

**AUSTRALIAN SECURITY
INTELLIGENCE ORGANISATION**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION

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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 2020–21 through a series of key priorities:

- counter-terrorism
- counter-espionage and foreign interference
- border security

Australia's security environment is complex, challenging and evolving.

The threat of terrorism remains at PROBABLE and is unacceptably high. The next five years will see a growing number of terrorism offenders scheduled for release from Australian prisons. Some of those Australians who travelled to Syria and Iraq to support extremist groups may seek to return. Meanwhile, individuals in Australia continue to be radicalised, and the dissemination online of radicalising messages is reaching even younger people.

Increasingly organised, sophisticated and ideologically driven extreme right-wing groups remain an enduring threat.

The level of threat to Australia and its interests from foreign espionage and interference activities is currently unprecedented in its breadth, scale and ambition. Foreign actors seek information about Australia's capabilities, research and technology, and domestic and foreign policy. They are targeting all levels of government and industry, and continue their attempts to influence Australian communities, media representatives and government officials.

In parallel, a range of threats, including people smuggling activities, continue to challenge Australia's border integrity.

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

- ASIO will counter-terrorism by protecting Australians from politically motivated and communal violence. The organisation will continue to collect intelligence within

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Australia and overseas, and analyse and investigate terrorist threats; and work with partners to strengthen public safety and intervene to disrupt attacks.

- ASIO will counter-espionage and foreign interference by protecting Australia from threats posed by hostile foreign intelligence seeking to undermine Australia's democratic systems and institutions. ASIO will collect intelligence and investigate threats targeting Australian interests within Australia and overseas. The organisation will continue to provide trusted advice to government and industry to help foster institutional and community resilience.
- ASIO will continue to support whole-of-government efforts to protect Australia's border integrity. The organisation will provide analysis of, and security advice on, complex visa applications and other movements of goods and people, to assist our partners to maintain Australia's economic and national security interests.

ASIO will continue to invest in the capability of its people and progressively enhance foundational technology and analytic capabilities to meet future operational challenges and opportunities.

ASIO will continue to work collaboratively with intelligence and law enforcement partners, including the Home Affairs portfolio, the Office of National Intelligence and the National Intelligence Community.

1.2 ENTITY RESOURCE STATEMENT

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

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, while the 'Budgeted expenses by Outcome 1' table 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 2020–21 as at Budget October 2020

	<i>2019–20 Estimated actual \$'000</i>	2020–21 Estimate \$'000
Departmental		
Annual appropriations—ordinary annual services (a)		
Prior year appropriations available (b)	23,705	11,500
Departmental appropriation (c)	473,011	465,178
s74 external revenue (d)	23,742	23,893
Departmental capital budget (e)	61,329	72,282
Annual appropriations—other services—non-operating (f)		
Prior year appropriations available (b)	5,000	7,520
Equity injection	10,870	10,456
Total departmental annual appropriations	<u>597,657</u>	<u>590,829</u>
Total departmental resourcing	597,657	590,829
Total resourcing for ASIO	597,657	590,829
	<i>2019–20</i>	2020–21
Average staffing level (number)	1,913	1,930

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

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

(a) Appropriation Bill (No. 1) 2020–21.

(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. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(f) Appropriation Bill (No. 2) 2020–21.

1.3 BUDGET MEASURES

The measure funding in this Budget is not for publication for reasons of national security.

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* (PGPA Act). It is anticipated that the performance criteria described in the 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://asio.gov.au/corporate-plan.html>.

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

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 ASIO intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program, as well as by administered and departmental funding sources.

Table 2.1: 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					
	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Security Intelligence					
Departmental expenses					
Departmental appropriation	470,805	477,737	449,161	459,098	450,327
s74 external revenue (a)	24,160	24,120	24,579	24,376	24,840
Expenses not requiring appropriation in the Budget year (b)	92,345	100,298	103,695	101,156	95,136
Departmental total	587,310	602,155	577,435	584,630	570,303
Total expenses for program 1.1	587,310	602,155	577,435	584,630	570,303
	2019–20	2020–21			
Average staffing level (number)	1,913	1,930			

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 and audit fees.

