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**NATIONAL SECURITY
COMMUNITY 2020:

SIX PRACTICAL
RECOMMENDATIONS FOR THE
AUSTRALIAN GOVERNMENT**

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Researching Australia's Security Challenges

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EXECUTIVE SUMMARY

The Australian Government has responded well over the last ten years to the significant challenges of Australia's security environment. This same period has also seen departments and agencies work closely together (often with Australia's allies) in security operations outside and within Australia. At present though, the Australian Government's plans for adapting to the broad forces driving change within this environment are not clear. At the same time, others have very practical, contemporary concerns about the passage of information, staff skills and availability, resource allocations and planning systems.

The Kokoda Foundation saw these questions as an opportunity to conduct focused research about the future of national security policymaking in Australia. This project has been titled 'National Security Community 2020' after its key theme of building better links between government and others involved in national security. The project's aim is to identify practical recommendations for improving how the Australian Government manages national security for the future.

Consultation with national security experts inside the Australian Government, the states, business, not-for-profit groups and academia shows that the environment for national security policymaking is changing and will continue to change over the next ten-to-fifteen years. This change will be largely prompted by differing responses to globalisation; the increasing virulence of a 'bucket' of threats; increased expectations for security among major stakeholders; and structural pressure on the policymaking system.

These broad forces will result in a policymaking environment in which the Australian public—and their support for national security measures—will be a contested centre of gravity. At the same time, funding for national security will continue to compete with other national priorities, decisions will be influenced by extra-rational forces such as alliance relationships, and new actors will become important to security efforts. Incremental change is possible and probably the best course for Australia as it adapts to its changing environment.

The report's six recommendations are:

- **Recommendation 1: Conduct a feasibility study into a ‘National Security Strategy’.** The Australian Government should commission a report using experts from outside Government that explains the likely content of a national security strategy. This report would act as a ‘feasibility study’ to identify the value and contents of having such a document.
- **Recommendation 2: Place the responsibility for domestic security under a ‘Minister for Law Enforcement and Domestic Security’.** While retaining all of the existing agencies within the Attorney General’s Department portfolio, ministerial responsibility for the various agencies and policy areas should be changed to create a clearer distinction between the Commonwealth’s senior law officer, and the Minister responsible for implementing law enforcement and domestic security policy. The ‘Minister for Law Enforcement and Domestic Security’ would sit on the Cabinet’s National Security Committee and be charged with preparing for, preventing and responding to domestic crises and natural disasters.
- **Recommendation 3: Develop an operational strategy; and develop an organisation that can plan proactively.** Effects-based thinking provides an emerging philosophy for planning Australia’s national security. Its main advantage over current approaches to ‘grand strategy’ is to broaden the focus from military power—and support for military power—to place all instruments of national power on an equal footing. The Australian Government should put more effort into developing the methodology for effects-based strategy, and a small organisation that can plan and execute dynamic ‘whole of government’ campaigns.

- **Recommendation 4: Institute a training program to recruit, educate and retain 'national security professionals'.** The future national security community will be built on a network of well-trained professionals. These professionals will require training that prepares them for their roles, provides a very broad understanding of how their department relates to others, and gives them a range of analytical and critical thinking tools. Specific initiatives to attract and retain national security professionals should also be considered.
- **Recommendation 5: Create new mechanisms to improve outreach to business and the community.** The Government should expand its existing programs that engage business and other parts of the community. Their aim should be to find more efficient ways to discuss issues of mutual concern, and provide a trusted way for business to approach Government. The report recommends the appointment of national security outreach officers to play the vital role of linking outside groups and policymakers.
- **Recommendation 6: Establish a Crisis Coordination Centre – then expand its remit.** The Government should be encouraged to create a crisis coordination centre for domestic security by amalgamating the relevant existing watch offices and operations rooms. Once this established—through a process of internal development and change management—the Government should expand the crisis coordination centre's remit to include external security issues. This will eventually give Australia, and the Government in particular, a well-organised, well-practiced, efficient and effective 'national security crisis coordination centre'.

The six changes recommended in this report are not aimed to overhaul the entire system, nor are they resource intensive. Most are scaleable, and could be introduced incrementally. The recommendations are primarily aimed at building knowledge, information sharing and developing a culture of collaboration. While these are good places to start, the Australian Government also needs a better way to develop comprehensive plans that employ the full range of national assets and advantages, and to manage ongoing operations.

ACKNOWLEDGEMENTS

This paper is dedicated to the memory of Robert Chaloner, a very active member of the Kokoda Foundation and a key member of the project team for *National Security Community 2020*. His enthusiasm and sage advice was sorely missed when he passed away in September 2006, and the Kokoda Foundation passes our deepest sympathy to his family.

Many others provided invaluable assistance with this project. In addition to the workshop participants and interviewees, special thanks are due to Ash Rentmeester, Josh Wright, David Beveridge, Richard Hodge, Lynne Babbage and Professor Ross Babbage. David Schmidtchen's editing skills and Qote's flair and attention in the publication process did much to improve the final report.

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ABOUT THE AUTHOR

David Connery is a Board Member and senior researcher with the Kokoda Foundation. He is also a Doctoral Candidate at the Australian National University's Strategic and Defence Studies Centre, where his dissertation examines crisis policymaking and the East Timor Crisis of 1999. David's previous experience in the Australian Regular Army saw him hold staff positions in Military Strategy Branch, Army Headquarters and the Office of National Assessments. His regimental experience included service in field and air defence artillery units. He is currently serving in the Army Reserve as the Commanding Officer of the University of New South Wales Regiment.

This is David's second *Kokoda Paper*. The first, co-written with Peter Nicholson, examines the future Joint Strike Fighter Fleet. He has been published recently in *Security Challenges*, *Australian National Security Magazine*, and co-written a chapter (with Alan Stephens) entitled 'Defence Transformation' in *Strategy and Security in the Asia-Pacific* (eds. Ayson and Ball, 2006).

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NATIONAL SECURITY COMMUNITY 2020: SIX PRACTICAL RECOMMENDATIONS FOR THE AUSTRALIAN GOVERNMENT

Introducing the Project

The terrorist attacks of September 11th 2001 did not completely change Australia's security environment, but these atrocities did heighten the focus on domestic security, regional cooperation and the emerging terrorist threat. The attacks also gave the Australian Government considerable leeway to support America's subsequent actions, leading to military involvement in two demanding coalition wars in Afghanistan and Iraq. What's more, these new challenges came at a time when other proximate demands, including patches of instability in the nearer region and global issues such as crime and pandemic diseases, were also helping to shape Australia's security environment. This environment can only become more demanding out to 2020, particularly if key uncertainties such as global warming, nuclear proliferation to disruptive states, and the acquisition of chemical, biological or radiological material by terrorist groups occur.

To its credit, the Australian Government has worked hard to meet these challenges.¹ Funding has increased for priority areas, and better links have been developed within the Australian Government and between the levels of government. Legislative change has led to uniform legal approaches across the nation, created specific offences related to terrorist activity, and given police and security agencies additional powers. But some of the key documents about Australia's national security strategy, such as *Protecting Australia Against Terrorism 2006*, focus on the immediate past and present: they say little about how the Government will adapt to future conditions.²

¹ This paper refers to the 'Australian Government' instead of the 'Federal Government'. At times, 'the Commonwealth' may be used interchangeably with 'Australian Government'.

² Department of Prime Minister and Cabinet, *Protecting Australia Against Terrorism 2006* (Canberra: Commonwealth of Australia, 2006).

Governments receive a reasonable amount of advice about how to meet future challenges in places where vibrant academic and think tank communities exist. However, much of this research has been conducted in the United States, and the focus has been on its Department of Homeland Security and the war in Iraq. This means a great deal of thinking has been done, in the US context, into issues such as structural change, performance management and information flows. Much less has been written about Australia's particular needs.

Project Aim and Method

The Kokoda Foundation recognises the contribution of this important US work on homeland security, but the usual focus on the 'hard' aspects of structure and process in this work tends to overlook other major inputs to effective capability. Consequently, aspects of future national security arrangements such as strategy, education, exercising, training and interpersonal networks rarely receive attention.

Given this gap in thinking, the Kokoda Foundation decided to conduct the 'National Security Community 2020' project (NSC 2020), with the aim of identifying practical recommendations for improving how the Australian Government manages national security for the future. The report's key theme contrasts with much recent work from the United States,³ and argues that building better links between people; providing them with clear guidance; and improving their personal skills, knowledge and networks will deliver significant value for national security policymaking in Australia.

This report starts from the basic position that the Australian Government has done a good job managing national security since 2001. However, continued effectiveness requires regular attention to the hard and soft aspects of national security to ensure that the entire system

³ For example, see the collection of essays in Thomas H. Stanton, ed., *Meeting the Challenge of 9/11: Blueprints for More Effective Government* (Armonk: M.E. Sharpe, 2006). This book focuses on structural change and performance measurement for US homeland security. Where people issues are discussed, the focus is either very specific (military personnel) or internal to an organisation (cultural change in the Department of Homeland Security).

remains sustainable and sufficiently agile to cope with the emerging social, political and security environment.⁴

The project team consulted a range of experts representing the Australian Government,⁵ state governments, business,⁶ the community sector,⁷ academics and think tanks. These experts, over seventy in total, debated different points about the future security and policymaking environment in three separate workshops during 2006. These workshops were supplemented by follow-up interviews and 'senior leader briefings' to expand the views considered and test the project team's propositions. The workshop participants and interviewees did not vote on any of these propositions, or come to definitive positions. The project team also agreed not to attribute comments to any individual.⁸ This means the responsibility for the following analysis must pass from the participants to the project team.

The project findings are presented in two parts. Part I examines the future operating environment for national security policymaking (see Text Box 1 for what we mean by 'national security'). This involves a brief discussion of the current situation, and a more detailed look at four driving forces that should influence national security policymaking in the near- to mid-term. The discussion then moves to the implications of change and describes the main features of the operating environment for 2020.

Part II discusses the direction that the Australian Government should consider as it adapts to the forces described earlier. This includes recognising which areas of the national security policymaking could change, and presenting

⁴ The hard aspects of national security include structures, processes, legislation and instruments (like military forces). 'Softer' aspects—which are just as important—include training, relationships, information and education.

⁵ The Kokoda Foundation and NSC 2020 Project Team thank the many national security departments and agencies who participated in this project.

⁶ A generic term used to group entities that operate to make a profit, including industry, firms and service providers.

⁷ A term used to group organisations that provide services on a not-for-profit basis, including humanitarian agencies, service clubs and religious groups.

⁸ Many of the workshop and interview participants did agree to be listed as contributors to the project, and this list is included at Annex A.

six recommendations to build a national security community. These recommendations aim to improve structures and processes to be sure, but the main emphasis is on developing people so they can meet the increasingly demanding expectations of Australia's security environment.

