



Australian Government

Australian Security
Intelligence Organisation

ANNUAL REPORT 2022-23



Securing Australia—protecting its people

Aids to access

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Report a threat

National Security Hotline 1800 123 400
hotline@nationalecurity.gov.au

About this report

This report has been prepared in accordance with the provisions of the *Public Governance Performance and Accountability Act 2013* (PGPA Act), the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) and the Department of Finance Resource Management Guide Number 135.

Location of this annual report

Further information about ASIO and an online version of this report are available on the ASIO website. The direct address to view this annual report is www.asio.gov.au/resources/asio-annual-report-2022-23. The annual report can also be viewed at www.transparency.gov.au.

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Acknowledgement of Country

The Australian Security Intelligence Organisation acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to all Aboriginal and Torres Strait Islander peoples, their cultures and to their Elders past, present and emerging.

ANNUAL REPORT 2022-23





29th

September 2023

Ref: A23612647

The Hon. Clare O'Neil, MP
Minister for Home Affairs
Parliament House
CANBERRA ACT 2600

Dear Minister,

ASIO Annual Report 2022-23

In accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), I am pleased to present to you the Australian Security Intelligence Organisation's (ASIO) annual report for 2022-23.

This report contains information required by the *PGPA Rule 2014* and section 94 of the *Australian Security Intelligence Organisation Act 1979* (ASIO Act). In order to avoid prejudice to security and to ensure compliance with section 94 of the ASIO Act, I have provided you with advice to remove statements required under subsections 94(2A), 94(2B), 94(2BA), 94(2BC), 94(2BD) and 94(2BBA) of the ASIO Act from the annual report tabled in Parliament, under section 94(5) of the ASIO Act. To avoid prejudice to designated activities of ASIO and to ensure compliance with the PGPA Act, I have used the determination made by the Minister for Finance under section 105D of the PGPA Act to remove statements required under PGPA Rule subsections 17(AD)(e), 17AG(2A)(a-e) and 17AG(4)(aa)(iv) from the annual report tabled in Parliament. These statements are in the classified appendices and, as required by the ASIO Act, will be provided to the Leader of the Opposition. A copy of the classified appendices will also be provided to the Parliamentary Joint Committee on Intelligence and Security, the Inspector-General of Intelligence and Security and the Independent National Security Legislation Monitor.

As required by subsection 17AG(2)(b)(i-iii) of the PGPA Rule, I certify that fraud risk assessments and control plans have been prepared for ASIO; that we have appropriate mechanisms in place for preventing, investigating, detecting and reporting incidents of fraud; and that all reasonable measures have been taken to deal appropriately with fraud.

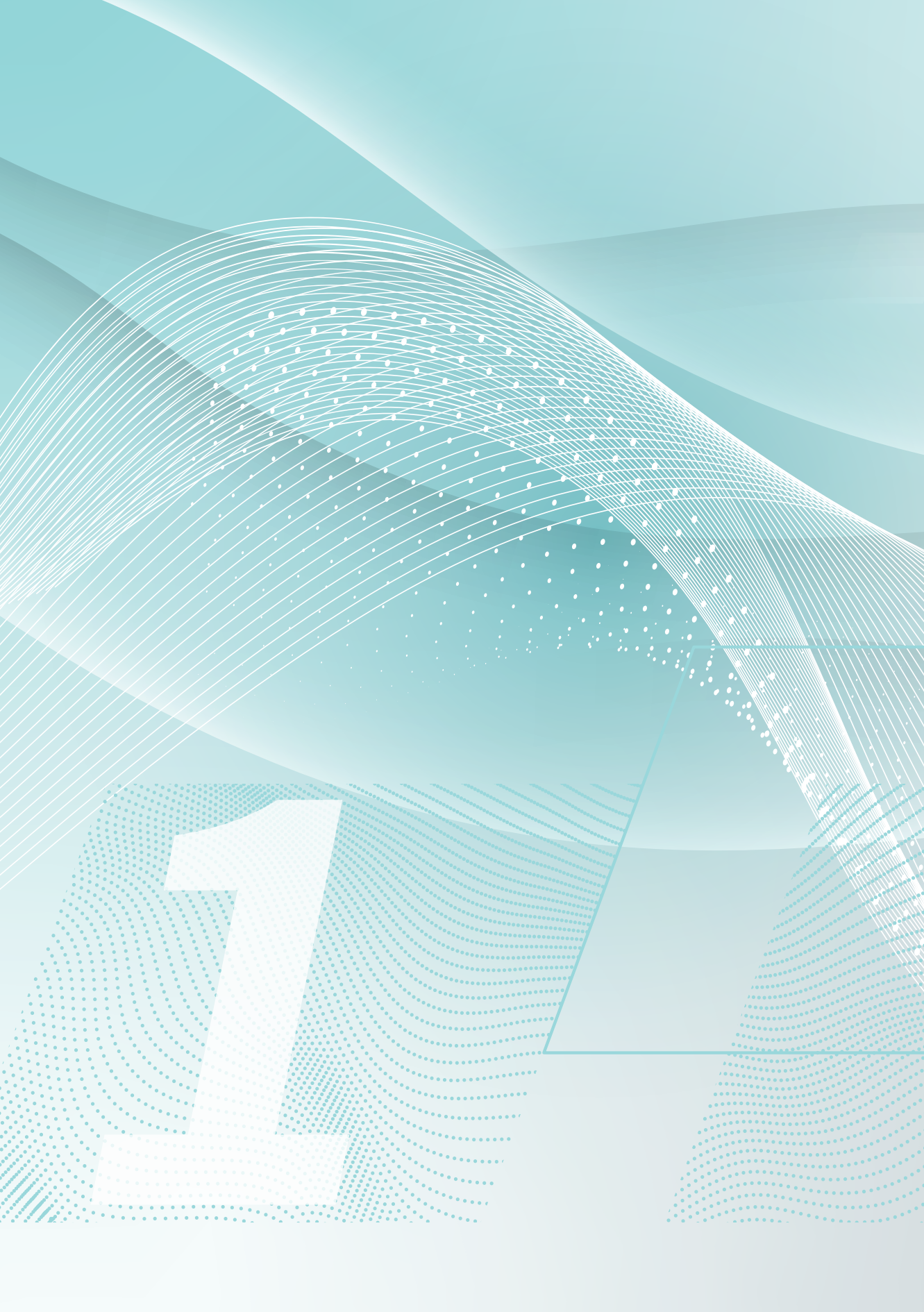
Yours sincerely,

Mike Burgess

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1

DIRECTOR-GENERAL'S REVIEW





“
...our human-led,
data-driven,
technology-enabled
approach...”

The ASIO logo is rendered in a stylized, geometric manner using various shades of grey and white. The letters are composed of sharp, angular shapes, with the 'A' and 'S' being particularly prominent. The background of the entire page features a complex, abstract pattern of glowing blue and white lines, resembling a digital network or data stream, which adds a sense of technological sophistication and security to the overall design.

Director-General's review

ASIO is your security service.
We protect Australia's people.
We defend Australia's democracy.
We safeguard Australia's sovereignty
and economy.

I am proud of our achievements
in 2022–2023, one of the busiest years
in ASIO's history.

Our activities under warrant
remained very high.

Our surveillance officers traversed
three million kilometres—equivalent to
four round trips to the moon.

We uncovered significant threats
to Australia's security, and conducted
a substantial number of disruptions.
Working with our law enforcement partners,
our targeted investigations led to
arrests and convictions.

While ASIO has been stretched during other
periods of intense operational tempo—
9/11, the Bali bombings, the height of
the caliphate—the unprecedented scale
and sophistication of the threats now
facing Australia is necessitating a scaled
and sophisticated response.

This annual report is a timely opportunity
to review, rate and record our performance.

Threat assessment

Australia's security environment remains complex, challenging and changing.

In November 2022, ASIO lowered the national terrorism threat level from PROBABLE to POSSIBLE. Our subject matter experts assess that while Australia remains a potential terrorist target, there are fewer extremists with the intention and capability to conduct an attack in Australia than there were when the threat level was raised in 2014.

In particular, there's been a moderation in the threat from religiously motivated violent extremists. International networks, capabilities and allure of groups such as ISIL and al-Qa'ida have been degraded, with their support in Australia declining accordingly. But terrorism remains a significant threat in some parts of the world and a growing menace in others, and developments overseas could resonate in Australia, with little warning.

We said in November it remained plausible that someone in Australia would die at the hands of terrorists within the next twelve months. Tragically that assessment was borne out in the horrific terrorist attack in Wieambilla in December. The attack was a sober reminder that 'possible' does not mean 'negligible'. The threat has dissipated, not disappeared.

The attack in Wieambilla is also evidence of how terrorism is becoming more difficult to predict: the most likely attack is from an individual or small group, using a readily available weapon, with little or no warning.

At the same time, extremists are embracing a more diverse range of grievances, including new, variable and sometimes hard to define ideologies.

In the Wieambilla case, ASIO assessed the killers were primarily motivated by a Christian violent extremist ideology.

More broadly, ASIO is tracking a significant uptick in grievance-driven rhetoric—particularly in the online environment—which can quickly gain mass attention and momentum, further fuelling community anger, resentment or frustration. Often, the common ingredient is a perceived loss or absence of personal agency.

Ideologically motivated violent extremism (IMVE)—particularly nationalist and racist violent extremism—remains a threat and its adherents will continue to engage in offensive behaviours. IMVE views persist, and adherents are weaving new issues into their conspiracy theories and anti-establishment views.

Terrorism remains a global challenge.

In South-East Asia, religiously motivated violent extremists are adapting their tactics and methods, and despite strong counter-terrorism pressure those extremists will continue to plan and conduct simple, often opportunistic attacks, primarily directed against local security forces and sectarian targets.

We are also following terrorism hotspots in Africa, the Middle East and South Asia; places where Australians live and work, have business interests and travel.

ASIO continues to work with international partners to disrupt the terrorist threat.

While threat to life will always be a priority for ASIO, espionage and foreign interference continues to be our principal security concern. More Australians are being targeted for espionage and foreign interference than at any time in Australia's history.

Foreign intelligence services, from multiple countries, are seeking to covertly understand and shape Australia's political and business decision-making, our alliances and partnerships, and our economic and policy priorities. They are trying to cultivate and recruit elected officials, public servants, well-placed individuals in business and community leaders.

Foreign intelligence services are monitoring and threatening members of our diaspora communities. These activities are assaults on our sovereignty and affronts to our freedoms. In one case late last year, a network of individuals was tasked with locating and filming a perceived dissident as part of a plot to intimidate other dissidents. ASIO intervened to neutralise the threat.

Foreign intelligence services are aggressively stealing secrets about our defence capabilities, government decision-making, political parties, foreign policy, critical infrastructure, space technologies, academic and think-tank research, medical advances, key export industries and personal information, especially bulk data.

ASIO's response

ASIO adopted a more aggressive counter-espionage and foreign interference posture in 2022–23. We increased our investigations, expanded our capabilities, sharpened our responses and hardened Australia's security environment.

Operational Outcomes

A significant number of foreign intelligence operatives and their proxies were either removed from Australia or rendered inoperative.

In April, as a direct result of an ASIO investigation, the Australian Federal Police charged an Australian citizen with foreign interference offences.

The prosecution is expected to have a 'chilling' effect on hostile foreign intelligence services—but prosecution is just one way of confronting espionage and foreign interference threats.

A substantial number of disruptions, visa cancellations and other intelligence-led activities quickly, efficiently and professionally eliminated harm in the reporting period. For reasons of operational security we do not discuss the details of these cases in public, but an overview of one of these successful operations is provided on page 26.

Influence and Impact

Security is a shared responsibility.

In response to the espionage and foreign interference threat, we stepped up our efforts to help government, industry and academia better understand, identify and manage sophisticated security threats, and therefore make our economy, institutions and political systems more difficult and resilient targets for those seeking to undermine them.

We promoted security awareness—particularly of insider threats—and helped our stakeholders grow security maturity by providing expert insights and impactful advice.

In February 2023, we released *Countering the insider threat: a security manager's guide*, to assist government and industry security managers to develop a Counter Insider Threat Program. Released on multiple mediums, at the lowest possible classification, the guide provides stakeholders with practical security advice that can be shared widely and easily. Stakeholders from government, defence, industry, academia and critical infrastructure sectors responded positively to the guide. Security managers have implemented hardening effects including identifying and mitigating key risks and developing insider threat training for staff.

To assist the higher education and research sector, we launched our *Protect your research, collaborate with care* campaign in May 2023. Australia's cutting-edge technology and world-leading research is a priority collection target for foreign intelligence services. The campaign raised awareness of the espionage and foreign interference threats facing the sector, and encouraged students, academics and researchers to report any concerns to ASIO.

Vetting

In June, the Parliament passed the ASIO Amendment Bill 2023.

The legislation was a significant step towards uplifting Australia's highest-level security clearance.

The reforms modernised, harmonised and strengthened Australia's security vetting capability in response to the espionage and foreign interference threat.

Centralising Australia's highest-level vetting functions within ASIO will leverage our capabilities and holdings to best assess whether an individual is, and remains, suitable to hold privileged access to top secret information.

A consistent approach to issuing and maintaining security clearances will improve workforce mobility.

The vetting reforms demonstrated how the national intelligence community can work together to share resources, remove duplication and improve outcomes.

Capability

ASIO's success depends on being able to do things our adversaries believe are impossible.

This is an enduring challenge, particularly as we seek to reconcile the complex, challenging and changing threat environment with a constrained fiscal environment.

Our staff have responded with typical agility and ingenuity.

Consistent with our human-led, data-driven, technology-enabled approach to intelligence collection and assessment, we continued to focus on enhancing the effectiveness of our most sensitive capabilities in 2022–23.

ASIO extended its partnerships with Australian industry to develop sovereign capabilities and help us leverage innovative technology that will accelerate and sustain our ability to stay ahead of threats.

I am impressed by the progress made in the reporting period on our Dots to Decisions program; robust governance was embedded and early benefits were delivered. This ten-year project remains on track to contribute to a sustained uplift in our technology capability.

While technology is critical to our mission, ASIO's people will always be our most important capability.

We have implemented plans to improve the recruitment and retention of our workforce in response to labour market constraints and intensified competition for appropriately cleared staff. We have listened to our staff to strengthen ways in which they can develop their skills with ASIO, and take advantage of opportunities through lateral movement and progression.

As part of our intent to represent the community we protect, ASIO remains committed to a diverse and inclusive workplace where all employees are valued and respected. Improving our gender balance is one important element of this commitment. While we can—and must—always do more, I am pleased that women represented 48 per cent of the ASIO workforce and 50 per cent of the senior executive service at the end of the financial year.

The year ahead

ASIO will continue to monitor emerging trends, drivers and shifts in the threat environment. We anticipate foreign powers will increase their efforts to conduct espionage, and target Australia's defence systems and critical infrastructure. This includes intelligence activities that could be used to support potential cyber-enabled sabotage or other disruptive actions in the future.

ASIO will continue to identify, prevent and disrupt threats in a targeted, proportionate and ethical way. We are committed to safeguarding the security of Australians *and* safeguarding their liberties... protecting from wrongs, while securing their rights.

That is why ASIO must always act within the spirit—as well as the letter—of the law.

That is why ASIO must always use the least intrusive methods possible.

And that is why I welcome robust oversight, governance, accountability and transparency—including by publishing our performance in our Annual Report.



Mike Burgess

Director-General of Security





2

OVERVIEW OF ASIO



Overview of ASIO

ASIO protects Australia and Australians from threats to their security.

Our functions are set out in section 17 of the *Australian Security Intelligence Organisation Act 1979* (ASIO Act).

‘Security’ is defined in section 4 of the ASIO Act as the protection of Australia and its people from:

- espionage;
- sabotage;
- politically motivated violence;
- promotion of communal violence;
- attacks on Australia’s defence systems; or
- acts of foreign interference;

whether directed from, or committed within, Australia or not; and

- the protection of Australia’s territorial and border integrity from serious threats.

The definition of security also extends to the carrying out of Australia’s responsibilities to any foreign country in relation to matters noted above.

ASIO achieves its purpose by obtaining, correlating, evaluating and communicating intelligence relevant to security.

ASIO cannot just respond to threats, it must anticipate them.

ASIO also has a function to obtain foreign intelligence within Australia.

We protect Australia and Australians by:

- understanding our security environment and identifying security threats
- hardening the environment against future threats
- working with partners to disrupt threats and reduce harm.

We communicate and advise to inform operational action, government decision-making, policy development and community resilience. We work with other agencies and authorities to achieve outcomes that protect Australia’s national interests.

The Director-General of Security is an independent statutory office holder with specific responsibilities under the ASIO Act to ensure the work of the Organisation is limited to what is necessary to discharge ASIO’s functions.

The Director-General of Security is responsible for ensuring ASIO is free from any influences or considerations not relevant to its functions, and to ensure nothing is done that might lend colour to any suggestions that ASIO seeks to further or protect the interests of any particular section of the community.

In 2022–23, ASIO pursued its purpose to protect Australia and Australians from threats to their security through five key priorities in the *ASIO Corporate Plan 2022–26*:

- counter-espionage and foreign interference
- counter-terrorism
- influence and impact
- ASIO’s capability program
- risk and compliance.

Part 3 of this report summarises our performance in relation to these priorities during 2022–23.

Commitment to legality and propriety

ASIO operates in proportion to the threats Australia faces, within the letter and the spirit of the law, and in line with the standards and expectations of the Australian community. We are subject to a comprehensive oversight and accountability framework which underpins and supports our commitment to legality and propriety.

ASIO’s accountable authority

Mr Mike Burgess, the Director-General of Security, was ASIO’s accountable authority during the 2022–23 reporting period.

Mr Burgess commenced as Director-General of Security on 15 September 2019.

Name	Position title/ position held	Period as the accountable authority within the reporting period	
		Date of commencement	Date of cessation
Mr Mike Burgess	Director-General of Security	15 September 2019	N/A

Reporting framework

ASIO operates under the Australian Government’s outcomes and programs framework.

Performance reporting requirements are part of the Commonwealth performance framework established by the *Public Governance Performance and Accountability Act 2013*.

It is anticipated this report will be read with broader information provided in the *ASIO Corporate Plan 2022–26* and the Home Affairs Portfolio Budget Statements, to provide a complete picture of ASIO’s planned and actual performance.

The alignment between ASIO’s purpose, as set out in the *ASIO Corporate Plan 2022–26* and the Outcome and Program in the *ASIO Budget Statement 2022–23* is shown below.



