



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2019 ELECTION COMMITMENT COSTING

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| Name of proposal costed: Defence Cyber Security Package | |
| Costing Identifier: | COA016 |
| Summary of costing: | <p>Invest \$150 million to enhance cyber security arrangements and workforce including:</p> <ul style="list-style-type: none">- \$80 million to expand the Australian Defence Force's and Australian Signals Directorate's cyber operations and workforce capabilities;- \$44 million for the Cyber Security Workforce Growth Program; and- \$26 million to expand the role of the Australian Cyber Security Centre to help businesses and families address cyber security issues <p>The cost of the policy is to be absorbed within existing resources of the Department of Defence (Defence).</p> |
| Ongoing or Terminating (including date)^(a) | Terminating 30 June 2023 |
| Person making the request: | Prime Minister |
| Date costing request received: | 9 May 2019 |
| Date of public release of policy: | 29 May 2019 |
| Date costing completed: | 14 May 2019 |
| Additional information requested (including date): | On 10 May 2019, Finance sought additional information reconciling publically announced costs for the Defence Cyber Security Package of \$156 million and the costing request of \$150 million. |
| Additional information received (including date): | On 11 May 2019 it was confirmed that funding of \$6.2 million, as included in the publically announced package, was provided as part of the 2019-20 Budget measure <i>Building on Questacon's Engineering is Elementary pilot program</i> and is not included in this costing. |

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

Financial implications (outturn prices)^(b)

| Impact on | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|-------------------------------|---------|---------|---------|---------|---------|
| Underlying Cash Balance (\$m) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fiscal Balance (\$m) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

This policy has been costed to the value of \$150 million as detailed in the request.

Where relevant, include separate identification of revenue and expense components.

Not applicable.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

Consistent with the costing request, the costing assumes that all expenses are to be absorbed or offset by Defence.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Where relevant, include an explanation of the medium term implications of the proposal^(c).

Not applicable.

(c) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period.

Background information

Costing methodology used:

Policy parameters

The policy has been costed on the assumption that Defence will offset the costs of this policy from the additional \$150 million provided to Defence in the 2019-20 Budget measure 'Additional funding to support Defence Capability'.

It is assumed the spending profile of the Defence Cyber Security Package will reflect the funding provided in the 2019-20 Budget measure (\$75 million in 2021-22 and \$75 million in 2022-23).

Behavioural assumptions used (as appropriate)

Not applicable.