Text Box 1: What does 'national security' mean in this report?

The participants in this project understood the concept of 'national security' in a subjective way, and were heavily focused on its domestic application.

Most agreed that the referent (who to secure) was the Australian community, the nation's borders and the many physical assets that supported the economy. Differences began to emerge beyond this though. Some thought that sections of the community might feel excluded by various measures taken in the name of national security. Others took different views of what were and were not 'real' threats. It was clear that terrorism was not considered an existential threat by many, but still important enough to figure highly in calculations. Some thought personal safety from violence was considered far more important than far-away conflicts by many in the community, while other groups needed protection—using means other than coercive force—to be secure. For example, business was more likely to be concerned about cyber-security than others.

There were also differences of opinion about the exact values to be secured. While most considered protection of the constitution and democracy as vital to security, it was more difficult to gain agreement about whether concepts such as equality, economic prosperity and freedom of speech should be treated as 'security' issues. It was clear that the definition of national security would need to be used in its broadest sense if it is to be discussed with a diverse audience.

PART I: A FUTURE OPERATING ENVIRONMENT FOR NATIONAL SECURITY POLICY

National Security Today

The Australian Government has reacted to the threat of terrorism and 'accidental' threats, such as pandemics, with a comprehensive range of measures, dramatically increased funding, and a determined attitude. The measures employed have included legislative reform to boost intelligence powers and create suitable, nationally-consistent criminal codes. Structural changes to create a national approach to counter-terrorism have been instituted, based on a consensus between the Commonwealth and state governments. These changes include new coordinating committees and management processes. An exercise program to test terrorist and pandemic responses has also been developed.

These changes have been underwritten by an injection of significant new Commonwealth resources, totalling around A\$8.3 billion since 2001. These resources have been used to enhance border and transport security, improve health and consequence management preparations, develop new organisations such as National Security Division in the Department of Prime Minister and Cabinet (DPM&C), raise new military capabilities, provide support for re-insurance, and fund additional counterterrorism research.

Action has also been taken by state governments and businesses. Some of this has involved participation in Commonwealth-led consultative groups and enhanced information sharing. Most, if not all, have also increased their spending on physical security measures and counter-disaster planning. State Governments have created their own management structures for responses, most with provisions to include local government. Attention is now turning to terrorist threats other than siege or explosion, including responses to chemical, radiological or biological attacks.

These preparations are occurring in an environment where the community is aware of the threat of terrorism, and alert to the politics of the issue. There is now constant media coverage of events related to national security, including the military actions in Iraq and Afghanistan. Other military operations, particularly those in East Timor and the Solomon Islands, receive regular media attention too. Security-related aspects of domestic issues such as immigration, racial and religious differences, and civil rights also attract widespread comment and stir destructive emotions.

While the measures outlined above are comprehensive, in the sense that they cover all relevant areas, more needs to be done. For example, improvements could be made to improve the ability of state government agencies to absorb the information provided by national intelligence agencies. Those responsible for national security—particularly those outside the Departments of Prime Minister and Cabinet, Defence, Foreign Affairs and Trade (DFAT), Attorney General's and the law enforcement and intelligence agencies—could do with better training and knowledge of others. Evaluation and exercising must improve. And more could be done to explain the threat to the Australian public so their support for the additional measures and spending does not perish over time.

So despite the good work so far, national security policymaking cannot stand still. What was good yesterday cannot expect to remain optimal as Australia's security environment changes, new threats emerge, and the social and political environment become evermore complex. The next sections identify the main forces driving this change.

Broad Forces—Globalisation

The force widely known as globalisation is, and will continue to be, an influence on policymaking as it creates or re-shapes links between issues and actors. This influence is being seen around the world today in numerous ways; such as in the impact of war in the Middle East and increasing energy consumption across the globe upon oil prices, the US Federal

Reserve's influence on global interest rates, and in the growing economic and political power of the Chinese economy (see text box 2 for a range of other possible changes and challenges). Communications and information technology is already providing people across the world with an understanding of how richer people live in today's world. Consequently, globalisation will have an effect on the sovereignty of decision-making, public expectations, and how people perceive their security.

Some argue that the increased influence of overseas actors and the importance of maintaining 'the market's' confidence has limited the Government's ability to act. This may be so, but it is not an absolute limitation; governments such as Australia's are still the most important decision-makers within their jurisdictions, and this position is unlikely to be usurped out to 2020.

However, governments will face limitations from time-to-time because overseas actors can be influential—perhaps by changing domestic opinion on human rights, taking decisions about trade restrictions, or by highlighting the transnational effect of environmental damage. Other actors can have a more direct impact on policymaking. Investment proposals and decisions by large multi-national companies, for example, can change the electoral and economic fortunes of governments and nations. The increasing connection between Australia and different state and market actors certainly adds new complexity to policymaking by linking issues and increasing the number of relevant stakeholders in decisions.

Both the increased number of stakeholders, and the information available to them, will present challenges to future policymaking. For instance, the ability for stakeholders—such as the general public—to gain and use information will increase the transparency of government business. Better quality information is also likely to increase stakeholder expectations, reduce their trust in government and create contests about the interpretation of 'national interest'.

Globalisation's influence is also being seen in the 'winners' emerging from the West's nascent knowledge

Text Box 2
The 2020 Global Landscape – Views from the United States National Intelligence Council⁹

Relative Certainties	Key Uncertainties
Globalization largely irreversible, likely to become less Westernized.	Whether globalization will pull in lagging economies; degree to which Asian countries set new “rules of the game.”
World economy substantially larger.	Extent of gaps between “haves” and “have-nots”; backsliding by fragile democracies; managing or containing financial crises.
Increasing number of global firms facilitate spread of new technologies.	Extent to which connectivity challenges governments.
Rise of Asia and advent of possible new economic middle-weights.	Whether rise of China/India occurs smoothly.
Aging populations in established powers.	Ability of EU and Japan to adapt workforces, welfare systems, and integrate migrant populations; EU superpower?
Energy supplies “in the ground” sufficient to meet global demand.	Political instability in producer countries; supply disruptions.
Growing power of nonstate actors.	Willingness/ability of states and international institutions to accommodate these actors.
Political Islam remains a potent force.	Impact of religiosity on state unity and conflict potential; growth of jihadist ideology.

⁹ National Intelligence Council, “Mapping the Global Future: Report of the National Intelligence Council’s 2020 Project,” (Washington, available http://www.dni.gov/nic/NIC_2020_project.html, accessed 12th December 2006: 2004).

Relative Certainties	Key Uncertainties
Improved WMD capabilities of some states.	More or fewer nuclear powers; ability of terrorists to acquire biological, chemical, radiological, or nuclear weapons.
Arc of instability spanning Middle East, Asia, Africa.	Precipitating events leading to overthrow of regimes.
Great power conflict escalating into total war unlikely.	Ability to manage flashpoints and competition for resources.
Environmental and ethical issues even more to the fore.	Extent to which new technologies create or resolve ethical dilemmas.
US will remain single most powerful actor economically, technologically, militarily.	Whether other countries will more openly challenge US; whether US loses S&T edge.

economies. This rise must be contrasted with those who are either yet to realise any benefit from the industrial age or totally reject the economic and cultural trappings of westernised culture or economic methods. These ‘losers’ can be found in many places—including some regional areas of Australia. However, two groups are the most significant for national security: those inspired to terrorism by fundamentalist Islam or perceived injustice, and those who do not understand (or ignore) the global implications of emerging transnational problems such as climate change, crime or pandemic diseases.

The free movement of goods, ideas and people may have been considered a ‘good thing’ before September 11th 2001, as it brought prosperity and diversity. But some who benefit from globalisation may be changing their views. For instance, some in the West are sensing chaos and an increased danger ‘from abroad’, and do not want instability in their own countries. These people may develop a more ‘inward’ looking view of security over the next ten years, and

this will have important ramifications for the practice of national security. These ramifications may include more insular perspectives of 'who to secure', deep contrasts in community values that become internal disagreements, and further attempts to shield the polity from external problems.

Globalisation will therefore pose many challenges for national security policymakers. The increased interconnectedness between different actors and issues will make it difficult to identify which stakeholders 'matter', and whether they need to be included in the policymaking process. Further complications will develop from the way stakeholder expectations are aggregated, particularly as individuals continue to define their interests according to 'lifestyle' rather than economic status. If this is matched to an increasingly inwards view of national security, we can expect the definition of 'security for whom' and 'security of what' to be focused away from ideas such as 'good international citizenship' and more focused on national or international cultural groupings.

A Bucket of Threats

Globalisation's influence is also seen in the threats that might confront Australia and its policymakers over the next ten-to-fifteen years. While most are familiar (see Text Box 3), some threats could become more potent by 2020; while other issues could emerge and be perceived as threats to national security at the same time.

Of those perceived as the greatest threats, conventional terrorist attacks in Australia (using explosives or even kidnapping) are considered 'nearly certain' within the next few years. While less likely, terrorists may try to enhance their effect by using chemical, biological or radiological weapons in Australia; or use 'cyber attacks' on computer infrastructure on a scale above normal.

While terrorism clearly 'leads the field', pandemics also warrant consideration as threats to national security and the economy. A range of other 'non-traditional' concerns, such as disrupted oil supplies, transnational crime, water shortages, natural disasters and emerging economic issues also contend

as potential threats, but these are less likely to have a catastrophic impact. Climate change is looming as a major security issue that must be addressed (see Text Box 4).

Text Box 3

Future Threats to Australia's National Security: Findings of the Kokoda International Conference, 2005¹⁰

- | | |
|---------------------------------------|------------------------|
| (1) Terrorism | (2) Pandemics |
| (3) Disrupted oil supplies | (4) Failed states |
| (5) Transnational Crime | (6) Economic crises |
| (7) Disorder in Social fabric | (8) State-driven acts |
| (9) Weapons of Mass Destruction (WMD) | (10) Natural disasters |

State-based threats to security are also likely to arise before 2020. Some, such as state failure in the near region and attacks on deployed ADF personnel, are nearly certain to occur but are unlikely to have a major impact. Other threats from states are harder to predict, but they are more likely to have a significant or even catastrophic impact if they occur. Nuclear threats and threats to space activities are the most prominent here.

It is important to keep sight of the possibilities for conventional war as these other threats are discussed. There are still a number of antagonistic international relationships that create currents of tension in parts of the world, especially in the Asia-Pacific region. If any of these trigger a major inter-state war, there is a real possibility that Australia will become involved in further military operations against states in the next five to ten years. Whether they are 'other peoples' wars' or not is really a moot point because the social and economic effects of major conflict will be felt globally.

