

# **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 2022-23 through the following key priorities:

- Counter-espionage and foreign interference
- Counter-terrorism

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.

Espionage and foreign interference has surpassed terrorism as ASIO's principal security concern. 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's overall counter-terrorism caseload has moderated, however threats to life will always be a priority. The most likely terrorist attack scenario in Australia continues to be a lone actor attack. Such attacks are difficult to detect and can occur with little to no warning. One of the most concerning aspects of the terrorism threat is the growing number of young people – predominantly young men – who are being radicalised by extreme ideologies.

Increases in time spent in the online environment, more remote working, higher levels of isolation and financial uncertainty and inequality have evolved and, in some cases, diversified the threats we face. Other dynamics – such as great power competition; foreign conflicts; global resource, energy, climate change, population and economic shifts; political polarisation and nationalism – will continue to impact Australia and Australians in complex ways.

In this context, ASIO's work to protect Australia and Australians from security threats 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 development and implementation of a security vetting capability to provide a consistent vetting standard, stronger assurance and improved transferability of Australia’s Top Secret-cleared workforce.

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 October *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 2022–23 as at October Budget 2022**

	2021–22 <i>Estimated actual</i>	2022–23 Estimate
	\$'000	\$'000
<b>Departmental</b>		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	139,483	141,473
Departmental appropriation (c)	480,266	519,883
s74 external revenue (d)	14,268	23,876
Departmental capital budget (e)	38,488	44,550
Annual appropriations – other services – non-operating (f)		
Prior year appropriations available (b)	7,919	18,000
Equity injection	48,501	66,170
Total departmental annual appropriations	<u>728,925</u>	<u>813,952</u>
<b>Total resourcing for ASIO</b>	<b>728,925</b>	<b>813,952</b>

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) 2022–23, Supply Bill (No.3) 2022–23 and Supply Act (No.1) 2022–23.
- b) Excludes amounts 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 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) Appropriation Bill (No. 2) 2022–23.

### 1.3 Budget measures

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

**Table 1.2: Entity October 2022–23 Budget measures**

**Part 1: Measures announced since the March 2022–23 Budget**

	Program	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000
<b>Payment measures</b>						
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (a)	1.1					
Departmental payment		–	nfp	–	–	–
<b>Total</b>		–	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) The savings measure is nfp on the grounds 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 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/report-performance>)

## 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**

<b>Outcome 1: To protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to Government.</b>					
	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
<b>Program 1.1: Security Intelligence</b>					
Departmental expenses					
Departmental appropriation	480,266	519,883	527,036	527,100	529,950
s74 external revenue (a)	22,320	24,541	25,005	25,018	25,552
Expenses not requiring appropriation in the Budget year (b)	94,100	110,775	102,881	98,280	98,092
<b>Departmental total</b>	<b>596,686</b>	<b>655,199</b>	<b>654,922</b>	<b>650,398</b>	<b>653,594</b>
<b>Total expenses for program 1.1</b>	<b>596,686</b>	<b>655,199</b>	<b>654,922</b>	<b>650,398</b>	<b>653,594</b>

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 and 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 October 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

<b>Outcome 1: To protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to Government.</b>		
<b>Program 1.1: Security Intelligence</b> ASIO operates a single program—Security Intelligence—focussed on delivering Outcome 1.		
<b>Key activities (a)</b>	<b>Counter–espionage and foreign interference</b> <ul style="list-style-type: none"> <li>Protecting Australia from espionage and foreign interference</li> </ul> <b>Counter-terrorism</b> <ul style="list-style-type: none"> <li>Protecting Australians from religiously motivated and ideologically motivated violent extremism</li> </ul>	
<b>Year</b>	<b>Performance measures (b)</b>	<b>Actual performance results</b>
Prior year 2021–22	Advice that assists the Australian Government, government agencies and industry to manage security risks and disrupt activities that threaten Australia's security.	<p>ASIO intelligence and advice has 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 has 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 has 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)**