Table 2.2: Performance criteria for Outcome 1

Table 2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

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 – focussed on delivering Outcome 1.		
Delivery	<p>Collecting, investigating and assessing intelligence on potential threats to Australia's security.</p> <p>Providing advice to the Australian Government, government agencies and industry to assist them to effectively manage security risks and disrupt activities that threaten Australia's security.</p>	
Performance information		
Year	Performance criteria (a) (b)	2019–20 Actual Achievement/Targets
2019–20	Advice that assists the Australian Government, government agencies and industry to manage security risks and disrupt activities that threaten Australia's security.	<p>In 2019-20, ASIO continued to produce intelligence and advice to assist the Australian Government and government agencies manage security risks posing threats to Australia and Australians.</p> <p>Key focus areas included counter-terrorism, counter-espionage and foreign interference, and border integrity.</p> <p>ASIO's intelligence and advice has helped raise awareness of emerging security risks and threats, including the impact that COVID-19 has had on the security environment.</p> <p>ASIO intelligence has enabled disruption operations against threats to Australian interests, including activities</p> <ul style="list-style-type: none"> • that led to the arrest and prosecution of individuals for terrorism offences; and • that proactively disrupted harmful espionage and foreign interference (EFI) threats to Australian interests.

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Performance information (continued)		
		<p>ASIO advice has also informed the development of security-related policy and risk mitigation strategies across government, helping build national resilience to serious security threats. These activities included providing:</p> <ul style="list-style-type: none"> • visa and security access assessments to assist the Departments of Home Affairs and Foreign Affairs and Trade, and the Australian Federal Police manage security risks; • personnel security assessments to support whole-of-government security vetting processes; and • security advice to assist Commonwealth agencies protect classified information and facilities.
2020–21	As per 2019-20	Stakeholders are satisfied with ASIO's advice and see the organisation as an effective national security partner.
2021–22 and beyond	As per 2020-21	As per 2020-21
Purposes	ASIO protects Australia and Australians from threats to their security.	
Material changes to Program 1.1 resulting from the following measures: Nil.		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
 (b) Detailed performance measures are set out in ASIO's 2020–24 corporate plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020–21 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

There is no material difference between the entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

In 2020–21 ASIO is budgeting to receive departmental appropriations of \$465.2 million, a decrease of \$7.8 million from 2019–20. This is as a result of progressing a modest reform program rather than Transformation due to the uncertain COVID-19 economic environment. The 2020–21 financial year will be the fourth year ASIO will receive supplementary funding through terminating measures which consequently results in reduced appropriation income over the forward estimates. Other movements for measures previously announced, whole-of-government savings, efficiencies and parameter adjustments are embedded within appropriation income across years.

ASIO is budgeting capital outlays of \$101.758 million in 2020–21 in line with ASIO's asset replacement and capability development program. The funding includes additional supplementary appropriation for the *National Security – additional funding terminating measure*.

ASIO received approval for a movement of \$11.5 million in Act 1 appropriation and \$7.5 million in Act 2 appropriation from 2019–20 to 2020–21. This movement is reflected in Table 3.5

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	293,922	280,912	286,530	292,260	298,687
Suppliers	145,164	152,642	117,014	119,093	100,985
Depreciation and amortisation (a)	139,110	158,648	163,659	162,758	157,641
Finance costs	8,688	9,953	10,232	10,519	12,990
Losses from asset sales	426	–	–	–	–
Total expenses	587,310	602,155	577,435	584,630	570,303
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	22,324	22,314	22,739	23,194	23,658
Other	1,836	1,806	1,840	1,182	1,182
Total own-source revenue	24,160	24,120	24,579	24,376	24,840
Gains					
Other	61	145	145	165	165
Total gains	61	145	145	165	165
Total own-source income	24,221	24,265	24,724	24,541	25,005
Net (cost of)/contribution by services	(563,089)	(577,890)	(552,711)	(560,089)	(545,298)
Revenue from government	473,011	465,178	436,263	445,854	437,202
Surplus/(deficit) attributable to the Australian Government	(90,078)	(112,712)	(116,448)	(114,235)	(108,096)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	20,516	–	–	–	–
Total other comprehensive income	20,516	–	–	–	–
Total comprehensive income/(loss)	(69,562)	(112,712)	(116,448)	(114,235)	(108,096)
Total comprehensive income/(loss) attributable to the Australian Government	(69,562)	(112,712)	(116,448)	(114,235)	(108,096)