¹⁰ For a detailed discussion of these findings and a description of the methodology, see David Beveridge, "Australia's Future Threat Space: Strategic Risks and Vulnerabilities" *Security Challenges* 2, no. 2 (2006).

Text Box 4: Security Implications of Climate Change

- Weather extremes and greater fluctuations in rainfall and temperatures have the capacity to refashion the region's productive landscape and exacerbate food, water and energy scarcities in a relatively short time span.
- Destabilising, unregulated population movements in Asia and the Pacific.
- Substantial economic and social costs associated with managing the deleterious effects of climate change, which could reduce growth, depress incomes and circumscribe the ability of developing states to meet the rising aspirations of their people.
- Extreme weather events and climate-related disasters will trigger short-term disease spikes and increase the prevalence of vector-borne diseases such as malaria and Ross River fever.
- The cumulative impact of rising temperatures, sea levels and more mega droughts on agriculture, fresh water and energy could threaten the security of states by reducing their carrying capacity below a minimum threshold, thereby undermining the legitimacy and response capabilities of their governments and jeopardising the security of their citizens.

From: Alan Dupont and Graeme Pearman, Heating up the planet: Climate change and security (Lowy Institute, Sydney, 2006), pp. 80-82.

Other threats will be driven by internal actors. In particular, radicalisation by external inspirations—or even self-radicalisation—of only a few Muslims could see a 'home grown' threat become significant in Australia. If this happens and these radicals receive significant media coverage, the mere existence of such people is likely to strain Australia's social fabric as all Muslims get 'tarred with the same brush'. It is also possible that small sections of the community may link

their own feelings of disadvantage and discrimination to wider issues that stimulate violence elsewhere in the world. Ameliorating the consequences of both bigotry and the 'globalisation of grievance' may emerge as the most significant issue for all Australian policymakers within the next ten years.

An added difficulty with explaining and dealing with these threats is that the public increasingly perceives them as a 'bucket' of inter-twined threats, rather than a structured 'menu' of threatening organisations and events. Thus pandemics are treated as a security, and not just a health or an environmental, issue. Illegal immigration is linked to terrorism. And since preparations for a recovery from a major terrorist attack are just as important as preventing attacks, 'consequence management' is now an integral part of national security. This means more threats are likely to be perceived in terms of national security, and the public may come to demand a greater return from the services they pay for.

Increasing Expectations for National Security Policymaking

National security discussions often focus on threats. However, the changing expectations of stakeholders—including the public, political leaders, state governments, business and the not-for-profit sector—may effect national security policymaking as much as changing threats, particularly where expectations are real and threats are often latent.

INCREASING PUBLIC EXPECTATIONS

The Australian public expects a lot from its Government in terms of national security, and these expectations are moving beyond preparing an effective defence for the nation. As recent events such as 2006's Lebanon War and Fiji coup have shown, people today expect the Government to protect their family, no matter where in the world their family members are and regardless of why they are in trouble spots. Also, the increasing profile of national security in the domestic arena, primarily though counter-terrorism but

also through border protection, brings the previously 'distant' concerns about security much closer to home. Such high expectations are understandable, because Australian agencies have performed well over the last few years and the public is rarely told of significant problems with national security planning or responses.

The public will also expect the government to provide a rapid return to normalcy after a catastrophic incident or disaster. Poor preparations, slow responses or squabbles over the cost are unlikely to be well received by voters within and outside the effected electorates. Communities will also expect their government to help develop higher levels of local resilience to catastrophe. This will require governments to give more attention to forward planning, preparations to rapidly assess needs after an incident, and closely coordinated responses.

Despite demanding more, many people will find it difficult to articulate their security preferences. Some individuals, particularly those who define their interests in terms of lifestyle, will face situations where their personal interests conflict with their values or economic interests. For example, environmentalists will be direct or indirect shareholders in companies that contribute to climate change, while human rights and refugee advocates have concerns about pandemics. Others will resent specific national security measures, particularly if they perceive these measures as aimed at their section of the community. These factors will make it harder for all possible security interests to be aggregated, making public preferences more unstable and difficult to identify.

The public has also been willing to accept additional costs and some restrictions since the terrorist attacks of 11th September 2001 and 12th October 2002. This reflects both a heightened sense of threat, and probably a better understanding of security issues. However, unless there are further major attacks in western nations, or evidence of imminent large scale attacks in Australia is presented, the public may question the value of spending more money on

security or paying higher prices for goods and services as a result of security measures.

These fragmenting trends connect to displace national security with a narrower concept of 'sectoral security'. The public may seek value by increasing their involvement, either directly or through organisations that represent their sectional interests, in national security policymaking. If this trend becomes dominant, policymakers will need to consult with broader and more fluid coalitions of interests, and to be prepared to achieve negotiated security solutions with new constituencies within and outside government (see Text Box 5).

OTHER EXPECTATIONS

The expectations of other important stakeholders will also change and influence the environment for national security policymakers. At the top, politicians will demand faster and more complete information from their officials, as leaders battle to stay ahead of the faster—and increasingly targeted—news cycle. Any failure to provide this will see ministers go elsewhere for their advice, be it to their staff or to the plethora of other information sources that can tailor quality information.

States would like the Australian Government to fund some ongoing costs for national security capability (like the personnel to staff emergency response equipment or coordination centres), because the burden of personnel, training and maintenance costs are greater than the capital costs of purchasing equipment. State police forces recognise the important contribution made to their operations by Commonwealth intelligence and policing agencies, to the point where they assume that Commonwealth-State collaboration will be essential for every major operation in the future. State law enforcement agencies therefore expect continued opportunities to train with their Commonwealth counterparts, and even better mechanisms for exchanging information.

Text Box 5

Broader Participation in National Security Policy?

A better-informed and more diverse public may lead to more voices demanding the right to participate in national security policymaking than is seen today. Four possible changes could rise to challenge the existing closed policymaking system:

- (1) New actors would be involved much earlier in the policymaking process because their expertise will contribute to effective option development.
- (2) More outside expertise could be used to analyse and develop policy. This trend is already evident overseas, particularly in instances where major think tanks such as the RAND Corporation in the US, contribute expertise at many points in the policymaking process.
- (3) Influential individuals could muster public credibility through the media due to their ability to 'champion' certain security issues.
- (4) The public may demand greater accountability in national security policymaking through Parliament, the media or judicial intervention.

Even if a more participatory national security policymaking system is demanded—and the subject may not even arise among the Australian public within the next ten years—such a system will be difficult to implement. In particular, any increased public involvement in policymaking will risk compromising sensitive information. Early exposure of capabilities and options also makes national security policy less effective as options are constrained and the ability to bluff or threaten is reduced. For example, it may be difficult for a government to apply 'brinkmanship' in a crisis if capabilities and intentions are transparent to all. These types of problems make 'high-end' options for a more participatory system unlikely.

Despite this, it is worth thinking about managing the 'low end' of public expectations. For instance, it is worth thinking about how to involve business, the community and academia more in policy development and aspects of operational planning. It is also worth considering how to manage increased policy contestability, since attempts to stifle different ideas are unlikely to succeed and almost certain to attract further criticism.

Business expects Government to reduce the impact of national security upon the bottom line. Some in business complain that the Commonwealth tells the private sector to fund every aspect of security for their enterprises—effectively privatising a significant proportion of the public’s risk. This view represents one pole of the argument, as others point to the way government already funds many aspects of security, particularly where governments own critical infrastructure.

As the owners of much critical infrastructure, businesses also want to develop even closer arrangements for information sharing. The Trusted Information Sharing Network (TISN) is an appreciated initiative,¹¹ but other ways to get information from additional sources and other levels of government are needed. Businesses who take precautions against attacks also expect some kind of reward, perhaps in the form of lower insurance premiums. Others want ways to participate in preparedness exercises that don’t scare customers or advantage their competitors. Those who develop and market cutting-edge security technologies might be interested in better partnering arrangements between business, academia and the government.

Some in the business sector will have skilled analytical staff that could help government. This pool of talent could become very relevant if the labour market becomes as highly-competitive as expected, and may be enough to force significant change to the current rules and procedures for national security planning.

Those in the not-for-profit sector will expect greater Government attention to the needs of each individual community, because ‘one size does not fit all’ when it comes to recovery from a major disaster or incident. These groups may also come to expect greater direction from Government, particularly when they are planning to provide new capabilities, or where there is a need to keep some parts of their services on very high levels of alert.

¹¹ See www.tisn.gov.au.

Academia generally sees itself as a commentator on national security issues, but not a stakeholder. Some parts of academia will seek Government support for academic endeavours in national security areas. This will include funding of research and research networks, and support for programs that teach skills in national security. Other parts of academia do not expect anything from government, and even seek to keep themselves distant from any association with Government. But most of all, academia expects to retain an ability and right to critique Government policy. After all, if they cannot criticise, who else can?

Structural Pressures on Policymaking

Structural pressures are the fourth broad force that will influence the future of national security policy making. In the Australian situation, these pressures include the paradox between devolution and 'whole-of-government' approaches, and increased political control over the policymaking process.

DEVOLUTION – AND COORDINATION

Devolution has been used to satisfy stakeholder needs for more responsive government, and governments themselves have used devolution as a means of achieving efficiency. While devolution is usually associated with spreading decision making beyond the central office, it is often accompanied by outsourcing and downsizing in those central offices. As a result, more actors—with many of these being employed outside the government—are now involved in service delivery.

A countervailing trend to devolution has emerged through whole-of-government approaches. This trend has been driven by a range of factors, including developments in information technology, the increasingly 'cross-cutting' nature of issues in a globalised world, political demands for increased coordination, and public demands for better service. The aim is to create new structures, and indeed a new culture, whereby meta-organisational goals and processes replace those for individual government departments and agencies.

At its best, a whole-of-government approach can apply the state's resources to a problem in a way that focuses on the outcome, and not on turf or inputs. A 'joined up' approach also offers some opportunities to reduce duplication, and to prevent otherwise well-meaning efforts from functioning at cross purposes. However, implementing a whole-of-government approach will take time because it requires new accountability frameworks and goal-setting methods. These changes will require significant cultural change and attention to areas such as staff selection, training, performance measurement and rewards.

INCREASED POLITICAL CONTROL

It is probably no accident that a desire for greater coordination has emerged, particularly when this trend has been promoted—in part—by the desire for increased political control over the policymaking process. Political control is not new of course, but recent attempts to create a 'more responsive public service' have seen organisational, process and personnel policy initiatives that threaten the 'frankness and fearlessness' of public servants. Although future governments are unlikely to dismantle these control mechanisms, the manner in which the mechanisms are used may change.