Organisational structure



Figure 1: ASIO’s organisational structure at 30 June 2023



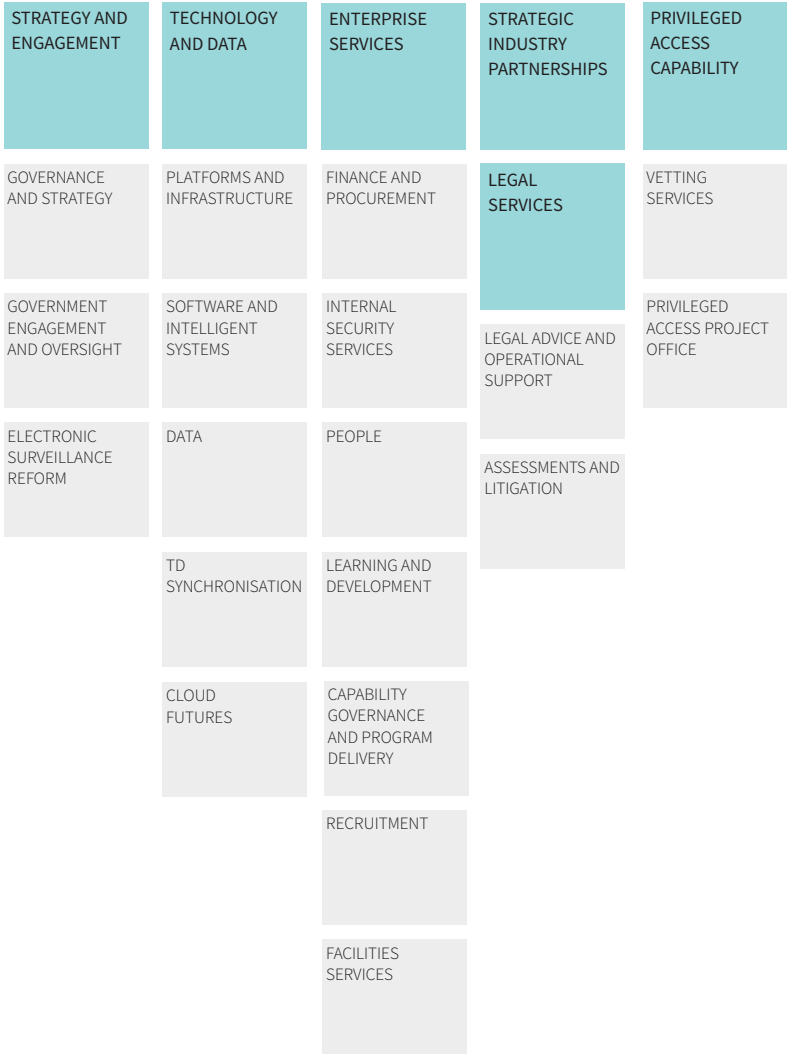
PRINCIPAL
ADVISOR

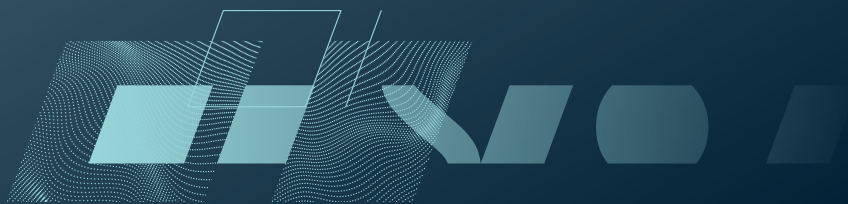


ENTERPRISE SERVICE DELIVERY
Hazel Bennett



VETTING SERVICE DELIVERY
Ewan Macmillan





ASIO's security vetting services

During 2022–23, significant effort was invested to establish ASIO as the central Commonwealth authority responsible for granting, denying, revoking, and maintaining TOP SECRET-Privileged Access (TS-PA) security clearances for clearance holders and applicants across the Australian Government.

ASIO's security vetting capability is enabled by the *Australian Security Intelligence Organisation (ASIO) Amendment Bill 2023* which came into effect on 1 July 2023. The legislation uplifts and hardens Australia's highest level of security clearances in response to the espionage and foreign interference threat. It ensures that in a complex, challenging and changing security environment Australia continues to protect its most privileged information, capabilities and secrets.

Centralising Australia's highest-level vetting functions within ASIO leverages the Organisation's security intelligence functions and holdings to best assess a person's suitability for a clearance. A consistent approach to issuing, maintaining and revoking Australia's highest level of security clearances maximises the benefits of shared services and will allow cleared employees to move between agencies more easily.

The TS-PA security clearance is the highest level of security clearance in Australia, and it is underpinned by the TS-PA Standard. The TS-PA Standard establishes strong minimum mandated security clearance requirements reflecting contemporary psychological and insider threat research.

The TS-PA security clearance will, over time, replace the existing Positive Vetting (PV) security clearance as Australia's highest-level security clearance. Some security vetting agencies, like the Australian Government Security Vetting Agency (AGSVA), will continue to grant PV security clearances until their positive vetting functions are integrated within ASIO.

Existing PV security clearances will be transitioned to ASIO and will be revalidated or transitioned as new TS-PA security clearances—consistent with the new, classified TS-PA Standard. This will occur either when the security clearance falls due for revalidation or consistent with other agreed transition arrangements.

During the transition, ASIO may manage active and existing PV security clearances issued by other authorised security vetting agencies and transitioned by ASIO to become the new TS-PA security clearances.

This is a great example of the national intelligence community working together to share resources, remove duplication and improve collective outcomes.

Our most important asset is our people

All of our teams contribute to our mission—protecting Australia and Australians from threats to their security. In a complex, challenging and changing security environment, our success is built on the imagination and intelligence of our team.

ASIO's most important asset is its people. Our people are ordinary Australians who do extraordinary things. Their agility and ingenuity, dedication and innovation allow us to evolve with the threat environment. We recognise the importance of attracting, developing and retaining a highly capable, innovative and adaptive workforce. We are always looking for creative thinkers who want to make a difference across all of our mission and mission support functions.

ASIO seeks to reflect the diversity of the community we protect. ASIO's employees include former nurses, trades professionals, zoologists, teachers, engineers, music conductors, geologists, podiatrists and journalists. We are proud Aboriginal and Torres Strait Islander peoples and a mix of Australian generations, born here and overseas. We are introverted, extroverted and neurodiverse.

Every ASIO employee brings their unique skills, experience and perspectives to work. ASIO employees make a difference. In 2022–23 we recruited 277 new staff to a diverse range of roles in corporate, intelligence and technology areas. We will continue to seek exceptional Australians for exceptional careers at ASIO.





3

REPORT ON PERFORMANCE



Annual performance statement 2022–23

Introductory statement

I, as the Director-General of Security and the accountable authority of ASIO, present the 2022–23 annual performance statement for ASIO, as required under paragraphs 39(1)(a) and (b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, this statement accurately presents the performance of ASIO in achieving its purpose and complies with subsection 39(2) of the PGPA Act.

A handwritten signature in black ink, appearing to read 'Mike Burgess', is positioned above the printed name and title.

Mike Burgess

Director-General of Security

Summary of performance against ASIO's purpose

ASIO's 2022–23 annual performance statement details how well we achieved our purpose by protecting Australia and Australians from threats to their security.

During the performance year, ASIO continued to operate in a complex, challenging and changing security environment. Our success relied on our ability to understand the environment, identify and understand threats it presents, and convert this understanding into actionable insights and impactful advice.

Our ability to respond to the security environment is evidenced in our achievements against the seven performance measures in the *ASIO Corporate Plan 2022–26*. ASIO achieved five of our seven performance measures and partially achieved two measures.

ASIO achieved and delivered significant outcomes against the performance measures relating to the impact of our counter-espionage and foreign interference, and counter-terrorism operations. Through our influence and impact performance measure, we have demonstrated that we have hardened the environment against the threats of espionage and foreign interference in Australia. We have been proactive in our advice to government and industry.

We have promoted security awareness and strengthened security maturity by providing expert insights and impactful advice. ASIO leveraged our capabilities and insights to help stakeholders better understand, identify and manage sophisticated security threats.

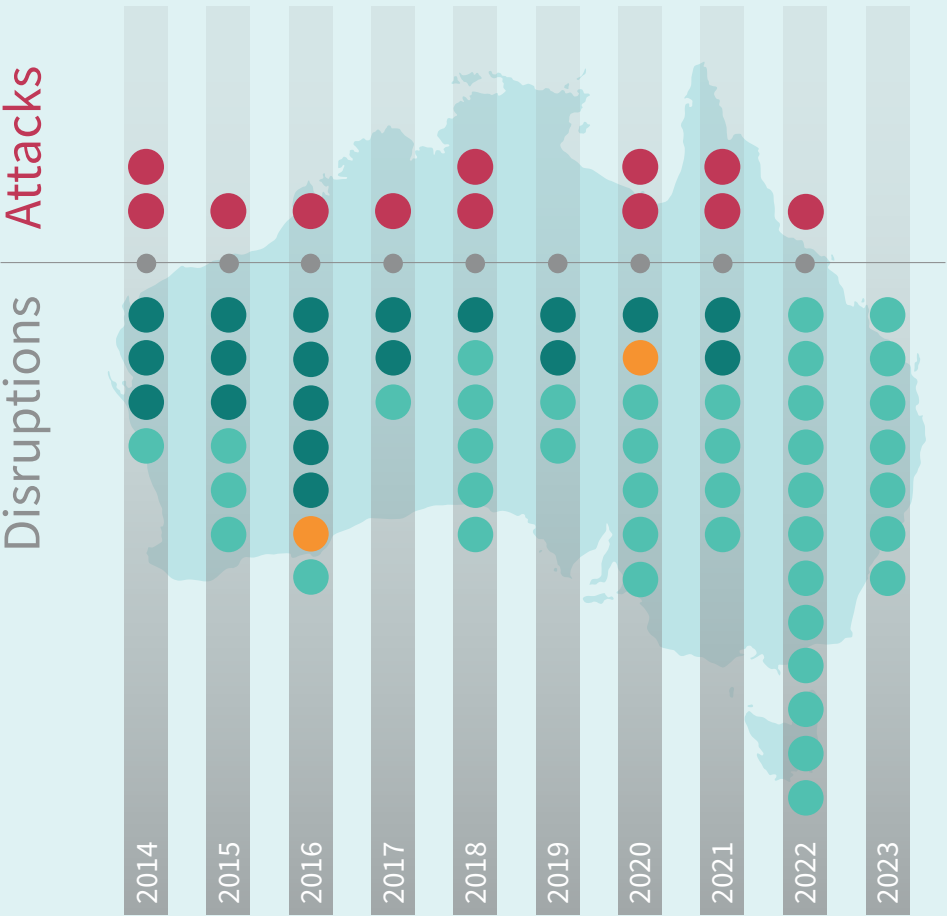
ASIO continued to have an impact on specific and relevant espionage and foreign interference and counter-terrorism policy development, however we assess that we partially achieved these measures. ASIO's input is actively sought by departments and agencies across government to a range of policy development that has real or potential national security implications. While ASIO did not meet the aspirational stakeholder survey targets, our performance continues to demonstrate that the Organisation provides relevant and insightful contributions to these complex matters. ASIO considers that the reduction in the percentage of stakeholders who rated our advice as having a high impact on the decision-making is largely due to surveying a much broader cohort of stakeholders and a significant turnover in respondents.

We note that over the past three years, there is a consistently high level of results from stakeholders who rate us as having a medium or high impact on their decision-making. Of the stakeholders who engaged closely and frequently with ASIO during the performance year, the stakeholder survey results show an overall increase in ratings for our countering espionage and foreign interference measures (both operations and policy) and our counter-terrorism operations measure.

ASIO continued to invest in our people, partnerships and capabilities, recognising they are integral to our success. ASIO's capability program remains on track to succeed and benefits are already being realised through delivery of milestones.

In 2022–23, ASIO demonstrated our commitment to continuous review and improvement of an appropriate system of risk oversight and management, completing key deliverables to operationalise risk monitoring and response. This included enhancing our compliance reporting and monitoring processes to ensure the successful delivery of ASIO's strategic objectives and management of enterprise risk.

Disruptions and attacks 2014–23



Domestic terrorist attack



Major counter-terrorism disruption (Sunni violent extremism)



Major counter-terrorism disruption (nationalist and racist violent extremism)



Major espionage and foreign interference disruption

Counter-espionage and foreign interference

Result—impact of ASIO’s counter-espionage and foreign interference operational activities advice

1. Impact of operational activities advice

Measure	The percentage of key stakeholders who confirm our counter-espionage and foreign interference advice had a HIGH impact on their decision-making in informing counter-espionage and foreign interference operational activities, managing security risks and disrupting activities that threatened Australia’s security.		
Overall result	ACHIEVED		
Source	ASIO Corporate Plan 2022–26 (p.16) PBS 2022–23, Outcome 1 (table 2.1.2)		
How performance was assessed		Result	
a. ASIO’s assessment of the significant outcomes—understand, harden and disrupt—from our counter-espionage and foreign interference activities and the impact of protecting Australia and Australians from threats to their security.		ACHIEVED	
b. Annual survey of ASIO’s key stakeholders.		PARTIALLY ACHIEVED	

Results and analysis

ASIO has countered espionage and foreign interference by protecting Australia from threats posed by foreign intelligence services seeking to undermine and exploit Australia’s democratic systems, institutions, and values. ASIO has collected intelligence on, and investigated, threats targeting Australian government, defence, political and other national interests.

While law enforcement action has a chilling effect on hostile foreign intelligence services, intelligence-led disruptions quietly and effectively eliminate harm. This includes disruptions across both HUMINT and cyber vectors.

a. Assessment of the impact of ASIO's operational activities

Disruption of undeclared intelligence presence

In 2022, the Australian Government, based on operational intelligence and advice from ASIO, disrupted a group of foreign intelligence officers operating in Australia. The disruption followed an extensive ASIO investigation and efforts to mitigate the harm being conducted against Australia and its interests. The disruption was multi-faceted and incorporated multiple covert and overt activities and we have good reason to believe its effect will be long-lasting. This was a milestone for Australian security as it was one of the largest disruptions of an adversary's covert intelligence activity in recent decades and has significantly reduced the threat from this adversary in Australia.

As a result of the Government's actions, we judge Australia is now considered a less permissive operating environment by this adversary and, almost certainly, others. With continued efforts by ASIO and our partners, the aggregated security dividends will extend into the coming decades as adversaries recalculate the cost of conducting intelligence activities in and against Australia.

The identification and disruption of this undeclared intelligence presence remains an example of the present-day threat to Australia from foreign intelligence adversaries.

ASIO will continue efforts to deny re-establishment of this and other undeclared foreign intelligence presences while also seeking out and disrupting other avenues being used by foreign intelligence agencies to obtain privileged and classified information in, and about, Australia.

ASIO's advice provided context, was relevant and practical and influenced decision-making

Examples demonstrating ASIO's impact on counter-espionage and foreign interference operational activities advice include the following:

- In April 2023, as a direct result of an ASIO investigation the Australian Federal Police (AFP) charged an Australian citizen with foreign interference offences.
- In 2022–23, the ASIO-led Counter Foreign Interference Taskforce (CFITF) continued to bring together intelligence and law enforcement capabilities to deliver impact and mitigate harm from espionage and foreign interference threats. The CFITF hosted the AFP's Advanced Counter Espionage and Foreign Interference Course, focusing on smoother transitions from intelligence to evidence and prosecution, and presented at the Commonwealth Department of Public Prosecutions' Organised Crime and National Security Conference on the Espionage and Foreign Interference (EFI) threat environment.

- During the reporting period, ASIO delivered defensive briefings to Australian politicians and their staff which resulted in them having a better understanding of the political interference and espionage threat, to include the cyber vector.
- ASIO worked with the AFP to uplift National Security Hotline (NSH) shift operators' and managers' general understanding of the FI threat environment, to assist them to recognise FI-related reports and enhance the quality of referrals to ASIO and law enforcement.
- ASIO provided information and advice, through the Australian Cyber Security Centre (ACSC), to Australian Government agencies, regarding network targeting and compromise, and to assist in incident response. Using our information, a government agency was able to identify a threat actor's access to its network and commence remediation activity.

b. Annual survey of ASIO's key stakeholders

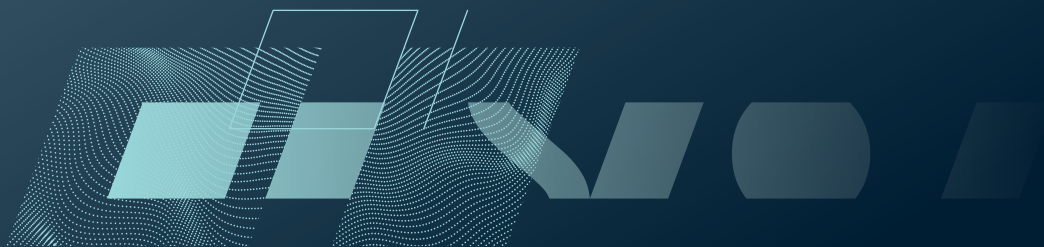
68 per cent of stakeholders reported that ASIO had a **HIGH** impact on their decision-making, with a further 28 per cent indicating ASIO's advice had a **MEDIUM** impact.

Together, 96 per cent of stakeholders considered ASIO's advice, at the least, provided context, was relevant and practical, and influenced decision-making, with many judging it had even greater impact.

This **MEDIUM** or higher rating has improved across the three-year period, progressing from 89 per cent to 96 per cent, demonstrating an increasing number of stakeholders have a positive view of ASIO's counter-espionage and foreign interference operational activities advice.

In 2022–23 stakeholders noted that ASIO's outreach activities were having a strong impact, with advice and threat assessments providing expertise and enabling partners to proactively harden their organisations against threats. Similar feedback was provided by stakeholders throughout the year, acknowledging the high level of support provided by ASIO informed their understanding of the scope and scale of the espionage and foreign interference threat, informed mitigations to manage security risks, and assisted in disruption activities.

2022–2023 result	2021–2022 result	2020–2021 result
68% HIGH; 96% MEDIUM or higher (Target: 80% HIGH)	80% HIGH; 92% MEDIUM or higher (Target: 80% MEDIUM)	89% MEDIUM or higher (Target: 70% MEDIUM)



Disruption of foreign interference

Foreign interference is an ongoing concern and is directed into many aspects of Australian society—our communities, values and freedoms, political systems and our national industrial and research base. At its most concerning, foreign interference manifests as harassment, intimidation and threats of physical harm against Australian citizens and diaspora communities. It impedes on and undermines Australia’s sovereignty, freedoms and democracy.

