

# AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION

## Section 1: Overview

Under the provisions of the *Australian Security Intelligence Organisation Act 1979* (ASIO Act), the Australian Security Intelligence Organisation (ASIO) assesses threats to national security. ASIO provides assessments, reports and briefings for Government decision makers and client agencies to help them manage risks and take appropriate steps to protect Australia, its people and its interests from threats to security whether they arise in or outside Australia.

Security as defined in the ASIO Act is the protection of Australia and Australians from politically motivated violence (terrorism), communal violence, espionage, foreign interference, sabotage and attacks on Australia's defence system.

ASIO has special powers involving intrusive means to collect information relevant to security under the provisions of the ASIO Act and the *Telecommunications (Interception) Act 1997*. It is not a function of ASIO to carry out or enforce measures for security. ASIO contributes to Australia's national counter-terrorism response working with other Commonwealth and State Government bodies such as the police. It also contributes to foreign intelligence collection in Australia at the request of the Minister for Foreign Affairs or Minister for Defence.

## 1.1 SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

ASIO’s outcome ‘A secure Australia for people and property, Government business and national infrastructure, and special events of national and international significance’ supports the Government’s policy aim of ‘A secure Australia in a secure region.’

The information provided in the ASIO Budget Statement has necessarily been limited by the need to observe the requirements of national security. This is consistent with current practice observed by ASIO in presenting its Annual Report, where all sensitive information is excluded in accordance with section 94 of the ASIO Act.

This Budget Statement contains broad information on appropriations and performance. Additional national security classified information is provided to the Attorney-General and the National Security Committee of Cabinet. This enables scrutiny of the detail of ASIO’s appropriations and performance information related to outcomes and outputs.

For detailed financial information regarding agency outcome and output information please refer to Section 3, Figure 2.

**Table 1.1: Agency outcomes and output groups**

Outcome	Description	Output
<b>Outcome 1</b>		
A secure Australia for people and property, Government business and national infrastructure, and special events of national and international significance	ASIO is Australia’s national security service and performs a vital role in protecting Australia, its people and its interests from threats to security as defined in the <i>ASIO Act 1979</i> whether they arise in or outside Australia.	<u>Output 1</u> – Security intelligence

## Section 2: Resources for 2007-08

### **2.1 APPROPRIATIONS AND OTHER RESOURCES**

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how resources will be applied by outcome and departmental classification. ASIO does not receive special appropriations or appropriations for administered items.

The total appropriation for ASIO in the 2007-08 Budget is \$446.984m, comprising:

- \$290.871m for price of output appropriations (Appropriation Bill No.1), and
- \$149.616m for equity injections (Appropriation Bill No.2) comprising \$56.347m arising from 2007-08 Budget measures and \$93.269m from measures announced in previous budgets.

**Table 2.1: Appropriations and other resources 2007-08**

Agency/ Outcome/ Non- operating	Departmental			Administered					Total	
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	Appropriation SPP \$'000	Other \$'000	Special Appropriation \$'000		Receipts (a) \$'000
Outcome 1 – A secure Australia for people and property, Government business and national infrastructure, and special events of national and international significance Equity injections	290,871	-	-	5,282	-	-	-	-	-	296,153
<b>TOTAL</b>	<b>290,871</b>	<b>149,616</b>	<b>-</b>	<b>5,282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>445,769</b>

(a) Departmental receipts from other sources (i.e. other than appropriation amounts) that are available to be used. Resources received free of charge are not included in this table.

Notes:

1. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
2. Refer to Budgeted Income Statement for application of agency revenue.

## **2.2 2007-08 BUDGET MEASURES**

Budget measures relating to ASIO as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcome and outputs associated with each measure.

