

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 2022–23 through a series of key priorities:

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

Australia’s security environment is complex, challenging and changing.

Australia is currently facing a heightened threat of foreign espionage and interference. Espionage and foreign interference has supplanted 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. As a result, espionage and foreign interference has supplanted terrorism as ASIO’s principal security concern.

This is not to downplay the threat of terrorism. Australia’s national terrorism threat level remains at PROBABLE. This means we have credible intelligence that there are individuals in Australia with the intent and capability to conduct an act of terrorism. The threat from ideologically motivated violent extremists has grown, while the threat posed by religiously motivated violent extremists endures. One of the most concerning aspects of the terrorism threat is the growing number of minors who are being radicalised by extreme ideologies.

While the possibility of a terrorist attack in Australia – particularly by a lone perpetrator – remains real, ASIO and our law enforcement partners are well positioned to counter this threat.

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

COVID-19 has added to the complexity of our threat environment in significant ways. Increases in time spent in the online environment, higher levels of isolation and

uncertainty, and the growth of single-issue grievances, including anti-vaccination agendas, conspiracy theories and sovereign citizen beliefs have evolved and in some cases diversified the threats we face.

But COVID-19 is not the only global shift we face. Other geopolitical dynamics – such as great power competition; 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 is critically important.

- ASIO will counter espionage and foreign interference by protecting Australia from threats posed by foreign intelligence services seeking to undermine Australia's democratic systems and institutions. ASIO will collect intelligence on, and investigate, threats targeting Australian interests. The organisation will continue to provide impactful and trusted advice to government and industry, and work to disrupt and deter those attempting to undermine our national interests through espionage and foreign interference. We will identify and understand the threats we face, establish a less permissive environment for espionage and foreign interference, and work to reduce harm.
- ASIO will counter terrorism by protecting Australians from religiously motivated and ideologically motivated violent extremism. 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. Intelligence collection, investigation and assessment efforts enable ASIO to identify and understand the threats we face, and to provide impactful advice that hardens the environment against, and informs government policy and responses to, violent extremism.
- 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 people-smuggling activities, complex visa applications, and other movements of goods and people. This will assist ASIO's partners to maintain the integrity of Australia's border protection programs.

Given the evolving nature of the security environment, ASIO must adapt quickly because ASIO's 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.

Security is a shared responsibility, and consequently ASIO will keep working collaboratively with intelligence and law enforcement partners, including the Home Affairs portfolio, the Office of National Intelligence, National Intelligence Community agencies, and ASIO's international partners.

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 *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 Budget March 2022

	2021–22 Estimated actual \$'000	2022–23 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services (a)		
Prior year appropriations available (b)	139,483	131,987
Departmental appropriation (c) (d)	475,602	514,135
s74 external revenue (e)	24,478	23,876
Departmental capital budget (f) (g)	38,488	44,550
Annual appropriations – other services – non-operating (h)		
Prior year appropriations available (b)	7,919	13,288
Equity injection	48,501	71,945
Total departmental annual appropriations	<u>734,471</u>	<u>799,781</u>
Total departmental resourcing	734,471	799,781

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.

(b) Estimated adjusted balance carried forward from previous year's annual appropriation.

(c) Excludes departmental capital budget (DCB).

(d) \$4.664m will be received through the 2021–22 Annual Appropriation Bill No.3. The annual appropriations received from these bills will be recognised in a future PB statement but only after the Bills have received Royal Assent.

(e) Estimated external revenue receipts under section 74 of the PGPA Act.

(f) 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'.

(g) The 2021–22 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).

(h) Appropriation Bill (No. 2) 2022–23.

1.3 Budget measures

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

Table 1.2: Entity 2022–23 Budget measures
Measures announced since the 2021–22 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000
Payment measures					
Strengthening Australia's Arrangements for Managing Terrorist Offenders and Countering Violent Extremism (a)					
1.1					
Departmental payment	–	–	–	–	–
Total	–	–	–	–	–
Total payment measures					
Departmental	–	–	–	–	–
Total	–	–	–	–	–

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 financial impact of this measure was published in the 2021–22 Portfolio Additional Estimates Statements with the title High Risk Terrorist Offenders Regime Implementation, as a decision announced after the publication of the 2021–22 Mid-Year Economic and Fiscal Outlook.

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://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 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.					
	2021–22 Estimated actual \$'000	2022–23 Budget \$'000	2023–24 Forward estimate \$'000	2024–25 Forward estimate \$'000	2025–26 Forward estimate \$'000
Program 1.1: Security Intelligence					
Departmental expenses					
Departmental appropriations	480,266	514,135	514,360	520,564	522,380
Section 74 external revenue (a)	24,579	24,376	24,840	24,853	25,384
Expenses not requiring appropriation in the Budget year (b)	115,056	110,940	103,046	98,445	98,260
Departmental total	619,901	649,451	642,246	643,862	646,024
Total expenses for program 1.1	619,901	649,451	642,246	643,862	646,024