Depending upon the importance one gives to debate and language, the 'securitization' of issues may be another political factor that drives changes in national security issues, and changes to which instruments are used to contain or defeat threats. According to this way of thinking, political leaders (or other powerful and capable figures) label issues as 'security threats' in order to provide a rationale for taking extraordinary measures against that threat. In identifying an 'existential' threat—or even merely a grave one—political leaders attempt to insulate their actions from criticism and scrutiny. One consequence of a successful 'securitization move' can be the introduction of new actors into the policy community, or changes in relationships between existing actors as the relative import of instruments change or as new structures are created. If the concept of securitization holds, then we should be looking for the definition and roles of the

future national security community in issues that are ripe for being re-defined in this way. Examples of recent issues include refugees and pandemics, and terrorism and crime; might the next series of issues include global warming, energy, social harmony or even capital flows?

The desire for greater political control, and a concomitant desire to stay ahead of the ever-faster news cycle, may also lead to an even greater role for ministerial advisers. This role has certainly grown over the past two decades, to the point where Maria Maley now argues that the functions of ministerial advisers now include scrutinising policy, coordination, negotiation and even 'surrogate decision making'.¹² It will not be a huge step to see even larger staffs act as separate or parallel policy development arms for their minister.

The Operating Environment of 2020

Given the broad forces described above, we should expect the operating environment for national security policymaking to be more focused on the public and their expectations, and to be financially tight. This environment will probably have room for new actors, while the roles of some established ones will likely change too. This new environment will need to be met with appropriate instruments and a whole-of-government approach to national security. This section examines each influence in turn.

PUBLIC CONFIDENCE IS THE CENTRE OF GRAVITY

The most important feature of this changing environment is that the public's perception of the Government's competence is the 'centre of gravity' for Australia's national security.¹³ The Australian public will only

¹² Maria Maley, "The Growing Role of Australian Ministerial Advisers" *Canberra Bulletin of Public Administration*, no. 110 (2003).

¹³ In the physical sciences, the centre of gravity is the point in any solid where a single applied force could support it; the point where the mass of the object is equally balanced. The Prussian military philosopher Carl Von Clausewitz borrowed this term to describe the way cohesive bodies can be struck and defeated. It is now used by the military to describe the 'characteristic,

be willing to pay for security measures, and absorb changes such as restrictions to civil liberties, if convinced of the government's effectiveness and efficiency. In short, the public will need to trust government. Ultimately, protecting this centre of gravity will require attention to maintaining public confidence, allowing the public to make informed judgments about the level of threat, and finding acceptable mechanisms to satisfy any emerging demands for greater accountability.

TIGHT FUNDING FOR SECURITY

Transferring the costs of heightened security measures to the government may seem viable today, especially since the Commonwealth budget is accumulating record surpluses. But a classic 'catch 22' situation may arise if unfavourable economic circumstances, promoted perhaps by increased volatility in the security environment or a major terrorist attack overseas, lead to a squeeze on budgets and increased competition for resources. It is also easy to see a 'security or welfare/health/education' dilemma as a major issue for a future election. This potential for real pressure means policymakers should start to think about ways to change public attitudes towards state-funded security, in much the same way as the attitudes towards health, pensions and education have changed over recent decades.

NEW ROLES FOR ACTORS WILL BECOME CRITICAL

The range of actors involved in Australia's national security community is potentially quite broad (see Text Box 6). The 'core' of this community has been based, for some time, on the nation's political leaders and agencies with foreign affairs, defence and intelligence responsibilities. But changes to the issues have led to change in this grouping, and today's core is joined by others with responsibilities for law enforcement, public safety, health and border protection.

capability or locality from which a military force, nation or alliance derives is freedom of action, strength or will to fight' [see Australian Army, *The Fundamentals of Land Warfare* (Canberra: Commonwealth of Australia, 2002), Glossary].

This grouping is likely to expand further in the future because the older practice of excluding actors from national security issues is slowly changing. Now, the core actors accept the need to bring state governments, the business community and academia into relevant parts of the national security policymaking process because these actors have legitimate responsibilities and capabilities to assist. The key questions concern the role that the Australian Government might want to play, how that role might change over the next ten years, and how the Australian Government will adapt to the changing role and abilities of other actors.

**Text Box 6:
What do we mean by community?**

All definitions of community assume that shared interests or goals create a common bond. These shared interests may not be particularly strong or dominant all the time; but when triggered these interests define where and when actors work together, and the relationships between them.

Thus the structure of a community is likely to take the form of a purposeful network. This network is unlikely to be rigid. On one hand, members of the community can play complementary or overlapping roles, but it is unusual for their roles to be directly conflictual or antithetical. Other members will have different degrees of involvement in a community, and some can be members of more than one community. These characteristics of members mean that the community will be constantly changing, particularly as the issues and instruments change.

INCREMENTAL CHANGE IS THE MOST LIKELY PATH

In the past, the Australian Government has been the main provider of national security through the Defence Force, intelligence services and border security agencies, and its power to make treaties. In other areas, such as aviation, the

Government has been the regulator of others who provide services for national security purposes.

It is conceivable that the Australian Government might re-assert this role as the provider of national security by raising more 'deployable' assets such as medical teams and aid distributors, or by taking complete responsibility for security at critical facilities such as airports. But this is not likely. Instead, the Commonwealth is more likely to be accepted as a coordinator of national security assets. In this role, the Australian Government could do more to clarify the responsibilities of the various state, business and community sector organisations. The Australian Government might also use funds to encourage organisations to adopt specific roles, and meet prescribed standards so that there would be a high degree of interoperability between the different providers of response capability in Australia.

Some change in the structure for national security policymaking at the Commonwealth level might also be needed. In particular, it might be worth examining how both the Attorney General's Department and DFAT discharge their responsibilities to their various constituencies, and whether it would be better to separate the functions of these departments to reduce the potential for internal conflicts of interest (Text Box 7). This issue is seen most clearly within Attorney General's, for it advocates, writes and administers laws relating to national security, while providing the means for enforcing that law. DFAT also contains a potential conflict, where it is responsible for promoting and regulating Australian trade, and promoting Australia's image and foreign relationships. Some of these interests clearly came into conflict during the recent difficulties over the Australian Wheat Board's dealings in Iraq.

AN APPROPRIATE BALANCE OF INSTRUMENTS

Australia will need instruments with enhanced flexibility, reach and effect in the operating environment of 2020. The instruments needed for consequence management are in short supply across Australia, and new technologies are

becoming more expensive. The larger state governments clearly want to be self-sufficient in some important capabilities, such as helicopter water-bombers and tactical assault teams, but others hesitate due to the cost of buying and then maintaining such expensive capabilities. While the cost of acquiring chemical-biological-radiological-nuclear-explosive (CBRNE) response technologies is increasing at present, the longer-term problem lies in the slow growth in the number of people with the skill to operate that equipment. Serious gaps will be displayed in these capabilities if Australia experiences multiple or drawn-out emergency situations.

Text Box 7

Conflicts of Interest? Not in My Backyard!

Conflicts of interest in security agencies are not purely academic or hypothetical, and they can have important implications for national security.

One example can be seen in Britain's experience during the 'Mad Cow Disease' problems of the 1990s-early 2000s. In this case, the British Ministry of Agriculture, Fisheries and Food (MAFF) failed to reconcile its conflicting responsibilities to producers and consumers; or to coordinate its activities and advice with other departments. The result was around 106 human deaths, trade disruption and significant political costs. Similar problems were exposed again within MAFF during the Foot and Mouth outbreaks of 2001. Could similar conflicts be experienced in Australia?

See: Roman Geridomis, 'The UK BSE Crisis as a Failure of Government', *Public Administration*, 82/4, 2004; and Allan McConnell and Alistair Stark, 'Foot-and-Mouth 2001: The Politics of Crisis Management', *Parliamentary Affairs*, 55/4, 2002.

Disagreements about threats may also lead to competition between national security instruments, as different 'lobbies' argue that their contribution to national security is 'underfunded' for the given threat. The Defence budget is the most obvious target in this contest, and calls to re-distribute some of that funding to areas such as policing, intelligence,

consequence management, diplomacy, foreign aid and customs are conceivable. Some may argue, for instance, that counter-terrorism funding is better spent to strengthen institutions in weak states that cannot fight terrorism alone. Other groups, such as business, may argue that funds are better spent on their products than on the Australian Defence Force or police.

BUILDING ON THE WHOLE OF GOVERNMENT APPROACH TO NATIONAL SECURITY

The last implication of the changing security environment relates to the need to build on the idea of the 'whole of government' approach to national security. This effort would see further changes to combine structural, process, relationship and cultural change to create a system across the levels of government to effectively and efficiently apply the nation's power to achieve national objectives.

Some structural steps have already been taken towards a whole-of-government approach at the Commonwealth level. For instance, the National Threat Assessment Centre (NTAC) within the Australian Security Intelligence Organisation (ASIO) aims to access and integrate relevant information about terrorist threats from Australian and overseas agencies on an around-the-clock basis.¹⁴

A model for a whole-of-government approach to developing and implementing policy might be found in the 'task force' concept that has been used for Iraq conflict of 2003 and the Douglas Wood kidnapping of 2005. This task force model has strengths, such as the ability to aggregate its participants' knowledge and provide a smoother mechanism for these people to reach into the collective knowledge of their Departments. Task forces also tend to become tight knit groups in a short period of time, particularly where the

¹⁴ All Australian intelligence agencies are represented in NTAC, as is DFAT. Nigel Brew points to the desirability of including other agencies such as Immigration, Customs and the Australian Transaction Reports and Analysis Centre (AUSTRAC) in NTAC to ensure all potential sources of information are integrated. See Nigel Brew, "The New National Threat Assessment Centre," (Canberra: Parliamentary Research Service, Research Note No. 23, 2003).

participants want to cooperate, as they develop their own norms and shared sense of mission.

However, task forces have the disadvantages of being *ad hoc* teams that take time to become effective. They generally operate out of a facility such as DFAT's Crisis Centre, so some participants may lose access to some of their information when they move to this facility. Once together, it takes time to create 'standard operating procedures', which is particularly problematic because there is no shared methodology for planning the response. An additional weakness is that individuals assigned to task forces often remain beholden to their departments and agencies for their next promotion, or at least for good references.¹⁵ Once private agencies are introduced to this mix, other problems such as commercial confidentiality and perceptions of bias will also come rapidly to the fore.

Re-organisation for specific tasks is, however, likely to be a reality of national security planning in the future. People must be well prepared for such roles if they are to be effective quickly, and the relevant departments should be well rehearsed at forming and re-forming task forces.

The whole-of-government planning system must also cope with concurrent activities, long-term operations and periodic changes to planning teams (as experts from outside government are added to assist with planning, and as people 'rotate' through postings). As a result, the system must be supported by a conceptually- and architecturally-adaptable information system, and thorough training and education.