**Table 2.2: Agency measures**

Measure	Outcome	Output affected	Appropriations Budget 2007-08 \$'000			Appropriations Forward Estimate 2008-09 \$'000			Appropriations Forward Estimate 2009-10 \$'000			Appropriations Forward Estimate 2010-11 \$'000		
			Admin exp*	Dept outputs	Total	Admin exp*	Dept outputs	Total	Admin exp*	Dept outputs	Total	Admin exp*	Dept outputs	Total
<b>Expenses Measures</b>														
Strengthening National Security – improving state office accommodation	1	1.1	-	3,017	3,017	-	7,193	7,193	-	6,069	6,069	-	6,154	6,154
Strengthening National Security – implementing the <i>Anti-Terrorism Act No. 2) 2005</i> <sup>1</sup>	1	1.1	-	410	410	-	414	414	-	418	418	-	422	422
<b>Total Expense Measures</b>			-	<b>3,427</b>	<b>3,427</b>	-	<b>7,607</b>	<b>7,607</b>	-	<b>6,487</b>	<b>6,487</b>	-	<b>6,576</b>	<b>6,576</b>
<b>Capital Measures</b>														
Strengthening National Security – improving state office accommodation	1	1.1	-	56,347	56,347	-	-	-	-	-	-	-	-	-
<b>Total Capital Measures</b>			-	<b>56,347</b>	<b>56,347</b>	-	-	-	-	-	-	-	-	-
<b>Total All Measures</b>			-	<b>59,774</b>	<b>59,774</b>	-	<b>7,607</b>	<b>7,607</b>	-	<b>6,487</b>	<b>6,487</b>	-	<b>6,576</b>	<b>6,576</b>

\*expenses

1. ASIO will receive an additional \$2.200m for salary related costs once the 2006-07 Budget measure, 'National Security – Increasing staff level' has been achieved.

## 2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of resources obtained by ASIO for the provision of goods or services. These resources are approved for use by ASIO and are included in Table 2.1.

**Table 2.3: Other resources available to be used**

	Estimated Receipts 2006-07 \$'000	Budget Estimate 2007-08 \$'000
<b>DEPARTMENTAL RESOURCES</b>		
Sales of goods and services (FMA Act s31)	2,783	3,148
Proceeds from the sale of assets (FMA Acts31)	788	827
Other revenue	1,772	1,307
<b>Total sales of goods and services</b>	<b>5,343</b>	<b>5,282</b>
Resources received free of charge	887	1,215
<b>Total departmental other resources available to be used</b>	<b>6,230</b>	<b>6,497</b>

Acts Glossary: FMA Act = *Financial Management and Accountability Act 1997*

## 2.6 MOVEMENTS IN SPECIAL ACCOUNTS

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. The abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by ASIO.

**Table 2.6: Estimates of Special Account cash flows and balances**

	Outcome	Opening			Closing	
		Balance	Receipts	Payments	Adjustments	Balance
		2007-08	2007-08	2007-08	2007-08	2007-08
		2006-07	2006-07	2006-07	2006-07	2006-07
	\$'000	\$'000	\$'000	\$'000	\$'000	
Other Trust Monies Account s20 FMA Act (D)	1	-	-	-	-	-
		-	-	-	-	-
Services for other Government and Non-Agency Bodies Account s20 FMA Act (D)	1	-	-	-	-	-
		-	-	-	-	-
<b>Total special accounts 2007-08 Budget estimate</b>		-	-	-	-	-
<b>Total special accounts 2006-07 estimate actual</b>		-	-	-	-	-

(D) = Departmental

Acts Glossary: FMA Act = *Financial Management and Accountability Act 1997*

## Section 3: Outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs contributing to ASIO's outcome.

### 3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The relationship between activities of ASIO and the outcome is summarised in Table 1.1. There are no changes to ASIO's outcome and outputs structure compared to the 2006-07 PBS.

#### Outcome

ASIO works towards one outcome – A secure Australia for people and property, Government business and national infrastructure, and special events of national and international significance – which supports the Government's policy aim of A secure Australia in a secure region.

#### Outputs

In support of ASIO's outcome and its output group *Security Intelligence* are four sub outputs, each providing a key contribution to the outcome:

