

Australian Security Intelligence Organisation

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Australian Security Intelligence Organisation

Section 1: Entity overview and resources

1.1 Strategic direction statement

Australia is in a period of strategic surprise and security fragility. The security environment is becoming more dynamic, more diverse and more degraded. We are facing multifaceted, merging, intersecting, concurrent and cascading threats. A more vulnerable, fractured and intolerant society means a less predictable and more volatile security environment.

While the security outlook is increasingly challenging, the Australian Security Intelligence Organisation (ASIO) will continue to protect Australia and Australians from threats to their security. Our powers are significant, our people world class, our capabilities exceptional and our resolve resolute.

In 2026–27, ASIO will advance its mission through the following key priorities:

- Counter-intelligence
- Counter-terrorism
- Top Secret–Privileged Access Vetting.

The national terrorism threat level is PROBABLE – ASIO assesses there is a greater than fifty per cent chance of a domestic terrorist attack or attack planning in the next twelve months.

We are tracking an increase in extremism: more Australians are being radicalised and more are willing to use violence to advance their cause. Religiously motivated violent extremism as seen with the Bondi attack remains an enduring threat. Terrorist organisations abroad such as Islamic State of Iraq and the Levant (ISIL) remain threats, and can also inspire attacks from lone actors. We are also seeing an increase in ideologically motivated violent extremism, fuelled by personal grievances, conspiracy theories and anti-authority ideologies.

Politically Motivated Violence (PMV) is one of Australia’s principal security concerns. PMV encompasses terrorism but is broader than that. It covers any violent act or violent threat intended or likely to achieve a political objective. This includes violent protest, riot or an attack on a politician or our democratic institutions. We are observing a rise in hateful and divisive rhetoric, targeting groups along ethnic, religious, cultural and social lines – where it can translate into PMV or promotion of communal violence (PCV).

The internet continues to be the single most potent incubator and driver of extremism, connecting Australians to violent ideologies, fuelling extremist narratives and allowing misinformation, conspiracies and grievances to spread with speed and at scale. Younger Australians are particularly susceptible to these influences, with recommender algorithms

pushing content, and other features such as continuous scrolling keeping people on platforms for longer. The spread of encryption continues to pose a challenge to ASIO's activities, with malicious actors routinely using commercially available secure messaging apps and virtual private networks to avoid detection and hide their activities.

ASIO will continue to monitor counter-terrorism threats in the community and online, working with law enforcement to disrupt acts of PMV.

Following the passage of the Combatting Antisemitism, Hate and Extremism Bills, ASIO will provide assessments to AusCheck to inform firearms licensing background checks, and provide advice to the Minister for Home Affairs for their consideration in the listing of an organisation as a 'prohibited hate group'.

Great power competition is driving unprecedented levels of espionage targeting Australia and its allies. A range of countries – including some we consider friendly – have a relentless hunger for strategic advantage and an insatiable appetite for insider information. While espionage and foreign interference are priority concerns now, we expect sabotage, and particularly cyber-enabled sabotage, to pose an increasing threat in the next five years, including to Australia's Defence interests and critical infrastructure. ASIO continues to adopt an aggressive counter-intelligence posture to harden Australia's security environment.

Through the Top Secret-Privileged Access (TS-PA) Vetting Authority, ASIO continues to deliver highest-level security clearances for the Commonwealth to ensure the Australian Government's most sensitive information, capabilities and secrets remain protected against the risk of compromise by trusted insiders.

By leveraging ASIO's security intelligence functions, holdings and capabilities, the TS-PA Vetting Authority provides a holistic assessment of a person's suitability to hold the highest-level security clearance, having regard to the most current and accurate information about the security threats confronting Australia.

Many challenges of the contemporary security environment cannot be solved by ASIO or law enforcement alone. Security is a shared responsibility and ASIO delivers its mission through strong partnerships. We contribute our capabilities and experience to enhance the collective response to government. ASIO will always play its part, and will rigorously and carefully prioritise our resources to ensure we remain well placed to secure Australia and protect its people.

1.2 Entity resource statement

Table 1.1 shows the total resourcing 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. Amounts presented below are consistent with amounts presented in the appropriation bills themselves.

Table 1.1: ASIO resource statement – Budget estimates for 2026–27 as at Budget May 2026

	<i>2025–26 Estimated actual \$'000</i>	2026–27 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	222,102	170,880
Departmental appropriation (c)	644,951	659,140
s74 external revenue (d)	32,350	28,292
Departmental capital budget (e)	45,575	63,616
Annual appropriations – other services – non-operating (f)		
Prior year appropriations available (b)	33,956	21,124
Equity injection	90,973	138,178
Total departmental annual appropriations	<u>1,069,907</u>	<u>1,081,230</u>
Total departmental resourcing	1,069,907	1,081,230

Prepared on a resourcing (that is, appropriations available) basis.

