



# **SUMMARY AND CONCLUSIONS**

## **Report of the Review of Homeland and Border Security**

**4 December 2008**

This document outlines the summary and conclusions of the Report of the Review of the Homeland and Border Security which was undertaken by Mr Ric Smith AO PSM and presented to the Australian Government on 27 June 2008.

## SUMMARY AND CONCLUSIONS

At any time Australia faces threats from a range of sources which in different ways can put our institutions of state, our people, our economic assets and our technology at risk. These hazards include espionage, foreign interference, terrorism, politically motivated violence, border violations, drug trafficking, cyber attack, organised crime, natural disasters, industrial accidents and biosecurity events. In 2008–09 the Australian Government will spend an estimated \$4–4.5 billion in countering, mitigating and responding to these hazards.

Some of the threats Australia faces are as old as our society. Globalisation has however magnified many of them and enabled new ways of delivering them. It has also generated new threats. At the same time, expectations of government have grown, and the pace and velocity of government business have increased.

One response to these changes would be to create new organisations or merge existing ones—some countries have done this. This approach raises several risks. It could disrupt unduly the successful and effective work of the agencies concerned and create significant new costs. Large organisations tend to be inward-looking, siloed and slow to adapt, and thus ill-suited to the dynamic security environment. For a number of the agencies concerned national security considerations are embedded with a broad range of other service delivery, policy, program and regulatory functions which could be jeopardised by restructuring them around their security roles.

The other response would be to recognise and build on the strengths of existing institutions but to identify weaknesses and address them. This is the approach this Review considers is more appropriate for Australia. It has several benefits. It would recognise that our existing arrangements are generally effective and that for the most part our departments and agencies are working well with each other. Above all, the smaller, separate agencies which comprise this model are likely to be more agile and accountable than large agencies.

In building on the existing Australian model, two things are required. First, the departments and agencies concerned, both those dedicated to security functions and those which contribute to national security as well as performing other functions, should be regarded as a community. This is important both to enable the Government to make strategic judgements across a wide range of hazards, including on the allocation of resources, and to ensure that the agencies benefit from access to each others skills, experience and other capabilities. Second, the departments and agencies concerned must be well connected and networked, and cultural, technical and other barriers minimised.

### Strategic framework, leadership and connectedness

While Australian Government agencies are committed to whole-of-government performance and generally understand their roles in the broad national security community, there is a need for an overarching policy framework and for strategic direction. Such a framework would better equip the Government to plan and evaluate the activities of agencies and to ensure targeted resource allocation that reflects current priorities.

These needs could be addressed through periodic statements by the Prime Minister about the Government's approach to national security, and the articulation of its strategic priorities. Strategic direction would be reinforced by reporting on whole-of-government outcomes and

decision-making enhanced by a coordinated national security budget submission which would provide more rigorous cross-portfolio data than is presently available.

The appointment of a National Security Adviser, with a deputy, in the Department of the Prime Minister and Cabinet would provide a new level of leadership and help ensure that agencies are properly joined up. The NSA's focus would go beyond coordination and committees—which could in fact be streamlined—to promoting a cohesive national security community culture, including through training, secondments and joint units. The NSA would also facilitate the Commonwealth's work with the states and territories which contribute many of the powers and capabilities needed to support the national security effort. The Attorney-General's portfolio would continue to be a locus for a wide range of national security issues within the Commonwealth.

This better integrated and more strategic approach would be supported by broadening the mandate and membership of the Secretaries Committee on National Security to embrace the full range of national security issues. Within SCNS itself and in the National Security Committee of Cabinet there should be scope for more forward looking strategic policy discussions. Key areas for this high level whole-of-government deliberation could include strategic policy frameworks for border management, the role of the Commonwealth in combating serious and organised crime, national intelligence priorities across the foreign, defence, security and law enforcement domains, and a national security science and innovation strategy.

While crisis management by the Commonwealth has generally been done well 'on the day', the current hazard-specific approach and the absence of consistent national arrangements for handling significant crises exposes the Government to several areas of vulnerability. The role of the existing National Crisis Committee should be expanded to provide the Australian Government with an all hazards central coordination body equivalent to those in other jurisdictions, and appropriate crisis management facilities created both for ministers (an Australian Ministerial Briefing Room) and for operational coordination by officials (a Crisis Coordination Centre).