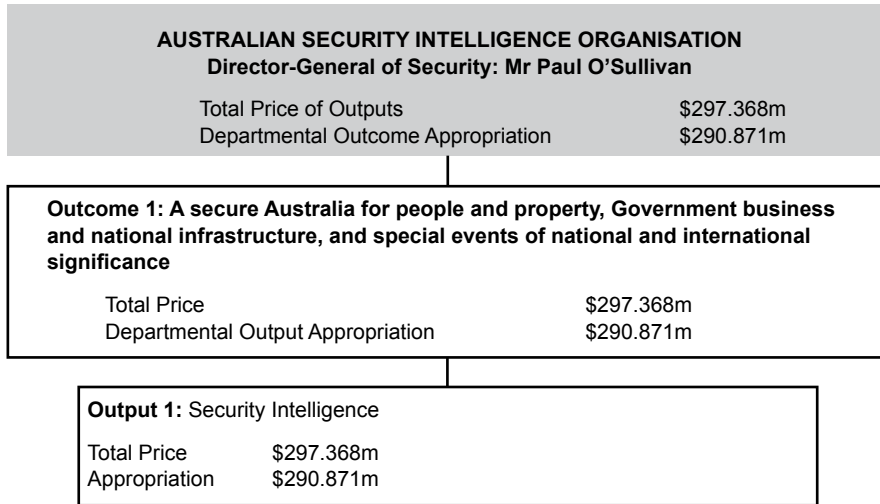
**Security intelligence analysis and advice** including: strategic, investigative and complex analysis; threat assessments; border security; critical infrastructure protection; policy contribution; and support to prosecutions.

**Protective security advice** including: counter-terrorist checking; personnel security; physical security; and policy contribution.

**Security intelligence investigation and capabilities** including: the maintenance and enhancement of all-source security intelligence collection; complex tactical and technical analysis; technical research and development; counter-terrorism response; national and international liaison; and policy contribution.

**Foreign intelligence collection** in Australia at the request of the Minister for Foreign Affairs or the Minister for Defence, as well as incidentally through security intelligence investigations and liaison with overseas partners.

**Figure 2: Contributions to outcomes**



## 3.2 OUTCOME RESOURCES AND PERFORMANCE INFORMATION

### 3.2.1 Outcome 1 resourcing

Table 3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 1, including revenue from Government (appropriation), revenue from other sources and the total price of outputs. ASIO has only one outcome and does not receive special appropriations or appropriations for administered items.

**Table 3.1: Total resources for Outcome 1**

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000
<b>DEPARTMENTAL APPROPRIATIONS</b>		
Output Group 1.1 – Security Intelligence	227,617	290,871
<b>Total revenue from Government (appropriations) contributing to price of departmental outputs</b>	<b>227,617</b>	<b>290,871</b>
<b>REVENUE FROM OTHER RESOURCES</b>		
Output Group 1.1 – Security Intelligence	6,230	6,497
<b>Total revenue from other sources</b>	<b>6,230</b>	<b>6,497</b>
<b>Total price from departmental outputs</b> (Total revenue from Government and from other sources)	<b>233,847</b>	<b>297,368</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>233,847</b>	<b>297,368</b>
<b>Average staffing level (number)</b>	<b>1,177</b>	<b>1,349</b>

### 3.2.2 Measures affecting Outcome

Departmental appropriations for ASIO are \$290.871m in 2007-08 compared to \$227.617m in 2006-07. The majority of the increase relates to continued implementation of measures arising from the independent review of ASIO's resources conducted in 2005-06 (the Taylor Review). Commencing in 2006-07, the combined measures provide a five year strategic program for ASIO to strengthen its capability to better meet the range of challenges faced.

In previous Budgets ASIO was provided with funding for an extension to the ASIO central office building. With growth from the Taylor Review this project has been superseded and additional funds have been approved over the four years from 2007-08 for the construction of a new central office building to accommodate ASIO's increasing workforce. Appropriations over the forward estimates also provide for the continued upgrading of accommodation for ASIO's state offices.

ASIO has also been provided with additional ongoing funding to support the Australian Federal Police (AFP) to implement recommendations relating to the *Anti-Terrorism Act (No. 2) 2005* with the aim of protecting the Australian community from terrorist attacks.

Other revenue from user charging brings the total price of the outcome for 2007-08 to \$297.368m.

A summary of the measures for the 2007-08 Budget are found in Table 2.2.



## 4.2 COST RECOVERY ARRANGEMENTS

ASIO provides:

- a) Protective security policy advice to Government and specific advice to departments and agencies on protective security measures including:
  - risk management advice and some specialist protective security training
  - security equipment assessment and testing, and
  - technical surveillance counter-measures advice and testing (electronic sweeps).

Protective security advice and services are provided on a full cost recovery basis with over 70 per cent of revenue relating to Government departments and agencies.