ASIO expects prosecution will have a chilling effect on hostile foreign intelligence services—but it is critical to note that law enforcement action is only one weapon in the nation’s arsenal. In late 2022, an ASIO investigation led to the disruption of a network of individuals undertaking foreign interference in Australia against an Australian citizen and their family.

This fast-paced investigation identified—and disrupted—these individuals, who were undertaking surveillance and research on the Australian family on behalf of a foreign power. These activities were carried out in a targeted and systematic way, amounting to clear and concerning foreign interference—covert activities directed by and being undertaken on behalf of a foreign power for intelligence purposes.

Crucial in this case was the foreign power’s use of agents and proxies to carry out their foreign interference activities, in an attempt to conceal and frustrate our detection and coverage. Although the onshore proxies were dealt with, their activities were directed by offshore puppeteers. We worked with our partners to disrupt their activities too, ensuring these adversaries gave up on their designs to interfere with Australian citizens.

In response to this threat, we published advice and assessment to help build collective understanding of the intent, capabilities and modus operandi of the network’s foreign interference activities—increasing the collective effectiveness of our disruption efforts. This resulted in a hardening of the environment against these threats, and a successful degrading of the foreign power’s ability to undertake foreign interference in Australia in future.

Result—impact of ASIO’s counter-espionage and foreign interference policy development advice

2. Impact of policy development advice

Measure	The percentage of key stakeholders who confirm our counter-espionage and foreign interference advice had a HIGH impact on their decision-making in relation to specific and relevant espionage and foreign interference policy development and responses to this threat.
Overall result	PARTIALLY ACHIEVED
Source	ASIO Corporate Plan 2022–26 (p.17) PBS 2022–23, Outcome 1 (table 2.1.2)
How performance was assessed	Result
a. ASIO’s assessment of the significant outcomes—understand, harden and disrupt—from our counter-espionage and foreign interference activities and the impact of protecting Australia and Australians from threats to their security.	PARTIALLY ACHIEVED
b. Annual survey of ASIO’s key stakeholders.	PARTIALLY ACHIEVED

Results and analysis

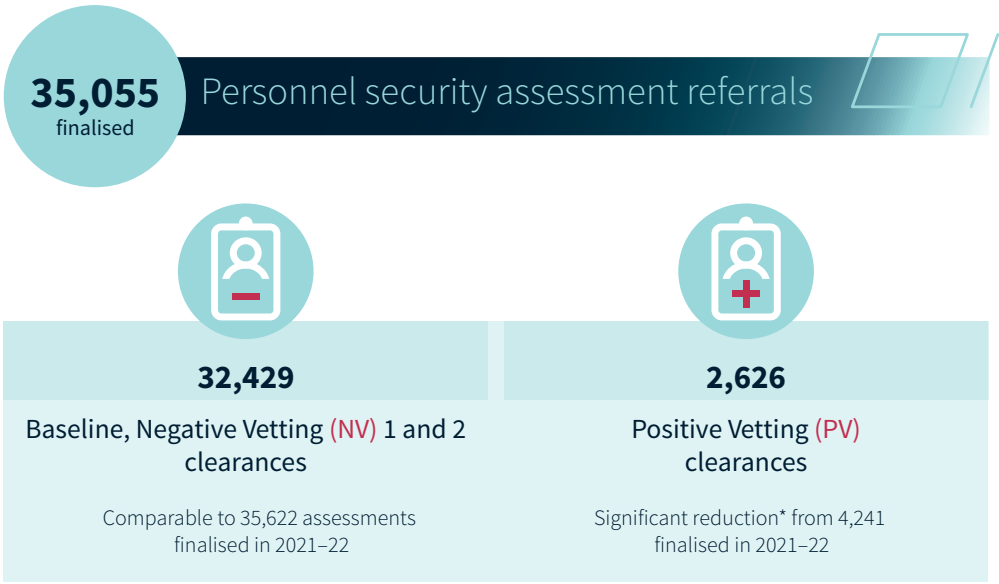
ASIO continued to provide impactful and trusted advice to government and industry raising awareness of the threat and establishing a less permissive environment for covert actors. ASIO has shaped government decisions, working with partners to disrupt and deter those attempting to undermine our national interests.

a. Assessment of the impact of policy development advice

Examples demonstrating ASIO’s impact on counter-espionage and foreign interference policy development advice include the following:

- ASIO contributed intelligence insights to the development of the Top Secret-Privileged Access Vetting sponsor agencies’ Insider Threat Program Framework and provided advice on establishing best practices and guides for managing insider threat.

- ASIO received positive feedback from a variety of public and private sector stakeholders following the release of the *Countering the insider threat: a security manager's guide*, with many expressing appreciation for the clarity of information and accessibility of the product.
- ASIO's assessment on threats associated with engaging foreign defence industry companies and their supply chains was well received by the higher education and research sector.
- During 2022–23, ASIO delivered briefings to over 500 ministerial staff in Australian Parliament, increasing their awareness of the security environment.
- ASIO provided espionage and foreign interference briefings to the higher education and research sector on the threat posed by foreign powers and their proxies. The briefings equipped individuals with awareness on how to protect themselves, helping harden the security environment against EFI, and prevent the compromise of government information.
- ASIO's role in assessing the suitability of prospective Australian Government security clearance applicants to hold a security clearance is critical to the protection of government information, places, activities and capabilities. In 2022–23, ASIO finalised 35,055 personnel security assessment referrals, comprising 32,429 assessments for Baseline, Negative Vetting (NV) 1 and 2 clearances and 2,626 assessments for Positive Vetting (PV) clearances. The 2022–23 figure is comparable to the 35,622 assessments finalised in 2021–22. The number of PV assessments finalised was a significant reduction from the 4,241 finalised in 2021–22. This was due to fewer PV referrals being made to ASIO from the Australian Government Security Vetting Agency (AGSVA).



**Due to fewer PV referrals being made to ASIO from AGSVA as a result of several factors including the efforts by AGSVA in remediating the myClearance system and variations in annual demand that occur from year to year.*

b. Annual survey of ASIO’s
key stakeholders

The 2023 stakeholder survey results against our ‘counter-espionage and foreign interference—impact of policy development advice’ did not meet the ambitious targets we set ourselves in the *ASIO Corporate Plan 2022–26*.

64 per cent of stakeholders reported that ASIO had a **HIGH** impact on their decision-making, with a further 31 per cent indicating ASIO’s advice had a **MEDIUM** impact. Together, 95 per cent of stakeholders considered ASIO’s advice, at the least, provided context, was relevant and practical, and influenced decision-making, with many judging it had even greater impact.

Although this **MEDIUM** or higher rating has slightly declined across the three-year period, shifting from 100 per cent to 95 per cent, the result demonstrates a significant number of stakeholders have a positive view of ASIO’s counter-espionage and foreign interference policy development advice.

Feedback received from stakeholders throughout the year noted ASIO advice is professional, thorough and responsive to the needs of agencies and changes in the threat environment.

2022–2023 result	2021–2022 result	2020–2021 result
64% HIGH; 95% MEDIUM or higher (Target: 80% HIGH)	73% HIGH; 97% MEDIUM or higher (Target: 80% MEDIUM)	100% MEDIUM or higher (Target: 70% MEDIUM)

Counter-terrorism

Result—impact of ASIO’s counter-terrorism operational activities advice

3. Impact of operational activities advice

Measure	The percentage of key stakeholders who confirm our counter-terrorism advice had a HIGH impact on their decision-making in relation to informing counter-terrorism operational activities, managing security risks and disrupting activities that threatened Australia’s security.
Overall result	ACHIEVED
Source	ASIO Corporate Plan 2022–26 (p.18) PBS 2022–23, Outcome 1 (table 2.1.2)
How performance was assessed	Result
a. ASIO’s assessment of the significant outcomes—understand, harden and disrupt—from our counter-terrorism activities and the impact of protecting Australia and Australians from threats to their security.	ACHIEVED
b. Annual survey of ASIO’s key stakeholders.	PARTIALLY ACHIEVED

Results and analysis

ASIO has countered terrorism by protecting Australians from religiously motivated and ideologically motivated violent extremism. ASIO’s intelligence collection, investigation and assessment efforts enabled ASIO to identify and understand the threats we face, and to enable the provision of impactful advice that hardened the environment against violent extremism.

a. Assessment of the impact of ASIO’s operational activities

Wieambilla

The terrorism incident in Wieambilla, Queensland in December 2022 during which two police officers and a civilian were murdered by members of a group, was the first terrorist attack in Australia motivated by a Christian violent extremist ideology since the introduction of Commonwealth counter-terrorism legislation after September 2001. The three terrorists were shot and killed by police during a protracted violent confrontation involving the exchange of gunfire.

Wieambilla demonstrated the persistent threat to life from threat actors regardless of ideology or motivation. It was consistent with the most likely form of politically motivated violence in Australia: an attack by a lone actor or small group with little to no intelligence forewarning, and featuring basic weapons, firearms and/or explosives.

In the immediate aftermath of the attack, commentators speculated about a range of possible ideological motivations. Proper analysis and assessment takes time and requires multiple inputs, including intelligence. ASIO provided support to the Queensland Police Service (QPS) investigation of the Wieambilla incident. We determined the complex intent behind the attack. Both ASIO and QPS assessed the incident was motivated by a Christian violent extremist ideology.

ASIO's post-event support to QPS included identifying that there were no related onshore threats, as well as providing investigative and technical assistance in reviewing and analysing the data from this incident.

ASIO's advice provided context, was relevant and practical and influenced decision-making

Examples demonstrating ASIO's impact on counter-terrorism operational activities advice include the following:

- ASIO provided a number of briefs to key stakeholders focused on the analytical work behind the lowering of the national terrorism threat level, as well as future threat indicators that would influence an increase in the level again. Attendees were appreciative of ASIO's work around future considerations and reassurance of our ongoing commitment in this area. This decision had significant impact on various government agencies and will directly inform decision-making on efforts to respond to the changing security environment.
- ASIO provided timely threat assessment advice in support of numerous major events throughout the period—including in relation to the 2022 Cricket World Cup, the 2022 Soccer World Cup, 2023 FIFA Women's World Cup, and the G20, APEC Leaders', and QUAD Leaders' Summits.
- In April 2023 ASIO published an initial assessment on the possible terrorism, violent protest, espionage and foreign interference threats to the referendum on an Aboriginal and Torres Strait Islander Voice to Parliament to support preparation and management of this event.

- In February and March 2023 ASIO provided timely, relevant and practical advice that influenced law enforcement partner's decision-making in respect of mitigating the threat posed by an individual assessed to be influenced by a religiously motivated violent extremist ideology. ASIO provided intelligence that the individual had made threats to associates and other individuals allowing law enforcement partners to implement measures to ensure the safety of these individuals.

- ASIO advice in August 2022 led to the arrest and imprisonment of a former subject of investigation for non-security related offences.

The man had come to attention several months prior due to vague comments assessed to potentially pose a threat to 2022 ANZAC Day commemorations. As a consequence of the ASIO advice, police searched the man's residence and located evidence he was using the precursor materials to make steroids.

- In January 2023, ASIO published an assessment outlining the impact of a global terrorist network to domestic and Five-Eyes partners. This product enhanced ASIO's reputation as a collaborative partner and informed collective counter-terrorism efforts.

b. Annual survey of ASIO's key stakeholders

The 2023 stakeholder survey results against our 'counter-terrorism—impact of operational activities advice' did not meet the ambitious targets we set ourselves in the *ASIO Corporate Plan 2022–26*.

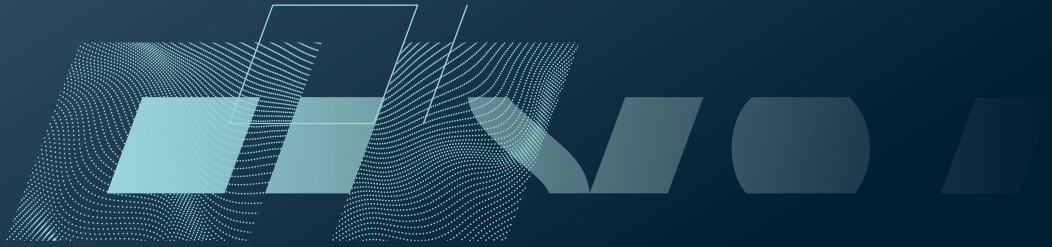
78 per cent of stakeholders reported that ASIO had a **HIGH** impact on their decision-making, with a further 18 per cent indicating ASIO's advice had a **MEDIUM** impact. Together, 96 per cent of stakeholders considered ASIO's advice, at the least, provided context, was relevant and practical, and influenced decision-making, with many judging it had even greater impact.

This **MEDIUM** or higher rating has varied slightly across the three-year period, increasing from 93 per cent to 100 per cent, then reducing to 96 per cent, but the result demonstrates a significant number of stakeholders have a positive view of ASIO's counter-terrorism operational activities advice.

Qualitative survey feedback shows ASIO is a respected, authoritative source of security advice. Stakeholders commented that presentations addressing threats, case studies and risk mitigations had real impact on their decision-making.

Additional feedback throughout the year demonstrated the positive impact ASIO had on stakeholders’ operational decision-making and policy decisions, particularly in relation to the inaugural lowering of the national terrorism threat level from PROBABLE to POSSIBLE on 28 November 2022.

2022–2023 result	2021–2022 result	2020–2021 result
78% HIGH; 96% MEDIUM or higher (Target: 80% HIGH)	84% HIGH; 100% MEDIUM or higher (Target: 80% HIGH)	58% HIGH; 93% MEDIUM or higher (Target: 80% HIGH)



Lowering Australia's National Terrorism Threat Level

Australia's national terrorism threat level is POSSIBLE. ASIO assesses that while Australia remains a potential terrorist target, there are fewer extremists with the intention to conduct an attack onshore than there were when we raised the threat level in 2014. Most significantly, the threat from religiously motivated violent extremists has moderated. While we remain concerned about ideologically motivated violent extremism, we assess that the vast majority of these extremists are more likely to focus on recruitment and radicalisation rather than attack planning in the foreseeable future. It remains entirely plausible there would be a terrorist attack in Australia within the next 12 months. ASIO's biggest concern is individuals and small groups who could move to violence without warning.

Result—impact of ASIO’s counter-terrorism policy development advice

4. Impact of policy development advice

Measure	The percentage of key stakeholders who confirm our counter-terrorism advice had a HIGH impact on their decision-making in relation to specific and relevant policy development and responses to terrorism.
Overall result	PARTIALLY ACHIEVED
Source	ASIO Corporate Plan 2022–26 (p.19) PBS 2022–23, Outcome 1 (table 2.1.2)
How performance was assessed	Result
a. ASIO’s assessment of the significant outcomes—understand, harden and disrupt—from our counter-terrorism activities and the impact of protecting Australia and Australians from threats to their security.	PARTIALLY ACHIEVED
b. Annual survey of ASIO’s key stakeholders.	PARTIALLY ACHIEVED

Results and analysis

ASIO’s intelligence collection, investigation and assessment efforts enabled ASIO to inform government policy and responses to, violent extremism.

a. Assessment of the impact of ASIO’s policy development advice

Examples demonstrating ASIO’s impact on counter-terrorism policy development advice include the following:

- In August 2022, ASIO and AFP jointly presented at a two-day Australia-New Zealand Counter-Terrorism Committee (ANZCTC) National Summit on Youth Radicalisation. The event brought together partners and stakeholders beyond the intelligence and law enforcement community, to strengthen whole-of-sector response to the shared problem of identifying, preventing and disrupting youth radicalisation.

- Our timely, relevant and practical advice on proscription cases empowered whole-of-government decision-making on terrorist organisation proscriptions to harden the environment and enable activities to disrupt the capabilities of terrorist organisations. This resulted in the Department of Home Affairs listing five terrorist organisations under the Criminal Code.
- ASIO provided comprehensive security briefings to a range of government and industry stakeholders on domestic and international aviation threats and the threat environment. These briefings were well received and informed industry stakeholders' risk management procedures while informing policy and regulatory positions.
- ASIO provided a number of briefs to key stakeholders focused on the analytical work behind the lowering of the national terrorism threat level, as well as future threat indicators that would influence an increase in the level again. Attendees were appreciative of ASIO's work around future considerations and reassurance of our ongoing commitment in this area. This decision had significant impact on various government agencies and will directly inform decision-making on efforts to respond to the changing security environment.
- In 2022 ASIO provided security advice to government in relation to the repatriation of Australian women and children from Syrian camps.
- In 2023 ASIO provided security advice to support the drafting of new counter-terrorism legislation (see page 45).



- ASIO started assessing the Naval Shipbuilding and Sustainment Identity Card (NSSIC) after trials during the 2022–23 financial year. We expect numbers will increase over the next 12 months.
- ASIO will start providing checks for access to Critical Infrastructure from July 2023.
- ASIO provided assessments for major events including the International Cricket Council Men's T20 World Cup 2022, Quad Leaders' Summit and the 2023 FIFA Women's World Cup. Despite the cancellation of the Quad Leaders' Summit, ASIO still completed assessments up until the event was officially cancelled. This represents a substantial additional demand for ASIO access checks compared with FY21-22 when there were no declared major events.

b. Annual survey of ASIO’s key stakeholders

The 2023 stakeholder survey results against our ‘counter-terrorism—impact of policy development advice’ did not meet the ambitious targets we set ourselves in the *ASIO Corporate Plan 2022–26*.

63 per cent of stakeholders reported that ASIO had a **HIGH** impact on their decision-making, with a further 37 per cent indicating ASIO’s advice had a **MEDIUM** impact. Together, 100 per cent of stakeholders considered ASIO’s advice, at the least, provided context, was relevant and practical, and influenced decision-making, with many judging it had even greater impact.

This **MEDIUM** or higher rating has remained at a steady 100 per cent across the three-year period, demonstrating a continued, wholly positive view of ASIO’s counter-terrorism policy development advice.

Feedback received from stakeholders throughout the year reflected the positive view expressed in the survey, with high value placed on the impact of assessments and collaborative nature of partnerships.

2022–2023 result	2021–2022 result	2020–2021 result
63% HIGH; 100% MEDIUM or higher (Target: 80% HIGH)	71% HIGH; 100% MEDIUM or higher (Target: 80% HIGH)	56% HIGH; 100% MEDIUM or higher (Target: 80% HIGH)

Influence and impact

Result—ASIO’s delivery of impactful intelligence and advice

5. Delivery of impactful intelligence and advice

Measure	Case studies which demonstrate the delivery of impactful intelligence and advice, resulting in an operational outcome or policy reform.
Overall result	ACHIEVED
Source	ASIO Corporate Plan 2022–26 (p.20)
How performance was assessed	Result
The influence and impact measure relies on demonstration, via at least one case study, of ASIO’s delivery of impactful intelligence and advice resulting in an operational outcome or policy reform. Case studies have been chosen on the basis of their demonstration of the impact of ASIO assessments and advice with consideration to protecting sensitive tradecraft, capabilities and information. ASIO has been proactive in its advice to government and industry, leveraging our capabilities and insights to help stakeholders better understand, identify and manage security threats.	ACHIEVED

Results and analysis

ASIO has hardened the environment against the threats of espionage and foreign interference in Australia. We have been proactive in our advice to government and industry. We have promoted security awareness and strengthened security maturity by providing expert insights and impactful advice. ASIO leveraged the Organisation’s capabilities and insights to help stakeholders better understand, identify and manage sophisticated security threats.

