

## The seventh review of administration and expenditure

- 1.1 Under Section 29 of the *Intelligence Services Act 2001* (the Act), the Parliamentary Joint Committee on Intelligence and Security has an obligation to review the administration and expenditure of ASIO, ASIS, DSD, DIGO, ONA and DIO, including the annual financial statements.
- 1.2 In 2006 the Committee conducted a focused review of the recruitment and training practices of the six intelligence and security agencies. The subsequent report “Review of administration and expenditure: Australian Intelligence Organisations, Number 4 – Recruitment and Training” was tabled in Parliament in August 2006.
- 1.3 In 2007 the Committee conducted a broad review of the administration and expenditure of the six intelligence and security agencies. The subsequent report “Review of administration and expenditure: Australian Intelligence Organisations, Number 5” was tabled in Parliament in June 2007.
- 1.4 In 2008/09 the Committee conducted a broad review of the administration and expenditure of the six intelligence and security agencies. The subsequent report “Review of administration and expenditure: Australian Intelligence Organisations, Number 6” was tabled in Parliament in September 2009.
- 1.5 For the current review submissions were sought from each of the six intelligence and security agencies and from the Australian National Audit Office (ANAO) (see Appendix A).

- 1.6 The Inspector-General of Intelligence and Security (IGIS) was asked to submit any concerns he had about the administrative functions of the intelligence and security agencies.
- 1.7 The submissions were all classified Confidential, Restricted or Secret and are therefore not available to the public. As has been its practice for previous reviews, ASIO provided the Committee with both a classified and an unclassified submission; the unclassified version of which is available on the Committee's website.
- 1.8 The Committee is grateful to ASIO for providing an unclassified submission which has been very helpful in the writing of this report. It means, however, that ASIO is mentioned quite often in the subsequent chapters of this report while the other agencies are generally not referred to by name. This should not be taken to imply that the inquiry focused on ASIO or that ASIO was scrutinised more than other agencies. It merely reflects that ASIO has the most visible public profile and reporting regime within the Australian Intelligence Community (AIC).
- 1.9 The Committee also received a submission from the ANAO and from the IGIS. The IIGIS' submission is available on the Committee's website.
- 1.10 In October 2008, the Committee wrote to the agencies seeking submissions and outlining the issues it would like to see covered in those submissions. The result was very thorough and comprehensive information. Agency heads were also most forthcoming at the private hearings.
- 1.11 Two private hearings were held to take evidence from the agencies and the Committee appreciates the time commitment each agency made to this process (see Appendix B). In each case the Agency Head and other top-ranking officials attended the hearings and expended a considerable amount of time making further presentations and answering the Committee's questions.
- 1.12 The Committee would, however, add one caveat. Normal parliamentary practice is, where possible, to examine an issue from a variety of perspectives. This method generally gives confidence as a Committee can test information and interpretation from different perceptions of an organisation or an issue. This is not possible in this process. The nature of the intelligence organisations and the restrictions of the Act mean that the Committee is constrained in the breadth of its examination of administration and expenditure. While the Committee has no reason to think that this is a problem to date, the potential exists for the perspective of the Committee to be too narrow.

- 1.13 In the administration and expenditure review No. 6, an additional classified section with one recommendation was provided by the Committee to the appropriate Minister.

## **Scope of the seventh review**

- 1.14 The seventh review of administration and expenditure broadly looked at all aspects of the administration and expenditure of the six intelligence and security agencies.
- 1.15 As mentioned above, the Committee took considerable classified evidence from the agencies which cannot be published. The discussion in the following chapters will generally not identify specific organisations due to the classified nature of much of the evidence received. The Committee trusts that the report will serve to assure the Parliament, and the public, that the administration and expenditure functions of the intelligence and security agencies are being monitored by the Committee in a meaningful and important manner albeit limited to the extent of the Committee's powers as set out in the Act.
- 1.16 In the following report, the words "the agencies" or "the organisations" refer to all or any combination of ONA, DIO, ASIO, ASIS, DSD and DIGO. In the footnotes the notation "Classified Submission" is used to refer to submissions from any of the agencies whether the actual submissions were classified Secret, Restricted or Confidential.