- b) Advice to the Department of Immigration and Citizenship (DIAC) on the entry to Australia of unauthorised arrivals. This work is charged on a cost recovery basis under a Memorandum of Understanding.
- c) Rental accommodation and business support facilities to the Office of National Assessment.
- d) Security advice to the Australian Federal Police (AFP), such as security checking advice for holders of Aviation Security Identification Cards and Maritime Security Identification Cards.

### 4.2.1 Summary of cost recovery impact statement

ASIO's cost recovery arrangements as defined in the Commonwealth Cost Recovery Guidelines are not significant and the preparation of a cost recovery impact statement is not required.

## Section 5: Budgeted financial statements

### **5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **Departmental**

##### **Income Statement**

Total income is estimated to be \$297.368m in 2007-08, an increase of \$63.521m from 2006-07. The majority of the increase relates to measures arising from the independent review of ASIO's resources conducted in 2005-06 (the Taylor Review). Commencing in 2006-07, the combined measures provide a five year strategic program for ASIO to strengthen its capability to better meet the range of challenges faced. Minor movements are due to new measures in 2007-08 and indexation adjustments.

Total expenses are estimated to be \$291.617m in 2007-08, an increase of \$64.793m from 2006-07. The increase is primarily the result of increased expenses relating to the measures approved in the 2006-07 and 2007-08 Budgets.

ASIO has estimated an operating surplus of \$5.751m in 2007-08, a decrease of \$1.272m from 2006-07. This movement is attributable to ASIO's increased operating costs as a result of progressively implementing recommendations from the Taylor Review.

##### **Balance Sheet**

ASIO's estimated net asset position is \$366.916m in 2007-08, an increase of \$155.370m from 2006-07. The increase is attributable to capital equity injections from approved Budget measures in the 2007-08 Budget and decisions made previously and already reflected in forward estimates.

##### **Capital Budget Statement**

ASIO is estimating capital outlays of \$167.166m in 2007-08, an increase of \$49.028m from 2006-07. The majority of these capital outlays are funded through capital appropriations (\$149.616m), which relate to measures from 2007-08 and prior years. The balance of \$17.550m is funded internally by departmental resources and predominantly relates to asset replacement.

## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental income statement for the period ended 30 June**

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	227,617	290,871	354,403	410,852	417,895
Goods and services	2,783	3,148	3,208	3,275	3,341
Resources Received Free of Charge	887	1,215	1,239	1,264	1,289
Other	1,772	1,307	1,332	1,360	1,387
<b>Total revenue</b>	<b>233,059</b>	<b>296,541</b>	<b>360,182</b>	<b>416,751</b>	<b>423,912</b>
<b>Gains</b>					
Sale of assets	788	827	868	894	-
<b>Total gains</b>	<b>788</b>	<b>827</b>	<b>868</b>	<b>894</b>	<b>-</b>
<b>Total income</b>	<b>233,847</b>	<b>297,368</b>	<b>361,050</b>	<b>417,645</b>	<b>423,912</b>
<b>EXPENSE</b>					
Employees	117,526	148,972	179,537	212,608	222,872
Suppliers	73,542	83,954	99,176	115,936	109,965
Depreciation and amortisation	34,811	57,699	78,744	85,786	90,538
Losses from sale of assets	945	992	1,042	1,065	171
<b>Total expenses</b>	<b>226,824</b>	<b>291,617</b>	<b>358,499</b>	<b>415,395</b>	<b>423,546</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>7,023</b>	<b>5,751</b>	<b>2,551</b>	<b>2,250</b>	<b>366</b>

