



BUDGET

2015

Protecting **Australia**



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\$1.2 billion in new funding for national security, which builds on the \$1 billion we announced last year.



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Keeping Australia safe and secure

Keeping Australia and Australians safe and secure is the highest responsibility of the Government.

We are spending over \$35 billion in 2015-16 on defence, national security and law enforcement.

Australia's National Terrorism Public Alert level was raised in September 2014 to high because the threat of terrorism at home and abroad has increased.

Since then, we have seen the horror of the Martin Place siege and the stabbing attack on two police officers in Melbourne.

Between September 2014 and April 2015, 22 people have been arrested as a result of seven successful counter-terrorism operations — almost one-third of all arrests as a result of counter-terrorism operations since 2001.



Overseas, we have seen the rise of the terrorist organisation Daesh, also known as ISIL. These terrorists have exploited civil war in Syria to gain strength and seize territory in Syria and Iraq, murdering thousands. But its impact is not simply in some distant land.

The number of Australian foreign fighters is increasing, the number of sympathisers and supporters of extremism is rising, and the number of potential terrorists, including in Australia, is growing.

There are at least 100 Australians fighting in Syria and Iraq and close to 160 supporting terrorist organisations, including around 30 who have returned from fighting overseas. The challenge now is much greater than in previous conflicts where fewer Australians were involved.

The internet and social media is making it easier for extremists to brainwash and recruit young and vulnerable people in our community.

The Government has responded and is continuing to take the action necessary to ensure Australians are safe and our border is secure.

The Government is investing \$1.2 billion in new funding for national security in the 2015 Budget, building on the \$1 billion in funding we announced in the 2014-15 MYEFO.

This will be used to aid our multi-pronged strategy to counter threats to Australia and Australians. This includes taking action by:

- investing in our own security, including protecting our borders from terrorism and crime;
- preventing Australians joining or supporting terrorist organisations; and
- improving collaboration in our community and with our region to address the uncertainties we all face, including terrorism.

Investing in our security

- Of the \$1.2 billion in funding for national security in the 2015 Budget, the Government will provide \$450 million to strengthen intelligence capabilities and challenge extremism.
- This builds on the additional \$630 million invested in the 2014-15 MYEFO in measures to assist our security agencies to track and disrupt those who seek to harm us.



- Taken together, this funding is strengthening monitoring and disruption activities; increasing intelligence collection and analysis capabilities; enhancing border protection; and improving technical capabilities in our agencies.

Prevention

- New legislation will make it easier to stop Australians joining or supporting terrorist organisations and to prosecute those who do.
- Additional funding for advanced technology and training will continue to ensure Australia's border is secure.
- Foreign fighters who have travelled to Syria and Iraq, and those who support them in Australia, are being monitored closely.



Security in action

- Australian military personnel are part of the international coalition leading the fight against terrorism.
- In the 2015 Budget, \$750 million will be provided to extend and expand Australia's military operations in Afghanistan, Iraq and the Middle East.
- This includes \$382 million to support our efforts to disrupt, degrade and ultimately destroy Daesh, also known as ISIL.
- The Government will deliver our Defence White Paper, which will be consistent with our commitment to increase Defence funding to two per cent of GDP by 2023-24.
- At home, our security and law enforcement agencies now have the resources and powers they need to give them the best chance of preventing attacks in Australia and on Australians.

Working with the community

- Our security agencies continue to work closely with community leaders throughout Australia to identify and divert people at risk of joining terrorist organisations.
- We are continuing to build and enhance counter-terrorism capabilities in our region by expanding engagement with international law and justice agencies.
- Our security and law enforcement agencies are working closely together and across state and territory boundaries to ensure a safer Australia.
- In recent months, we have increased our international liaison efforts to share knowledge and experience in combating the global threats we face.

Investing in our security

To help combat terrorism at home and deter Australians from committing terrorist acts abroad, we need to ensure our security agencies are resourced properly and have the powers to respond to evolving threats and technological change.

Of the \$1.2 billion in new funding for national security, the 2015 Budget will provide \$450 million to strengthen intelligence capabilities and to counter extremist messaging.

This is in addition to the \$630 million we invested in the 2014-15 MYEFO.

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Tracking security threats

The new measures include \$296 million to strengthen the capabilities of our intelligence agencies, including updating information technology systems.

Metadata is essential to most counter-terrorism investigations and for detecting and prosecuting other serious crimes.

New legislation requires telecommunication companies to retain metadata for two years. We are providing \$131 million to assist the telecommunications industry to upgrade its systems to implement this policy.

Combating propaganda

To deter terrorism we need to challenge the recruitment methods used by extremist organisations, particularly online.

The Government will invest \$22 million to combat terrorist propaganda and counter violent extremism.

This measure will challenge terrorist organisations' lies and propaganda online.

This will make it harder for terrorist groups to attract vulnerable Australians, particularly young Australians, through the internet and social media.



