

Safeguarding Australia: Implications for the 2004 Federal Election

by

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Australian Defence Business Review

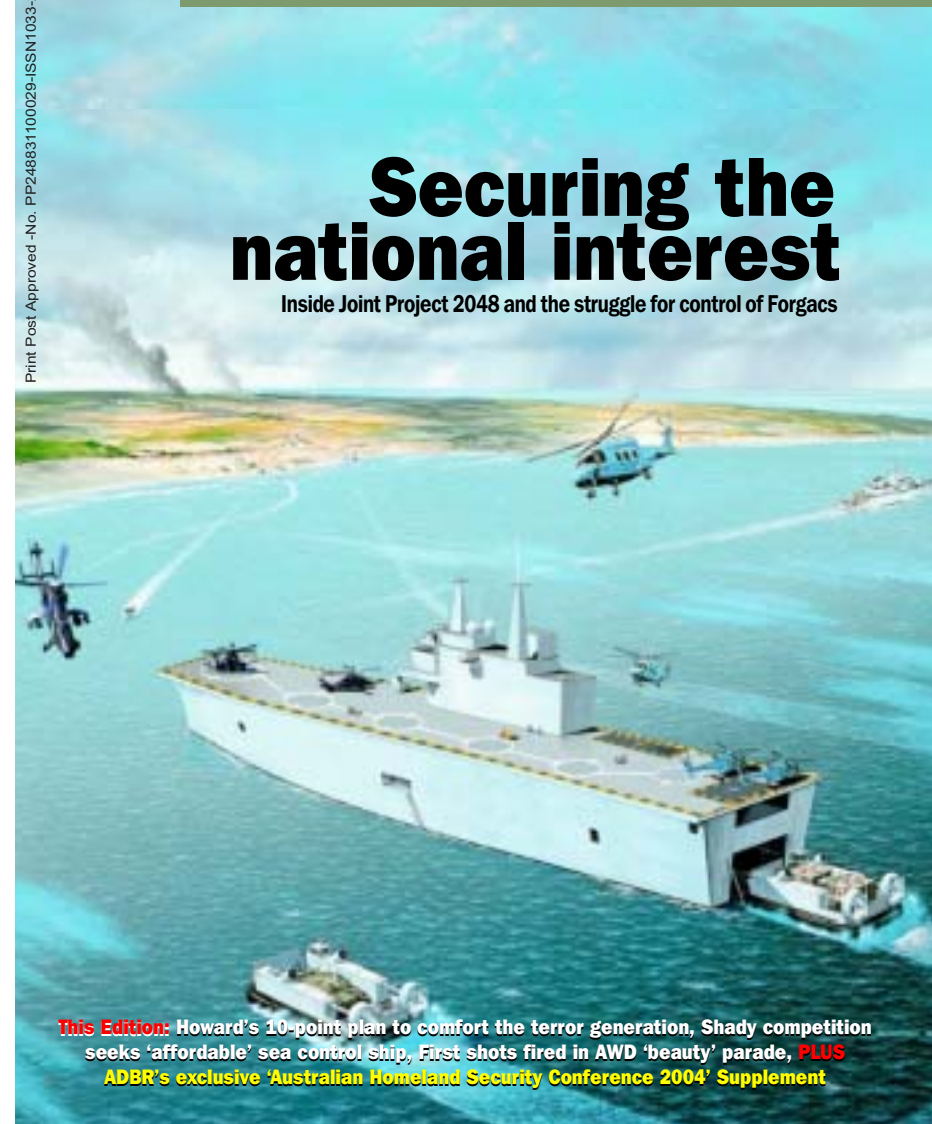
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Securing the national interest

Inside Joint Project 2048 and the struggle for control of Forgas



This Edition: Howard's 10-point plan to comfort the terror generation, Shady competition seeks 'affordable' sea control ship, First shots fired in AWD 'beauty' parade, **PLUS** ADBR's exclusive 'Australian Homeland Security Conference 2004' Supplement

OUTLINE

- **Review where we have come in three years**
- **Not death by powerpoint (hopefully), but**
- **For some, recent life will flash before your eyes**
- **Track homeland security market definition since 9/11, just valued at \$650m in 2004/05 by AHSI**
- **Is Australian industry responding adequately?**
- **Problem with visibility of market opportunities?**
- **Poor visibility means RoI cannot be gauged**
- **No RoI means investors will not respond**
- **No investment means little local innovation**
- **Agencies relying on imported solutions designed to meet other peoples' problems**
- **Need for DCP-like response for HomeSec - DITR?**

- From Sept 2001
- Defence Minister Reith
- Special Forces +\$82m
- Intelligence +\$114m
- Cornall Review 26/9 due by end-Oct
- Review C/T Response viz Whole-of-Govt
- Afghanistan \$'s TBC
- Intell Svcs Bill 2001 after ASIS/DSD review
- Dennis Richardson re-appointed 11/10 to ASIO
- WAT forces to Afghan.