Table 5.2: Budgeted departmental balance sheet as at 30 June

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	11,537	19,963	20,960	19,884	22,024
Appropriation Receivable	58,247	100,374	170,942	249,047	220,181
Receivables	3,120	3,259	3,368	3,512	3,578
<b>Total financial assets</b>	<b>72,904</b>	<b>123,596</b>	<b>195,270</b>	<b>272,443</b>	<b>245,783</b>
<b>Non-financial assets</b>					
Land and buildings	45,663	57,018	65,275	45,020	57,791
Infrastructure, plant and equipment	115,161	207,209	201,445	162,212	225,692
Intangibles	8,366	12,454	14,201	16,041	17,144
Other	2,099	2,519	3,022	3,626	4,126
<b>Total non-financial assets</b>	<b>171,289</b>	<b>279,200</b>	<b>283,943</b>	<b>226,899</b>	<b>304,753</b>
<b>Total assets</b>	<b>244,193</b>	<b>402,796</b>	<b>479,213</b>	<b>499,342</b>	<b>550,536</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	22,338	25,271	28,269	29,400	30,752
Other	3,374	3,374	3,374	3,374	3,374
<b>Total provisions</b>	<b>25,712</b>	<b>28,645</b>	<b>31,643</b>	<b>32,774</b>	<b>34,126</b>
<b>Payables</b>					
Suppliers	6,935	7,235	7,296	7,587	7,359
<b>Total payables</b>	<b>6,935</b>	<b>7,235</b>	<b>7,296</b>	<b>7,587</b>	<b>7,359</b>
<b>Total liabilities</b>	<b>32,647</b>	<b>35,880</b>	<b>38,939</b>	<b>40,361</b>	<b>41,485</b>
<b>Net assets</b>	<b>211,546</b>	<b>366,916</b>	<b>440,274</b>	<b>458,981</b>	<b>509,051</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	195,309	344,925	415,735	432,192	481,896
Reserves	8,734	8,734	8,734	8,734	8,734
Retained surpluses or accumulated deficits	7,503	13,257	15,805	18,055	18,421
<b>Total parent entity interest</b>	<b>211,546</b>	<b>366,916</b>	<b>440,274</b>	<b>458,981</b>	<b>509,051</b>
<b>Total equity</b>	<b>211,546</b>	<b>366,916</b>	<b>440,274</b>	<b>458,981</b>	<b>509,051</b>
<b>Current assets</b>	<b>75,003</b>	<b>126,115</b>	<b>198,292</b>	<b>276,069</b>	<b>249,909</b>
<b>Non-current assets</b>	<b>169,190</b>	<b>276,681</b>	<b>280,921</b>	<b>223,273</b>	<b>300,627</b>
<b>Current liabilities</b>	<b>26,118</b>	<b>28,704</b>	<b>31,151</b>	<b>32,289</b>	<b>33,188</b>
<b>Non-current liabilities</b>	<b>6,529</b>	<b>7,176</b>	<b>7,788</b>	<b>8,072</b>	<b>8,297</b>

**Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June**

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	4,897	4,316	4,431	4,491	4,662
Appropriations	169,370	248,744	283,835	332,747	446,761
Other	7,405	8,244	9,788	11,438	10,890
<b>Total cash received</b>	<b>181,672</b>	<b>261,304</b>	<b>298,054</b>	<b>348,676</b>	<b>462,313</b>
<b>Cash used</b>					
Employees	114,793	146,039	176,539	211,477	221,520
Suppliers	81,450	90,680	107,667	125,819	119,794
<b>Total cash used</b>	<b>196,243</b>	<b>236,719</b>	<b>284,206</b>	<b>337,296</b>	<b>341,314</b>
<b>Net cash from or (used by) operating activities</b>	<b>(14,571)</b>	<b>24,585</b>	<b>13,848</b>	<b>11,380</b>	<b>120,999</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	788	827	868	894	-
<b>Total cash received</b>	<b>788</b>	<b>827</b>	<b>868</b>	<b>894</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	118,138	166,602	84,529	29,807	168,563
<b>Total cash used</b>	<b>118,138</b>	<b>166,602</b>	<b>84,529</b>	<b>29,807</b>	<b>168,563</b>
<b>Net cash from or (used by) investing activities</b>	<b>(117,350)</b>	<b>(165,775)</b>	<b>(83,661)</b>	<b>(28,913)</b>	<b>(168,563)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations – contributed equity	112,986	149,616	70,810	16,457	49,704
<b>Total cash received</b>	<b>112,986</b>	<b>149,616</b>	<b>70,810</b>	<b>16,457</b>	<b>49,704</b>
<b>Net cash from or (used by) financing activities</b>	<b>112,986</b>	<b>149,616</b>	<b>70,810</b>	<b>16,457</b>	<b>49,704</b>
<b>Net increase or (decrease) in cash held</b>	<b>(18,935)</b>	<b>8,426</b>	<b>997</b>	<b>(1,076)</b>	<b>2,140</b>
Cash at the beginning of the reporting period	30,472	11,537	19,963	20,960	19,884
<b>Cash at the end of the reporting period</b>	<b>11,537</b>	<b>19,963</b>	<b>20,960</b>	<b>19,884</b>	<b>22,024</b>