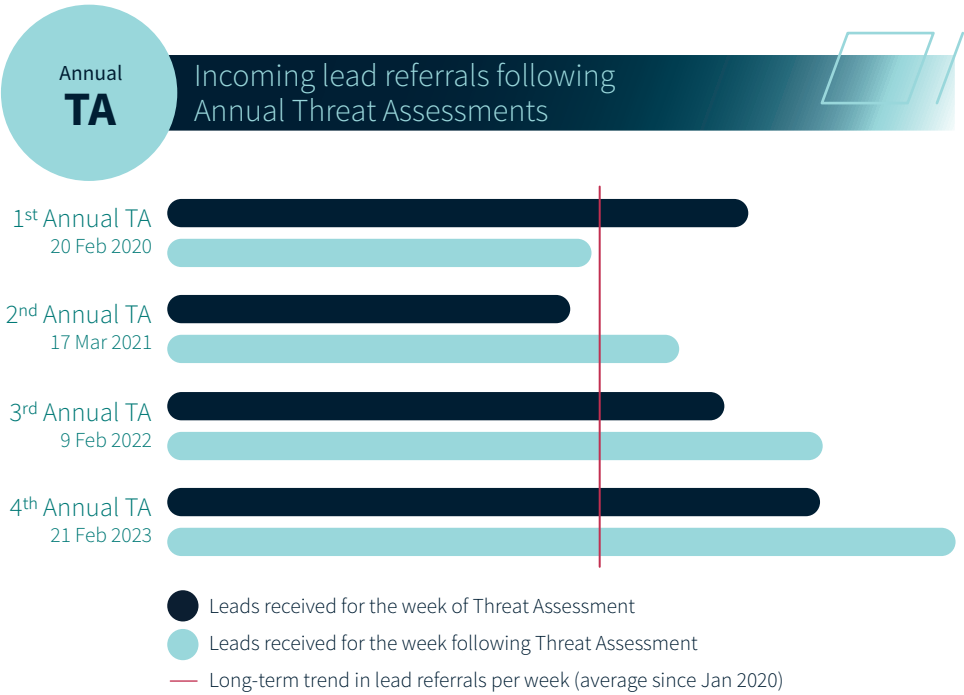
Influence and impact was introduced as a priority in the *ASIO Corporate Plan 2022–26*, along with a new performance measure—‘delivery of impactful intelligence and advice’.

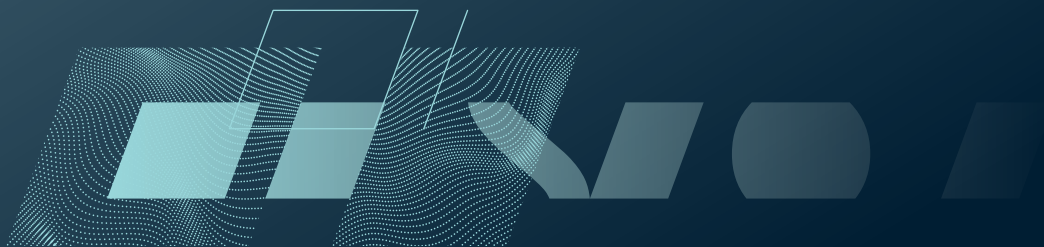
The following case studies demonstrate a range of scenarios where we have delivered impactful intelligence and/or advice.

Annual Threat Assessment

A key aim of the Director-General’s Annual Threat Assessment is to harden the security environment and build resilience by improving awareness of threats. The significant increase in lead referrals following the Threat Assessment is one indicator showing demonstrable impact, year on year. Within this overall increase in lead referrals, in 2023 we recorded three times the number of espionage and foreign interference leads in the week following the Threat Assessment compared with the long-term trend.

This reflects the focus in 2023 on espionage and foreign interference. These increases predominately represent a surge in National Security Hotline reporting, but have also included public line calls and correspondence directed at ASIO, or received by ASIO via our domestic partners.





Political interference

ASIO had significant impact in hardening Federal, State and Local political and electoral environments against foreign interference and improving understanding of the threat amongst politicians and their staff. The Director-General's Annual Threat Assessment 2023 and subsequent media reporting—which described what the threat looks like in practice—prompted widespread discussion and greater security awareness.

- ASIO threat assessment advice for the Federal election and state-specific assessments on the threat from espionage and foreign interference in NSW and Victoria built broad defensive awareness.
- At a Commonwealth level, ASIO delivered general briefings on political interference to Cabinet and Cabinet Chiefs of Staff, and at the induction programs for Cabinet Ministers, new Members, new Senators, and hundreds of ministerial staff.
- We delivered tailored pre-travel briefings for Ministers and briefings on targeting of democratic institutions. These briefings are resonating with our audience and we continue to receive increased requests for additional engagements. Our workshop, delivered to agency security teams from six Australian government agencies and parliamentary departments, also built their capability in delivering pre-travel security briefings to Ministers and staff, hardening them against political interference threats.

Counter-Terrorism Legislation Amendment (Prohibited Hate Symbols and Other Measures) Bill 2023

ASIO engaged actively with the Attorney-General's Department (AGD) on the development of the *Counter-Terrorism Legislation Amendment (Prohibited Hate Symbols and Other Measures) Bill 2023*, providing security advice and support during the drafting process. ASIO provided advice to AGD on two aspects during the drafting of the Bill and Explanatory Memorandum:

- background on already-identified symbols
- ASIO's assessment of Australia's threat landscape.

ASIO's delivery of impactful advice resulted in appropriate policy reform.

Capability delivery

The delivery of a particular capability from the capability program (see Measure 6) provided ASIO with increased capacity to detect early signs of threat activity while reducing risk to our officers. While sensitivities preclude describing the capability in detail, ASIO successfully deployed this capability on multiple occasions during the period, delivering impactful intelligence which resulted in operational outcomes. The capability will continue to be developed to ensure it keeps in step with technological change and maintains our ability to achieve our purpose, protecting Australia and Australians from threats to their security.

NITRO PROTECT YOUR RESEARCH



Protect your research, collaborate with care

Launched in May 2023, *Protect your research, collaborate with care* is an ASIO campaign for the Australian higher education and research sector.

The campaign raises awareness of espionage and foreign interference to the higher education and research sector, and the consequences of the threat for students, researchers and institutions. The campaign encourages staff, students and researchers in the sector to report any espionage and foreign interference concerns they have to ASIO via the *Notifiable Incidents, Threats and Reportable Observations* (NITRO) portal.

Australia's universities and research institutes are a particular target of espionage and foreign interference because of their success: they are world leaders in developing cutting-edge technology and innovative research to address the global challenges Australia faces. This research is highly desirable to foreign powers and their proxies, who will attempt to acquire and/or interfere with it for the benefit of their country and to Australia's detriment.

Central to the campaign is the *Protect your research, collaborate with care* booklet, which explains the espionage and foreign interference threat and provides simple mitigations that individuals and institutions can employ to protect themselves in Australia and overseas.

By raising awareness of espionage and foreign interference to the research and higher education sector and encouraging due diligence, *Protect your research, collaborate with care* supports whole-of-government efforts, such as the University Foreign Interference Taskforce, to harden the Australian security environment and prevent the compromise of critical technology.

ASIO capability program

Result—ASIO capability program

6. ASIO capability delivery

Measure	The capability program delivers mission effects and outcomes through achieving deliverables consistent with capability program objectives and milestones.
Overall result	ACHIEVED
Source	ASIO Corporate Plan 2022–26 (p.21)
How performance was assessed	Result
Qualitative and quantitative measures demonstrate delivery of capability program milestones across the period of this corporate plan.	ACHIEVED

Results and analysis

ASIO is committed to providing the security assurance the Government and Australian people expect by ensuring ASIO’s capabilities keep in step with rapidly changing technologies and practices. Through a human-led, data-driven, technology-enabled approach, our capability program aims to accelerate our ability to develop and adapt new capabilities, maintain our ability to detect the early signs of threat activity and position the Organisation to meet future challenges. The program supports our ability to invest in, and sustainably adopt, new technology and tradecraft practices to achieve our purpose and deliver against our priorities. This included partnering with the Australian technology sector in the development of sovereign capabilities in key areas of national security, further cementing our contribution to, and ongoing benefit from, our strategic partnerships.

Improved application of commercial technologies enables a more agile and sustainable response to changes in the rapidly evolving technology environment.

In 2022–23, ASIO continued to progress our major capability uplift program, enabled by the significant investment made by government in 2021, and remains on track to succeed. The ASIO capability program is on track to improve the Organisation’s capacity to future-proof its ability to respond to challenges, enhancing and sustaining capabilities to detect and disrupt adversaries, to help protect Australia and Australians from threats to their security.

The second year of the program has established the necessary processes to plan, monitor, and report on benefits realisation. The Year 2 Benefit Report is illustrating that, despite only being in year 2 of the 10 years, some benefits are beginning to be realised through delivery.

Performance methodology for the capability program has focused on four inputs: program governance, program documentation, program milestones, and program deliverables and benefits. These four inputs were assessed as on track as at the end of the 2022–23 reporting period.

Milestones and developments against the capability program measured during 2022–23 include the following.

Program governance

- The Program Governance Model is embedded, providing the necessary assurance and direction for the complexities and interdependencies of a multi-year, multi-disciplinary program.
- Evolved the Independent Program Assurance Capability, providing independent assessment and advice to the program Senior Responsible Officer (SRO).
- Interim Gateway Review identified improvement in program governance and delivery, and the program closed out all Gateway Review recommendations by the end of 2022–23.

Program documentation

- Established further program and project artefacts, and refined the reporting framework.

- Project Management Plans for all active projects reflect the multi-year nature of the program.
- Documentation has reliably reported budget, scope and schedule progress at both the program and project level.
- Established and embedded a Dependency Mapping Framework to inform reporting and prioritisation across the program.
- Embedded and continued to refine the risk management framework, and monthly reporting.
- Established specialist planning documents covering change management, communication and engagement, benefits management and workforce arrangements.

Program milestones

- The majority of program milestones have been met, with approved changes to schedules in a small number of projects not expected to compromise intended benefits or impact interdependent projects.

Program deliverables and benefits

- Established the necessary processes to plan, monitor and report on benefits realisation.
- Continued and maturing engagement with the Australian technology sector and partners across a number of projects.
- The program is beginning to realise benefits for the Organisation through delivery and sustainment of capabilities, consistent with realisation planning.

Risk and compliance

Result—risk and compliance

7. Risk management framework

Measure	ASIO’s risk management framework, culture and practices are consistent with the requirements of the Commonwealth Risk Management Policy.	
Overall result	ACHIEVED	
Source	ASIO Corporate Plan 2022–26 (p.22)	
How performance was assessed		Result
Adherence to the requirements of the Commonwealth Risk Management Policy in order to identify and manage risk, and drive a compliance culture.		ACHIEVED

Results and analysis

Accepting and engaging with risk is fundamental to our role of protecting Australia and Australians from threats to their security. In a complex security environment, our risk and compliance frameworks enabled informed decision-making and effective prioritisation. ASIO officers continued to act with integrity and have embraced independent external oversight. We have been impartial, committed to our purpose, and operated ethically and with propriety. Our frameworks and rigorous internal controls supported our compliance with the law and enabled dynamic responses to the evolving threat environment while ensuring ASIO was free from influences or considerations not relevant to our functions.

Maintaining an appropriate system of risk oversight and management ensures ASIO can fulfil its purpose—to protect Australia and Australians from threats to their security. Our enterprise risk management framework ensures we engage with risk in all aspects of our business, and apply a sophisticated understanding of risk management practices to identify, evaluate and respond to risks and opportunities.

ASIO's framework includes the following documents, approved by the Director-General as ASIO's accountable authority:

- The Risk Management Policy, which defines the Organisation's approach to the management of risk, supports its strategic direction, articulates key roles and responsibilities for managing risk within ASIO and includes the processes and tools which embed risk management into business processes.
- The Risk Appetite and Tolerance Statement, which establishes the Organisation's approach to risk, guides the nature and level of risk ASIO is willing to accept to achieve its objectives, and helps establish a strong risk management culture.
- The Enterprise Risk Register, which records ASIO's enterprise risks, their ratings and how they are managed.

In 2022–23, ASIO maintained compliance with all elements of the Commonwealth Risk Management Policy, demonstrating our commitment to continuous review and improvement of an appropriate system of risk oversight and management. The revised Commonwealth Risk Management Policy, that took effect on 1 January 2023, sets out the principles and mandatory requirements for effectively managing risk and supports section 16 of the PGPA Act.

ASIO completed the key deliverables of its Enterprise Risk Work Plan for 2022–23, operationalising risk monitoring and response, to further enhance the ability of:

- Risk Owners to identify, assess and manage risk, and to report those risks exceeding agreed tolerances for senior level oversight.
- Risk Sponsors to oversee, review and monitor risks (either independently or in aggregate) against enterprise risk tolerance levels.

Three initiatives in 2022–23 that have reinforced a positive risk culture, promoting a better understanding of common risks, trends and tolerances across the Organisation, have delivered:

- more streamlined governance reporting, through the identification of synthesised enterprise risks that map directly to ASIO's key activities in the *ASIO Corporate Plan 2023–27*
- reporting against more formal metrics and maturing the way risk information is presented to the Security and Compliance Committee. For example, quarterly reporting now includes a compliance dashboard to assist the committee to monitor organisational performance across eight functional areas, alongside risk categories, risk tolerance levels and treatment options
- operationalising divisional risk reviews through processes that embed the consideration of these risks into everyday decision-making.

Report on financial performance

The 2022–23 financial statements report a \$122.6 million operating deficit compared with a \$94.1 million operating deficit the previous financial year. ASIO's 2022–23 operating funding from government was \$519.9 million compared to \$480.3 million in 2021–22. In 2022–23 ASIO incurred depreciation and amortisation expenses (including for the right-of-use leased assets) noting that the Australian Government does not provide operating funding for these expenses. ASIO also incurred principal repayments for leased assets reflecting the implementation of Australian Accounting Standards Board Standard 'Leases' (AASB 16 Leases) which became effective on 1 July 2019.

After adjusting for these items, the 2022–23 operating result is a deficit of \$17.2 million compared to an \$11.9 million surplus in 2021–22. This year's deficit includes the impact of the actuarial valuation of employee leave provisions. In addition, the increased cost of expenses, particularly relating to technology services, compounded by supply chain challenges, were the primary reason for the overspend in operating expenses.

In 2022–23 ASIO received \$116.5 million in capital funding through the departmental capital budget for asset replacement and equity injections. This compares to \$87.0 million in 2021–22. This funding has been applied to the necessary development, enhancement and replacement of assets to support ASIO's operational effectiveness in the increasingly fluid security and technology environments.

A table summarising ASIO's total resources for 2022–23 is provided at **Appendix A**.

Our total expenses by outcome for this reporting period are at **Appendix B**.





4

MANAGEMENT AND ACCOUNTABILITY



Corporate governance

Our governance processes guide us in achieving our mission and meeting public expectations of probity, accountability and transparency.

The Director-General of Security is the accountable authority for ASIO under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Director-General is supported by a number of corporate governance committees, including ASIO's peak governing body (the Executive Committee); three internal advisory committees (the Security and Compliance Committee, the Capability and Investment Committee, and the Influence and Impact Committee); and an independent advisory committee (the Audit and Risk Committee).

In 2022–23, ASIO refined its enterprise management and governance practices, including:

- reviewing our approach to enterprise risk management and completing a comprehensive work plan to mature our risk management practices against the Commonwealth Risk Management Maturity Model
- continuing updates to ASIO's business continuity framework, supported by dedicated crisis management guidance materials, to ensure the organisation is positioned to sustain high priority operations in the event of a significant disruption.

Executive Committee

The Executive Committee is ASIO's peak governing body, advising the Director-General on matters requiring executive decision-making. The Executive Committee's purpose is to provide oversight of all ASIO activities, including the effective management of ASIO's risks. The Executive Committee sets and reviews the Organisation's risk appetite and tolerance, determines whether ASIO's overall level of risk is acceptable, and considers whether the risk management framework remains effective.

Security and Compliance Committee

The Security and Compliance Committee, chaired by Deputy Director-General Intelligence Service Delivery, makes recommendations to the Executive Committee on significant security and compliance matters relating to or impacting ASIO, including the successful delivery of ASIO's strategic objectives and management of enterprise risk.

Capability and Investment Committee

The Capability and Investment Committee, chaired by the Deputy Director-General Enterprise Service Delivery, makes recommendations to the Executive Committee on significant matters related to organisational capability and investment and ensures their alignment to ASIO's strategic objectives.

Influence and Impact Committee

The Influence and Impact Committee, chaired by the Principal Advisor, makes recommendations to the Executive Committee on significant matters related to or impacting on ASIO's influence agenda and gives account of performance against ASIO's objectives and endorsed lines of effort.



Figure 2: ASIO's governance framework

External scrutiny

Parliamentary Joint Committee on Intelligence and Security

The Parliamentary Joint Committee on Intelligence and Security (PJCIS) performs a key role in ASIO's independent oversight and accountability framework by providing assurance to the Australian community about ASIO's performance of its functions.

The PJCIS' remit includes overseeing ASIO's administration and expenditure, reviewing national security bills, and ensuring national security legislation remains necessary, proportionate and effective.

In 2022–23, ASIO provided a written submission to the PJCIS Review of Administration and Expenditure No. 21 (2021–22). Beyond administration and expenditure, ASIO also contributed to a number of PJCIS reviews and inquiries, including:

- the review of the ASIO Amendment Bill 2023
- the review of the National Security Legislation Amendment (Comprehensive Review and Other measures No. 2) Bill 2023
- the review of the *Foreign Influence Transparency Scheme Act 2018*
- the review of the *Counter-Terrorism (Temporary Exclusion Orders) Act 2019*.

Senate Legal and Constitutional Affairs Committee

ASIO appeared before the Senate Legal and Constitutional Affairs Committee as part of the Senate Estimates process on 28 November 2022, 13 February 2023 and 23 May 2023.