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**

	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Total surplus/(deficit) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	17,106	-	-	-	-
Less: depreciation/amortisation expenses previously funded through revenue appropriations (a)	92,284	100,153	103,550	100,991	94,971
Less: depreciation/amortisation expenses for ROU assets (b)	46,826	58,495	60,109	61,767	62,670
Add: principal repayments on leased assets (b)	31,926	45,936	47,211	48,523	49,545
Total surplus/(deficit)—as per the statement of comprehensive income	(90,078)	(112,712)	(116,448)	(114,235)	(108,096)

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. For information regarding DCBs, please refer to Table 3.5 Departmental capital budget statement.
- (b) Applies leases under AASB 16 Leases.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	16,260	15,247	12,874	12,874	18,498
Trade and other receivables	110,028	90,744	90,935	96,161	92,719
Other financial assets	602	652	652	652	662
Total financial assets	126,890	106,643	104,461	109,687	111,879
Non-financial assets					
Land and buildings	736,228	725,305	714,585	683,885	668,152
Property, plant and equipment & Intangibles	213,741	233,661	200,551	190,482	164,153
Other non-financial assets	34,747	36,646	39,542	40,188	41,238
Total non-financial assets	984,716	995,612	954,678	914,555	873,543
Total assets	1,111,606	1,102,255	1,059,139	1,024,242	985,422
LIABILITIES					
Payables					
Suppliers	8,550	9,004	9,499	10,499	10,499
Other payables	13,901	14,695	15,490	18,258	19,408
Total payables	22,451	23,699	24,989	28,757	29,907
Interest bearing liabilities					
Leases	618,532	638,483	658,999	680,096	693,239
Total interest bearing liabilities	618,532	638,483	658,999	680,096	693,239
Provisions					
Employee provisions	95,063	95,063	95,063	96,521	99,021
Other provisions	7,225	6,649	6,073	7,073	7,073
Total provisions	102,288	101,712	101,136	103,594	106,094
Total liabilities	743,271	763,894	785,124	812,447	829,240
Net assets	368,335	338,361	274,015	211,795	156,182
EQUITY (a)					
Parent entity interest					
Contributed equity	915,296	998,034	1,050,136	1,102,151	1,154,634
Reserves	90,373	90,373	90,373	90,373	90,373
Retained surplus (accumulated deficit)	(637,334)	(750,046)	(866,494)	(980,729)	(1,088,825)
Total parent entity interest	368,335	338,361	274,015	211,795	156,182
Total equity	368,335	338,361	274,015	211,795	156,182

Prepared on Australian Accounting Standards basis.

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

**Table 3.3: Departmental statement of changes in equity—summary of movement
(Budget year 2020–21)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	(637,334)	90,373	915,296	368,335
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	(637,334)	90,373	915,296	368,335
Comprehensive income				
Other comprehensive income				–
Surplus/(deficit) for the period	(112,712)	–	–	(112,712)
Total comprehensive income	(112,712)	–	–	(112,712)
of which:				
Attributable to the Australian Government	(112,712)	–	–	(112,712)
Contributions by owners				
Equity injection—appropriation	–	–	10,456	10,456
Departmental capital budget (DCB)	–	–	72,282	72,282
Sub-total transactions with owners	–	–	82,738	82,738
Estimated closing balance as at 30 June 2021	(750,046)	90,373	998,034	338,361
Closing balance attributable to the Australian Government	(750,046)	90,373	998,034	338,361

