

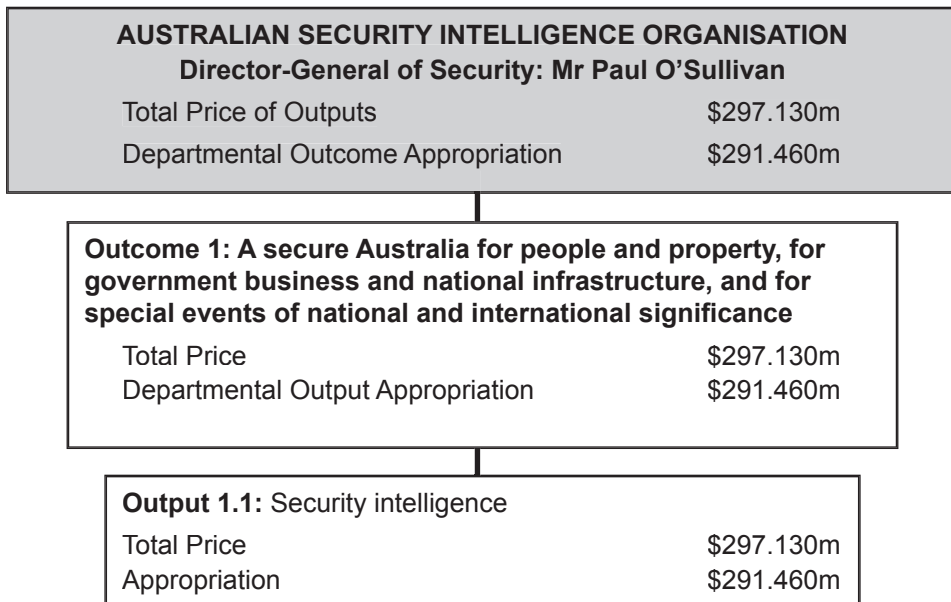
AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There are no changes to the role, mission, or outcome and output structure of the Australian Security Intelligence Organisation (ASIO) as a result of additional estimates.

Figure 2: Outcome and output structure for Australian Security Intelligence Organisation



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Summaries of new measures since the 2007–08 Budget are at Tables 1.2 and 1.4.

These measures increase ASIO’s total funding for 2007–08 to \$455.791m (\$291.460m in departmental appropriations, \$5.670m in revenue from other sources and \$158.661m in equity injections).

Table 1.2: Additional estimates and variations to outcomes—measures

	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)
Outcome 1				
Increase in estimates (departmental)				
Border Control System—upgrade ¹	9,790	1,656	1,733	1,803
Office of National Security— establishment	(49)	(68)	(103)	(105)
Election commitment savings: 2% efficiency dividend	(1,341)	(7,099)	(8,228)	(8,358)
Total changes in departmental appropriation	8,400	(5,421)	(6,598)	(6,660)

Note: The figures in this table include capital funding of \$9.045m in 2007–08 but do not include depreciation.

MEASURES—AGENCY SUMMARY

A detailed summary of measures since the 2007–08 Budget is provided at Table 1.4. The Border Control System – upgrade measure is a cross-portfolio measure with the Department of Immigration and Citizenship.

Table 1.4: Summary of measures since the 2007–08 Budget

Measure	Outcome	Output groups affected	Appropriations 2007–08 (\$'000)				Appropriations 2008–09 (\$'000)				Appropriations 2009–10 (\$'000)				Appropriations 2010–11 (\$'000)			
			Admin items	Dept outputs	Total	Total	Admin items	Dept outputs	Total	Total	Admin items	Dept outputs	Total	Total	Admin items	Dept outputs	Total	
EXPENSE MEASURES																		
Border Control System—upgrade	1	1.1	–	745	745	–	1,656	1,656	–	1,733	1,733	–	1,803	1,803	1,803	–	–	
Office of National Security—establishment	1	1.1	–	(49)	(49)	–	(68)	(68)	–	(103)	(103)	–	(105)	(105)	(105)	–	–	
Election commitment savings: 2% efficiency dividend	1	1.1	–	(1,341)	(1,341)	–	(7,099)	(7,099)	–	(8,228)	(8,228)	–	(8,358)	(8,358)	(8,358)	–	–	
Total expense measures			–	(645)	(645)	–	(5,511)	(5,511)	–	(6,598)	(6,598)	–	(6,660)	(6,660)	(6,660)	–	–	
CAPITAL MEASURES																		
Border Control System—upgrade	1	1.1	–	9,045	9,045	–	–	–	–	–	–	–	–	–	–	–	–	
Total capital measures			–	9,045	9,045	–	–	–	–	–	–	–	–	–	–	–	–	
Total of all measures			–	8,400	8,400	–	(5,511)	(5,511)	–	(6,598)	(6,598)	–	(6,660)	(6,660)	(6,660)	–	–	

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007–08

	2006–07 Available (\$'000)	2007–08 Budget (\$'000)	2007–08 Revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
A secure Australia for people and property, government business and national infrastructure, and special events of national and international significance	227,617	290,871	291,460	589	–
Total Australian Security Intelligence Organisation	227,617	290,871	291,460	589	–

Table 1.6: Appropriation Bill (No. 4) 2007–08

	2006–07 Available (\$'000)	2007–08 Budget (\$'000)	2007–08 Revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections					
<i>Border Control System— upgrade</i>	112,986	149,616	158,661	9,045	–
Total Australian Security Intelligence Organisation	112,986	149,616	158,661	9,045	–

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Figure 2 displays the outcome statements and output groups for ASIO.