Supporting Defence

The 2015 Budget includes new funding of \$750 million to support military operations in Afghanistan, Iraq and the Middle East.

The Government is developing a fully-funded and affordable Defence White Paper, to be released later this year.

This will put Defence funding on the growth path to two per cent of GDP by 2023-24, consistent with our election commitment.

We will implement the recommendations of the First Principles Review to ensure the Defence organisation is appropriately structured and organised to support our troops in the 21st century.

Investment in people and technology

In 2015-16, Defence funding of \$31 billion is being used to invest in our troops, and in cutting edge technology for our troops.

Our men and women in uniform will receive a two per cent per annum pay rise. Military personnel on operations are also exempt from income tax.

The Government is renewing our Air Force with the purchase of advanced fifth generation Joint Strike Fighters. We have invested significantly in patrol and surveillance aircraft to secure our border with new P-8A aircraft and MQ-4C Triton unmanned aerial vehicles.

We are acquiring additional C-17 Globemaster III transport aircraft to enable rapid deployment of troops and equipment for military and humanitarian operations in our region and beyond. We are also upgrading equipment to protect our troops, such as improved body armour and advanced technology to counter improvised explosive devices. The Government will always seek to buy the best available capability while maximising value for money.

\$750 million in new funding to support military operations overseas.



A competitive defence industry

To ensure a safe and secure Australia, the Government has an ambitious programme to buy up to 40 surface ships and submarines over the next two decades.

This will include replacements for the ANZAC Class frigates and the Collins Class submarines. We are also acquiring a fleet of Offshore Patrol Vessels.

The Government is creating opportunities for Australian companies to design, build and sustain ships. Under the Pacific Maritime Security Programme, we will build up to 21 patrol boats for Pacific nations.

Our Naval Shipbuilding Plan will ensure that Australian industry is well placed to participate in the frigate and submarine replacement programmes.

The Government will announce further capability decisions in the Defence White Paper.

Prevention

The Government will do everything in its power to keep Australians safe at home and abroad.

We have taken decisive action to improve the way we identify those who support extremism and to prevent terrorism in Australia and by Australians.

Our security agencies are supported by legislation that has now been brought up-to-date to take account of changing technologies and evolving threats.

We have also continued to invest in border security to ensure we are able to identify high-risk travellers.

Strengthening our laws

Our security agencies have new, modernised powers to act against home-grown extremism and those who advocate terrorism.

It is now easier for agencies to act quickly and collaboratively to respond to the threats posed by terrorism, including through lower arrest thresholds for terrorism offences and by suspending passports to prevent Australians travelling to join up with terrorist organisations.

We have also introduced new laws that allow for cancellation of welfare payments on security grounds.

New, modern powers will help our security agencies tackle home-grown extremism and prevent terrorism.

Strengthening our border

Last year the Government agreed to the consolidation of existing border protection services to establish the Australian Border Force by 1 July 2015.

The Australian Border Force will be an intelligence-led, mobile and technology-enabled force to protect Australia's border and respond to the threat of terrorism and transnational crime.

In the 2015 Budget the Government is building on this initiative by providing a further \$50 million for further specialist training to Australian Border Force officers, including in advanced investigative techniques.

We will also provide \$88 million to streamline passenger processing through the Seamless Traveller measure.

This will facilitate faster processing for most travellers, enabling border officers to focus on the small minority of travellers who are a security concern.

The Government is also investing \$13 million to trial eGates, which provide enhanced identification technologies at the border to support rapid and accurate identification of people who are linked to crime, terrorism or other threats to Australia.



Stopping terrorists

The number of high-risk terrorist threats being monitored by security agencies has doubled in the last year and is now around 400.

There are 20 organisations listed as terrorist organisations under Australian law.

Australians cannot lawfully provide financial or other support to a listed organisation. It is also illegal to join or participate in any activities with a listed organisation.

Foreign fighters

Between 1990 and 2010, around 30 Australians travelled to fight in the conflict in Afghanistan. Twenty five returned to Australia and, since their return, 19 have engaged in activities of security concern with eight convicted of terrorism-related offences.

Today, the scale of the threat posed by foreign fighters in Syria and Iraq is greater than in previous conflicts like Afghanistan.

At least 100 Australians are fighting in Syria and Iraq and there are close to 160 Australians supporting terrorist organisations from Australia.

Around 30 Australians have already returned from fighting overseas and may represent a significant risk to the Australian community. Where foreign fighters return to Australia, it is now easier to use control orders to monitor their activities. It is also easier to prosecute them for their actions while they were overseas.

The Government has made it an offence to travel without a legitimate purpose to a designated area where terrorist organisations are conducting hostile activities.

We have also enabled ASIO to request suspension of an Australian passport to prevent Australians leaving to become foreign fighters.

It is also now easier for police to make arrests for terrorism offences, which is essential in this new era of home-grown terrorism.

Our security agencies are monitoring around 400 high-risk terrorist threats.