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 2022–23 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 – focussed on delivering Outcome 1.		
Key Activities (a)	<p>Counter-espionage and foreign interference</p> <ul style="list-style-type: none"> Protecting Australia from espionage and foreign interference <p>Counter-terrorism</p> <ul style="list-style-type: none"> Protecting Australians from politically motivated and communal violence <p>Border security</p> <ul style="list-style-type: none"> Supporting whole-of-government efforts to protect Australia's border integrity 	
Year	Performance measures	Expected performance results
Current 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)

Program 1.1 Security Intelligence (continued)		
Year	Performance measures	Planned performance results
Budget Year 2022–23	ASIO's key stakeholders confirm ASIO's 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 ASIO's 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 2023–24	As per 2022–23	As per 2022–23
Material changes to Program 1.1 resulting from 2022–23 Budget Measures: Nil		

(a) Detailed performance measures are set out in ASIO's 2021–25 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 \$514.1 million, an increase of \$33.9 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
EXPENSES					
Total expenses	619,901	649,451	642,246	643,862	646,024
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Total own-source revenue	24,579	24,376	24,840	24,853	25,384
Gains					
Total gains	145	165	165	165	168
Total own-source income	24,724	24,541	25,005	25,018	25,552
Net (cost of)/contribution by services	(595,177)	(624,910)	(617,241)	(618,844)	(620,472)
Revenue from Government	480,266	514,135	514,360	520,564	522,380
Surplus/(deficit) attributable to the Australian Government	(114,911)	(110,775)	(102,881)	(98,280)	(98,092)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(114,911)	(110,775)	(102,881)	(98,280)	(98,092)
Total comprehensive income/(loss) attributable to the Australian Government	(114,911)	(110,775)	(102,881)	(98,280)	(98,092)

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
Total comprehensive income/(loss) – as per statement of comprehensive income	(114,911)	(110,775)	(102,881)	(98,280)	(98,092)
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)	-	-	-	-	-

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
ASSETS					
Financial assets	155,812	143,841	143,778	143,445	145,459
Non-financial assets	878,724	864,502	851,278	828,440	827,967
Total assets	1,034,536	1,008,343	995,056	971,885	973,426
LIABILITIES					
Payables	15,440	15,400	17,742	15,434	15,434
Interest bearing liabilities	564,891	529,662	506,244	468,480	443,592
Provisions	103,297	106,653	111,089	113,064	115,078
Total liabilities	683,628	651,715	635,075	596,978	574,104
Net assets	350,908	356,628	359,981	374,907	399,322
EQUITY (a)					
Parent entity interest					
Contributed equity	1,095,003	1,211,498	1,317,732	1,430,938	1,553,445
Reserves	90,373	90,373	90,373	90,373	90,373
Retained surplus (accumulated deficit)	(834,468)	(945,243)	(1,048,124)	(1,146,404)	(1,244,496)
Total parent entity interest	350,908	356,628	359,981	374,907	399,322
Total equity	350,908	356,628	359,981	374,907	399,322

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
Opening balance as at 1 July 2022					
Balance carried forward from previous period	(834,468)	90,373	–	1,095,003	350,908
Adjustment for changes in accounting policies	–	–	–	–	–
Adjusted opening balance	(834,468)	90,373	–	1,095,003	350,908
Comprehensive income					
Other comprehensive income					–
Surplus/(deficit) for the period	(110,775)	–	–	–	(110,775)
Total comprehensive income	(110,775)	–	–	–	(110,775)
Of which:					
Attributable to the Australian Government	(110,775)	–	–	–	(110,775)
Transactions with owners					
Contributions by owners					
Equity injection – appropriation	–	–	–	71,945	71,945
Departmental capital budget (DCB)	–	–	–	44,550	44,550
Sub-total transactions with owners	–	–	–	116,495	116,495
Estimated closing balance as at 30 June 2023	(945,243)	90,373	–	1,211,498	356,628
Closing balance attributable to the Australian Government	(945,243)	90,373	–	1,211,498	356,628

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
OPERATING ACTIVITIES					
Cash received					
Appropriations	502,907	544,194	530,816	536,160	537,721
Other	41,714	38,770	43,028	45,924	42,739
Total cash received	544,621	582,964	573,844	582,084	580,460
Cash used					
Other	503,513	528,930	531,514	541,325	538,018
Total cash used	503,513	528,930	531,514	541,325	538,018
Net cash from/(used by) operating activities	41,108	54,034	42,330	40,759	42,442
INVESTING ACTIVITIES					
Cash used					
Other	88,797	135,136	112,025	113,206	122,507
Total cash used	88,797	135,136	112,025	113,206	122,507
Net cash from/(used by) investing activities	(88,797)	(135,136)	(112,025)	(113,206)	(122,507)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	81,620	118,995	112,025	113,206	122,507
Total cash received	81,620	118,995	112,025	113,206	122,507
Cash used					
Other	36,112	37,699	39,514	40,567	42,442
Total cash used	36,112	37,699	39,514	40,567	42,442
Net cash from/(used by) financing activities	45,508	81,296	72,511	72,639	80,065
Net increase/(decrease) in cash held	(2,181)	194	2,816	192	–
Cash and cash equivalents at the beginning of the reporting period	13,787	11,606	11,800	14,616	14,808
Cash and cash equivalents at the end of the reporting period	11,606	11,800	14,616	14,808	14,808

Prepared on Australian Accounting Standards basis.