



**Australian Government**

Australian Government response to the  
Joint Committee on Intelligence and Security report:

Review of Administration and Expenditure No.14  
(2014-2015)

AUGUST 2017

## Response to the recommendation

### Recommendation 1.

**The Committee recommends that, in line with the recommendations of the Department of the Prime Minister and Cabinet's January 2015 Review of Australia's Counter-Terrorism Machinery, the efficiency dividend be removed from all Australian Security Intelligence Organisation, Australian Secret Intelligence Service and Australian Federal Police operations.**

### Noted

The Government is committed to transforming the way services are delivered and how government operates to create a smaller, smarter and more productive, sustainable public sector, better positioned to respond to the challenges of a rapidly changing environment and the continued need for fiscal discipline.

The efficiency dividend framework has been an integral part of successive governments' efforts to drive public service efficiencies and it remains an important element of the Government's broader efficiency strategy. Since, 2013 the efficiency dividend has driven reform to inefficient programs and practices among Commonwealth Government agencies, following a period of strong public expenditure growth, and it continues to provide an ongoing incentive for agencies to operate efficiently and make further productivity gains.

In the 2016-17 Budget, the Government announced that it will reduce the size of the efficiency dividend over the forward estimates and support ongoing public sector transformation through partial re-investment of relevant savings into reforms that increase productivity and innovation in the public sector. In the 2017-18 Budget, the Government announced the specific initiatives that would be allocated funding from the \$500 million available from the Modernisation Fund for reforms that deliver quality government services at lower cost and use leading technology and collaborate approaches to address complex problems facing society. Further information on key individual elements of the Fund and other elements of the Government efficiency initiatives are outlined in the *2017-18 Budget, Agency Resourcing Budget Paper No. 4*.

The Government is committed to a safe and secure Australia and notes that the impact of the efficiency dividend on the Australian Federal Police (AFP), Australian Security Intelligence Organisation (ASIO) and Australian Secret Intelligence Service (ASIS) over the last decade has been materially outweighed by significant funding growth.

As outlined in the 2017-18 Budget, the Government has invested an additional \$321.4 million to bolster the capability of the AFP. This represents the largest single funding boost for the AFP's domestic policing capabilities in a decade.

The Government also announced in the 2017-18 Budget additional funding to support the operations of ASIO and ASIS to strengthen their capacity to meet the strategic priorities and objectives of the Organisations and the Government.

As part of the 2016-17 Mid-Year Economic and Fiscal Update, the Government provided the AFP:

- \$62.3 million over five years to enhance its technical security capabilities. Funding provided for advanced closed circuit television systems, personal issue communication devices and for enterprise data management. The cost of this measure was partially offset from within the AFP's existing resources; and
- \$60.7 million over four years to enhance the tracking and detection of illegal firearms on our streets and the importation of illegal firearms into Australia.

As part of the 2016-17 Budget, the Government provided \$148.5 million over five years to the AFP for additional Protective Security Officers, upgraded physical and personnel security and a scoping study for enhanced protective technical capabilities.

As part of the 2015-16 Budget, the Government provided \$295.8 million over six years (and \$47.1 million per annum ongoing) to strengthen capabilities of ASIS including upgrading its ICT systems.

As part of the 2014-15 Mid-Year Economic and Fiscal Update, the Government provided additional funding to several Commonwealth agencies of \$649.9 million over four years for a range of counter-terrorism activities, providing security and intelligence agencies with resources and legislative powers to combat the terrorist threat. The additional funding provided to agencies extended beyond the forward estimates, forming part of agencies' ongoing base funding.

The additional funding strengthened monitoring and disruption activities in Australia and overseas; increased intelligence collection and threat assessment capabilities; enhanced border protection; improved technical capabilities; and provided resources to engage those at risk of radicalisation. The package included \$126.3 million over four years for ASIS, \$196.1 million over four years for ASIO and \$77.3 million over four years for the AFP.