<b>Program 1.1: Security Intelligence (continued)</b>		
<b>Year</b>	<b>Performance measures (b)</b>	<b>Planned performance results</b>
Budget year 2022–23	ASIO's key stakeholders confirm our advice has an impact on their decision-making in informing operational activities, managing security risks and disrupting activities that threaten Australia's security.  ASIO's key stakeholders confirm our advice has an impact on their decision-making in relation to policy development and responses to activities that threaten Australia's security.	ASIO's intelligence and advice is relevant, timely, practical, and influences decision-making.
Forward estimates 2023–26	As per 2022–23.	As per 2022–23.
Material changes to Program 1.1 resulting from October 2022–23 Budget measures: Nil		

- a) Refers to key activities as reflected in ASIO's 2022–26 corporate plan.
- b) Detailed performance measures are set out in ASIO's 2022–26 corporate plan.

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 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 2022–23 ASIO is budgeting to receive departmental appropriations of \$519.9 million, an increase of \$39.6 million from 2021–22. 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**

	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
<b>EXPENSES</b>					
<b>Total expenses</b>	<b>596,686</b>	<b>655,199</b>	<b>654,922</b>	<b>650,398</b>	<b>653,594</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Total own-source revenue</b>	<b>17,883</b>	<b>24,376</b>	<b>24,840</b>	<b>24,853</b>	<b>25,384</b>
<b>Gains</b>					
<b>Total gains</b>	<b>4,437</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>168</b>
<b>Total own-source income</b>	<b>22,320</b>	<b>24,541</b>	<b>25,005</b>	<b>25,018</b>	<b>25,552</b>
<b>Net (cost of)/contribution by services</b>	<b>(574,366)</b>	<b>(630,658)</b>	<b>(629,917)</b>	<b>(625,380)</b>	<b>(628,042)</b>
Revenue from Government	480,266	519,883	527,036	527,100	529,950
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(94,100)</b>	<b>(110,775)</b>	<b>(102,881)</b>	<b>(98,280)</b>	<b>(98,092)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>(94,100)</b>	<b>(110,775)</b>	<b>(102,881)</b>	<b>(98,280)</b>	<b>(98,092)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(94,100)</b>	<b>(110,775)</b>	<b>(102,881)</b>	<b>(98,280)</b>	<b>(98,092)</b>

**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**

	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
<b>Total comprehensive income/(loss) – as per statement of comprehensive income</b>	<b>(94,100)</b>	<b>(110,775)</b>	<b>(102,881)</b>	<b>(98,280)</b>	<b>(98,092)</b>
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
<b>Net cash operating surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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)**

	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
<b>ASSETS</b>					
Financial assets	184,200	163,778	154,930	154,597	156,611
Non-financial assets	860,012	848,466	845,352	824,071	825,339
<b>Total assets</b>	<b>1,044,212</b>	<b>1,012,244</b>	<b>1,000,282</b>	<b>978,668</b>	<b>981,950</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Payables	25,064	25,024	27,366	25,058	25,058
Interest bearing liabilities	553,165	517,936	494,518	456,754	431,866
Provisions	94,268	97,624	102,060	104,035	106,049
<b>Total liabilities</b>	<b>672,497</b>	<b>640,584</b>	<b>623,944</b>	<b>585,847</b>	<b>562,973</b>
<b>Net assets</b>	<b>371,715</b>	<b>371,660</b>	<b>376,338</b>	<b>392,821</b>	<b>418,977</b>
<b>EQUITY (a)</b>					
<b>Parent entity interest</b>					
Contributed equity	1,095,003	1,205,723	1,313,282	1,428,045	1,552,293
Reserves	90,369	90,369	90,369	90,369	90,369
Retained surplus (accumulated deficit)	(813,657)	(924,432)	(1,027,313)	(1,125,593)	(1,223,685)
<b>Total parent entity interest</b>	<b>371,715</b>	<b>371,660</b>	<b>376,338</b>	<b>392,821</b>	<b>418,977</b>
<b>Total equity</b>	<b>371,715</b>	<b>371,660</b>	<b>376,338</b>	<b>392,821</b>	<b>418,977</b>