There are no changes to the outcome and output structure as a result of additional estimates.

Apart from price as shown in Figure 2 there have been no changes to performance information.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Income statement

Total revenue is now estimated to be \$297.130m in 2007–08, an increase of \$0.589m from Budget. This increase is attributed to income related to the Border Control System – upgrade measure (\$1.979m, including \$1.234m for depreciation), which has been partially offset by the one-off 2% efficiency dividend increase of \$1.341m and a contribution of \$0.049m to funding the establishment of the Office of National Security.

A further adjustment has been made against suppliers to ensure that the budget more closely reflects ASIO's current estimated position. This has resulted in a zero budgeted surplus/deficit.

Balance sheet

ASIO's assets have increased by \$27.291m from the *Portfolio Budget Statements 2007–08*. The increase is a result of a movement between the 2006–07 estimated actuals and the actual results, a reduction in the appropriation receivable as a result of the change in supplier expenses, and the purchase of new assets in relation to the Border Control System – upgrade. Equity has also increased by \$7.503m attributable to the reasons already identified above.

Statement of changes in equity

The movement in equity from the *Portfolio Budget Statements 2007–08* is a result of an equity injection of \$9.045m through the additional estimates process and the change in supplier costs.

Capital budget statement

Changes to the capital budget statements are a result of capital injections from the new Budget measure of Border Security Initiative Phases One to Three. This has resulted in an increase of \$9.045m.

BUDGETED FINANCIAL STATEMENTS TABLES

Departmental financial statements

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
INCOME					
Revenue					
Revenue from Government	227,617	291,460	351,361	406,722	413,161
Goods and services	4,040	3,148	3,208	3,275	3,341
Other	–	2,522	2,571	2,624	1,387
Total revenue	231,657	297,130	357,140	412,621	419,178
Gains					
Other	2,826	–	–	–	1,289
Total gains	2,826	–	–	–	1,289
Total income	234,483	297,179	357,208	412,724	419,283
EXPENSES					
Employees	113,391	148,811	179,375	212,444	222,325
Suppliers	79,407	89,207	96,364	111,737	103,675
Depreciation and amortisation	36,029	58,947	81,227	88,269	93,007
Finance costs	96	–	–	–	–
Write-down and impairment of assets	2,153	–	–	–	–
Net losses from sale of assets	49	165	174	171	171
Net foreign exchange losses	3	–	–	–	–
Total expenses	231,128	297,130	357,140	412,621	419,178
Operating result	3,355	–	–	–	–
Net surplus or (deficit) attributable to the Australian Government	3,355	–	–	–	–

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

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
ASSETS					
Financial assets					
Cash and cash equivalents	16,314	24,740	25,737	24,661	26,801
Receivables	85,904	123,667	194,276	272,758	246,061
Accrued revenues	1,801	1,801	1,801	1,801	1,801
Total financial assets	104,019	150,208	221,814	299,220	274,663
Non-financial assets					
Land and buildings	48,457	61,945	69,977	49,497	62,043
Infrastructure, plant and equipment	90,001	183,413	177,099	137,313	200,200
Intangibles	15,157	23,542	23,584	23,719	23,117
Other	10,559	10,979	11,482	12,086	12,586
Total non-financial assets	164,174	279,879	282,142	222,615	297,946
Total assets	268,193	430,087	503,956	521,835	572,609
LIABILITIES					
Payables					
Suppliers	15,994	16,294	16,355	16,646	16,418
Other payables	2,578	2,578	2,578	2,578	2,578
Total payables	18,572	18,872	18,933	19,224	18,996
Interest-bearing liabilities					
Leases	3,164	3,164	3,164	3,164	3,164
Total interest-bearing liabilities	3,164	3,164	3,164	3,164	3,164
Provisions					
Employees	26,028	28,961	31,959	33,090	34,442
Other provisions	4,671	4,671	4,671	4,671	4,671
Total provisions	30,699	33,632	36,630	37,761	39,113
Total liabilities	52,435	55,668	58,727	60,149	61,273
EQUITY					
Parent entity interest					
Contributed equity	195,309	353,970	424,780	441,237	490,887
Reserves	8,894	8,894	8,894	8,894	8,894
Retained surpluses or accumulated deficits	11,555	11,555	11,555	11,555	11,555
Total parent entity interest	215,758	374,419	445,229	461,686	511,336
Total equity	215,758	374,419	445,229	461,686	511,336
Current assets	114,579	161,187	233,296	311,306	287,249
Non-current assets	153,614	268,900	270,660	210,529	285,360
Current liabilities	40,311	42,864	45,220	46,315	47,180
Non-current liabilities	12,124	12,804	13,507	13,834	14,093