Creating change in these areas will require those departments and agencies within the national security community to examine critically the structures for managing national security challenges, and training and developing their people. The next part of this report presents some practical recommendations for achieving positive change in these areas over the next ten to fifteen years.

¹⁵ This is, however, an improvement upon the Interdepartmental Committee (IDC) model, where individuals represented their departments and agencies at meetings.

PART II: WHAT CHANGE IS NEEDED TO MOVE TOWARDS A NATIONAL SECURITY COMMUNITY?

Anticipate and Adapt

The Australian Government can take the initiative and plan to meet the challenge of the changing environment for national security policymaking. The risk of taking some steps now is small, mainly because the shape of the future is sufficiently clear to begin an adaptation process. The principal question now is 'where to start'? Part II answers this question by describing the vision for a national security community, examining the current national security policymaking system, and identifying the main areas deserving attention over the next ten years. This part concludes with six practical recommendations for change that encompass areas such as policy, training, exercising and structure.

WHAT IS THE VISION?

The vision for the National Security Community of 2020 is: *a flexible grouping of government agencies involved with national security; with compatible cultures and complementary roles; possessing an ability to plan proactively towards shared national security goals; and links to relevant actors within and beyond Australia.*

This vision aims to convey the value of developing a greater sense of collaboration between the players and improved operating modes. A sense of community will also improve each participant's understanding of their strengths and weaknesses, and provide an impetus to improve communication between all involved. Examining the strengths and weaknesses of the existing organisation is the first step towards change and improvement.

WHERE ARE WE NOW?

It is essential to start this discussion by reiterating the earlier acknowledgment that the Australian Government is

discharging its national security responsibilities well. It is also clear that the Australian Government is looking to adapt to the threat, and that measures to assess that threat are improving.

Australia has also made significant changes to its national security system at both the political and policy levels. At the very top level, the National Security Committee of Cabinet (NSCC) has changed since the East Timor crisis of 1999. On one hand, its role and membership has become more formalised. Senior national security officials now routinely sit on NSCC, rather than just being 'invited' as necessary, and its position as decision-maker and crisis manager is unchallenged within government.

In 2002, the Australian and State Governments also changed the coordination arrangements for counter-terrorism, replacing the SAC-PAV¹⁶ with the National Counter Terrorist Committee. This committee received a broader mandate to include prevention and consequence management issues. Other changes were made to bring different organisations with complimentary tasks together. The Border Protection Command (which links some parts of Defence and Customs) is a visible example, while the National Threat Assessment Centre is more opaque but still a major step forward. More changes are in the air; and we will return to one of these—a proposed Crisis Coordination Centre—later in this report.

The effort to create a proper legislative base for counter-terrorism, and to ensure a satisfactory degree of alignment between the nine legal jurisdictions, has also been impressive. Similarly impressive has been the amount of extra money directed to intelligence agencies, Federal Police capabilities, transport security and regional cooperation.¹⁷ Taken together, the range of activities and spending undertaken since 2001 shows that the Australian Government is willing to adopt practical changes where needed.

¹⁶ SAC-PAV stood for 'Standing Advisory Committee on Commonwealth/State Cooperation for Protection Against Violence'.

¹⁷ Australian National Audit Office, "Review of the Evaluation Methods and Continuous Improvement Processes for Australia's Counter-Terrorism Coordination Arrangements," (Canberra: Commonwealth of Australia, 2005), p. 30.

Australian agencies have conducted a number of successful operations over the last seven years, and good cooperation between agencies has been an important ingredient for that success. In his review of the Tsunami response in 2004-2005, Simeon Gilding of DFAT noted how communications had improved between agencies and some pre-prepared response plans had been used effectively.¹⁸ However, good cooperation is not always assured, and one should be prepared for minor conflict when agencies are deployed on operations. One example has been documented by Lieutenant Colonel John Hutcheson in his 2005 essay about the Regional Assistance Mission to the Solomon Islands (RAMSI).¹⁹

Many agencies know that building bridges between their agency and others is very important. Some have taken initiatives already and established consultative groups and cross-departmental forums, such as the regular discussions between Customs and the Office of Transport Security, and the Emergency Management Policy Forum. Further opportunities for discussion exist in the many routine working groups, seminars and conferences conducted in Canberra and elsewhere.

Similarly, cooperation and consultation with industry, the states and external-to-government experts has also improved. These mechanisms include ASIO's Business Liaison Unit, the Trusted Information Sharing Network (TISN) and its related Infrastructure Assurance Advisory Groups, a consultative group for Australia's Muslim Community, and an expert consultative group on foreign affairs, to name a few.

¹⁸ Simeon Gilding, "Delivery of Government Policy in Times of Crisis - A Specific Reflection" (paper presented at the Government Policy and Evolution Conference, Canberra, 2005).

¹⁹ RAMSI commenced in 2003 and is still going. It is a multinational security and capacity building force led by Australia to assist the Solomon Islands Government. See John Hutcheson, "Helping a Friend: An Australian Military Commander's Perspective on the Regional Assistance Mission to the Solomon Islands" *Australian Army Journal* 2, no. 2 (2005). For more information on RAMSI, see www.ramsi.org and www.dfat.gov.au.

The Australian Government has also conducted a range of exercises and training activities. Each year since 2004, agencies of the Commonwealth and state governments have come together for 'Multi-jurisdictional Exercises' that test decision-making and responses to terrorist incidents. In addition the Protective Security Coordination Centre (PSCC) conducts a range of physical and information security courses designed to improve security knowledge across government. However, there is still some way to go before training and exercising is part of the broader government culture, before the gaps between agencies and within processes are truly tested, and before the lessons learned in these exercises are systematically incorporated into policy and practice.²⁰

Sponsorship for national security research (as distinct from defence research) is also increasing. This effort has been coordinated by a National Security Science and Technology Unit within the Department of Prime Minister and Cabinet (PM&C), which is headed by an officer seconded from the Defence Science and Technology Organisation. Other departments have also taken Defence's lead and appointed officers to coordinate their science and technology needs.

Six Areas for Change

Despite this good effort, the Australian Government needs to pay attention to six particular areas over the next ten years.

(1) COMMUNICATE THE GOVERNMENT'S NATIONAL SECURITY POLICY

The current Government has stated its counter-terrorism policies and processes very clearly.²¹ The next step

²⁰ These issues are covered in detail in Australian National Audit Office, "Review of the Evaluation Methods and Continuous Improvement Processes for Australia's Counter-Terrorism Coordination Arrangements," . This report is a good example of the culture of improvement that is emerging within the national security departments.

²¹ While it is very difficult to foresee the attitudes of future Governments, we assume those governments will want to implement national security measures in line with the assessed threat of the times.

is to articulate a broad, authoritative statement of national objectives and the means Australia will use to advance these objectives. While these 'first principles' of national security can be opaque to outsiders, even some within the Government say it is difficult to go from the broad statements of policy objectives to specific policy initiatives. They say long, and sometimes difficult, discussions are needed to identify responsibilities, coordinate action and even get 'agreed language'. Improving this understanding is fundamental to improving national security policymaking.

(2) IMPROVE UNDERSTANDING BETWEEN DIFFERENT AREAS OF GOVERNMENT

The second area is improving the level of understanding of each other between the different arms of government. The problems of coordination identified in RAMSI's earlier days were not just about turf: they were often about knowledge. Different people within agencies simply have limited experience, and so do not understand the capabilities, legislative frameworks and operating procedures unique to others. Such knowledge is very important because it allows people to understand how to work together. It also promotes attitudes where problems can be seen from different viewpoints, and provides the knowledge to understand what other agencies can do (or should be doing) to help resolve a problem.

(3) IMPROVE THE ABILITY TO WORK ACROSS DEPARTMENTAL BOUNDARIES

The Australian Government needs to improve its ability to operate across departmental boundaries. This area for improvement relates to the second area, in that better knowledge and relationships can help here too. The main issues to be tackled include improving the ability to pass agency information across departmental boundaries, the division of national security responsibilities between ministers, and the structural arrangements for coordination between Government agencies.

There is a number of factors that influence the ability of departments to work across boundaries. Privacy laws, conceptions of 'turf', incompatible data formats and security classifications are some of the most important inhibitors to the effective use of information. The incentives to overcome these issues include the obvious advantage of being able to pass real-time information to assist the speed and effectiveness of operations, and help to make the organisation more agile. Developing a 'duty to share' culture to replace the reliance on 'need to know' will assist information sharing as people think about the broader implications of new information and the agencies that might benefit from it. Change to a 'duty to share' culture must be accompanied by an appropriate knowledge management architecture and good training about other organisations so that people recognise the implications of a piece of information and have the ability to pass the information quickly to others who can use it.

(4) IMPROVE THE ABILITY TO PLAN AND SUSTAIN OPERATIONS

One of the criticisms levelled at the preparations for RAMSI in 2003 was the absence of a way to plan a 'whole-of-government' operation. One participant in that initial planning effort told the author that none of the planning team had experience in such an activity, and there was no agreed and understood way to start. The method eventually involved adapting a military planning process to the problem. The question now is, has the Australian Government overcome this deficiency, and is there a well-understood and accepted method of planning whole-of-government operations yet?

Sustaining operations is another problem. At present, very few Australian Government organisations are structured and have the resources to conduct 24/7 operations for an extended period of time without significant disruption to their normal work. A number of departments maintain watch rooms and crisis centres, with both DFAT's Crisis Centre and the Protective Security Coordination Centre sharing the responsibility for managing whole-of-government responses to national security crises.

(5) PROVIDE CONSISTENT OPPORTUNITIES TO IMPROVE ANALYTICAL AND CRITICAL THINKING SKILLS WITHIN JUNIOR POLICYMAKERS

A number of senior interviewees described the importance of developing better analytical and critical thinking skills among those coming through the ranks of the national security departments. They point to the relatively young cohort of people obtaining senior positions (a trend not seen since World War Two), which is driven by the need to increase the numbers of people employed in intelligence and policy analysis work. Examples of this growth can be seen in the plans to double the size of both ONA and ASIO over the next few years.

While interviewees were quick to praise the commitment of their more junior colleagues, they identified areas for improvement including critical thinking skills, report writing, policy development and project management. The main concerns expressed about the skills of people in the departments include not seeing relationships between issues, not seeing the broader implications of issues, a need to improve the understanding of processes, and giving people more tools to analyse problems and develop creative solutions. The same senior leaders could not identify existing programs to fill the gaps. On the other hand, some were not worried about the level of skills: they were more critical of the lack of attention given to staff development by many senior officials. It is clear that staff training, education and development is a major issue for the future.