**Table 5.4: Departmental statement of changes in equity — summary of movement Budget year 2007-08**

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
<b>Opening balance as at 1 July 2007</b>				
Balance carried forward from previous period	7,503	8,734	195,309	211,546
<b>Opening balance</b>	<b>7,503</b>	<b>8,734</b>	<b>195,309</b>	<b>211,546</b>
<b>Income and expense</b>				
Surplus (deficit) for the period	5,751	-	-	5,751
<b>Total income and expenses recognised directly in equity</b>	<b>5,751</b>	<b>-</b>	<b>-</b>	<b>5,751</b>
<b>Transactions with owners</b>				
Appropriation (equity injection)	-	-	149,616	149,616
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>149,616</b>	<b>149,616</b>
<b>Estimated closing balance as at 30 June 2008</b>	<b>13,257</b>	<b>8,734</b>	<b>344,925</b>	<b>366,916</b>

**Table 5.5: Departmental capital budget statement**

	Estimated Actual 2006-07 \$'000	Budget Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	112,986	149,616	70,810	16,457	49,704
<b>Total capital appropriations</b>	<b>112,986</b>	<b>149,616</b>	<b>70,810</b>	<b>16,457</b>	<b>49,704</b>
<b>Represented by:</b>					
Purchase of non-financial assets	112,986	149,616	70,810	16,457	49,704
<b>Total represented by</b>	<b>112,986</b>	<b>149,616</b>	<b>70,810</b>	<b>16,457</b>	<b>49,704</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	112,986	149,616	70,810	16,457	49,704
Funded internally by departmental resources	5,152	17,550	21,020	24,075	129,584
<b>Total</b>	<b>118,138</b>	<b>167,166</b>	<b>91,830</b>	<b>40,532</b>	<b>179,288</b>

**Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement Budget year 2007-08**

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>					
Gross book value	1,575	51,095	135,067	9,700	197,437
Accumulated depreciation	-	7,007	19,906	1,334	28,247
<b>Opening net book value</b>	<b>1,575</b>	<b>44,088</b>	<b>115,161</b>	<b>8,366</b>	<b>169,190</b>
Additions:					
by purchase	-	24,482	136,122	6,562	167,166
Depreciation/amortisation expense	-	13,127	42,098	2,474	57,699
Disposals:					
other disposals	-	-	1,412	-	1,412
<b>As at 30 June 2008</b>					
Gross book value	1,575	75,577	269,777	16,262	363,191
Accumulated depreciation	-	20,134	62,004	3,808	85,946
<b>Estimated closing net book value</b>	<b>1,575</b>	<b>55,443</b>	<b>207,773</b>	<b>12,454</b>	<b>277,245</b>

## 5.3 NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

The budgeted financial statements for ASIO have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Accounting Standards, other authoritative pronouncements of the Accounting Standards Board (Accounting Guidance Releases), the consensus view of the Urgent Issues Group and having regard to Statements of Accounting Concepts.

### Revenue from Government

Amounts appropriated for departmental appropriations for the year are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is only recognised when it is earned.

### Revenue from other sources

Revenue from other sources relates to other revenue received under FMA Act s31. This includes revenue for the provision of security assessments and protective security advice, proceeds on sale of assets, rental charges, and resources that are received free of charge.

### **Employee Expenses**

Employee expenses consist of salaries, leave entitlements and superannuation.

### **Supplier Expenses**

Supplier expenses include consultants, contractors, travel and administrative costs.

### **Depreciation**

Depreciation charges are included in the Income Statement so that the original purchase cost of the assets can be progressively recognised over their estimated useful lives and treated as an expense from ordinary activities. Depreciation represents a notional capacity for ASIO to meet the cost of asset re-investment in future years as those assets reach the end of their useful lives.

### **Financial Assets**

Financial assets include cash (notes, coins and deposits held at call with a bank or financial institution) and receivables (predominately appropriation from Government).

### **Non-Financial Assets**

Non financial assets comprise land and buildings, infrastructure plant and equipment, computer software and other (prepayments).

### **Liabilities**

Employee provisions comprising of annual and long service leave entitlements are ASIO's primary liabilities.