The Parliament of the Commonwealth of Australia

# Review of Administration and Expenditure No. 8 – Australian Intelligence Agencies

Parliamentary Joint Committee on Intelligence and Security

© Commonwealth of Australia 2010 ISBN 978-0-642-79305-8 (Printed version)

ISBN 978-0-642-79306-5 (HTML version)

# Contents

Mei	mbership of the Committee	V
Ter	ms of reference	vii
List	of abbreviations	viii
List	of recommendations	X
1	The eighth review of administration and expenditure	1
	Committee oversight of Australian Federal Police Counter-terrorism functions	3
	The AFP's Counter-terrorism role	4
	The AFP and the AIC	5
	Attorney-General's consent	8
	Committee access to information beyond administration and expenditure	12
	Scope of the eighth review	13
2	Administration	15
	Organisation of agency structures	15
	Impact on agencies of recent legislative changes	16
	Litigation	
	Human resource management within the agencies	19
	Management of growth	19
	Recruitment	21
	Workplace Diversity	23
	Gender	23
	Training and Development	24

	Linguistic Skills	
	Separation rates and retention strategies	27
	Security issues	
	Staff surveys	
	Accommodation	
	Performance management and evaluation	
	Issues raised by the IGIS	41
	Conclusion	43
3	Expenditure	45
	The efficiency dividend	
	Submission from the ANAO	
	Budget Growth	
	Recruitment costs	
	Training costs	
	Budget growth and the Office of the IGIS	
	Financial governance systems	51
	Fraud control and risk management	52
	Conclusion	52
Ар	pendix A – List of Submissions	53
Ар	pendix B – Witnesses appearing at private hearings	55
	Canberra, Thursday, 11 March 2010	55
	Canberra, Friday, 19 March 2010	55

## **Membership of the Committee**

Chair The Hon Arch Bevis MP

Deputy Chair The Hon Philip Ruddock MP

Members Mr Daryl Melham MP

Mr Mark Dreyfus QC MP Mrs Kay Hull MP Senator Michael Forshaw Senator Gavin Marshall Senator Julian McGauran Senator Russell Trood

## **Committee Secretariat**

Secretary	Dr Margot Kerley
Inquiry Secretary	Mr Robert Little
Senior Research Officer	Ms Philippa Davies
Office Manager	Mrs Donna Quintus-Bosz

# Terms of reference

This review is conducted under paragraph 29(1)(a) of the *Intelligence Services Act* 2001:

 to review the administration and expenditure of ASIO, ASIS, DIGO, DIO, DSD and ONA, including the annual financial statements (of) ASIO, ASIS, DIGO, DIO, DSD and ONA.

# List of abbreviations

ADF	Australian Defence Force
AFP	Australian Federal Police
AIC	Australian Intelligence Community
ANAO	Australian National Audit Office
ANSTO	Australian Nuclear Science and Technology Organisation
APS	Australian Public Service
ASIO	Australian Security Intelligence Organisation
ASIS	Australian Secret Intelligence Service
СМС	Crime and Misconduct Commission
DEWHA	Dept of the Environment, Water, Heritage and the Arts
DIAC	Dept of Immigration and Citizenship
DIDP	DIO Intelligence Development Program
DIGO	Defence Imagery and Geospatial Organisation
DIO	Defence Intelligence Organisation
DSA	Defence Security Authority
DSD	Defence Signals Directorate
EPBC	Environmental Protection and Biodiversity Conservation

FMA Act	Financial Management and Accountability Act 1997
---------	--

- GEOINT Geo-spatial Intelligence
- HR Human Resources
- ICT Information and Communication Technology
- IGIS Inspector-General of Intelligence and Security
- ISL Integrated Leadership System
- NAA National Archives of Australia
- NABERS National Australian Built Environment Rating System
- NCA National Capital Authority
- NCTC National Counter-Terrorism Committee
- NESO New Employee Support Officer Program
- NIP National Intelligence Priorities
- OIGIS Office of the Inspector-General of Intelligence and Security
- ONA Office of National Assessments
- OSA Organisational Suitability Assessment
- PFADS Defence Performance Feedback and Assessments Scheme
- PJCIS Parliamentary Joint Committee on Intelligence and Security
- PJCLE Parliamentary Joint Committee on Law Enforcement
- PSM Protective Security Manual
- QPS Queensland Police Service
- SES Senior Executive Service
- TIA Act Telecommunications (Interception and Access) Act 1979
- TSPV Top Secret Positive Vetting
- UK United Kingdom

## List of recommendations

#### 1 The eighth review of administration and expenditure

#### **Recommendation 1**

The Committee recommends that the Intelligence Services Act 2001 be amended to include AFP counter-terrorism elements in the list of organisations that the Committee reviews.

#### **Recommendation 2**

The Committee recommends that the Government agree to amending the *Intelligence Services Act 2001* to enable specific material which does not affect current operational activity to be provided to the Committee. A small working group drawn from relevant Departments, Agencies and the Committee should be set up to prepare this amendment for consideration by the Government.

#### 2 Administration

#### **Recommendation 3**

The Committee recommends that the Australian Government monitor resources allocated to e-security to ensure they are adequate.

#### **Recommendation 4**

The Committee recommends that the Australian Government review the medium and long term accommodation requirements of those members of the Australian Intelligence Community presently housed in multiple locations in Canberra. Where multiple locations for a single agency diminish operational effectiveness or efficiency, consideration should be given to planning alternative longer term accommodation at the one site.

#### **Recommendation 5**

The Committee recommends that, should the proposal to amend the open access period of the *Archives Act 1983* proceed, consideration should be given to special provisions for AIC documents to be exempted, on a case by case basis, from release at 20 years.

#### 3 Expenditure

#### **Recommendation 6**

The Committee recommends that the Australian Government review the potential adverse effects of the efficiency dividend on the Australian Intelligence Community having particular regard to the Joint Committee of Public Accounts and Audit report *The efficiency dividend and small agencies: Size does matter*.

#### **Recommendation 7**

The Committee recommends that the *Intelligence Services Act* 2001 be amended to include a provision requiring the ANAO to report to the Committee on its reviews of the AIC.

#### **Recommendation 8**

The Committee recommends that, due to the increased activities of the Australian Intelligence Community and the additional functions required of the IGIS, the budget of the Office of the Inspector General of Intelligence and Security be increased.