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

- a) Appropriation Bill (No. 1) 2026–2027.
- b) Excludes \$37.739m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- c) Excludes departmental capital budget (DCB).
- d) Estimated external revenue receipts under section 74 of the PGPA Act.
- e) Departmental capital budgets and administered payments to other jurisdictions are not separately identified in Appropriation Bill (No. 1) and Supply 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) Appropriation Bill (No. 2) 2026–2027.

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 2026–27 Budget measures

Part 1: Measures announced since the 2025–26 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2025–26 \$'000	2026–27 \$'000	2027–28 \$'000	2028–29 \$'000	2029–30 \$'000
Receipt measures (a)						
Measure Title	1.1					
Departmental receipt		nfp	nfp	nfp	nfp	nfp
Total		nfp	nfp	nfp	nfp	nfp
Total receipt measures						
Departmental		nfp	nfp	nfp	nfp	nfp
Total		nfp	nfp	nfp	nfp	nfp
Payment measures (a)						
Digital ID	1.1					
Departmental payment		nfp	nfp	nfp	nfp	nfp
Total		nfp	nfp	nfp	nfp	nfp
Measure Title	1.1					
Departmental payment		nfp	nfp	nfp	nfp	nfp
Total		nfp	nfp	nfp	nfp	nfp
Total payment measures						
Departmental		nfp	nfp	nfp	nfp	nfp
Total		nfp	nfp	nfp	nfp	nfp

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.

a) These measures are not for publication (nfp)

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 that 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:
www.asio.gov.au/resources/corporate-plan

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

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.

Linked programs

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

	2025–26 Estimated actual \$'000	2026–27 Budget \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000	2029–30 Forward estimate \$'000
Program 1.1: Security Intelligence					
Departmental expenses					
Departmental appropriations	644,951	659,140	618,739	612,547	592,399
Section 74 external revenue (a)	32,485	28,427	35,420	58,305	64,358
Expenses not requiring appropriation in the Budget year (b)	96,649	97,878	85,553	60,901	56,588
Departmental total	774,085	785,445	739,712	731,753	713,345
Total expenses for program 1.1	774,085	785,445	739,712	731,753	713,345

Annual appropriation amounts reported are inclusive of supply bill arrangements.

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.

Performance measures for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan (i.e. 2025–26), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2026–27 Budget measures that have created new programs or materially changed existing programs are to be provided.

Table 2.1.2: Performance measures 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.		
Program 1.1: Security Intelligence ASIO operates a single program—Security Intelligence—focused on delivering Outcome 1.		
Key activities	<p>Counter-intelligence</p> <ul style="list-style-type: none"> Protecting Australia from espionage, foreign interference and sabotage <p>Counter-terrorism</p> <ul style="list-style-type: none"> Protecting Australians from religiously motivated and ideologically motivated violent extremism <p>Top Secret-Privileged Access Vetting</p> <ul style="list-style-type: none"> Delivering high assurance and transferable security clearances to Australia's highest cleared workforce 	
Year	Performance measures	Expected performance results
Current year 2025–26	<p>ASIO's key stakeholders confirm our advice had impact on their decision-making in informing operational activities, managing security risks and disrupting activities that threatened Australia's security.</p> <p>Case studies demonstrate ASIO's operational success in understanding threats, hardening the environment and disrupting threats.</p> <p>High assurance and transferable security clearances are issued to Australia's highest cleared workforce.</p>	<p>ASIO's intelligence and advice had impact on stakeholders' decision-making in informing operational activities across counter-terrorism, counter-intelligence and border security.</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 helped raise awareness of emerging security risks and threats, hardened the environment, 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> <p>The performance results for each of the measures above are on track to be 'Achieved'.</p>

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.		
Year	Performance measures	Planned performance results
Budget year 2026–27	<p>ASIO's key stakeholders confirm our advice has impact on their decision-making in informing operational activities, managing security risks and disrupting activities that threatened Australia's security.</p> <p>Case studies demonstrate ASIO's operational success in understanding threats, hardening the environment and disrupting threats.</p> <p>High assurance and transferable security clearances are issued to Australia's highest cleared workforce.</p>	<p>ASIO's intelligence and advice has impact on stakeholders' decision-making in informing their operational activities across counter-terrorism, counter-intelligence and border security.</p> <p>ASIO intelligence and advice assists the Australian Government, government agencies and industry to manage security risks posing threats to Australia and Australians.</p> <p>ASIO's intelligence and advice helps to raise awareness of emerging security risks and threats, hardened the environment, and enabled disruption operations against threats to Australian interests.</p> <p>ASIO meets 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 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.1 resulting from 2026–27 Budget measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of entity finances for the 2026–27 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Explanatory notes and analysis of budgeted financial statements

In 2026–27 ASIO is budgeting to receive departmental appropriation of \$659.14 million, an increase of \$14.19 million from 2025–26. This includes movements for measures announced 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