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 2022–23)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2022</b>					
Balance carried forward from previous period	(813,657)	90,369	–	1,095,003	371,715
Adjustment for changes in accounting policies	–	–	–	–	–
<b>Adjusted opening balance</b>	<b>(813,657)</b>	<b>90,369</b>	<b>–</b>	<b>1,095,003</b>	<b>371,715</b>
<b>Comprehensive income</b>					
Other comprehensive income	–	–	–	–	–
Surplus/(deficit) for the period	(110,775)	–	–	–	(110,775)
<b>Total comprehensive income</b>	<b>(110,775)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(110,775)</b>
of which:					
Attributable to the Australian Government	(110,775)	–	–	–	(110,775)
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity injection – appropriation	–	–	–	66,170	66,170
Departmental capital budget (DCB)	–	–	–	44,550	44,550
Other	–	–	–	–	–
Restructuring	–	–	–	–	–
<b>Sub-total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>110,720</b>	<b>110,720</b>
<b>Estimated closing balance as at 30 June 2023</b>	<b>(924,432)</b>	<b>90,369</b>	<b>–</b>	<b>1,205,723</b>	<b>371,660</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(924,432)</b>	<b>90,369</b>	<b>–</b>	<b>1,205,723</b>	<b>371,660</b>

Prepared on Australian Accounting Standards basis.

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

	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	521,366	549,942	543,492	542,696	545,291
Other	39,307	38,770	43,028	45,924	42,739
<b>Total cash received</b>	<b>560,673</b>	<b>588,712</b>	<b>586,520</b>	<b>588,620</b>	<b>588,030</b>
<b>Cash used</b>					
Other	517,892	534,678	544,190	547,861	545,588
<b>Total cash used</b>	<b>517,892</b>	<b>534,678</b>	<b>544,190</b>	<b>547,861</b>	<b>545,588</b>
<b>Net cash from/(used by) operating activities</b>	<b>42,781</b>	<b>54,034</b>	<b>42,330</b>	<b>40,759</b>	<b>42,442</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Other	195	–	–	–	–
<b>Total cash received</b>	<b>195</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash used</b>					
Other	76,737	137,812	122,135	114,763	124,248
<b>Total cash used</b>	<b>76,737</b>	<b>137,812</b>	<b>122,135</b>	<b>114,763</b>	<b>124,248</b>
<b>Net cash from/(used by) investing activities</b>	<b>(76,542)</b>	<b>(137,812)</b>	<b>(122,135)</b>	<b>(114,763)</b>	<b>(124,248)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	76,908	121,671	122,135	114,763	124,248
<b>Total cash received</b>	<b>76,908</b>	<b>121,671</b>	<b>122,135</b>	<b>114,763</b>	<b>124,248</b>
<b>Cash used</b>					
Other	34,678	37,699	39,514	40,567	42,442
<b>Total cash used</b>	<b>34,678</b>	<b>37,699</b>	<b>39,514</b>	<b>40,567</b>	<b>42,442</b>
<b>Net cash from/(used by) financing activities</b>	<b>42,230</b>	<b>83,972</b>	<b>82,621</b>	<b>74,196</b>	<b>81,806</b>
<b>Net increase/(decrease) in cash held</b>	<b>8,469</b>	<b>194</b>	<b>2,816</b>	<b>192</b>	<b>–</b>
Cash and cash equivalents at the beginning of the reporting period	13,787	22,256	22,450	25,266	25,458
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>22,256</b>	<b>22,450</b>	<b>25,266</b>	<b>25,458</b>	<b>25,458</b>

Prepared on Australian Accounting Standards basis.