ASIO's evidence to the committee can be found in the estimates Hansard for those days (refer to www.aph.gov.au/Parliamentary_Business/Senate_Estimates and navigate to the relevant hearing).

Inspector-General of Intelligence and Security

The Inspector-General of Intelligence and Security (IGIS) assists ministers to oversee and review the activities of intelligence agencies for legality and propriety.

The IGIS performs this function through his inspections and inquiries of ASIO's investigative and operational functions, as well as investigating complaints received by their office about ASIO.

The IGIS is also required to assist the government to assure the public and the parliament that Commonwealth intelligence and security matters are open to scrutiny.

The IGIS retains statutory powers akin to those of a standing royal commission.

During 2022–23 the IGIS regularly inspected activities across our operational functions, and investigated any complaints received by the Office. We are committed to acting with legality and propriety, and in 2022–23 we continued to take action to address issues the IGIS identified as requiring improvement.

During the reporting period, we continued to support the IGIS's important work by proactively briefing IGIS staff on a number of operational matters, including new capabilities and initiatives.

Independent National Security Legislation Monitor

The Independent National Security Legislation Monitor (INSLM) independently reviews the operation, effectiveness and implications of national security and counter-terrorism laws; and considers whether the laws contain appropriate protections for individual rights, remain proportionate to terrorist or national security threats, and remain necessary. In conducting reviews, the INSLM has access to all relevant material, regardless of national security classification, can compel answers to questions, and holds public and private hearings. INSLM reports are tabled in parliament.

During 2022–23 ASIO contributed to a National Intelligence Community submission to the INSLM on their review into the operation and effectiveness of the *National Security Information (Criminal and Civil Proceedings) Act 2004*.

Independent Reviewer of Adverse Security Assessments

The Independent Reviewer of Adverse Security Assessments (Independent Reviewer) reviews adverse ASIO security assessments that impact individuals who are in immigration detention and who have been found by the Department of Home Affairs to be owed protection under international law. The Independent Reviewer conducts a primary review of each adverse security assessment. For eligible individuals, these assessments are periodically reviewed—every 12 months—for the duration of the adverse assessment.

Appendix C provides the Independent Reviewer's annual report for the 2022–23 reporting period.

Compliance

Ethical behaviour and integrity are core values of the Organisation, and are essential to sustaining the confidence and trust of the parliament and the Australian people. We earn this confidence through strict compliance with the law, stringent application of policies and procedures, and active cooperation with external oversight bodies.

Meeting our legal obligations and embodying the highest ethical standards is critical to maintaining the trust of the Australian public and our ongoing effectiveness as Australia's security intelligence organisation.

Every ASIO officer is responsible for complying with our legislated requirements, the Minister's Guidelines for ASIO, and associated internal policies and procedures. Central to this is acting with integrity and ensuring proportionality in all our work.

Centralised internal audit and compliance functions are key components of ASIO's approach to corporate governance. These provide assurance to the Director-General that our risk, control and compliance measures are operating as intended. These efforts also serve to ensure ASIO is positioned to meet current and future security challenges.

Internal audit function

ASIO's internal audit function provides assurance on the effectiveness of governance, risk management and internal controls. By applying a systematic and disciplined approach to evaluation and advice, the function supports effective and efficient internal control and governance frameworks.

Subject to security policies and operational considerations, our internal audit function has unrestricted access to all the ASIO premises, work areas, documentation and information necessary to meet its responsibilities.

During the reporting period, ASIO undertook a program of compliance audits and performance reviews.

Compliance function

ASIO's compliance function is focused on ensuring the organisation continues to demonstrate our commitment to the highest standards of ethics and compliance with all applicable laws, regulations, rules and policies.

During the reporting period our centralised compliance function and internal assurance frameworks continued to mature. The centralised compliance function ensures a formal, structured approach to supporting compliance in ASIO. It performs an important role in demonstrating ASIO's transparency and continued commitment to embedding a culture of compliance within ASIO.

ASIO Audit and Risk Committee

The ASIO Audit and Risk Committee is an independent advisory body, responsible for providing independent assurance and advice to the Director-General and the Executive Committee on ASIO's risk oversight and management, financial and performance reporting responsibilities, and systems of internal control.

The committee operates under a charter which sets out its functions and responsibilities in accordance with section 45 of the PGPA Act and section 17 of the *Public Governance Performance and Accountability Rule 2014*.¹

Under the Audit and Risk Committee's charter, the committee has four external members, including an external chair, as well as observers from the Australian National Audit Office.² The audit committee members have a broad range of appropriate qualifications, knowledge, skills and experience relevant to the operations of ASIO. This includes at least one member with accounting or related financial management experience, and an understanding of accounting and auditing standards in a public sector environment. On appointment, committee members receive an induction briefing on ASIO governance and operations.

During this reporting period, the Audit and Risk Committee met five times (four quarterly meetings and an extraordinary meeting convened for the financial statements review) with each meeting having a quorum.

¹ Consistent with the determination issued to ASIO by the Minister for Finance under section 105D of the *Public Governance Performance and Accountability Act 2013*, a direct electronic address for the charter determining the functions of ASIO's Audit and Risk Committee has been deleted from the version of the Annual Report 2022–23 tabled in Parliament. (**Appendix R**)

² Consistent with the determination issued to ASIO by the Minister for Finance under section 105D of the *Public Governance Performance and Accountability Act 2013*, membership and remuneration details have been deleted from the version of the Annual Report 2022–23 tabled in Parliament. (**Appendix R**)

Fraud control and management

ASIO has zero tolerance for fraudulent behaviour. ASIO treats both suspected and actual fraud seriously and takes all reasonable measures to prevent, detect and investigate fraudulent behaviour. The *ASIO Fraud Control Plan 2021–23* documents our approach to fraud awareness, prevention, detection, reporting and investigation, and our commitment to ensuring efficient, effective and ethical use of resources. This includes the information and data we collect as well as the resources received from government. Our fraud prevention measures are in line with the *Commonwealth Fraud Control Framework 2017*.

During the reporting period ASIO conducted fraud pressure testing on a sample of controls identified in our Fraud Risk Assessment. This allowed us to identify fraud vulnerabilities and determine the effectiveness of our controls.

As part of this framework, all staff must complete mandatory e-Learning on ethics and accountability, including modules on fraud, during induction and then at least every three years thereafter.

The *ASIO Fraud Strategy Statement 2021* (www.asio.gov.au/resources/strategy-and-policy/asio-fraud-strategy-statement) provides further information on our fraud control and management arrangements.

Significant legal matters affecting ASIO's business

During 2022–23 ASIO continued to be involved in numerous legal proceedings in courts and tribunals. Matters have included prosecutions, judicial and merits review matters, coronial inquests and civil proceedings.

Administrative Appeals Tribunal merits reviews

ASIO was involved in proceedings before the Administrative Appeals Tribunal (AAT). Many of these proceedings were reviews of ASIO security assessments. These ASIO security assessments relate to eligibility for passports, visas, security clearances, citizenship and the use and supply of telecommunications carriage services.

Over the reporting period, ASIO also assisted the AAT in reviews of National Archives access decisions in which exemptions had been claimed to protect ASIO material from release.

AAT decisions are reported on the Australasian Legal Information Institute (AustLII) website (www.austlii.edu.au).

Criminal prosecutions, coronial inquests and civil proceedings

In collaboration with our law enforcement partners and prosecuting authorities—and with appropriate protections—ASIO provided information for use as evidence, and responded to subpoenas and disclosure requests in a number of criminal prosecutions. ASIO has also provided information to assist coroners in inquests and has been a respondent to a civil claim.

Federal and High Court judicial review proceedings—security assessments

ASIO was involved in Federal and High Court proceedings, including as a respondent in judicial review of security assessment decisions. We worked closely with other stakeholders to manage the collective Commonwealth interest.

Management of human resources

Current workplace agreement

ASIO's terms and conditions of employment are set out in a determination approved by the Director-General under the ASIO Act. Executive and Other Highly Paid Staff (OHPS) remuneration is discussed at **Appendix D**.

The salary ranges available for employees by classification level are shown at **Appendix E**.

Performance management

The ASIO Performance Management Framework supports the development of the skills and capability required to achieve the Organisation's strategic and operational goals, and the ongoing development of ASIO's employees.

Consistent with policy requirements, all ASIO employees participated in the 2022–23 Performance Management Cycle.

ASIO's Performance Management Framework supports employee development and progression. The framework includes career conversations and aims to support talent development through relevant learning experiences, exposure and education.

ASIO's ongoing commitment to support and develop our leaders through manager once removed feedback continues to be incorporated in the performance management conversations. The performance framework also captures the corporate contributions of ASIO's staff in addition to their day-to-day roles. This includes, but is not limited to, commitment to diversity and inclusion, and mentoring.

People strategy

ASIO's ongoing commitment to the implementation of the five-year *Workforce Plan 2025* has ensured the Organisation is well positioned to meet current and future workforce challenges.

The *ASIO Workforce Plan 2025* was developed to address key workforce requirements and mitigate workforce risks. The Workforce Plan's actions and measures are being delivered through the implementation of the *ASIO Retention Plan 2023*, *ASIO Recruitment Model Implementation Plan 2023*, and the *ASIO Learning & Development Strategy Implementation Plan 2023*.

The *ASIO Retention Plan 2023* focuses on supporting ASIO's workforce across the various phases of their career lifecycle, and building a stronger sense of connection and belonging. The deliverables are categorised across four key pillars—Belonging, Recognition, Development and Communications. Key retention initiatives delivered in 2023 included:

- the *ASIO Mental Health Plan*
- a retention payment for all eligible staff in June
- a pilot program to recognise our workforce with technology skills
- release of the ASIO Leadership Development Framework
- increased engagement across the organisation between Senior Executives and the workforce, including the Leadership Live Drop podcast series in which ASIO leaders provide insights and perspectives on their personal leadership story.

The *Recruitment Model Implementation Plan 2023* focuses on modernising ASIO's recruitment capability to deliver the people required to achieve our outcomes through a scalable, predictable and prioritised flow of skilled recruits. Key initiatives delivered in 2022–23 are new and expanded entry level programs and the implementation of streamed recruitment where ASIO seeks to fill the majority of roles through fewer but broader recruitment activities.

The *Learning and Development Strategy 2022–2025* focuses on delivering ASIO's People Capability Framework priorities and building a workforce that is committed to a continuous learning culture. This provides flexibility as required to retrain and re-invest for the skills and knowledge needed at any point in time. Accompanying this is an uplift in manager and leader capability which supports ASIO's flexible and adaptable workforce, in the current evolving environment.

Diversity and inclusion

ASIO continues to be committed to a diverse and inclusive work environment where all employees are valued and respected, and can reach their full potential as part of a highly capable, innovative and adaptive workforce. We know that nurturing an environment of belonging and inclusion fosters innovation and creativity, and increases productivity. It increases employee satisfaction and retention, and ensures our people are physically and psychologically safe. Inclusion promotes equal opportunity and supports our people to be their best.

ASIO's *Diversity and Inclusion Strategy 2021–24* is the roadmap for prioritising action and monitoring the progress of our diversity and inclusion objectives. The progress of diversity and inclusion was reflected in our staff survey, where 90 per cent of staff support diversity and inclusion within ASIO.

ASIO's commitment to inclusion has continued to mature, particularly in respect of our LGBTQIA+ staff and ASIOpen network. This culminated in ASIO co-hosting the very first Five-Eyes LGBTQIA+ conference in February 2023. The conference connected Australian and Five-Eyes diversity networks and identified areas to collaborate. Diversity continues to inform recruitment strategies and ASIO's objective to ensure that its workforce continues to reflect Australian society.

ASIO and the CapABILITY network continue to make progress against the *Disability Action Plan 2022–2024*. This has included hosting and participating in a number of forums and providing education opportunities, which have resulted in an increased understanding and awareness of disability support across the workforce.

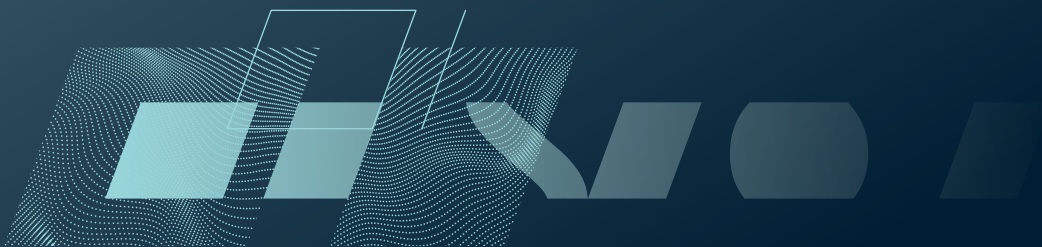
ASIO continues to acknowledge and celebrate the important contributions of Aboriginal and Torres Strait Islander culture in our workplace and in Australian society. This has been evident through National Reconciliation Week and NAIDOC Week activities.

ASIO is compliant with the reporting obligations of the *Workplace Gender Equality Act 2012*.

Statistics on the diversity of our workforce are provided at **Appendix F**.

ASIO's seven staff-led diversity networks form an essential part of creating a diverse and inclusive culture. Our networks empower individuals to initiate change and work together to achieve our diversity and inclusion goals.

The ASIO Diversity & Inclusion Council provides oversight of the diversity networks, strategic alignment of diversity activities and quarterly reporting of network outcomes.



Diversity networks

aGENda

Our gender-equity network promotes equal opportunity for the ASIO workforce, regardless of gender. The aGENda network organises events and initiatives to ensure gender equity considerations continue to shape the corporate agenda. The aGENda network is committed to tangible outcomes through policy reform, awareness raising, research, advocacy and engagement with government for improved gender equity outcomes across the national security community.

ASIOpen

Our gender and sexually diverse network promotes an inclusive workplace culture and supports gender and sexually diverse employees to be open and authentic in the workplace. ASIOpen celebrates the benefits of inclusivity and drives reform on gender and sexually diverse issues through information sharing, hosted events and policy reform.

CapABILITY

Our CapABILITY network represents staff experiencing all forms of physical and mental health issues, neurodiversity and caring responsibilities. CapABILITY advocates for increased awareness, acceptance and respect for all forms of ability within ASIO. CapABILITY works in ASIO to overcome barriers to staff access and participation within ASIO's physical environment and to promote the acceptance and celebration of neurodiversity within the Organisation.

Introverts

Our Introverts network contributes to all staff being heard, recognised and valued for their contributions, regardless of how introverted or extroverted they are. The network champions diversity in thinking and communication style, and contributes to a positive workplace culture by progressing improvements to ASIO's policies and procedures to support introverted employees to reach their full potential.

Mozaik

Our Mozaik network is ASIO's cultural and linguistic diversity network. Mozaik advocates for, and on behalf of, ASIO's culturally and linguistically diverse workforce, and collaborates with staff and management to develop tangible work programs to remove potential barriers to acceptance, and opportunity.

Mudyi

The Australian Security Intelligence Organisation acknowledges the Traditional Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to all Aboriginal and Torres Strait Islander peoples, their cultures and to their Elders past, present and emerging. Our Aboriginal and Torres Strait Islander network is committed to supporting reconciliation by fostering a culture where diversity is appreciated and supported, and which contributes to the coming together of Australians in an equal and inclusive society. Mudyi helps drive corporate initiatives that support diversity and improve the workplace experience for Aboriginal and Torres Strait Islander peoples.

Parents' Network

This network is for ASIO staff who are parents, or who are about to become parents and helps parents—both while they are on leave and as they return to work—to navigate flexible and part-time working arrangements.

Other mandatory information

ASIO Ombudsman

The ASIO Ombudsman is an external service provider who works to resolve employee issues or concerns impartially and informally through advice, consultation and mediation.

During the reporting period, the ASIO Ombudsman supported employees and line managers through:

- presenting at a Harassment and Discrimination Advisor's (HaDA) quarterly catch-up
- engagement with the Staff Association
- undertaking 16 inquiries requiring specific interventions which may have involved multiple parties and/or cover multiple issues, such as:
 - four investigation related matters
 - three requests for mediated discussions
 - two requests regarding the application of pay and increment related matters
 - remaining topic areas were a combination of recruitment and promotion related matters and a smaller number of team and management dynamic related matters.
- the ASIO Ombudsman also fielded numerous general enquiries from employees and provided general advice. (General enquiries refer to those enquiries that do not result in formal intervention.)

In 2022–23 the ASIO Ombudsman did not undertake any public disclosure reviews.

Asset management

The Organisation's governance framework for managing assets so that asset balances in the financial statements are accurately reported includes:

- asset investment and replacement, through setting an annual budget that reflects both government priorities and ongoing business requirements. The budget is monitored monthly and reviewed regularly during the year to ensure planned expenditure reflects business requirements
- undertaking a rolling annual stocktake, impairment review and useful life expectancy review to update and verify the accuracy of asset records
- conducting fair-value measurement through three-yearly revaluations of all tangible assets, which is completed by qualified external valuers. A materiality review is undertaken in the years between valuations
- maintaining property, plant and equipment assets through maintenance programs
- providing a centralised procurement policy and advice service, including quality control oversight.

Purchasing

During 2022–23 ASIO adhered to the Commonwealth Procurement Rules (CPR) and associated policy and guidelines. ASIO's compliance was overseen by the Audit and Risk Committee. No significant issues were identified and overall compliance was acceptable.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website. Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.

ASIO is not required to publish information on the AusTender website, in line with exemptions to avoid prejudice to essential security interests. A list of consultancy and non-consultancy contracts to the value of \$10,000 or more during this reporting period, and the total value of each of those contracts over the life of each contract, is available on request to the PJCIS, which oversees our administration and expenditure.

Consultancies

ASIO applied the CPR and Department of Finance guidance when selecting and engaging consultants. We followed internal policy and associated procedures on identifying and determining the nature of a contract. This ensured that we used appropriate methods for engaging and contracting consultants.

ASIO engaged consultants when we needed professional, independent and expert advice or services that were not available within the Organisation.

As shown in Table 1, during 2022–23, 71 new reportable consultancy contracts were entered into involving total actual expenditure of \$11 million. This increase on last year's reported number of contracts (20) relates primarily to specialist consultancy contracts to support ASIO's additional responsibilities under the TOP SECRET-Privileged Access (TS-PA) Standard. In addition, 15 ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$1.98 million.

Table 1: Expenditure on reportable consultancy contracts current reporting period (2022–23)

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	71	11,004
Ongoing contracts entered into during a previous reporting period	15	1,982
Total	86	12,986

**Table 2: Expenditure on reportable non-consultancy contracts
current reporting period (2022–23)**

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	468	129,028
Ongoing contracts entered into during a previous reporting period	297	72,984
Total	765	202,012

Non-consultancy contracts

As shown in Table 2, during 2022–23, 468 new reportable non-consultancy contracts at a value of \$129 million, and in addition, 297 ongoing non-consultancy contracts at a value \$73 million were active during the reporting period.