	2025–26 Estimated actual \$'000	2026–27 Budget \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000	2029–30 Forward estimate \$'000
EXPENSES					
Total expenses	774,085	785,445	739,712	731,753	713,345
LESS:					
OWN-SOURCE INCOME					
Total own-source revenue	32,485	28,427	35,420	58,305	64,358
Total gains	–	–	–	–	–
Total own-source income	32,485	28,427	35,420	58,305	64,358
Net (cost of)/contribution by services	(741,600)	(757,018)	(704,292)	(673,448)	(648,987)
Revenue from Government	644,951	659,140	618,739	612,547	592,399
Surplus/(deficit) attributable to the Australian Government	(96,649)	(97,878)	(85,553)	(60,901)	(56,588)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	–	–	–	–	–
Total comprehensive income/(loss)	(96,649)	(97,878)	(85,553)	(60,901)	(56,588)
Total comprehensive income/(loss) attributable to the Australian Government	(96,649)	(97,878)	(85,553)	(60,901)	(56,588)

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

	2025–26 Estimated actual \$'000	2026–27 Budget \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000	2029–30 Forward estimate \$'000
Total comprehensive income/(loss) – as per statement of comprehensive income	(96,649)	(97,878)	(85,553)	(60,901)	(56,588)
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 right-of-use (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 that provided non-corporate Commonwealth entities with a separate departmental capital budget (DCB) under Appropriation Bill (No. 1). This replaced revenue appropriations provided under Appropriation Bill (No. 1) used for the depreciation/amortisation expenses.
- b) Applies to leases under AASB 16 Leases.

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

	2025–26 Estimated actual \$'000	2026–27 Budget \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000	2029–30 Forward estimate \$'000
ASSETS					
Financial assets	261,943	246,155	243,638	243,638	243,638
Non-financial assets	1,044,917	1,109,955	1,128,833	1,125,522	1,108,847
Total assets	1,306,860	1,356,110	1,372,471	1,369,160	1,352,485
LIABILITIES					
Payables	111,218	106,620	106,620	106,620	106,620
Interest-bearing liabilities	560,758	520,090	479,080	432,842	384,806
Provisions	125,802	125,802	125,802	125,802	125,802
Total liabilities	797,778	752,512	711,502	665,264	617,228
Net assets	509,082	603,598	660,969	703,896	735,257
EQUITY (a)					
Parent entity interest					
Contributed equity	1,611,893	1,813,687	1,972,111	2,115,439	2,247,713
Reserves	146,049	146,049	146,049	146,049	146,049
Retained surplus (accumulated deficit)	(1,248,860)	(1,356,138)	(1,457,191)	(1,557,592)	(1,658,505)
Total parent entity interest	509,082	603,598	660,969	703,896	735,257
Total equity	509,082	603,598	660,969	703,896	735,257

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 2026–27)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2026					
Balance carried forward from previous period	(1,248,860)	149,248	(3,199)	1,611,893	509,082
Adjusted opening balance	(1,248,860)	149,248	(3,199)	1,611,893	509,082
Comprehensive income					
Surplus/(deficit) for the period	(97,878)	–	–	–	(97,878)
Total comprehensive income	(97,878)	–	–	–	(97,878)
of which:					
Attributable to the Australian Government	(97,878)	–	–	–	(97,878)
Transactions with owners					
Distributions to owners					
Other	(9,400)	–	–	–	(9,400)
Contributions by owners					
Equity injection – appropriation	–	–	–	138,178	138,178
Departmental capital budget (DCB)	–	–	–	63,616	63,616
Sub-total transactions with owners	(9,400)	–	–	201,794	192,394
Estimated closing balance as at 30 June 2027	(1,356,138)	149,248	(3,199)	1,813,687	603,598
Closing balance attributable to the Australian Government	(1,356,138)	149,248	(3,199)	1,813,687	603,598

Prepared on Australian Accounting Standards basis.

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

	2025–26 Estimated actual \$'000	2026–27 Budget \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000	2029–30 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	695,262	684,595	636,240	629,241	604,492
Other	49,808	46,169	52,786	74,864	76,316
Total cash received	745,070	730,764	689,026	704,105	680,808
Cash used					
Other	679,761	686,527	645,134	657,620	631,957
Total cash used	679,761	686,527	645,134	657,620	631,957
Net cash from/(used by) operating activities	65,309	44,237	43,892	46,485	48,851
INVESTING ACTIVITIES					
Cash received					
Total cash received	–	–	–	–	–
Cash used					
Other	172,247	212,984	160,941	143,328	132,274
Total cash used	172,247	212,984	160,941	143,328	132,274
Net cash from/(used by) investing activities	(172,247)	(212,984)	(160,941)	(143,328)	(132,274)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	149,380	210,004	160,941	143,328	132,274
Other	27,028	–	–	–	–
Total cash received	176,408	210,004	160,941	143,328	132,274
Cash used					
Other	69,470	41,257	43,892	46,485	48,851
Total cash used	69,470	41,257	43,892	46,485	48,851
Net cash from/(used by) financing activities	106,938	168,747	117,049	96,843	83,423
Net increase/(decrease) in cash held	–	–	–	–	–
Cash and cash equivalents at the beginning of the reporting period	34,080	34,080	34,080	34,080	34,080
Cash and cash equivalents at the end of the reporting period	34,080	34,080	34,080	34,080	34,080

Prepared on Australian Accounting Standards basis.