
The Parliament of the Commonwealth of Australia

Review of Administration and Expenditure No. 5

Australian Intelligence Organisations

Parliamentary Joint Committee on Intelligence and Security

June 2007

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Contents

Foreword	v
Membership of the Committee	vii
Terms of reference	viii
List of abbreviations	ix

THE REPORT

1	The fifth review of administration and expenditure.....	1
	The 2006 Review	3
	Scope of the fifth review.....	3
2	Administration.....	5
	Reorganisation of agency structures.....	5
	Impact on agencies of recent legislative changes.....	7
	Human resource management within agencies	9
	Management of growth	9
	Recruitment.....	10
	Training	14
	Language skills	15
	Separation rates.....	17
	Security issues.....	18
	Staff complaints.....	20
	Accommodation	21

Performance management and evaluation	22
Other issues	23
Review of Key Judgements.....	23
National Security Hotline.....	23
AIC brochure.....	24
Whole-of-government business continuity measures.....	24
Records management.....	24
Issues raised by the IGIS.....	25
Conclusion	25
3 Expenditure.....	27
Submission from the ANAO	27
Budget Growth	28
Recruitment costs	31
Training costs.....	32
Financial governance systems	33
Fraud control and risk management	33
Conclusion	34

APPENDICES

Appendix A – List of Submissions	37
Appendix B – Witnesses appearing at Private Hearings.....	39
Appendix C – Recommendations made in the 2006 review.....	41



Foreword

It is with pleasure that I present the fifth review of the administration and expenditure of the Australian Intelligence Community by the Parliamentary Joint Committee on Intelligence and Security.

The review examined all aspects of the administration and expenditure of the six intelligence and security agencies, including the financial statements for each agency.

The review revisited recruitment and training issues which were examined in detail during the fourth review of administration and expenditure. The Committee found that agencies continue to deal with substantial challenges related to recruiting, training and retaining staff in a very tight marketplace.

Budgetary growth has been significant over the last several years for most of the agencies, and, for some, growth will continue for several more years. It has been a concern of the Committee in previous reviews that rapid expansion could bring with it unavoidable stresses and strains in the organisations at a time when they could least afford growing pains. Agencies discussed the challenge they have faced and continue to face – handling considerably increased budgets in conjunction with, in most cases, rapidly increasing staff numbers.

All the AIC agencies have undergone some structural reorganisation, to varying degrees, to absorb recent growth in the most effective way. In some of the agencies structural reorganisation has meant quite significant change within the organisation while other agencies have absorbed increased staff numbers into the existing structure with little structural change.

The agencies all demonstrated to the Committee that they are mindful of the dangers of rapidly expanding at the expense of maintaining high standards of professionalism and each agency continues to review its strategies to manage this risk.

The Committee is satisfied that the administration and expenditure of the six intelligence and security agencies is currently sound and it thanks the Heads of the AIC agencies and all those who have contributed to this review.

The Hon David Jull MP
Chair



Membership of the Committee

Chair The Hon David Jull MP

Deputy Chair Mr Anthony Byrne MP

Members The Hon Duncan Kerr SC MP

Mr Stewart McArthur MP

Mr Steven Ciobo MP

Senator Alan Ferguson

Senator the Hon Robert Ray

Senator the Hon John Faulkner

Senator Fiona Nash

Committee Secretariat

Secretary Ms Margaret Swieringa
(till 1 June 2007)

Mr Stephen Boyd
(from 4 June 2007)

Inquiry Secretary Dr Cathryn Ollif

Administrative Officer 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

AIC	Australian Intelligence Community
ANAO	Australian National Audit Office
APS	Australian Public Service
ASIO	Australian Security Intelligence Organisation
ASIS	Australian Secret Intelligence Service
DFAT	Department of Foreign Affairs and Trade
DIGO	Defence Imagery and Geospatial Organisation
DIO	Defence Intelligence Organisation
DSD	Defence Signals Directorate
EL1 / EL2	Executive Level 1 / 2 within APS
FICC	Foreign Intelligence Coordination Committee
FMA Act	<i>Financial Management and Accountability Act 1977</i>
FTE	Full Time Equivalent
IASF	Inter-Agency Security Forum
IGIS	Inspector-General of Intelligence and Security

NICP	National Indigenous Cadetship Project
NSH	National Security Hotline
ONA	Office of National Assessments
OSA	Organisational Suitability Assessment
OSB	Open Source Branch
PM&C	Department of Prime Minister & Cabinet
SES	Senior Executive Service
SIGINT	Signals Intelligence
TS(PV)	Top Secret (Positive Vet) security clearance