Australian National Audit Office access clauses

During this reportable period, ASIO did not enter into any contracts valued at \$100,000 or more that did not provide the Auditor-General with access to the contractor's premises.

Exempt contracts

The Director-General has applied measures necessary to protect national security which exempt ASIO from publishing details of contract arrangements, including standing offers, in accordance with clause 2.6 of the CPR.

Details of our arrangements, contracts and standing offers are available to the PJCIS on request.

Procurement initiatives to support small business

ASIO supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website www.finance.gov.au.

Our procurement practices to support SME include:

- standardising contracts and approach-to-market templates, using clear and simple language
- ensuring information is easily accessible through the electronic advertisement of business opportunities and electronic submission and responses
- using electronic systems to facilitate the Department of Finance's Procurement On-Time Payment Policy for Small Business, including payment cards.

ASIO recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of the Australian Government Payments to Small Business are available on the Treasury's website.

Australian Electoral Act

ASIO does not fall within the definition of agencies covered by the reporting requirements of the *Commonwealth Electoral Act 1918*.

Australian Public Service Net Zero 2030 Policy

The Australian Public Service (APS) Net Zero 2030 is the Government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions from the latter half of 2023. Our public reporting of greenhouse gas emissions inventory for 2022–23 is provided at **Appendix I**.

Australian Security Intelligence Organisation Act 1979

ASIO is required by section 94 of the ASIO Act to include in its annual report, details on its use of questioning warrants; special intelligence operation authorities; authorisations for access to telecommunications data; technical assistance notices; special powers under warrant and other powers; and applications for international production orders.

The statement on questioning warrants is provided at **Appendix J**. To ensure compliance with section 94 of the ASIO Act, and to avoid prejudice to security, the Minister for Home Affairs, on advice from the Director-General of Security, has made deletions from the annual report tabled in Parliament. The following deletions have been made under section 94(5) of the ASIO Act; **Appendix L** relating to special intelligence operation authorities, **Appendix M** relating to authorisations for access to telecommunications data, **Appendix N** relating to the use of technical assistance requests, technical assistance notices and technical capability notices, **Appendix O** relating to the use of special powers under warrant and other powers, and **Appendix P** relating to applications for international production orders.

These appendices are provided separately to the Minister for Home Affairs, the PJCIS, IGIS, INSLM and, as required by the ASIO Act, to the Leader of the Opposition.

Commonwealth Child Safe Framework—statement of compliance

ASIO has a strong commitment to child safety, protecting and safeguarding children, while promoting and maintaining a culture that provides a safe environment for children.

ASIO's purpose is to protect Australia and Australians from threats to their security. In meeting this purpose, ASIO has occasional contact with minors, including direct and indirect contact.

An annual audit of ASIO's roles and activities has been undertaken to ensure that existing and emerging risks to children are identified and that appropriate mitigation strategies are developed. The overall risk rating of the safety of children and young people as at 30 June 2023 is assessed as medium.

ASIO's activities are consistent with each of the four requirements of the Commonwealth Child Safe Framework (CCSF). Further, ASIO's operational and investigative activity involving children is managed through the application of laws and policies to support children's physical and psychological safety, the maintenance of a workforce that is appropriately trained, qualified and compliant with mandatory obligations, and the effective identification, reporting and management of child-related incidents.

In addition, there are strong safeguards embedded in legislation relating to the compulsory questioning of minors under the ASIO Act. Staff are aware of the sensitivities that apply when working with children and have access to specialist advice as required.

All ASIO's activities are subject to oversight by the Inspector-General of Intelligence and Security, who is responsible for reviewing the activities of intelligence agencies for legality, propriety and consistency with human rights.

By complying with the requirements of the CCSF, adhering to ASIO's policies and procedures, and identifying and controlling the identified child-related risks, the possibility of harm to children is mitigated.

ASIO will continue to review child-related risks where relevant to further refine policies and procedures, and improve staff awareness.

Disability reporting

Australia's Disability Strategy 2021–2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the *United Nations Convention on the Rights of Persons with Disabilities* are incorporated into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcome areas will be published and available at www.disabilitygateway.gov.au/ads.

Statistics on the diversity of our workforce including statistics on people with a disability, are provided at **Appendix F**.

Environment Protection and Biodiversity Conservation Act 1999

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Commonwealth entities to report on how the activities of the entity during the period accorded with the principles of ecologically sustainable development.

Our report for 2022–23 is provided at **Appendix I**.

Work Health and Safety Act 2011

Schedule 2, part 4 of the *Work Health and Safety Act 2011* requires non-corporate Commonwealth entities to include in their annual report information on health and safety outcomes and initiatives taken during the reporting period to ensure the health, safety and welfare of workers who carry out work for them. Our report for 2022–23 is provided at **Appendix H**.





5

FINANCIAL INFORMATION



Financial information

ASIO prepared financial statements for the year ended 30 June 2023 that comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act. These financial statements have been audited by the Australian National Audit Office (ANAO) who have issued an unmodified audit opinion.

The audited financial statements together with the ANAO audit opinion and the Statement by the Director-General of Security have been provided to the Minister for Home Affairs as required by subsection 43(1) of the PGPA Act, through their inclusion in the classified appendices to the *ASIO Annual Report 2022–23* (**Appendix Q**).

For national security reasons the financial information provided in this Annual Report has been summarised into higher-order categories and detailed notes have been removed, as allowed by the application of s105D of the PGPA Act.

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Due to rounding, figures presented throughout these financial statements may not add precisely to the totals provided.

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2023

	Notes	2023 \$'000	Original budget 2023 \$'000	2022 \$'000
EXPENSES	1.1	661,753	655,199	596,686
OWN-SOURCE INCOME	1.2			
Revenue		17,145	24,376	17,883
Gains		2,149	165	4,437
<i>Net cost of services</i>		<i>(642,459)</i>	<i>(630,658)</i>	<i>(574,366)</i>
REVENUE FROM GOVERNMENT	3.1	519,883	519,883	480,266
DEFICIT ON CONTINUING OPERATIONS		(122,576)	(110,775)	(94,100)
OTHER COMPREHENSIVE INCOME		49,466	-	(5)
TOTAL COMPREHENSIVE LOSS		(73,110)	(110,775)	(94,105)

STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Notes	2023 \$'000	Original budget 2023 \$'000	2022 \$'000
ASSETS				
Financial assets	2.1	224,996	163,778	184,200
Non-financial assets	2.2	888,682	848,466	860,013
TOTAL ASSETS		1,113,678	1,012,244	1,044,213
LIABILITIES				
Payables	2.3	60,663	21,599	24,437
Interest bearing liabilities	2.4	533,306	517,936	553,165
Provisions	2.5	104,609	101,049	94,895
TOTAL LIABILITIES		698,578	640,584	672,497
NET ASSETS		415,100	371,660	371,716
EQUITY				
Parent equity interest				
Contributed equity		1,211,498	1,205,723	1,095,003
Reserves		139,835	90,369	90,369
Accumulated deficit		(936,233)	(924,432)	(813,657)
TOTAL EQUITY		415,100	371,660	371,716

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2023

	2023 \$'000	Original budget 2023 \$'000	2022 \$'000
RETAINED EARNINGS			
Opening balance	(813,657)	(813,657)	(719,556)
Comprehensive income			
Deficit for the period	(122,576)	(110,775)	(94,100)
Closing balance	(936,233)	(924,432)	(813,657)
ASSET REVALUATION RESERVE			
Opening balance	90,369	90,369	90,374
Other comprehensive income	49,466	-	(5)
Closing balance	139,835	90,369	90,369
CONTRIBUTED EQUITY			
Opening balance	1,095,003	1,095,003	1,008,014
Transactions with owners			
Contributions by owners			
Equity injection—appropriation	71,945	66,170	48,501
Departmental capital budget	44,550	44,550	38,488
Closing balance	1,211,498	1,205,723	1,095,003
CLOSING BALANCE ATTRIBUTABLE TO THE AUSTRALIAN GOVERNMENT	415,100	371,660	371,716

Accounting policy

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

STATEMENT OF CASH FLOWS

for the period ended 30 June 2023

	2023	Original budget 2023	2022
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	579,566	549,942	521,366
Other	55,565	38,770	40,016
Cash used	559,225	534,678	517,738
NET CASH FROM/(USED BY) OPERATING ACTIVITIES	75,907	54,034	43,644
INVESTING ACTIVITIES			
Cash received	209	-	195
Cash used	97,927	137,812	74,841
NET CASH FROM/(USED BY) INVESTING ACTIVITIES	(97,718)	(137,812)	(74,646)
FINANCING ACTIVITIES			
Cash received	89,991	121,671	74,220
Cash used	35,469	37,699	34,749
NET CASH FROM/(USED BY) FINANCING ACTIVITIES	54,522	83,972	39,471
Net increase (decrease) in cash held	32,711	194	8,469
Cash and cash equivalents at the beginning of the reporting period	22,256	22,256	13,787
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	54,967	22,450	22,256

NOTES TO THE FINANCIAL STATEMENTS

Overview

The basis of preparation

The financial statements underpinning this financial information are general purpose and required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

New accounting standards

Two amending standards (AASB 2021–2 and AASB 2021–6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022–23 reporting period.

AASB 2021–2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021–2) amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.

AASB 2021–6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 2021–6) amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021–2.

These amending standards are not expected to have a material effect on ASIO's financial statements for the current or future reporting periods.

Taxation

ASIO is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax (GST).

Events after the reporting period

There was no subsequent event that had the potential to significantly affect the ongoing structure or financial position or performance of ASIO.

1. Financial performance

1.1 EXPENSES

Accounting policy

ASIO has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value (less than \$10,000). ASIO recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.2 OWN-SOURCE REVENUE

Accounting policy

Revenue from the sale of services is recognised by reference to the stage of completion of contracts at reporting date. This is determined by the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

2. Financial position

2.1 FINANCIAL ASSETS

All receivables are expected to be recovered in no more than 12 months.

Credit terms for goods and services were within 30 days (2022: 30 days).

Financial assets were assessed for impairment at 30 June 2023.

No indicators of impairment have been identified.

Accounting policy

Trade and other receivables are:

- held for the purpose of collecting contractual cash flows where the cash flows are solely payments of principal and interest and not provided at below-market interest rates;
- adjusted on initial measurement for expected credit losses; and
- subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

2.2 NON-FINANCIAL ASSETS

Impairment

Non-financial assets are assessed for impairment at the end of each reporting period. Any reduction in assets' carrying value due to impairment throughout the year has been accounted for in the statement of comprehensive income.

Sale or disposal

Property, plant, equipment and computer software of an immaterial value only is expected to be sold or disposed of within the next 12 months.

Accounting policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Purchases of non-financial assets are initially recognised at cost in the statement of financial position, except for purchases costing less than \$4,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Property, plant, equipment and computer software (excluding right-of-use assets)

Following initial recognition at cost, property, plant and equipment is carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying value amount of the asset and the asset restated to the revalued carrying amount of the asset. The carrying amount of the asset after revaluation equals its revalued amount.

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to ASIO using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

All assets were assessed for impairment at 30 June 2023. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

An asset is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Fair value measurement

ASIO's assets are held for operational purposes and not held for the purpose of deriving a profit. The current use of all non-financial assets is considered their highest and best use.

Comprehensive valuations are carried out at least once every three years. ASIO engaged the services of a qualified valuer to conduct a comprehensive valuation of carrying amounts for all non-financial assets (excluding software and lease right-of-use assets) as at 31 May 2023 and relied on those outcomes to establish carrying amounts. The valuer has provided written assurance to ASIO that the models developed are in compliance with *AASB 13 Fair Value Measurement*.

The market approach has been utilised to determine the fair value of identified land, buildings, plant and equipment. The market approach considered transactions and pricing data that has occurred in the principal market in arriving at fair value. The Depreciated Replacement Cost (DRC) approach has been utilised to determine fair value. The DRC approach reflects the amount a market participant will be prepared to pay to acquire or construct a substitute asset of comparable utility, adjusted for physical depreciation and obsolescence.

Assets classified in a particular level input in the current financial reporting period may be reclassified into a different level in subsequent periods as identified during the revaluation process.

2.3 PAYABLES

Settlement is usually made within 30 days.

2.4 INTEREST BEARING LIABILITIES

Accounting policy

For all new contracts entered into, ASIO considers whether the contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the Organisation’s incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

2.5 PROVISIONS

Accounting judgements and estimates

Leave provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rates.

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of the reporting period are measured at nominal amounts.

The liability for employee entitlements includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees’ remuneration at the estimated salary rates that will apply at the time the leave is taken, including ASIO’s employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for leave has been determined by reference to the work of an actuary as at May 2023.

ASIO makes employer contributions to employees’ superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. ASIO accounts for the contributions as if they were contributions to defined contribution plans.

Superannuation payable as at 30 June represents outstanding contributions for the final fortnight of the year.

3. Funding

3.1 APPROPRIATIONS

3.1.A Annual departmental appropriations

	Ordinary annual services \$'000	Capital budget \$'000	Equity injections \$'000
2023			
Appropriation Act			
Annual appropriation	519,883	44,550	71,945
PGPA Act			
Section 74 transfers	44,943	-	-
Total appropriation	564,826	44,550	71,945
Appropriation applied (current and prior years)	(544,750)	(42,617)	(47,374)
Variance	20,076	1,933	24,571
2022			
Appropriation Act			
Annual appropriation	480,266	38,488	48,501
PGPA Act			
Section 74 transfers	37,723	-	-
Total appropriation	517,989	38,488	48,501
Appropriation applied (current and prior years)	(510,305)	(35,800)	(38,420)
Variance	7,684	2,688	10,081

4. Managing uncertainties

4.1 CONTINGENT ASSETS AND LIABILITIES

Quantifiable liabilities

ASIO's contingent liabilities relate to claims for damages or costs. ASIO is defending the claims.

Unquantifiable contingencies

At 30 June 2023, ASIO had a number of legal claims against it. ASIO has denied liability and is defending the claims. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

Accounting policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are reported when settlement is probable, but not virtually certain, and contingent liabilities are recognised when settlement is greater than remote.

4.2 FINANCIAL INSTRUMENTS

Accounting policy

Financial assets

ASIO classifies its financial assets as 'measured at amortised cost'. Financial assets included in this category must meet two criteria:

- the financial asset is held in order to collect the contractual cash flows; and
- the cash flows are solely payments of principal and interest on the principal outstanding amount.

Amortised cost is determined using the effective interest method with income recognised on an effective interest rate basis.

Financial assets are recognised when ASIO becomes party to a contract and, as a consequence, has a legal right to receive or obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial assets are assessed for impairment at the end of each reporting period. Allowances are made when collectability of the debt is no longer probable.

Financial assets are assessed for impairment at the end of each reporting period based on an amount equal to the lifetime expected credit losses. A write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Supplier and other payables are derecognised on payment.

5. Other information

	2023	2022
	\$'000	\$'000

5.1 CURRENT/NON-CURRENT DISTINCTION FOR ASSETS AND LIABILITIES

Assets expected to be recovered in:

No more than 12 months	252,307	210,056
More than 12 months	861,371	834,157
Total assets	1,113,678	1,044,213

Liabilities expected to be recovered in:

No more than 12 months	129,863	88,347
More than 12 months	568,715	584,150
Total liabilities	698,578	672,497

5.2 KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of ASIO, directly or indirectly. ASIO has determined key management personnel to be the Director-General and members of the Executive Committee.

Short-term employee benefits	2,546	2,257
Long-term employee benefits	84	117
Post-employment benefits	418	363
Total key management personnel remuneration expenses	3,048	2,737

The number of key management positions as at 30 June 2023 is 6 (2022: 6).

Membership of the Executive Committee changed throughout 2022–23. Several key management positions were occupied by different officers for portions of the year.

The above key management personnel remuneration excludes the remuneration and other benefits of the portfolio ministers whose remuneration and other benefits are set by the Remuneration Tribunal and are not paid by ASIO.

5.3 RELATED PARTY DISCLOSURES

Related party relationships

ASIO is an Australian Government-controlled entity. ASIO's related parties are key management personnel including the portfolio ministers and Executive Committee, and other Australian Government entities.

Transactions with key management personnel

Given the breadth of government activities, key management personnel and their associates may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions are not disclosed in this note.

All related party transactions with key management personnel during 2022–23 were in the ordinary course of business and do not require separate disclosure.

Transactions with other Australian Government entities

ASIO transacts with Commonwealth Government entities at arm's length for the provision of goods and services in the normal course of business. These transactions are not disclosed in this note.

5.4 MAJOR BUDGET VARIANCES

The following provides an explanation of variances between the original budget as presented in the October 2022–23 Portfolio Budget Statements (PBS) and the 2022–23 actual result. The budget is not audited. Where the published budget is not disaggregated to the financial statements level, budget figures are derived from internal documentation used in developing the budget. Explanations are provided for major budget variances only. Variances are treated as major when it is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of ASIO's performance.

The nature and timing of the Commonwealth's budget process can also contribute to the variances. The original budget as presented in the October 2022–23 PBS may be amended by Government throughout the year.

Expenses

Actual expenses are \$6.554 million (1%) greater than original budget. Supplier expenses were higher than original budget primarily due to rising inflationary pressures and continued supply chain disruptions impacting technology related costs across the sector; depreciation and amortisation expenses were lower than original budget due to delays in the timing of asset purchases; and employee benefits were lower than original budget due to lower than anticipated staffing levels driven by skilled labour shortages and increased market competition.

Income

Income is \$5.247 million (21%) less than original budget. The variance is due to a \$5.247 million reduction in own source revenue. This budget is dependent on requests and activities undertaken by external parties which was less than anticipated.

Assets

Total assets are \$101.434 million (10%) higher than original budget. Financial assets are \$61.218 million higher than budget largely due to an increase in cash held in bank accounts and undrawn appropriations as a result of reduced expenditure throughout the year. These funds form part of the trade and other receivables balance and will be available in 2023–24.

Non-financial assets are \$40.216 million greater than original budget largely due to the revaluation of assets during the year and the difference between actual and budgeted opening balances.

Liabilities

Total liabilities are \$57.993 million (9%) greater than original budget. The variance is largely due to salary increases impacting employee provisions and technology price increases across the sector.

Statement of changes in equity

Total equity is \$43.440 million (12%) greater than budget. The result reflects \$11.801 million deficit against original budget from continuing operations and an increase in asset revaluation surplus of \$51.246 million. Additionally, \$5.775 million of departmental equity (capital) funding was reclassified to operating during the financial year.

