource statement – Budget estimates for 2023–24 as at Budget May 2023

	2022–23 <i>Estimated actual</i> \$'000	2023–24 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	147,264	139,931
Departmental appropriation (c)	519,883	532,089
s74 external revenue (d)	19,417	20,853
Departmental capital budget (e) (f)	35,875	63,825
Annual appropriations – other services – non-operating (g)		
Prior year appropriations available (b)	18,000	7,049
Equity injection	51,014	63,951
Total departmental annual appropriations	791,453	827,698
Total resourcing for ASIO	791,453	827,698

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

Prepared on a resourcing (i.e. appropriations available) basis.

- a) Appropriation Bill (No. 1) 2023–24.
- b) Estimated adjusted balance carried forward from previous year's annual appropriation.
- c) Excludes departmental capital budget (DCB).
- d) Estimated external revenue receipts under section 74 of the PGPA Act.
- e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- f) 2022–23 Estimated actual excludes an amount subject to administrative quarantine by the Department of Finance due to a movement of funds request. This amount will be reappropriated after the appropriations extinguishment (due to the three-year sun setting clause).
- g) Appropriation Bill (No. 2) 2023–24.

1.3 Budget measures

Budget measures in Part 1 relating to ASIO are detailed in the Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2023–24 Budget measures

Part 1: Measures announced since the 2022–23 October Budget

	Program	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Payment measures						
Adequate Funding for Oversight of Our Intelligence Agencies	1.1					
Departmental payment		–	(423)	(648)	(873)	(873)
Strengthening Australia's Arrangements for High Risk Terrorist Offenders	1.1					
Departmental payment		–	2,941	2,865	–	–
Total		–	2,518	2,217	(873)	(873)

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (–) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the PB Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in PB Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for ASIO can be found at:
<https://www.asio.gov.au/resources/corporate-plan>

The most recent annual performance statement can be found at:
<https://www.asio.gov.au/resources/asio-report-parliament>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: To protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to Government.

To deliver its security intelligence program, ASIO works with law enforcement, border and national security agencies in the Commonwealth and state and territories. This collaboration contributes to ASIO's outcome through providing intelligence policy settings, agency capabilities, and information flows. ASIO's security intelligence program contributes to the outcomes of other agencies through security advice, intelligence and services.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: To protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to Government.					
	2022–23 Estimated actual \$'000	2023–24 Budget \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000	2026–27 Forward estimate \$'000
Program 1.1: Security Intelligence					
Departmental expenses					
Departmental appropriation	519,883	532,089	538,477	540,517	553,823
s74 external revenue (a)	19,417	20,853	20,018	20,552	21,095
Expenses not requiring appropriation in the Budget year (b)	132,378	102,881	98,280	98,092	102,437
Departmental total	671,678	655,823	656,775	659,161	677,355
Total expenses for program 1.1	671,678	655,823	656,775	659,161	677,355

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

- a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
- b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees.

Table 2.1.2: Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of the 2023–24 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1: To protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to Government.		
Program 1.1: Security Intelligence		
ASIO operates a single program – Security Intelligence – focused on delivering Outcome 1.		
Key activities (a)	Counter-espionage and foreign interference <ul style="list-style-type: none"> Protecting Australia from espionage and foreign interference Counter-terrorism <ul style="list-style-type: none"> Protecting Australians from religiously motivated and ideologically motivated violent extremism Top Secret-Privileged Access Vetting <ul style="list-style-type: none"> Delivering high assurance and transferable security clearances to Australia's highest cleared workforce from 2023–24 	
Year	Performance measures	Expected performance results
Current year 2022–23	<p>ASIO's key stakeholders confirm our advice had a high impact on their decision-making in informing operational activities, managing security risks and disrupting activities that threatened Australia's security.</p> <p>ASIO's key stakeholders confirm our advice had an impact on their decision-making in relation to specific and relevant policy development and responses to these threats.</p>	<p>ASIO intelligence and advice assisted the Australian Government, government agencies and industry to manage security risks posing threats to Australia and Australians.</p> <p>ASIO's intelligence and advice had an impact on stakeholders' decision-making in informing operational activities and policy development across counter-terrorism, counter-espionage and foreign interference and border security.</p> <p>ASIO's intelligence and advice helped raise awareness of emerging security risks and threats, and enabled disruption operations against threats to Australian interests.</p>

Table 2.1.2: Performance measure for Outcome 1 (continued)

Program 1.1: Security Intelligence		
Year	Performance measures	Planned performance results
Budget year 2023–24	<p>ASIO's key stakeholders confirm our advice had a high impact on their decision-making in informing operational activities, managing security risks and disrupting activities that threatened Australia's security.</p> <p>ASIO's key stakeholders confirm our advice had an impact on their decision-making in relation to specific and relevant policy development and responses to these threats.</p> <p>High assurance and transferable security clearances are issued to Australia's highest cleared workforce in line with the reforms coming into effect.</p>	<p>ASIO intelligence and advice assisted the Australian Government, government agencies and industry to manage security risks posing threats to Australia and Australians.</p> <p>ASIO's intelligence and advice had an impact on stakeholders' decision-making in informing operational activities and policy development across counter-terrorism, counter-espionage and foreign interference and border security.</p> <p>ASIO's intelligence and advice helped raise awareness of emerging security risks and threats, and enabled disruption operations against threats to Australian interests.</p> <p>ASIO met the agreed demand of security clearances in accordance with the agreed vetting standard to enable the government to better manage and combat threats to its information, people and assets.</p>
Forward estimates 2024–27	As per 2023–24	As per 2023–24.
Material changes to Program 1.1 resulting from 2023–24 Budget measures: Nil		

a) Refers to updated key activities that will be reflected in the *2023–27 Corporate Plan*.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023–24 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

In 2023–24 ASIO is budgeting to receive departmental appropriations of \$532.1 million, an increase of \$12.2 million from 2022–23. This includes movements for measures previously announced, whole-of-government savings, efficiencies and parameter adjustments embedded within appropriation income across years.