(6) IMPROVE THE GOVERNMENT'S LINKS WITH BUSINESS, ACADEMIA AND COMMUNITY ON NATIONAL SECURITY

Given that much critical infrastructure and security instruments are in private hands, that a number of service providers for consequence management are non-government organisations, and the quality and quantity of analytical skill that lies outside Government, it is essential that Government develops stronger links to the other sectors of the national security community.

These six ‘areas for change’ cover national security policymaking in its broadest sense, but they do not amount to a call for a radical overhaul of the system. And even where the need for change seems greatest—in the area of planning and sustaining operations—even small changes to existing structures, processes and training would lead to significant improvements. For example, creating a manual for planning ‘whole-of-government’ operations would be helpful as a minimum; while a single, shared crisis management centre could save significant resources while promoting inter-departmental cooperation. The final section of this report aims to present six modest changes that, if implemented over the next ten years, will improve the Australian Government’s ability to manage the future security environment.

Six Practical Recommendations for Creating a National Security Community

RECOMMENDATION 1: CONDUCT A FEASIBILITY STUDY INTO A ‘NATIONAL SECURITY STRATEGY’.

The Australian government often presents their intentions, resource allocation decisions and development priorities in public documents such as ‘White Papers’ and other statements and speeches. Some, such as the 2000 Defence White Paper and Prime Minister Howard’s November 2002 speech on national priorities,²² attempt to unify policy initiatives for a portfolio or state the Government’s broad priorities to the public. In other cases specific plans (or parts of them), such as the National Counter Terrorism Plan and aspects of disaster planning, are also publicly available.

However, there is no statement—public or classified—to unify the work of the various instruments that promote national security in Australia. Indeed, some key ministers tend to equate national security with counter-terrorism. This is a limiting view, for it means that the external dimension of national security is mainly considered through this relatively

²² This speech was entitled ‘Strategic Leadership for Australia – Policy Directions in a Complex World’ and is available from www.pm.gov.au.

narrow prism. The lack of an overarching statement also effects work within the Australian Government—at its various levels—which means that the reasoning behind the current division of funding between law enforcement, intelligence and military force is not clear. It can therefore be difficult for some to understand why policing, customs and cyber-security (as examples) do not receive higher levels of funding, and why forces primarily designed to defend Australia against conventional attack receive substantial funding. It is also unclear whether other longer-range security issues, such as climate change or environmental degradation, are integrated into current thinking or planning. Another consequence is that non-government sectors, such as businesses and community groups, must develop their respective contribution to the broader field of national security based on market forces.

Over the past twenty-or-so years, a number of Australian analysts have called upon the Government to develop, and then publish, a National Security Strategy. Some are so confident that they want to jump straight to a white paper. The main line of argument advanced for this proposition is that the most likely and most significant threats to Australia's physical and economic security are now more likely to involve disease, crime, border incursions and terrorism, rather than direct military attack. Proponents argue that the expanding range of threats makes the traditional means of communicating the government's goals and priorities, such as Defence White Papers look one-dimensional and far from comprehensive.

At other times, proponents of a national security strategy have pointed to the need to align effort within Government, and provide guidance so that lower-level officials can assign priorities. Others point to the way a 'strategy' would clarify policy aims and so promote opportunities for anticipatory action, and how a strategic document would help to overcome narrow sectoral claims. This last point becomes especially important as the breadth of security issues increases, the external/domestic security divide blurs and more departments become central to protecting Australia's interests.

Another issue is the strong criticism of ‘short-term thinking’ about security issues within Australia.²³ Proponents of this view claim that three-year election cycles and the daily media battle dominate thinking and responses to issues. The lack of a validated and trusted mechanism for such thinking could also be added, as few senior leaders seem willing to base policy recommendations on what may or may not occur in ten-to-twenty year’s time. So despite having considerable support, the idea of a published national security strategy has failed to gain traction.

The lack of traction can be attributed to the persuasive arguments against a national security strategy. For instance, it is worth asking what a published strategy would actually say. Policy goals are sensitive, and once stated a government loses some advantage as the ambiguity and ‘wriggle room’ is reduced. Declaring policy can also cede the initiative to adversaries. The incumbent Coalition Government is disinclined to have its hands tied by doctrine; it values the freedom to react to events or take opportunities without being reminded about what ‘the white paper’ or other policy documents contained. It might also be difficult to gain consensus within the Government and the major departments about the relative priorities of a written strategy, as any major revision is likely to result in a redistribution of resources—and so create winners and losers.

It seems like the ‘cons’ are leading at the moment, and this will continue to be the case for as long as we do not know what a National Security Strategy looks like. This could be changed, however, if a process was developed for exploring the idea of a national security strategy in a way that does not commit the Government before its implications are understood.

Some have suggested that the government create a ‘green paper’ (or policy discussion paper) to test the idea of a national security strategy. However, even this instrument is likely to prove too sensitive to employ on this subject. So

²³ This issue was underlined at the Kokoda Foundation’s 2005 conference [see Beveridge, “Australia’s Future Threat Space”: pp. 54-55].

instead, the first recommendation of this report urges the Government to commission a two-part study into the feasibility of developing a national security strategy by external experts. The first part would be a scoping study that identifies the range of issues that might be covered in a national security strategy, then consults with a wide range of Government and non-government groups to determine the desirability (or otherwise) of having a strategy. This study would also identify options for presenting longer-term issues to Government. The consultation phase could refine the issues further so that the Government is able to identify the main issues, the stakeholders and the areas of most contention.

Once part 1 is complete and validated, part 2 of the project would prepare a 'trial' national security strategy document. This document would allow the Government (most likely Cabinet's National Security Committee) to gauge whether the strategy could actually help them manage national security.

The recommended method of preparing this report is to commission a group of think-tanks and academics to conduct the study over a twelve-month period. The study team would consult officials from all levels of government, as well as other representatives of the 'national security community', before producing a non-partisan and public report. It could be funded through the Australian Research Council as a grant, or through the National Security Science and Technology Unit research and development grant program. A third option would be for a research consortium to provide staff and facilities for the study, with support from the Government or PM&C.

This approach offers a politically and practically feasible way to examine whether a national security strategy is worthwhile. The approach has real benefits because it would remove the workload from government agencies, and create an appropriate distance between the study team and the Government. The project would therefore produce an arms-length document, which the Government can accept or reject without being criticised for rejecting official advice. This approach would also increase the chances of creating a report that reflected the best ideas, rather than institutional positions.

RECOMMENDATION 2: PLACE THE RESPONSIBILITY FOR DOMESTIC SECURITY UNDER A ‘MINISTER FOR LAW ENFORCEMENT AND DOMESTIC SECURITY’

Australia’s Attorney General has long been an important figure in national security, mainly due to this senior minister’s responsibility for security intelligence, law enforcement and international law. However, the increased—and in all likelihood, increasing—focus on domestic security instruments and legislation makes it worth considering whether the existing split of portfolio responsibilities between the Attorney General and his ‘junior minister’ is efficient and in the best interests of democracy.

There are some anomalies with the exiting division of responsibilities. At present, the Attorney General is responsible for national security, security coordination and critical infrastructure protection among his many ‘issue areas’. In order to achieve this, he controls ASIO, the PSCC, a policy body for infrastructure protection and Emergency Management Australia (EMA). The Minister’s other responsibilities are diverse and include administrative law, family law and constitutional law (see Text Box 8).

On the other hand, the Minister for Justice and Customs is responsible for protective security, airport security, crime prevention and cyber crime. This minister is also responsible for instruments including the AFP, CRIMTRAC, AUSTRAC, Customs and the Australian Crime Commission (ACC),²⁴ as well as policy areas including criminal law.

While this division may work in times when ministerial cooperation and cohesion is high, this arrangement may be more difficult to manage at others when agencies have two masters. This split also contains attendant risks for coordination, responsiveness and accountability at the departmental level and between ministers.

²⁴ The Australian Transaction Reports and Analysis Centre (AUSTRAC) is Australia’s anti-money laundering regulator and specialist financial intelligence unit (see www.austrac.gov.au). CRIMTRAC is an information service that delivers national policing information services; advanced national police investigation tools; and national criminal history record checks for accredited agencies (see www.crimtrac.gov.au).

Counter-terrorism intelligence illustrates this issue. In Australia's case the major counter-terrorist intelligence organisation, ASIO, reports directly to the Attorney General. At the same time, other organisations that contribute to Australia's counter-intelligence intelligence gathering and analytical capacity, including the agencies identified above, all report to the Minister for Justice and Customs.²⁵ It may be that these arrangements work well—even the Flood Report of 2004 accepted that relations between ASIO and AFP were 'never closer'.²⁶ This comment implies, however, that Australia has experienced periods where this critical relationship was strained. This cannot be allowed to re-occur in the future, and one way to help prevent a repeat is to place these organisations under a single minister.

There is also value in separating the functions of drafting legislation from enforcing it, as this type of arrangement ensures that a single minister is not trapped in a conflict of interest between protecting the rights of Australian citizens and facilitating the work of the law enforcement and security agencies. Separating these responsibilities, along the lines suggested, would reduce conflicts of interest as the two ministers would represent different constituencies in Cabinet.

Some have suggested creating a 'Department of Homeland Security' to enhance coordination and improve effectiveness. Others have suggested creating a 'Coordinating Minister for National Security', along the Indonesian model, to bring the departments closer together. Neither option is necessary or optimal for Australia because they involve a very different ministerial culture or require a new department. Instead, this report's second recommendation is to re-align the responsibilities of the Attorney General and the Minister of Justice and Customs, so as to separate the responsibility for drafting law from the responsibility for enforcing it.

²⁵ It should be noted that all Australian intelligence agencies play some role in counter-terrorism, but this paper does not propose a merger of all agencies involved in this effort.

²⁶ Phillip Flood, "Report of the Inquiry into Australian Intelligence Agencies," (Canberra: Australian Government, 2004), p. 75.