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
OPERATING ACTIVITIES					
Cash received					
Goods and services	5,141	4,316	4,431	4,491	4,662
Appropriations	195,933	253,836	280,861	328,384	439,924
Net GST received	12,169	–	–	–	–
Other cash received	2,523	8,868	9,611	11,125	10,278
Total cash received	215,766	267,020	294,903	344,000	454,864
Cash used					
Employees	108,449	145,878	176,377	211,313	220,973
Suppliers	94,364	97,549	105,720	122,372	113,063
Total cash used	202,813	243,427	282,097	333,685	334,036
Net cash from or (used by) operating activities	12,953	23,593	12,806	10,315	120,828
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	419	827	868	894	–
Total cash received	419	827	868	894	–
Cash used					
Purchase of property, plant and equipment	112,867	174,655	83,487	28,742	168,338
Total cash used	112,867	174,655	83,487	28,742	168,338
Net cash from or (used by) investing activities	(112,448)	(173,828)	(82,619)	(27,848)	(168,338)
FINANCING ACTIVITIES					
Cash received					
Appropriations—contributed equity	103,067	158,661	70,810	16,457	49,650
Total cash received	103,067	158,661	70,810	16,457	49,650
Net cash from or (used by) financing activities	103,067	158,661	70,810	16,457	49,650
Net increase or (decrease) in cash held	3,572	8,426	997	(1,076)	2,140
Cash at the beginning of the reporting period	12,742	16,314	24,740	25,737	24,661
Cash at the end of the reporting period	16,314	24,740	25,737	24,661	26,801

Table 3.4: Departmental statement of changes in equity—summary of movement (Budget year 2007–08)

	Accumulated results (\$'000)	Asset revaluation reserve (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
Opening balance as at 1 July 2007				
Balance carried forward from previous period	11,555	8,894	195,309	215,758
Income and expenses				
Net operating result	–	–	–	–
Total income and expenses	–	–	–	–
Transactions with owners				
Contribution by owners				
<i>Appropriation (equity injection)</i>	–	–	158,661	158,661
Sub-total transactions with owners	–	–	158,661	158,661
Estimated closing balance as at 30 June 2008	11,555	8,894	353,970	374,419

Table 3.5: Departmental capital budget statement

	Actual 2006–07 (\$'000)	Revised budget 2007–08 (\$'000)	Forward estimate 2008–09 (\$'000)	Forward estimate 2009–10 (\$'000)	Forward estimate 2010–11 (\$'000)
CAPITAL APPROPRIATIONS					
Total equity injections	112,986	158,661	70,810	16,457	49,650
Total capital appropriations	112,986	158,661	70,810	16,457	49,650
Represented by					
Purchase of non-financial assets	112,867	158,661	70,810	16,457	49,650
Total represented by	112,867	158,661	70,810	16,457	49,650
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	112,867	158,661	70,810	16,457	49,650
Funded internally by departmental resources	–	15,994	12,677	12,285	118,688
Total	112,867	174,655	83,487	28,742	168,338

Table 3.6: Departmental property, plant, equipment and intangibles—summary of movement (Budget year 2007-08)

	Land (\$'000)	Buildings (\$'000)	Other infrastructure, plant and equipment (\$'000)	Computer software (\$'000)	Total (\$'000)
As at 1 July 2007					
Gross book value	1,730	55,307	109,466	28,241	194,744
Accumulated depreciation	–	(8,580)	(19,465)	(13,084)	(41,129)
Opening net book value	1,730	46,727	90,001	15,157	153,615
Additions					
<i>By purchase</i>	–	13,600	150,402	9,238	173,240
Depreciation/amortisation expense	–	(112)	(57,982)	(853)	(58,947)
Other movements	–	–	992	–	992
As at 30 June 2008					
Gross book value	1,730	68,907	260,860	37,479	368,976
Accumulated depreciation	–	(8,692)	(77,447)	(13,937)	(100,076)
Estimated closing net book value	1,730	60,215	183,413	23,542	268,900

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The budgeted financial statements have been prepared on an accrual basis, in accordance with the Australian Accounting Standards, the Australian Equivalents to International Financial Reporting Standards and Accounting Guidance Releases, and having regard to Statements of Accounting Concepts.

Revenue from Government

Amounts appropriated for departmental appropriations are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Employee expenses

Employee expenses consist of salaries, leave entitlements and superannuation.

Supplier expenses

Supplier expenses consist of consultants', contractors', travel and administrative costs.

Cash

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution.

Assets

Assets are made up of cash, receivables, leasehold improvements, and plant and equipment. All assets are held at fair value.

Liabilities

Liabilities are made up of employee salary and leave entitlement, property lease make-good provisions and amounts owed to creditors.