3.2. Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2022–23 Estimated actual \$'000	2023–24 Budget \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000	2026–27 Forward estimate \$'000
EXPENSES					
Total expenses	671,678	655,823	656,775	659,161	677,355
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Total own-source revenue	19,167	20,688	19,853	20,384	20,927
Gains					
Total gains	250	165	165	168	168
Total own-source income	19,417	20,853	20,018	20,552	21,095
Net (cost of)/contribution by services	(652,261)	(634,970)	(636,757)	(638,609)	(656,260)
Revenue from Government	519,883	532,089	538,477	540,517	553,823
Surplus/(deficit) attributable to the Australian Government	(132,378)	(102,881)	(98,280)	(98,092)	(102,437)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	–	–	–	–	–
Total comprehensive income/(loss)	(132,378)	(102,881)	(98,280)	(98,092)	(102,437)
Total comprehensive income/(loss) attributable to the Australian Government	(132,378)	(102,881)	(98,280)	(98,092)	(102,437)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**Note: Impact of net cash appropriation arrangements**

	2022–23 Estimated actual \$'000	2023–24 Budget \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000	2026–27 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of comprehensive income	(132,378)	(102,881)	(98,280)	(98,092)	(102,437)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	nfp	nfp	nfp	nfp	nfp
Plus: depreciation/amortisation expenses for ROU assets (b)	nfp	nfp	nfp	nfp	nfp
Less: lease principal repayments (b)	nfp	nfp	nfp	nfp	nfp
Net cash operating surplus/(deficit)	nfp	nfp	nfp	nfp	nfp

Prepared on Australian Accounting Standards basis.

- a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Bill 1 equity appropriations.
- b) Applies leases under AASB 16 Leases.

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

	2022–23 Estimated actual \$'000	2023–24 Budget \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000	2026–27 Forward estimate \$'000
ASSETS					
Financial assets					
Financial assets	147,661	138,813	138,480	140,494	135,896
Non-financial assets	819,685	836,788	819,526	821,099	801,938
Total assets	967,346	975,601	958,006	961,593	937,834
LIABILITIES					
Payables	25,024	27,366	25,058	25,058	25,058
Interest bearing liabilities	518,472	495,054	457,290	432,402	387,998
Provisions	97,624	102,060	104,035	106,049	106,049
Total liabilities	641,120	624,480	586,383	563,509	519,105
Net assets	326,226	351,121	371,623	398,084	418,729
EQUITY (a)					
Parent entity interest					
Contributed equity	1,181,892	1,309,668	1,428,450	1,553,003	1,676,085
Reserves	90,369	90,369	90,369	90,369	90,369
Retained surplus (accumulated deficit)	(946,035)	(1,048,916)	(1,147,196)	(1,245,288)	(1,347,725)
Total parent entity interest	326,226	351,121	371,623	398,084	418,729
Total equity	326,226	351,121	371,623	398,084	418,729

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity – summary of movement
(Budget year 2023–24)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2023					
Balance carried forward from previous period	(946,035)	90,369	–	1,181,892	326,226
Adjustment for changes in accounting policies	–	–	–	–	–
Adjusted opening balance	(946,035)	90,369	–	1,181,892	326,226
Comprehensive income					
Other comprehensive income	–	–	–	–	–
Surplus/(deficit) for the period	(102,881)	–	–	–	(102,881)
Total comprehensive income	(102,881)	–	–	–	(102,881)
of which:					
Attributable to the Australian Government	(102,881)	–	–	–	(102,881)
Transactions with owners					
Contributions by owners					
Equity injection – appropriation	–	–	–	63,951	63,951
Departmental capital budget (DCB)	–	–	–	63,825	63,825
Sub-total transactions with owners	–	–	–	127,776	127,776
Estimated closing balance as at 30 June 2024	(1,048,916)	90,369	–	1,309,668	351,121
Closing balance attributable to the Australian Government	(1,048,916)	90,369	–	1,309,668	351,121

Prepared on Australian Accounting Standards basis

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

	2022–23 Estimated actual \$'000	2023–24 Budget \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000	2026–27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	566,059	548,570	554,201	555,961	576,298
Other	32,352	38,901	41,052	37,842	38,804
Total cash received	598,411	587,471	595,253	593,803	615,102
Cash used					
Other	544,913	544,141	554,494	551,361	575,296
Total cash used	544,913	544,141	554,494	551,361	575,296
Net cash from/(used by) operating activities	53,498	43,330	40,759	42,442	39,806
INVESTING ACTIVITIES					
Cash used					
Other	113,981	142,352	118,782	124,553	123,082
Total cash used	113,981	142,352	118,782	124,553	123,082
Net cash from/(used by) investing activities	(113,981)	(142,352)	(118,782)	(124,553)	(123,082)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	97,840	142,291	118,782	124,553	123,082
Total cash received	97,840	142,291	118,782	124,553	123,082
Cash used					
Other	37,163	39,514	40,567	42,442	39,806
Total cash used	37,164	39,514	40,567	42,442	39,806
Net cash from/(used by) financing activities	60,676	102,777	78,215	82,111	83,276
Net increase/(decrease) in cash held	194	2,816	192	–	–
Cash and cash equivalents at the beginning of the reporting period	22,256	22,450	25,266	25,458	25,458
Cash and cash equivalents at the end of the reporting period	22,450	25,266	25,458	25,458	25,458

Prepared on Australian Accounting Standards basis.