The increasingly enmeshed nature of foreign, defence, security and law enforcement intelligence points to the need for a single, overarching framework for national intelligence coordination and priority setting. There is also a need for a closer relationship between the Australian Intelligence Community agencies and the intelligence analysis units established within non-AIC agencies in response to newly emerging threats. In an environment in which the sharing of intelligence and data is critical, intelligence and law enforcement agencies must ensure that their relationships are seamless.

While there have already been significant improvements in access to national security information, some legislative, technical and cultural barriers to information sharing—within and between governments and the private sector—remain. These should be addressed by the NSA, supported by a National Security Chief Information Officer. Leadership will be critical in creating the appropriate culture and fostering the mindsets required to achieve greater integration across the national security community.

## The agenda beyond terrorism

Particularly since 11 September 2001, the national security agenda has emphasised counter-terrorism arrangements and focused on prevention, preparedness and immediate response. This reflected the growth in the terrorist threat to Australian interests and the potentially extreme consequences of an incident. That focus has led to substantial investment and development of capabilities, and high levels of inter-agency and cross-jurisdictional cooperation. Having regard to what has been achieved in this area, the Review considers that it is timely to provide an additional focus on other threats and hazards.

**Emergency management** across all hazards has received limited senior attention within the Commonwealth. But non-terrorist disasters, such as industrial accidents and natural disasters, are frequent and have significant impacts—natural disasters are estimated to cost Australia on average over \$1 billion a year. While emergency management is primarily a matter for the states and territories, the Commonwealth does have important roles in contributing money (particularly recovery assistance), providing some capabilities and facilitating national coordination, capability enhancement and interoperability. It also provides assistance in response to natural disasters overseas, and plays a part in capability development in countries in our region.

A more integrated national approach to emergency management would optimise efforts and address fundamental gaps such as the lack of effective arrangements to deliver community warnings and of a national emergency plan to deal with catastrophic disasters. To help address the current distinction between responses to terrorism and other disasters, the National Security Adviser, or the deputy, should chair the Australian Emergency Management Committee, and the work of it and the National Counter-Terrorism Committee should be better integrated.

**Serious and organised crime**, as an ever present threat to the safety and prosperity of Australians and a challenge to the integrity of our institutions, is as important as any other security threat, with an estimated cost in excess of \$10 billion per year. Crime is increasingly sophisticated and transnational. The states and territories have major roles and the Commonwealth needs to engage effectively with them in this area. The current arrangements for coordinating Commonwealth efforts and priorities are limited. There are some gaps in national efforts, such as limited sharing of police capabilities and case management databases, and more attention could be given to criminal intelligence collection and analysis. A strategic framework for Commonwealth efforts in relation to serious and organised crime should be developed for consideration by government.

**Electronic attack** is a significant new means of compromising national security and enabling criminal activity. Governments, businesses and individuals are increasingly vulnerable to such attacks. The Commonwealth has a special role to play in this area given its high level capabilities in e-security and the cross-jurisdictional nature of the threat. It is however difficult to quantify the magnitude of the problem and the potential economic and social consequences, particularly of a large-scale cyber attack. An independent risk analysis of the e-security environment should be commissioned to better inform the strategic direction of our efforts. Current arrangements within the Australian Government for ensuring effective e-security generally work well, although it is an area in need of consistent senior policy attention. In some areas roles and responsibilities should be clarified to avoid confusion and possible duplication of effort. These issues should be addressed as part of the current e-security review being led by the Attorney-General's Department, which has the lead role in this area.

To date the Commonwealth's role in **research and capability development activities** has been focused predominantly on counter-terrorism. More could be done to reach beyond counter-terrorism and support research in other areas of national security. There should also be more formalised coordination between peak national committees in the areas of counter-terrorism, health and emergency management to ensure Australia has the capabilities it needs in the current threat environment.