Statement of cash flows

The amounts reported in the statement of cash flows reflect the cash impact of figures disclosed in the statement of comprehensive income and statement of financial position. Consequently, cash flow variances are attributable to the relevant variance explanations provided above.





APPENDICES

Appendix A: ASIO resource statement

	Actual available appropriation 2023 \$'000	Payments made 2023 \$'000	Balance remaining 2023 \$'000
Departmental			
Annual appropriations—ordinary annual services ¹			
Prior year appropriation	125,008	125,008	-
Departmental appropriation ²	519,883	433,283	86,600
Section 74 external revenue ³	42,837	42,837	-
Departmental capital budget ⁴	44,550	18,949	25,601
Cash on hand	22,256	(32,711)	54,967
Annual appropriations—other services—non-operating ⁵			
Prior year appropriation	18,000	18,000	-
Equity injections	71,945	29,374	42,571
Total net resourcing and payments for ASIO	844,479	634,740	209,739

¹ Appropriation Act (No.1), Supply Act (No.1) and Supply Act (No.3)

² Excludes departmental capital budget (DCB)

³ External receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

⁴ Departmental capital budgets are not separately identified in Appropriation Act (No.1), Supply Act (No.1) and Supply Act (No.3) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁵ Supply Act (No.2) and Supply Act (No.4).

Appendix B: expenses by outcomes

Outcome 1: To protect Australia, its people and its interests from threats to security through intelligence collection, assessment and advice to Government	Budget ¹ 2023 \$'000	Actual expenses 2023 \$'000	Variation 2023 \$'000
Program 1.1: Security Intelligence			
Departmental expenses			
Departmental appropriation	519,883	477,964	41,919
Section 74 external revenue ²	24,541	42,837	(18,296)
Expenses not requiring appropriation in the budget year ³	110,775	140,952	(30,177)
Total for Program 1.1	655,199	661,753	(6,554)
Total expenses for Outcome 1	655,199	661,753	(6,554)

¹ Full-year budget, including any subsequent adjustments made at Budget October 2022–23 and reductions under *Public Governance, Performance and Accountability Act 2013* section 51.

² Expenses incurred in relation to receipts retained under *Public Governance, Performance and Accountability Act 2013* section 74.

³ Expenses not requiring appropriation in the budget year are depreciation, amortisation expenses and resources received free of charge.

Appendix C: report of the Independent Reviewer of Adverse Security Assessments

Appointment of the Independent Reviewer of Adverse Security Assessments

Mr Philip Moss AM was appointed the Independent Reviewer for a term of three years commencing on 17 January 2022.

The role of the Independent Reviewer

The Independent Reviewer of Adverse Security Assessments conducts an independent advisory review of any Australian Security Intelligence Organisation (ASIO) adverse security assessment (ASA) furnished to the Department of Home Affairs in respect of an eligible person, being such a person who:

- remains in immigration detention, and
- has been found by Home Affairs to be owed protection obligations under international law, and
- is ineligible for a permanent protection visa, or has had their permanent protection visa cancelled, because they are the subject of an ASA.

The Independent Reviewer's terms of reference and other relevant information are available at www.ag.gov.au/asareview.

The Independent Reviewer undertakes a primary review of each adverse security assessment which comes within the terms of reference and periodic reviews every 12 months thereafter while the person remains in detention and ineligible to hold a visa because they are subject to the ASA.

In the past, the Independent Reviewer has commonly delayed a periodic review pending the outcome of an internal review by ASIO with the agreement of the person's solicitor. This arrangement has avoided the need for the person to respond to two reviews about the same matter at the same time.

It also recognises the reality that:

- if the internal review results in a qualified or non-prejudicial security assessment, the person no longer falls within the Reviewer's terms of reference and no periodic review is required, or
- if the internal review results in a further adverse security assessment, that ASA will become the subject of a primary review, replacing the former ASA and the need for the outstanding periodic review.

I have decided to adopt this approach in relation to annual periodic reviews and have informed relevant legal representatives accordingly.

Reviews required or undertaken during the year

During the year, the Independent Reviewer dealt with or was aware of adverse security assessments furnished in respect of three eligible persons. Of these cases, two were dealt with and finalised. One remained current, but was finalised early in July.

Case 1 (being Person A in the Independent Reviewer's 2020–21 Report): This person was the subject of an adverse security assessment dated 21 October 2019 which was replaced by a second ASA furnished to Home Affairs on 15 July 2020.

Following a primary review by the former Independent Reviewer in March 2021, the ASA remained on foot. It was due for periodic review by the Independent Reviewer in 2022.

On 9 May 2022, the Director-General informed me that ASIO had commenced an internal review of the person's adverse assessment. In the meantime, this person, who was detained in 2019, remained in immigration detention. On 4 August 2022, the Director-General furnished a non-prejudicial security assessment to the Department of Home Affairs in regard to Person A.

As a result, this matter is now at an end.

Case 2 (being Person B in the Independent Reviewer's 2021–22 Report): This person has been the subject of several adverse security assessments. The latest ASA was furnished by ASIO on 27 October 2020 and the former Independent Reviewer's primary review was delivered on 5 May 2021.

The outcome was that Person B's most recent ASA remained on foot and became due for periodic review by the Independent Reviewer in 2022. On 31 May 2022, the Director-General wrote to inform me that ASIO had commenced a new security assessment.

In the meantime, Person B, who was first detained in 2012, remained in immigration detention.

On 5 July 2023, the Director-General furnished a non-prejudicial security assessment to the Department of Home Affairs concerning Person B. Accordingly, ASIO has assessed that it would be consistent with the requirements of security for Person B to be granted a temporary visa.

As a result, this matter is now at an end.

Case 3 In December 2022, ASIO furnished an Adverse Security Assessment (ASA) to the Department of Home Affairs concerning a foreign national (Person C) identified as participating in acts of foreign interference. As a result, the Department of Home Affairs cancelled the person's Australian visa and the person was placed in immigration detention. This person had been found to engage Australia's protection obligations and thus fell within the Independent Reviewer's terms of reference.

On the basis of newly acquired information, the ASA was subsequently superseded by a non-prejudicial security assessment (NPSA) which ASIO furnished to the Department of Home Affairs in early February 2023, resulting in the granting of a new visa to the person. As the ASA was superseded by the NPSA, and the person released from immigration detention, there was no need for the Independent Reviewer to conduct a primary review of the matter.

New matters arising during the year

No new matters were referred to the Independent Reviewer during 2022–23.

Philip Moss AM

Independent Reviewer of Adverse Security Assessments

Appendix D: executive remuneration

Key management personnel remuneration

Categories of ASIO's key management personnel include:

- the Director-General of Security
- members of the Executive Committee.

The following tables show the remuneration of key management personnel, senior executives and other highly paid staff in 2022–23 in accordance with the *Public Governance, Performance and Accountability Rule 2014*.

Remuneration policies, practices and governance

The Director-General's remuneration is set by the Remuneration Tribunal under Section 13 of the *Remuneration Tribunal Act 1973*.

Remuneration of ASIO's senior executive employees is established through determinations made under section 84 of the *Australian Security Intelligence Organisation Act 1979* (ASIO Act), and guided by the Australian Government's Workplace Relations Policy 2023.

Information about remuneration for key management personnel

Name	Term	Position title	Short-term benefits			Post-employment benefits				Termination benefits		Total remuneration
			Base salary ¹	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave ²	Other long-term benefits	Other long-term benefits	benefits	benefits	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mike BURGESS	1 Jul 22– 30 Jun 23	Director-General ³	587,941	0	0	91,111	10,348	0	0	0	0	689,400
Chris TEAL	1 Jul 22– 31 May 23	Deputy Director-General	338,965	0	0	62,552	15,317	0	0	0	0	416,834
Mike NOYES	1 Jun 23– 30 Jun 23	Deputy Director-General	25,139	0	0	4,411	5,510	0	0	0	0	35,060
Hazel BENNETT	1 Jul 22– 30 Jun 23	Deputy Director-General	526,993	0	0	80,262	16,051	0	0	0	0	623,306
Ewan MACMILLAN	1 Jul 22– 30 Jun 23	Deputy Director-General	383,660	0	0	67,937	14,087	0	0	0	0	465,684
Name withheld ⁴	1 Jul 22– 30 Jun 23	Principal Advisor	339,909	0	0	63,010	5,170	0	0	0	0	408,090
Name withheld ⁴	22 Aug 22– 30 Jun 23	General Counsel	295,601	0	0	41,666	15,104	0	0	0	0	352,371
Name withheld ⁴	1 Jul 22– 21 Aug 22	General Counsel	47,633	0	0	6,952	2,127	0	0	0	0	56,712

¹ Includes base salary, salary related allowances and annual leave calculated in accordance with Department of Finance requirements: *Resource Management Guide No. 138 Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports*.

² Does not represent one year's leave accrual at officer's current salary. Value is in accordance with Department of Finance requirements: *Resource Management Guide No. 138 Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports*. Discount rate variations throughout the year will affect the value.

³ The prorata remuneration in this table differs from that shown in *Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office)* Determination 2022 because the Department of Finance (in *Resource Management Guide No. 138 Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports*) specifies a different basis of determining the value of annual and long service leave, and superannuation.

⁴ The Principal Advisor and General Counsel are non-declared officers. To comply with section 92 of the ASIO Act these names have been withheld.

Information about remuneration for senior executives

Remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits		Other long-term benefits			Termination benefits		Total remuneration
		Average base salary ¹	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave ²	Average other long-term benefits	Average termination benefits	Average total remuneration			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
\$0 - \$220,000	21	83,218	0	0	14,690	3,754	0	0	0	0	101,663	
\$220,001 to \$245,000	1	38,286	0	0	6,589	0	0	0	190,685	0	235,560	
\$245,001 to \$270,000	2	213,256	0	0	36,577	5,438	0	0	0	0	255,271	
\$270,001 to \$295,000	15	239,119	0	140	40,253	9,748	0	0	0	0	289,260	
\$295,001 to \$320,000	13	248,034	0	0	42,297	16,069	0	0	0	0	306,400	
\$320,001 to \$345,000	4	277,312	0	0	43,973	12,098	0	0	0	0	333,383	
\$345,001 to \$370,000	5	293,676	0	548	50,949	15,120	0	0	0	0	360,294	
\$370,001 to \$395,000	7	302,819	0	16,737	47,629	15,545	0	0	0	0	382,731	
\$420,001 to \$445,000	2	368,624	0	4,469	49,415	8,973	0	0	0	0	431,481	
\$445,001 to \$470,000	1	380,065	0	0	57,559	11,859	0	0	0	0	449,483	
\$470,001 to \$495,000	2	403,911	0	16,304	39,379	14,521	0	0	0	0	474,115	

¹ Includes base salary, salary related allowances and annual leave calculated in accordance with Department of Finance requirements: *Resource Management Guide No. 138 Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports*.

² Does not represent one year's leave accrual at officer's current salary. Value is in accordance with Department of Finance requirements: *Resource Management Guide No. 138 Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports*. Discount rate variations throughout the year will affect the value.

Information about remuneration for other highly paid staff

Remuneration band	Number of highly paid staff	Short-term benefits			Post-employment benefits			Other long-term benefits			Termination benefits		Total remuneration
		Average base salary ¹	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave ²	Average other long-term benefits	Average termination benefits	Average total remuneration		Average termination benefits	Average total remuneration	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
\$240,000 to \$265,000	29	206,609	0	7,069	30,010	6,523	0	0	250,211		0	250,211	
\$265,001 to \$290,000	11	219,482	0	605	28,018	9,322	0	18,964	276,392		0	276,392	
\$290,001 to \$315,000	3	265,888	0	6,514	27,368	5,541	0	0	305,311		0	305,311	
\$315,001 to \$340,000	1	303,153	0	5,269	21,156	4,841	0	0	334,419		0	334,419	
\$340,001 to \$365,000	4	312,090	0	6,291	28,165	6,170	0	0	352,716		0	352,716	
\$390,001 to \$415,000	2	353,194	0	16,981	31,506	6,990	0	0	408,671		0	408,671	

¹ This includes base salary, salary-related allowances and annual leave calculated in accordance with Department of Finance requirements: *Resource management guide no. 138: Commonwealth entities executive remuneration reporting guide for annual reports*.

² Does not represent one year's leave accrual at officer's current salary. Value is in accordance with Department of Finance requirements: *Resource management guide no. 138: Commonwealth entities executive remuneration reporting guide for annual reports*.

Appendix E: ASIO's salary classification structure

Senior Executive Service	Minimum salary	Maximum salary
SES 3	342,930	
SES 2	266,818	
SES 1	213,454	
Senior employees		
AEE 3	171,398	
AEE 2	144,846	171,398
AEE 1	126,377	141,223
Employees		
AE 6	99,438	112,037
AE 5	89,967	96,567
AE 4	81,990	87,967
AE 3	72,509	79,228
AE 2	63,769	70,638
AE 1	55,051	61,146

Note: Figures are as applied in 2022–23 and exclude Individual Flexibility Agreements. The salary figures include a 7.5 per cent service allowance. The service allowance is paid to all employees and recognises the imposition of security, professional and persona restrictions applicable to working at ASIO.

Appendix F: workforce statistics by headcount

Public Governance, Performance and Accountability Rule (PGPA Rule) section 17AG(4)(aa)

Statistics of ongoing employees by gender—current report period (2022–23)

		Male		Female		Non-binary		Prefers not to answer		Uses a different term		Total
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
		Total male	Total female	Total male	Total female	Total Non-binary	Total Non-binary	Total Prefer not to answer	Total Prefer not to answer	Total uses a different term	Total uses a different term	Total
Total	954	48	1,002	713	216	929	-	-	-	-	1	1,932

PGPA Rule section 17AG(4)(aa)

Statistics of non-ongoing employees by gender—current report period (2022–23)

		Male		Female		Non-binary		Prefers not to answer		Uses a different term		Total
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
		Total male	Total female	Total male	Total female	Total Non-binary	Total Non-binary	Total Prefer not to answer	Total Prefer not to answer	Total uses a different term	Total uses a different term	Total
Total	2	11	13	-	2	2	-	-	-	-	-	15

PGPA Rule section 17AG(4)(aa)

Statistics of ongoing employees by gender—previous report period (2021–22)

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
Total	897	41	938	678	213	891	-	-	-	1,829

PGPA Rule section 17AG(4)(aa)

Statistics of non-ongoing employees by gender—previous report period (2021–22)

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
Total	2	13	15	-	3	3	-	-	-	18

PGPA Rule section 17AG(4)(aa)

Statistics on full-time and part-time employees—current report period (2022–23)

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
Total	1,668	264	1,932	2	13	15	1,947

PGPA Rule section 17AG(4)(aa)

Statistics on full-time and part-time employees—previous report period (2021–22)

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time	Total non-ongoing	
Total	1,575	254	1,829	2	16	18	1,847

PGPA Rule section 17AG(4)(aa)

Employment type by location—current report period (2022–23)¹

	Ongoing	Non-ongoing	Total
All locations	1,932	15	1,947
Total	1,932	15	1,947

PGPA Rule section 17AG(4)(aa)

Employment type by location—previous report period (2021–22)²

	Ongoing	Non-ongoing	Total
All locations	1,829	18	1,847
Total	1,829	18	1,847

PGPA Rule section 17AH(1)(c)

People with a disability employment—current reporting period (2022–23)

	Total
Ongoing	32
Non-ongoing	-
Total	32

PGPA Rule section 17AH(1)(c)

People with a disability employment—previous reporting period (2021–22)

	Total
Ongoing	25
Non-ongoing	-
Total	25

¹ Consistent with the determination issued to ASIO by the Minister for Finance under section 105D of the *Public Governance, Performance and Accountability Act 2013*, the locations of staff has been deleted from the version of the Annual Report 2022–23 tabled in Parliament. (**Appendix S**)

² Consistent with the determination issued to ASIO by the Minister for Finance under section 105D of the *Public Governance, Performance and Accountability Act 2013*, the locations of staff has been deleted from the version of the Annual Report 2022–23 tabled in Parliament. (**Appendix S**)

Appendix G: recruitment, advertising and market research

ASIO seeks exceptional people for exceptional careers. We seek to reflect the diversity of the community we protect, and continue to develop and implement attraction strategies to achieve this.

In the financial year 2022–23, ASIO expended \$244,312 on advertising and marketing for recruitment activities and campaigns. Further information on these advertising campaigns is available at www.asio.gov.au and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.

During the reporting year, ASIO continued to adapt and refine its approach to recruitment in response to the competitive labour market. Our focus continues to be on growing our own capability through entry-level roles in intelligence, technology and corporate functions, and technologist recruitment more broadly.

ASIO is endeavouring to increase awareness in the community of ASIO careers through its presence on social media platforms.

ASIO had nil expenditure on other types of advertising and market research during 2022–23.

Appendix H: work health and safety

ASIO is committed to providing a safe work environment for all staff. The management of workplace safety hazards and risk is incorporated into the planning and delivery of the range of activities ASIO undertakes across a range of work environments.

Our safety risk management strategies reinforce legislative compliance through planning, assessing and monitoring our safety systems and services. These are aimed at identifying and monitoring safety risks, implementing controls and driving continuous improvement.

Health and wellbeing

ASIO is focussed on delivering health and wellbeing programs aimed at building knowledge, capability, awareness and enhanced safety culture. Initiatives are aimed at the prevention of physical health concerns as well as optimising mental health by addressing psychosocial risks.

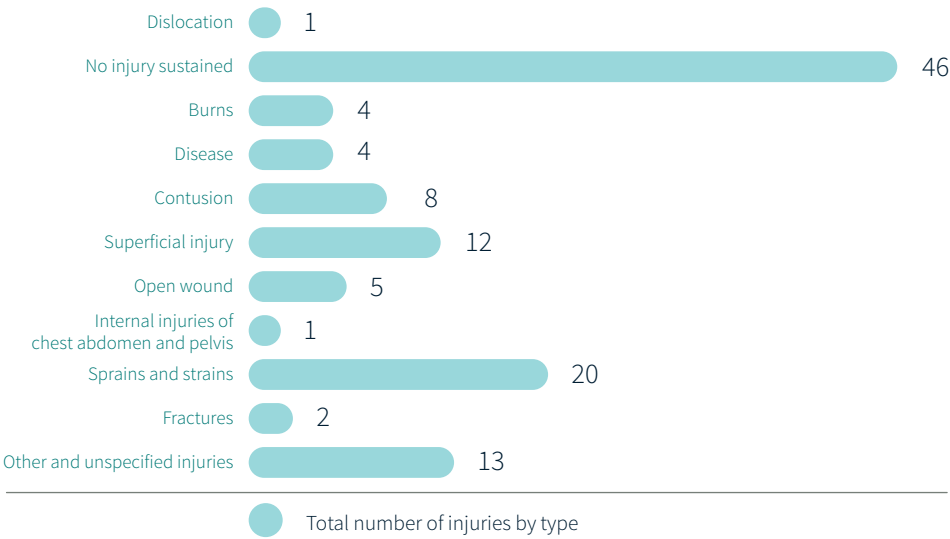
ASIO’s health and wellbeing program includes varied wellbeing initiatives such as the:

- workplace influenza vaccination program
- Employee Assistance Program and Manager Assist service
- Early Intervention Program
- reasonable adjustment assistance
- ergonomic program
- health promotion—including Work Health and Safety Month and RuOK? Day.