Traveller security

Following the tragic loss of Germanwings flight 4U9525, we have taken steps to enhance the safety of Australian travellers with improved security measures for aircraft cockpits.

Our security agencies continue to work with the airline industry and other countries to improve security for travellers.

Security in action

In the 2015 Budget, the Government has committed an additional \$750 million to Australian Defence Force (ADF) operations in Afghanistan, Iraq and the Middle East.



Operations in Iraq

The Government has provided \$382 million to support Operation Okra, our contribution to the coalition helping the Iraqi Government to disrupt, degrade and ultimately destroy Daesh, also known as ISIL.

Within Operation Okra, 300 ADF personnel will form a combined Task Group with the New Zealand Defence Force to train the Iraqi security forces.

The Middle East and Afghanistan

The Government is providing a further \$134 million for the ADF to train, advise and assist Afghan security forces under Operation Highroad, continuing our commitment to Afghanistan to ensure it does not once again become a terrorist haven.

We have also provided \$233 million in the 2015 Budget for the operations based in the wider Middle East region, supporting ADF personnel in Iraq and Afghanistan. The Navy is providing maritime support to our security, counter-terrorism and counter piracy operations in the region.

Peacekeeping and humanitarian missions

Australia's military personnel also play an important role in maintaining regional stability and security through international peacekeeping, humanitarian operations and disaster relief.

We have made long-term commitments to secure peace in countries such as Timor Leste, Solomon Islands, Egypt and South Sudan.

ADF personnel engage actively in humanitarian operations whenever required. Most recently, Air Force C-17s have delivered aid to Nepal following the earthquake in April 2015. Our personnel helped to evacuate Australians and other foreign nationals to Bangkok.

Australian personnel have also been involved extensively in assisting Vanuatu following the devastating cyclone in March 2015, with troops delivering aid and helping communities get back on their feet.





Protecting the community

The number of Australians with hands-on terrorist experience has grown significantly since the civil war in Syria began.

We are doing our bit in the fight against terrorism overseas and we are taking action at home.

Our agencies need to be able to do more to respond to the threats linked to the increasing number of Australians participating in terrorist activity.

The Government is responding by giving our security agencies the funding and powers they need to protect the community.

New actions to keep the community safe

Counter-Terrorism Units now operate at all eight major international airports.

In the eight months from August 2014 to April 2015, these new Counter-Terrorism Units have assisted in offloading 267 passengers of security concern; conducted over 100,000 real time assessments; and conducted over 7,000 patrols.

Ninety two additional biometric screening gates are being fast tracked for passengers at airports to detect and prevent people leaving on false passports.

Sixty three extra Australian Federal Police members are working in Sydney, Melbourne and Canberra on the foreign fighter threat.

Since 2001, there have been 70 arrests, 35 prosecutions and 26 convictions as a result of counter-terrorism operations. Our security agencies have also disrupted many terrorist plots.

Between September 2014 and April 2015, police made 22 arrests on seven counter-terrorism operations — almost one-third of all arrests as a result of counter-terrorism operations since 2001.

There are also seven new financial analysts engaged in helping to crack down on terrorist financing.

Working with the community, our friends and allies

Working with the community is critical to the Government's strategy to keep Australia and Australians safe.

Local community leaders play a vital role in helping protect vulnerable members of the community from the allure of violent extremism.

The Government is providing assistance to help people disengage from extremist activities.

We are also combating online radicalisation with education programmes and by working with communities, industry and overseas partners.

Counter-terrorism coordination

The Government is strengthening our commitment to national counter-terrorism coordination.

We have established a multi-agency National Disruption Group, led by the Australian Federal Police, to investigate, disrupt and prosecute people of security concern.

The Australian Counter-Terrorism Centre was also given an expanded mandate to ensure close and productive interagency coordination.

Last year, the Government commissioned a review into Australia's counter-terrorism coordination machinery to consider the ways our agencies work together and whether we could do better.

Defeating home-grown extremism can only occur when the community leads the way.

We are acting on the findings of this review to enhance collaboration among our security agencies.

Following the Martin Place siege in December 2014, the Government also reviewed coordination between Commonwealth and state and territory agencies.

We are working closely with states and territories to develop a national Counter-Terrorism Strategy.





Capacity building in the region

The Government is supporting the international effort against terrorism by expanding engagement with law and justice agencies across the Indo-Pacific and in the Middle East.

This will enhance vital working relationships with international counterparts to assist them to investigate and prosecute those engaged in terrorist activity.

We are maintaining international partnerships in the global effort to combat terrorism.

International partnership

The Government is committed to maintaining international partnerships in the global effort to combat terrorism.

We are expanding our international networks and sharing knowledge and experience with the United States, United Kingdom and other countries facing similar threats.

Australia's Ambassador for Counter-Terrorism plays a key role in coordinating policy cooperation, capacity building and operational collaboration between Australian agencies and international counter-terrorism partners.