## Better protecting Australia's borders

Controlling the border is critical to effective national security. Australia has to date retained control of its border, but this is a complex task which will become significantly more challenging in the longer term with substantial projected growth in activity across our border and within our maritime zone. Rather than bringing key border functions together into a 'single border agency', a whole-of-government strategic planning framework would better suit Australia. Such a framework should cover the full range of border management functions across all agencies, bringing them together to ensure they are consistent and complementary and that investment is appropriately prioritised.

Some particular border security issues will require further attention:

- New data analysis and biometric techniques are available that would improve the identity and national security checking of non-citizens. Investment in this area will be required if Australia is to remain at world's best practice.
- Quarantine services and the set targets for intervention do not sit well with the more advanced risk management approaches taken in relation to other border services. This is likely to be considered as part of the current *Quarantine and Border Security Review*.
- Aviation security measures—including policing and screening of passengers and cargo—must be kept under review to ensure they are consistent and continue to be appropriate and effective. These measures must keep pace with forecast growth in the aviation sector. Consideration is needed of the implications of international flights into more Australian airports and of air cargo security issues. In view of the links between criminal activity and security threats at airports, the enhanced police presence at major airports which followed from the Wheeler report serves an important purpose. But the current Commonwealth-led model faces significant management challenges and should be reviewed in consultation with the states and territories.

Australia's **maritime domain** is large. Managing the threats is legally complex and involves many different agencies. Despite the challenges, risks posed by illegal foreign fishing and people smuggling have been well-managed to date at the operational level and relationships between agencies are sound. Agencies are satisfied with the increasingly effective role of the Border Protection Command. Customs' processes for planning their strategic capability requirements are maturing and should place the Government well for the major decisions that will be needed as the existing patrol boat fleet ages.

That said, there is scope to streamline the legal framework for maritime enforcement activity, to improve the budget information available to government, and to better integrate search and rescue and other operational functions. While the Government could choose to re-name the Border Protection Command as a 'Coastguard', the current substantive arrangements should be retained and built upon rather than revamped.

## Partnerships

Addressing the threats we face is clearly not a task for one agency, or any one government, acting in isolation. Many current threats are cross-jurisdictional or transnational in nature. In many areas it is businesses or the general community that are threatened. And the capabilities and capacities to take action for identifying, preparing for, responding to and recovering from incidents lie not just with governments but also with business and the community.

The Australian Government therefore depends on a series of partnerships to help in its task of safeguarding Australia. The NSA will need to work closely with both government and industry partners, and should do so on the basis of a clear appreciation of the appropriate role of the Commonwealth in critical areas.

### ***States and territories***

States and territories have a primary role in responding to many of the threats we face. They have engaged with the Commonwealth in developing common national approaches to counter-terrorism. The National Counter-Terrorism Committee is a salient case of Australia's nine governments working effectively together to counter a particular threat. In other areas the Commonwealth's role is regarded with varying degrees of equivocation by state and territory governments. As noted above, there is scope for greater national collaboration in areas such as policing and emergency management.

### ***Business***

Businesses in Australia and Australian businesses abroad face a number of threats. While business owners and operators must manage these risks themselves, there is nevertheless a responsibility on government to assist business to understand and mitigate the threats they face. Current arrangements for protecting Australia's critical infrastructure—which is largely privately owned—are generally regarded as a significant improvement on past efforts, and highlight the success of a partnership approach.

### ***Community***

Governments are increasingly working in partnership with communities to mitigate the impact of disasters at the local level, and ensure communities are resilient. Of the other components of national security, it is counter-terrorism that is the most sensitive in terms of public confidence and the impact on community relations. While 'counter-radicalisation' programs like those in the United Kingdom have their place, it is important for governments to work closely together in this area and to be clear about their respective roles and the perceptions their activities may generate.

### ***Commonwealth contribution***

The Australian Defence Force and agencies of the Defence Department have built significant expertise and capability that can be used in domestic security and emergency management and response. Other agencies work beyond the border to protect Australian interests overseas and mitigate threats to Australia at their origin. These significant contributions to national security should be sustained and mechanisms developed to better quantify their value.