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	451,136	484,639	436,263	442,628	440,224
Sale of goods and rendering of services	21,640	22,215	22,638	26,012	26,795
Net GST received	23,026	24,042	24,489	28,117	27,532
Other	2,106	1,756	1,840	1,642	1,339
Total cash received	497,908	532,652	485,230	498,399	495,890
Cash used					
Employees	278,858	279,926	285,543	292,802	295,037
Suppliers	154,160	153,942	119,270	123,633	108,254
Interest payments on lease liabilities ⁷⁴	8,414	9,953	10,232	10,519	12,990
external revenue transferred to the OPA	23,671	24,120	24,579	24,376	24,840
Other	1,630	192	192	192	192
Total cash used	466,733	468,133	439,816	451,522	441,313
Net cash from/(used by) operating activities	31,175	64,519	45,414	46,877	54,577
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	641	–	–	–	–
Total cash received	641	–	–	–	–
Cash used					
Purchase of property, plant and equipment and intangibles	76,826	102,334	52,678	51,369	52,891
Total cash used	76,826	102,334	52,678	51,369	52,891
Net cash from/(used by) investing activities	(76,185)	(102,334)	(52,678)	(51,369)	(52,891)

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	69,679	82,738	52,102	53,015	53,483
Total cash received	69,679	82,738	52,102	53,015	53,483
Cash used					
Principal payments on lease liability	31,926	45,936	47,211	48,523	49,545
Total cash used	31,926	45,936	47,211	48,523	49,545
Net cash from/(used by) financing activities	37,753	36,802	4,891	4,492	3,938
Net increase/(decrease) in cash held	(7,257)	(1,013)	(2,373)	–	5,624
Cash and cash equivalents at the beginning of the reporting period	23,517	16,260	15,247	12,874	12,874
Cash and cash equivalents at the end of the reporting period	16,260	15,247	12,874	12,874	18,498

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	61,329	72,282	43,864	43,903	51,537
Equity injections—Bill 2	10,870	10,456	8,238	8,112	425
Total new capital appropriations	72,199	82,738	52,102	52,015	51,962
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>72,199</i>	<i>82,738</i>	<i>52,102</i>	<i>52,015</i>	<i>51,962</i>
Total items	72,199	82,738	52,102	52,015	51,962
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	8,350	17,976	8,238	8,112	425
Funded by capital appropriation DCB (b)	68,634	83,782	43,864	43,903	51,537
TOTAL	76,984	101,758	52,102	52,015	51,962
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	76,826	102,334	52,678	51,369	52,891
Total cash used to acquire assets	76,826	102,334	52,678	51,369	52,891

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2 and Bills 4 and 6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Buildings	Other property, plant and equipment, Computer software and intangibles	Total
	\$'000	\$'000	\$'000
As at 1 July 2020			
Gross book value	147,844	358,378	506,222
Gross book value—ROU assets	636,018	16,566	652,584
Accumulated depreciation/amortisation and impairment	(3,243)	(158,768)	(162,011)
Accumulated depreciation/amortisation and impairment—ROU assets	(44,391)	(2,435)	(46,826)
Opening net book balance	736,228	213,741	949,969
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase—appropriation equity (a)	–	17,976	17,976
By purchase—appropriation ordinary annual services (b)	247	83,535	83,782
By purchase—appropriation ordinary annual services—ROU assets	65,640	247	65,887
Total additions	65,887	101,758	167,645
Other movements			
Depreciation/amortisation expense	(18,564)	(81,589)	(100,153)
Depreciation/amortisation on ROU assets	(58,246)	(249)	(58,495)
Total other movements	(76,810)	(81,838)	(158,648)
As at 30 June 2021			
Gross book value	148,091	459,889	607,980
Gross book value—ROU assets	701,658	16,813	718,471
Accumulated depreciation/amortisation and impairment	(21,807)	(240,357)	(262,164)
Accumulated depreciation/amortisation and impairment—ROU assets	(102,637)	(2,684)	(105,321)
Closing net book balance	725,305	233,661	958,966

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2020–21.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020–21 for depreciation/amortisation expenses, DCBs or other operational expenses.