Text Box 8: Realigning Ministerial Legal and Security Responsibilities

Now	
Attorney General	Minister for Justice and Customs
<p>National security</p> <ul style="list-style-type: none"> • ASIO • Director of Public Prosecutions • Electronic transactions regulation • Emergency Management Aust. • International law • International Criminal Court • Protection of critical and national information infrastructure • National security and counter-terrorism • National Security Hotline • Protective Security Coord. Centre • Security coordination • Telecom. Interception • Tracking and listening devices <p>Other responsibilities</p> <ul style="list-style-type: none"> • Administrative Law • Bankruptcy law • Classification • Copyright • Community Legal Services • Constitutional issues • Courts, Tribunals Judiciary • Family law • Freedom of Information • Human rights • Insolvency Trustee Service Australia • Law reform, legal aid, legal profession, legal services. • Native title • Office of Part. Counsel • Portfolio Budget • Privacy law • Pro Bono legal assist. • Royal Commissions • Standing C'tee of Attorneys-General 	<p>National security</p> <ul style="list-style-type: none"> • Airport physical security • Anti-money laundering strategy • AUSTRAC • Australian Crime Commission • Australian Customs Service, including Coastwatch • Australian Federal Police • Australian Institute of Criminology • Australian Protective Service, including Air Security Officers • Australasian Police Ministers' Council • Intergovernmental committee on Aust. Crime Commission • Protective security <p>Other responsibilities</p> <ul style="list-style-type: none"> • Conference of Corrective Service Ministers • Criminology • Crime prevention • CrimTrac • Cybercrime • Drugs strategy • Extradition • Federal Prisoners • Firearms • Forensics • Fraud policy • International Prisoner Transfer Scheme • Juvenile diversion program • Ministerial Council on Drugs Strategy • Model Criminal Code • Mutual Assistance • Police and police liaison • Proceeds of Crime

Future	
Attorney General	Minister for Domestic Security and Law Enforcement
<ul style="list-style-type: none"> • Administrative Law • Appointments • Bankruptcy law • Classification • Copyright • Community Legal Services • Constitutional issues • Courts, Tribunals and the Judiciary • Criminal law • Director of Public Prosecutions • Electronic transactions regulation • Evidence Act • Extradition • Family law including marriage celebrants • Freedom of Information • Fraud policy • Human rights • Insolvency Trustee Service Australia • International law • International Criminal Court • International Prisoner Transfer Scheme • Law reform • Legal aid • Legal profession and legal services coordination • Model Criminal Code • Native title • Office of Parliamentary Counsel Portfolio Budget Privacy law • Pro Bono legal assistance • Proceeds of Crime • Royal Commissions • Standing Committee of Attorneys-General 	<ul style="list-style-type: none"> • Airport physical security • Anti-money laundering strategy • ASIO • Emergency Management Australia • AUSTRAC • Australian Crime Commission • Australian Customs Service, including Coastwatch • Australian Federal Police • Australian Institute of Criminology • Australian Protective Service, including Air Security Officers • Crime prevention • CrimTrac • Cybercrime • Drugs strategy • Federal Prisoners • Firearms • Forensics • Intergovernmental committee on Australian Crime Comm. • Ministerial Council on Drugs Strategy • Mutual Assistance • Police and police liaison • Protective Security Coordination Centre • Security coordination • Protection of critical infrastructure and national info infra. • National security and counter-terrorism • National Security Hotline • Telecom. interception • Tracking and listening devices • Protective security

Under the suggested future arrangement, all of the existing agencies would remain in the Attorney General's department portfolio, as they do today. Similarly, the Attorney General would remain the Commonwealth's senior law officer. The Attorney General's focus would, however, turn to the legal and legislative aspects of the portfolio. The new minister, perhaps called the Minister for Law Enforcement and Domestic Security, would take responsibility for the nation's major law enforcement instruments, and the bodies currently used to coordinate counter-terrorism and consequence management. This new Minister should be included in the National Security Committee of Cabinet, and should be the minister responsible for managing any terrorist incident or natural disaster (given the move to an 'all hazards' approach for consequence management) beyond the capacity of state governments. At this stage, the Minister for Law Enforcement and Domestic Security would not be responsible for crises with significant external dimensions, leaving the National Security Committee with responsibility in those cases.

RECOMMENDATION 3: DEVELOP AN OPERATIONAL STRATEGY AND DEVELOP AN ORGANISATION THAT CAN PLAN PROACTIVELY.

A national security strategy will provide a coherent statement of Australia's objectives, and an allocation of resources to protect or advance these objectives. However, the dominant subject of most writing about assigning resources to achieve strategic goals has been concerned with the application of military resources. This leaves a gap in Australian thinking about the application of national power—where military power is but one component and one tool among many—to achieve political objectives.

One recent thread of thinking about how to broaden the way national power can be applied is known as 'effects based strategy' (EBS).²⁷ Broadly speaking, EBS (also described as a 'national effects-based approach' within

²⁷ The Kokoda Foundation has attempted to expand upon the basic concept in the 2006 special edition of *Security Challenges* entitled 'Effects Based Strategy'. See www.kokodafoundation.org

Defence) 'synchronises all elements strategic environment by focusing on the effects generated by inter-dependent elements of national power and not the means of delivery of that power.'²⁸ This approach seeks to ensure that the most appropriate means, or combination of means, is employed to secure national security goals.

There are four main differences between older conceptions of grand strategy and EBS:

- Firstly, EBS is conducted in situations inside and outside conflict. The need to be constantly 'shaping and influencing' a situation—that is, creating effects—to achieve strategic advantage leads to an ongoing requirement for 'operations', albeit operations with different styles and tempo.
- Secondly, the military is not always the lead agency for achieving national security objectives. Means as diverse as police, the schooling system, clandestine operations, economic manipulation, cultural attraction and military force could be used to achieve strategic objectives in an effects-based approach. This approach provides the means to make the most economical use of resources as well.
- This approach and focus beyond 'kinetic solutions' creates the third major difference because it brings a whole range of 'soft power' instruments to the fore. The essence of effects-based thinking is therefore not how a nation can achieve its aims by the use of military force, but in the way information or economic power could be used in place of force to achieve a similar effect. Effects-based thinking opens the way to employ non-military instruments, such as auditors, judges, police and teachers to promote desired behaviours—such as respect for the rule of law—in places that tend towards violence or instability.

²⁸ Directorate of Future Warfighting, *Effects Based Operations Concept Paper*, 2005.

- Fourthly, EBS considers the broadest range of threats. For example, it is worth remembering that Australia's strategic policy (or strategy), as set out in the Defence's capstone doctrine publication, 'is aimed principally at preventing or terminating coercion or armed attack against Australia and its interests'.²⁹ This view is already dated—only five years after it was published. EBS allows decision makers to link broader means, such as protection from domestic threats, economic prosperity and border protection.

A viable strategic philosophy must recognise that both military and non-military elements of national power are always being applied—to different degrees—to further Australia's interests. This means any philosophy must be applicable through all situations, particularly those outside conflict. The ongoing nature of activity makes continuous planning essential, and also heightens the importance of continual assessments of operational effectiveness.

A third recommendation is for the Australian government to put more effort into defining and experimenting with EBS so that a capacity for 'national operations' can be developed. This is worthwhile because EBS appears to be well suited to reconceptualising strategy for today's demands. However, creating a capacity for national operations would require significant changes to the way Australia develops detailed plans to protect its interests. Some changes include:

- a view that Australia applies national power through a plan that moves through different stages, rather than generalised policies;
- closer, ongoing interaction between strategic planners who represent different elements of national power, rather than committees where members represent different departments;

²⁹ Australian Defence Force, ADDP-D Foundations of Australian Military Doctrine, May 2002, p. 2-5.

- moving operations planning from a crisis model toward an ongoing process of shaping the environment toward favourable outcomes;
- an ability for intelligence, policy and operational communities to work more closely together when developing and amending operations plans—including deliberate plans and contingency plans;
- close cooperation through the implementation/execution phases;
- an ability to share information (and perhaps sensitive intelligence) with private companies such as those involved in critical infrastructure protection and physical security roles, and non-government organisations (NGO) involved in stability or humanitarian operations;
- a clearer understanding of the probable and actual consequences of the actions of Australian and other relevant actors; and
- an increased focus on the social and psychological aspects of conflict and catastrophe.

Developing a concept for national operations and the articulation of a national security strategy will help the Australian Government to meet its most important challenge right now: thinking ahead, thinking across departmental boundaries, and thinking creatively about problems.

RECOMMENDATION 4: INSTITUTE A TRAINING PROGRAM TO RECRUIT, EDUCATE AND RETAIN 'NATIONAL SECURITY PROFESSIONALS'.

A fourth recommendation is to develop a program to attract, educate and train the next generation of national security professionals.

The first part of this problem is attracting sufficient numbers of high quality candidates to national security agencies. This is a significant issue, particularly in times of relatively high employment and the highly attractive salary

packages that good talent can attract on an increasingly global employment market. Good jobs mean more than good wages, of course, and people entering the workforce are often looking for challenging employment and ways to contribute to society. This is a plus for the national security community. Other pluses for the national security community are the high levels of debt that undergraduate students accumulate during their studies (which are often five-year double degrees today) and the huge up-front costs associated with home ownership. Offering help to young people with these twin issues might be a great way of attracting quality candidates to national security agencies and retaining them for extended periods.

Once employed, aspiring professionals need dedicated training in national security issues. At present, this type of training is offered on a department-by-department basis as part of graduate recruitment programs. Those who join departments at slightly higher (or lower) levels often only receive a basic induction that provides information about the portfolio area, and little if anything about the national security broader community and its issues. As a result, this initial training tends to be narrowly focused and makes little or no contribution to helping a new entrant understand national security as a whole. This problem is extended to more experienced professionals as well, for the opportunities for them to receive post-entry level education on national security issues are also limited.³⁰ This situation must be corrected because, under modern conditions, education is the most effective and efficient way of spreading the knowledge, values, language and culture essential to creating a community.

Australia, and Canberra in particular, has a number of excellent academics, while the courses on offer have real strengths. For one, students receive very good information on a variety of issues that are relevant to national security. They are also taught the importance of questioning assumptions,

³⁰ General public administration and management education is widely available, but at the moment most training for national security professionals is generic to the public service or tailored to the needs of individual departments. Defence is one of the few with an education continuum, but this is focused on their specific needs.

and provided with tools to conduct thorough critiques. Secondly, there is some 'practical' content as some courses teach Cabinet Submission and intelligence estimate writing. Some offer opportunities to develop public speaking skills as well. Thirdly, current educational programs provide some opportunity to build a network among students.

But these courses also have significant limitations. One is that all university courses are conducted at the unclassified level. Further, the 'approach' (particularly at undergraduate level) is often skewed towards the opinions and philosophy of the lecturer – which is not always going to result in people who understand the issues from a perspective that is useful to government. The networking opportunities can be useful, but they are not necessarily efficient or effective because the people on the courses are 'self selected'. In reality, many participants are trying to establish themselves in the field and it may take a long time before they reach a position where they will play an important role across departments. Thus the friendships made and the network developed at university may be useful for improving inter-departmental cooperation in the future, but it is far from certain that such an effect will be achieved.

Externally-delivered courses in public administration are also good for creating knowledge, contacts and promoting shared values. But the knowledge is generic, and does not provide participants with a deep understanding about the detailed structures, processes and norms associated with national security. Lastly, job-specific writing is secondary to the academic requirement to write essays and sit exams. Consequently, the opportunities for writing brief, succinct and job-relevant papers are being slowly replaced by assessment using other styles of written communication.