Incidents

In accordance with legislated notification obligations, ASIO reported no incidents to Comcare in 2022–23.

The following table outlines safety incidents by mechanism of injury for the period 2022–2023.



Appendix I: ecologically sustainable development and environmental performance

ASIO is committed to enhancing our environmental sustainability. We strive to operate in an environmentally responsible manner, making every effort to use our resources efficiently and manage our waste effectively.

Theme	Performance measure	Indicator(s) ¹	2021–22	2022–23
Energy efficiency	Total consumption of energy	Amount of purchased electricity consumed (kWh)	20,448,315	20,398,304
		Amount of gas consumed (MJ)	12,620,048	13,365,461
		Amount of other fuels consumed (L)	50,191	29,287
	Total production of energy from sources other than grid-connected electricity provider	Total amount of energy produced and consumed (kWh) from alternative sources	231,698	263,603
		Energy produced (kWh) from gas cogeneration plant	35,258	46,687
		Energy produced (kWh) from solar panels (green energy)	196,440	216,916
	Greenhouse gas emissions	Amount of greenhouse gases produced (tonnes)	15,227	15,838
	Environmental Performance targets—tenant light & power (TL&P) and central services	TL&P less than 7 500 MJ/person/annum	10,255	9,335
		Central services less than 400 MJ/m ² /annum	595 ²	681
	Energy rating	NABERS ³ Energy for Offices (1–6 stars)	6 stars	6 stars

Theme	Performance measure	Indicator(s) ¹	2021–22	2022–23
Waste ⁴	Steps taken to reduce energy use	Measures taken to review and improve reduction of energy use		
	Continued the LED light replacement program to reduce the use of fluorescent and metal-halide lights	Participating in national environmental events such as Earth Hour		
	Further optimised the efficiency of the air-conditioning system—which reduced the demand on boilers, chillers and cooling towers	Ensuring that all ICT equipment has built-in energy-saving features to enter low-power states when not in use		
	Deep-cleaned solar panels to maximise energy production			
	Total waste production—this includes all waste (unwanted by-products) produced when undertaking the functions of the agency ⁵		123.75	197.74
	Unrecyclable waste production—this includes all waste that is not reused or recycled	Amount of waste going to landfill (tonnes)	35.07	66.04
	Recyclable waste production (excluding office paper)	Amount of waste going to recycling facilities (tonnes)	76.51	118.24
	Paper usage	Amount of waste paper going to recycling facilities (tonnes)	12.17	13.46
		Amount of paper sourced from recyclable sources (tonnes)	10.04	8.56
		Percentage of paper sourced from recyclable sources	96	59
	Relative waste production	Total waste (kg) per employee	83.84	125.31
	Waste rating	NABERS waste rating (1–6 stars)	5 stars	5 stars

Theme	Performance measure	Indicator(s) ¹	2021–22	2022–23
Water	Steps taken to reduce waste	Measures taken to review and improve reduction of waste		
	Continued sourcing office copy paper from sustainably managed sources, where possible	Refining waste processes and minimisation techniques		
	Recycled additional types of waste, including polystyrene, scrap metal, fluorescent lights, coffee beans, cooking oil, food waste, greenwaste, grease trap waste, wooden pallets, used toner cartridges and batteries	Investigating other recycling options to reduce general waste		
	Total consumption of water—this includes all water consumed when undertaking the functions of the agency	Amount of water consumed (kL)	47,695	47,608
	Rainwater use	Amount of captured rainwater used (ML)	18.33	15.75
	Relative consumption of water—per employee	Total water use (kL) per employee	32.31	30.17
	Water rating	NABERS water rating (1–6 stars)	2.5 stars	2.5 stars
	Steps taken to reduce water use	Measures taken to review and improve reduction of water use		
	Reduced irrigation given increased rainfall	Using captured stormwater for irrigation and toilet flushing, which reduces our reliance on potable and bore water		

Notes:

¹ Figures relate to ASIO's Ben Chifley Building only.

² Corrected figure—please refer to **Appendix K** of the *ASIO Annual Report 2022–23* for additional information.

³ The National Australian Built Environment Rating System (NABERS) measures a building's energy efficiency, carbon emissions, water consumption, and waste produced and delivers a performance based on a rating from 1 to 6, expressed as a number of stars for comparison with similar buildings.

⁴ Waste data is supplied by an external contractor. Where accuracy is impacted by circumstances out of ASIO's control, a correction based on the known monthly weight collections has been applied.

⁵ In 2022–23 ASIO introduced reporting on new waste recyclable streams including food waste, cooking oil, wooden pallets, green waste, accounting for 59.1 tonnes of waste.

APS Net Zero—greenhouse gas emissions inventory

Using a location-based approach* to calculate electricity emissions

Emission source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity	N/A	14,890,852	1,223,923	16,114,775
Natural gas	688,722	N/A	175,088	863,810
Fleet vehicles	21,263	N/A	5,342	26,605
Domestic flights	N/A	N/A	Δ	Δ
Other energy	55,414	N/A	13,656	69,070
Total kg CO₂-e	765,399	14,890,852	1,418,008	17,074,259

* A location-based approach to calculating electricity emissions reflects the average emissions intensity of grids on which energy consumption occurs.

Δ Data for domestic flights is not included.

Using a market-based approach* to calculate electricity emissions

Emission source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity	N/A	-	-	-
Natural gas	688,722	N/A	175,088	863,810
Fleet vehicles	21,263	N/A	5,342	26,605
Domestic flights	Δ	N/A	Δ	Δ
Other energy	55,414	N/A	13,656	69,070
Total kg CO₂-e	765,399	-	194,085	959,484

* A market-based approach to calculating electricity emissions takes into account factors such as GreenPower, large-scale generation certificates and being located in the Australian Capital Territory.

Δ Data for domestic flights is not included.

Appendix J: report on use of questioning warrants

ASIO is required under section 94 of the ASIO Act to provide in its annual report details of its use of questioning warrants.

Item 18 of Schedule 1 to the *Australian Security Intelligence Organisation Amendment Act 2020* (ASIO Amendment Act) provides that section 94 of the ASIO Act as amended by Part 1 of Schedule 1 to the ASIO Amendment Act applies in relation to annual reports prepared on or after the commencement of item 18.

The details are provided in the following table.

Subsection	Description	2020–21	2021–22	2022–23
94(1)(a)	The total number of requests made during the period under Division 3 of Part III to the Attorney-General for the issue of warrants under that Division (including the number of requests made orally)	3	1	0
94(1)(b)	The total number of warrants issued during the period under that Division (including the number of warrants issued orally)	3	1	0
94(1)(c)	The number of times persons were apprehended during the period under that Division	0	0	0
94(1)(d)	The number of hours each person appeared before a prescribed authority for questioning under a warrant issued during the period under that Division and the total of all those hours for all those persons	see below	see below	0
	Person 1	7 hours, 33 minutes*	-	-
	Person 2	6 hours, 40 minutes*	-	-
	Person 3	-	4 hours, 43 minutes*	-
	Total hours	14 hours, 13 minutes	4 hours, 43 minutes	-
94(1)(e)	The number of times each prescribed authority had persons appear for questioning before the prescribed authority under warrants issued during this reporting period under that Division	see below	see below	-
	Prescribed authority 1	2	0	-
	Prescribed authority 2	0	1	-

* These hours are a cumulative total of multiple questioning periods for each person.

Appendix K: correction of material errors in previous annual report

This appendix provides correction of material errors in the previous annual report which has proved to be wrong, in accordance with paragraph 17AH(1)(e) of the *Public Governance, Performance and Accountability Rule 2014*.

The following are corrections to reporting errors made in the *ASIO Annual Report 2021–22*.

On page 132 in ‘Appendix I: ecologically sustainable development and environmental performance’, the energy efficiency number reported for central services less than 400MJ/m²/annum was incorrect. The corrected figure should be 595. This error does not impact the reported NABERS Energy Offices (1–6) energy rating of 6 stars for 2021–22.

In Appendix O, one statistic provided relating to the number of particular authorisations issued to ASIO was reported incorrectly. The corrected figure is included in classified **Appendix O** of the *ASIO Annual Report 2022–23*.





P

PRELIMINARIES



List of annual report requirements under schedule 2 of the Public Governance, Performance and Accountability Rule

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table be included in entities' annual reports as an aid of access.

PGPA Rule reference	Description	Requirement	Part of this report
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	Letter of transmittal
17AD(h)	Aids to access		
17AJ(a)	Table of contents (print only).	Mandatory	Preliminaries
17AJ(b)	Alphabetical index (print only).	Mandatory	Preliminaries
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	Preliminaries
17AJ(d)	List of requirements.	Mandatory	Preliminaries
17AJ(e)	Details of contact officer.	Mandatory	Preliminaries
17AJ(f)	Entity's website address.	Mandatory	Preliminaries
17AJ(g)	Electronic address of report.	Mandatory	Preliminaries
17AD(a)	Review by an accountable authority		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	Part 1
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	Part 2
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	Part 2
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	Part 2
17AE(1)(a)(iv)	A description of the purposes of the entity as included in ASIO's corporate plan.	Mandatory	Part 2

PGPA Rule reference	Description	Requirement	Part of this report
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	Part 2
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	Part 2
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	Part 2
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory	Not applicable
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	Mandatory (if applicable)	Not applicable
17AD(c)	Report on the performance of the entity		
	<i>Annual performance statements</i>		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	Part 3
17AD(c)(ii)	<i>Report on Financial Performance</i>		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	Part 3 Part 5 and Appendix Q
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	Appendices A and B
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	Mandatory (if applicable)	Not applicable

PGPA Rule reference	Description	Requirement	Part of this report
17AD(d)	Management and accountability		
	Corporate governance		
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	Letter of transmittal and Part 4
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	Letter of transmittal
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	Letter of transmittal
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	Letter of transmittal
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	Part 4
17AG(2)(d)—(e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non compliance with Finance law and action taken to remedy non compliance.	Mandatory (if applicable)	Not applicable
	Audit Committee		
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	Appendix R
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	Appendix R
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	Appendix R
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	Appendix R
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	Appendix R
	External scrutiny		
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	Part 4
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	Mandatory (if applicable)	Part 4

PGPA Rule reference	Description	Requirement	Part of this report
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	Mandatory (if applicable)	Part 4
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	Mandatory (if applicable)	Part 3
Management of human resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	Part 4
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> a. statistics on full-time employees; b. statistics on part-time employees; c. statistics on gender; and d. statistics on staff location. 	Mandatory	Appendix F and Appendix S
17AG(4)(b)	Statistics on the entity's Australian Public Service (APS) employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> ■ Statistics on staffing classification level; ■ Statistics on full time employees; ■ Statistics on part time employees; ■ Statistics on gender; ■ Statistics on staff location; ■ Statistics on employees who identify as Indigenous. 	Mandatory	Not applicable
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	Not applicable
17AG(4)(c)(i)	Information on the number of SES and non SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	Not applicable
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	Appendix E
17AG(4)(c)(iii)	A description of non salary benefits provided to employees.	Mandatory	Part 4
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	Mandatory (if applicable)	Not applicable
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	Mandatory (if applicable)	Not applicable

PGPA Rule reference	Information on aggregate amounts of performance pay at each classification level	Requirement	Part of this report
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	Mandatory (if applicable)	Not applicable
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	Mandatory (if applicable)	Not applicable
Assets management			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	Mandatory (if applicable)	Part 4
Purchasing			
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	Part 4
Reportable consultancy contracts			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	Part 4
17AG(7)(b)	A statement that “ <i>During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].</i> ”.	Mandatory	Part 4
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	Part 4
17AG(7)(d)	A statement that “ <i>Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.</i> ”	Mandatory	Part 4

PGPA Rule reference	Description	Requirement	Part of this report
Reportable non-consultancy contracts			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	Part 4
17AG(7A)(b)	A statement that <i>"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."</i>	Mandatory	Part 4
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	Not applicable
Australian National Audit Office access clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	Mandatory (if applicable)	Not applicable
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	Mandatory (if applicable)	Not applicable
Small business			
17AG(10)(a)	A statement that <i>"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."</i>	Mandatory	Part 4

PGPA Rule reference	Description	Requirement	Part of this report
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	Part 4
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	Mandatory (if applicable)	Part 4
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	Part 5 and Appendix Q
Executive remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule.	Mandatory	Appendix D
17AD(f) Other mandatory information			
17AH(1)(a)(i)	<i>If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”</i>	Mandatory (if applicable)	Appendix S
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	Mandatory (if applicable)	Not applicable
17AH(1)(b)	<i>A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”</i>	Mandatory (if applicable)	Not applicable
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	Part 4
17AH(1)(d)	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	Not applicable (FOI exempt)
17AH(1)(e)	Correction of material errors in previous annual report.	Mandatory (if applicable)	Appendix K
17AH(2)	Information required by other legislation.	Mandatory	Part 4 and Appendices

Consistent with the determination issued to ASIO by the Minister for Finance under section 105D of the *Public Governance, Performance and Accountability Act 2013*, the Director-General of Security has made deletions from the annual report tabled in Parliament, including to **Appendix Q**, **Appendix R** and **Appendix S**.

List of annual report requirements under the ASIO Act

ASIO is required by section 94 of the ASIO Act to include in its annual report details of its use of questioning warrants; special intelligence operation authorities; authorisations for access to telecommunications data; technical assistance requests, technical assistance notices and technical capability notices; use of special powers under warrant and other powers.

Requirement	Refer to
Statement on questioning warrants	Appendix J
Statement on special intelligence operation authorities	Appendix L
Statement on authorisations for access to telecommunications data	Appendix M
Statement on use of technical assistance requests, technical assistance notices and technical capability notices	Appendix N
Statement on use of special powers under warrant and other powers	Appendix O
Statement on international production orders	Appendix P

Consistent with section 94(5) of the ASIO Act, the Minister for Home Affairs, on advice from the Director-General of Security, has made deletions from the annual report tabled in Parliament, including to **Appendix L**, **Appendix M**, **Appendix N**, **Appendix O** and **Appendix P**.

Abbreviations and short forms

A

AASB—Australian Accounting Standards Board

AAT—Administrative Appeals Tribunal

ACSC—Australian Cyber Security Centre

AFP—Australian Federal Police

AGD—Attorney-General's Department

AGSVA—Australian Government Security Vetting Agency

AN—Ammonium Nitrate

ANAO—Australian National Audit Office

ANSTO—Australian Nuclear Science and Technology Organisation

ANZCTC—Australia-New Zealand Counter-Terrorism Committee

APEC—Asia-Pacific Economic Cooperation

APS—Australian Public Service

APS Net Zero—Australian Public Service Net Zero 2030 Policy

ARC—Audit and Risk Committee

ASA—Adverse Security Assessment

ASIC—Australian Security Identity Card

ASIO—Australian Security Intelligence Organisation

ASIO Act—*Australian Security Intelligence Organisation Act 1979*

ASIO Amendment Act—*Australian Security Intelligence Organisation Amendment Act 2020*

ASIO Amendment Bill—*Australian Security Intelligence Organisation Amendment Bill 2023*

B

C

CCSF—Commonwealth Child Safe Framework

CFITF—Counter Foreign Interference Taskforce

CPR—Commonwealth Procurement Rules

D

DCB—Departmental Capital Budget

DRC—Depreciated Replacement Cost

E

EFI—Espionage and Foreign Interference

ERM—Enterprise Risk Management

F

FIFA23—Women's World Cup Australia & New Zealand 2023

Flight Crew—Flight Crew Licence

G

GST—Goods and Services Tax

H

HUMINT—Human intelligence

I

IGIS—Inspector-General of Intelligence and Security

IMVE—Ideologically motivated violent extremism

Independent Reviewer—Independent Reviewer of Adverse Security Assessments

INSLM—Independent National Security Legislation Monitor

ISIL—Islamic State of Iraq and the Levant

J

K

L

LGBTQIA+—Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual and other sex, gender and sexually diverse individuals

M

MSIC—Maritime Security Identification Card

N

NABERS—National Australian Built Environment Rating System

NHSC—National Health Security Check

NITRO—Notifiable Incidents, Threats and Reportable Observations

NSH—National Security Hotline

NSSIC—Naval Shipbuilding and Sustainment Identity Card

NV—Negative Vetting

O

OHPS—Other Highly Paid Staff

P

PBS—Portfolio Budget Statement

PGPA Act—*Public Governance, Performance and Accountability Act 2013*

PGPA Rule—*Public Governance, Performance and Accountability Rule 2014*

PJCIS—Parliamentary Joint Committee on Intelligence and Security

PV—Positive Vetting

Q

QPS—Queensland Police Service

QUAD—Quadrilateral Leaders' Summit

R

S

SES—Senior Executive Service

SRO—Senior Responsible Officer

T

TA—Threat Assessment

TS-PA—TOP SECRET-Privileged Access

T20M—International Cricket Council Men's T20 World Cup 2022

U

V

W

X

Y

Z

Glossary

Five-Eyes—an intelligence alliance composed of Australia, Canada, New Zealand, the United Kingdom and the United States

adverse security assessments—mechanism by which ASIO recommends a prescribed administrative action that would be prejudicial to the interests of a person to be taken or not taken, such as the refusal of a visa or cancellation of a passport

espionage—the theft of Australian information or capabilities for passage to another country, which undermines Australia's national interest or advantages a foreign country

foreign Interference—activities relating to Australia that are carried on by or on behalf of, are directed or subsidised by or are undertaken in active collaboration with, a foreign power, being activities that:

- are clandestine or deceptive and:
 - are carried on for intelligence purposes;
 - are carried on for the purpose of affecting political or governmental processes; or
 - are otherwise detrimental to the interests of Australia; or
- involve a threat to any person.

AusTender website—provides centralised publication of Australian Government business opportunities, annual procurement plans and contracts awarded

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