There are many other options for delivering relevant and effective education and training using a mix of delivery modes. On the low-cost side, the training might simply come in two- or three-day courses designed to teach the basics of structure, process, agency roles and physical security. This may be a course offered by PSCC or the Australian Public

Service Commission. The level of information could be pitched at either entry-level or the Executive Level.

More advanced courses might offer specific education on national security issues, including the conceptual basis and history of those issues; and go more into depth about agency roles and capabilities. Further units could include analytical skills and communication tools. This training could be delivered as an adjunct to existing management courses run by the Australian Public Service Commission, run as an in-house course in partnership with a university, or run as a series of informal seminars.

The 'ultimate', in terms of depth and cost, would be to create a 'national security college'. Perhaps based on Defence's staff college model, this course would aim to build cohorts of national security professionals who are able to work together, have the skills to produce high-quality policy advice, and then to guide implementation. State Governments and even a few businesses might also find such training worthwhile too, but the main focus would be Commonwealth officials. While this course and college would take some time to create (perhaps five years to scope and develop), it is certainly worth commissioning a project team to consider the proposal and gauge the level of interest within Government.

While education achieves significant economies and effect, cross-placements are an excellent way to develop an individual's knowledge of other departments. There is already a degree of mobility between departments, with postings to DPM&C, intelligence agencies and ministerial officers being highly sought-after and valuable for career-enhancement purposes. But the rules governing selection on merit stifle the ability to transfer people to gain experience. As a result, only a small number of transfers are departmentally-planned transfers. This means people can easily be lost to the department or agency that trained them, as people go looking for promotions or more challenging positions elsewhere.

Education and career development opportunities are part of the retention puzzle, but other issues will need to be addressed. This report has not considered this specific issue,

but it is clear that an examination is needed. Such an examination should consider whether it is feasible to create a 'Reserve' system for national security professionals, so they can continue to provide a more limited service after their full-time career in the Australian Government has ended. Another important question revolves around the selection of national security professionals, as the quality of a person for senior positions may be difficult to determine from past performance (or past performance appraisals). These questions deserve further research.

RECOMMENDATION 5: CREATE NEW MECHANISMS TO IMPROVE OUTREACH TO BUSINESS AND THE COMMUNITY.

The 'whole of government' approach to national security is a stepping stone rather than a destination. This is because business and the community are essential contributors to national security.

The importance of these sectors has been discussed earlier in this report, and it is worth recalling that the Government needs businesses, the not-for-profit sector and the community to implement national security policy. It is also important to recall the efforts that the Government is currently making through TISN and other agencies. However, it is highly probable that the Government will, in the not too distant future, also want to use the expertise relevant in business, think tanks and academia to develop national security policy as well.

Consultation with these groups is therefore very important, as is finding ways to use their knowledge and skills. But consultation is time consuming, and therefore expensive. It can also be hard to identify the 'most effective' groups to consult with. Concerns over legal issues, including indemnity, remain too.

Likewise the knowledge held by business can be difficult to obtain. There are commercial sensitivities involved with disclosing proprietary information as businesses rely on this for commercial advantage. Conversely, it would be impractical at this time to try to create an open system of national security information exchange between the

government and the community. Some secrecy will always be needed to protect intelligence methods and sources, and to ensure threat groups do not receive advance warning of investigations and operations. Despite these problems, real strides have been made in information sharing between the Government and public and some efforts are being made to provide better training and awareness for national security.

Thus, a fifth recommendation is to build on current engagement efforts by creating dedicated 'national security outreach officers' within each relevant department of the Australian Government (or within PM&C and Attorney General's at a minimum). These outreach officers would provide the interface between the policy officers and the other members of the broader community. They would be tasked to build a network that can listen to concerns, provide information and, where necessary, conduct first-order consultation about national security.

These officers would also be well-placed to take information back into the national security departments and intelligence agencies, especially if they become trusted. They should not replace normal state-to-Commonwealth government liaison however, as the volume and specialised nature of this information warrants continued close cooperation between the most relevant officials.

RECOMMENDATION 6: ESTABLISH THE CRISIS COORDINATION CENTRE – THEN EXPAND ITS REMIT.

Realigning ministerial responsibilities, as discussed in Recommendation 2, is one way of improving Australia's ability to manage national security crises. However, Ministers should expect good support from their officials in terms of information, options and implementation. This support is important at all times, but it will be particularly important if multiple crises need simultaneous attention.

The sixth recommendation of this report is to encourage the Australian Government to establish a 'Crisis Coordination Centre' (CCC) for domestic security purposes. This could be done, in the first instance, by amalgamating the

PSCC and EMA's Operations Room to create an all-hazards, preparedness-prevention-response-recovery management team that becomes the focal point for information to the National Crisis Committee, and direction to the operational agencies.³¹ It might also be possible to integrate other agencies into the CCC over time, such as the Office of Transport Security and perhaps the Office of Health Protection, and provide space for liaison officers from other government departments and agencies.

This type of arrangement would be very beneficial to national security. For one, it allows the Government to use the existing resources efficiently, and deepens the expertise and authority of both this committee and potentially the Attorney General's Department. It is likely to improve coordination, and ensure the hand-over between incident management and recovery is smooth. A CCC that includes agencies beyond the Attorney General's Department could also play a critical role in educating and preparing the national security community.

However, this model is likely to have weakness because it remains essentially reactive, is unlikely to provide for any formal authority over the necessary actors, and draws on the outdated paradigm of security where external and internal threats are clearly delineated. Including agencies from Departments other than the Attorney General's would also result in complex ministerial arrangements.

Despite these concerns, a 'minimalist' CCC should be feasible and it should be encouraged. Yet establishing it and making the centre effective will not be easy. Bedding a new organisation such as this will require detailed training, a thorough exercise program, agreed procedures for smooth internal functioning, and programs to facilitate internal cultural adjustment. Just as importantly, the new centre will need to be introduced to the rest of the national security community and the rest of government. This will require an additional change

³¹ The National Crisis Committee provides whole-of-government support to the National Security Committee of Cabinet and the Secretaries Committee on National Security. It is also the major link between the Commonwealth and relevant state government Crisis Centres. The NCC is itself supported by the Protective Security Coordination Centre (PSCC).

management program that informs the broader community about the CCC's responsibilities and roles, and the line of reporting. This information will be necessary to manage expectations inside and outside the centre, and to generate external acceptance. Acceptance is essential and should not be assumed, because this centre will undoubtedly tread on others' turf, reduce departmental autonomy, and potentially portray a 'larger than life' chimera of control.

Once successful, the Government should expand the role of this centre into a national security coordination centre. It should assume the coordinating role now often played by the DFAT crisis centre or *ad hoc* committees such as Alan Taylor's committee during Timor in 1999. The centre should be tasked to provide situational awareness for NSCC, coordinate policy options for NSCC, and monitor implementation. This centre could, in time, provide the capacity to conduct national operations. It could also lead national exercise to test different contingencies.

While a standing coordination centre might seem expensive, its 'all hazards' remit makes sense in times like these. It is certainly superior to having to create a new body to manage a whole-of-government approach every time a crisis occurs.

CONCLUSION

The national security challenges facing Australia are constantly changing. New threats are emerging or existing ones are joining together, while the operating conditions are becoming more complex. One of the biggest sources of change is going to come from what society expects of government, in terms of what and how 'security' is delivered. The government knows these expectations will be formed by a public that is better informed and more critical than ever.

To its credit, the Australian Government has done a great deal over the past eight years or so to improve national security planning and capacity. A number of positive steps have been taken, including changes to decision-making and operational structures, injections of resources into critical areas, and increased Commonwealth-State cooperation. Improvements have been reported in the important areas of inter-agency cooperation and coordination too.

The next logical step is for the Australian Government to see itself as one part of a national security community. This progression in thinking can be achieved through some small, 'low regret' changes in training, process development and exercising. Some new modes for discussion will be required so that more sectors can make contributions to security: discussion that will also allow the Government to understand community concerns more directly.

The six recommendations of this report are not aimed at overhauling the entire system, but they are aimed to build knowledge, information sharing and a culture of collaboration. While good places to start, these improvements will not go far enough to meet the demands of the future security environment. The Australian Government also needs a better way to develop comprehensive plans that employ the full range of national assets, and to manage ongoing operations.

Implementing these recommendations need not be resource intensive. Most are scaleable, and could be introduced incrementally. Of the recommendations, the priority should go to better training, as this helps people to understand

other agencies, work across boundaries, and build strong networks. After that, the suggestion for an arms-length study into the feasibility and content of a national security strategy should also be considered as a low-cost, yet comprehensive way of determining Australia's future national security policy needs. Likewise, a pilot program for national security outreach officers could be introduced using a small investment of funds, training and trust.

Devoting more resources for educating professionals for the national security community is further up the scale of commitment. The culmination of this idea, a national security college, is surely warranted but it need not provide the starting point. Incremental improvements could be made instead. For example, a seminar series delivered to an invited audience of up-and-coming professionals would be a small and modest start. If this proves worthy but insufficient, other options such as dedicated courses at an established institution could then be examined. Once again, there would be time to assess the need and scope for a dedicated college that gave people the knowledge, skills and attitudes needed to be leaders within an expanded national security community.

The last recommendation will require significant change though. Creating a Crisis Coordination Centre for domestic incidents, and then expanding its scope, authority and capability will cut across turf and make accountability challenging. But the development, over time, of a national security coordination centre for domestic and international issues would undoubtedly save resources, allow expertise to be pooled, and provide a single, authoritative source of advice for the National Security Committee. Whatever is done here, a good change management strategy will be essential so that all concerned get understand the centre's role and function.

These small changes would bring significant benefits to the government, primarily in the cohorts of young professionals who see themselves are part of a large, professional and essential team. We also think a team guided by agreed priorities and an inclusive strategic philosophy will improve Australia's ability to anticipate change, and assess its effects upon our national interests.

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Annex A

Participants in National Security 2020

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Malcolm Farr, The Daily Telegraph
Matthew Harper, ACT Emergency Services
Jim Henry, ACT Government
Richard Hodge, Booz Allen Hamilton
Assistant Commissioner Nick Kaldas, NSW Police
Brett Pepler, Intelligent Futures Pty Ltd
Brendan Ross, Oxfam Australia
Dr. Alan Ryan, Noetic Solutions Pty Ltd
Lieutenant Colonel John Staite, Salvation Army
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The Kokoda Foundation

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The Kokoda Foundation has been established as an independent, not-for-profit think tank to research, and foster innovative thinking on, Australia's future security challenges. The foundation's priorities are:

- To conduct quality research on security issues commissioned by public and private sector organisations.
- To foster innovative thinking on Australia's future security challenges.
- To publish quality papers (*The Kokoda Papers*) on issues relevant to Australia's security challenges.
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