- **SAS leaves 22/10/01**
- **Election Campaign**
- **'Protecting Our Borders**
- **SW Radar +12.8m**
- **Coastwatch Flights +33.2m**
- **Marine Surveillance +72.m**
- **Customs X-rays +39.8m**
- **Coastwatch Digital Comms and Satellite +8.1m**
- **Post 2001 Election - 18/12**
- **Upgrade existing agencies**
- **No Dept of Home Sec**
- **Enhance ASIO**
- **Create 'terrorism' offences**

Headlines

Growth business emerges in national border protection

■ Canberra Bureau Report

Just prior to Xmas, Cabinet endorsed a series of measures to strengthen Australia's raft of counter terrorism capabilities on the back of larger Government initiatives to boost overall Australian border protection.

The new measures stem from Government efforts to reinforce domestic security in the light of the 11 September attacks upon the United States. Details of these measures began to unfold 26 September, when the Attorney-General, Daryl Williams, established a high level committee to review the implications of the American attacks for Australia's security and counter-terrorism arrangements.

The review, headed by his Department Secretary, Robert Cornall, subsequently concluded that the profound shift in the international security environment meant Australia's profile as a terrorist target had risen, and accordingly, its interests abroad also faced a higher level of terrorist threat.

With such recommendations in mind, Cabinet agreed 18 December that new counter-terrorism legislation, enhanced Commonwealth powers and a consolidation and strengthening of Commonwealth agencies that deal with counter-terrorism were required. Because some of the proposals also affect State and Territory powers and responsibilities, the overall package is now to be discussed at a Prime Minister's Leader's Summit in March 2002.

Heading the list of initiatives agreed to by Cabinet is: enhancing the powers of the Australian Security Intelligence Organisation (ASIO); creating a new general offence of 'terrorism', and an offence related to preparing for or planning terrorist acts; and allowing terrorist property to be frozen and seized. In addition, the Com-

Key Points

- The Howard Government is to upgrade Australia's border protection capabilities by consolidating responsibilities within existing agencies, rather than creating a single over-arching 'homeland' defence organisation, as done in the US.
- The Attorney-General's Department has now become the focus of co-ordination for internal activities to counter domestic terrorism, including the assumption of responsibilities for Emergency Management Australia.
- The recent election campaign yielded a commitment from the Government to back existing border protection infrastructure with a \$175.5m package focusing on maritime surveillance, enhancing radars and detecting smuggling.
- The 'Protecting Our Borders' package was designed to build on a series of decisions to upgrade Defence naval and air patrol capacity, refurbishment of the P-3C 'Orion' fleet, upgrades to OTH radars, and new surveillance asset purchases.



DEFENCE PHOTO

monwealth implemented 6 October United Nations regulations to block financial transactions that might assist terrorists, combined with a Prime Ministerial declaration on the pending introduction of new 'anti-hoax' laws.

As previously floated by Williams, ASIO is also to be given the power to question people who may have information about terrorism, including those who may not themselves be involved in terrorist activity. Cabinet agreed that ASIO will therefore be empowered to detain people for up to 48 hours without legal representation, but only in very serious cases, and where such a step is necessary to prevent a pending terrorist attack.

Terrorism offences are also to be inserted by the Government into the Criminal Code. These

will relate to 'terrorist activity' - defined as an act or omission that constitutes an offence under the UN and other international counter-terrorism instruments, or an act committed for a political, religious or ideological purpose designed to intimidate the public with regard to its security and intended to cause serious damage to persons, property or infrastructure. The Criminal Code will also cover ancillary conduct such as aiding, abetting, conspiracy, attempt and incitement. The offences will carry a maximum penalty of life imprisonment.

The funding of terrorism is also to be explicitly criminalised in the Criminal Code. This will cover collection, receipt, use and provision of funds for the preparation and planning of terrorist activities. Knowingly assisting in

any of these activities will also be an offence. The offences will carry a maximum penalty of life imprisonment. Amendments are also to be made to the Financial Transaction Reports Act 1988 to ensure the reporting of possible terrorist-related transactions and international funds transfers.

Such amendments will enable AUSTRAC to share financial transaction reports information with other countries and to enable ASIO and the AFP, subject to appropriate monitoring and approvals, to share such information with equivalent agencies overseas. Responsibility for airport physical security and counter-terrorism first response are also to be moved to the Attorney-General's portfolio, as part of an overall consolidation of national security responsibilities.

The Telecommunications (Interception) Act 1979 is also proposed to be amended to permit access to unread e-mails where another form of lawful access to the system or device capable of displaying the communication is held by the relevant agency. The Act is to be amended to include terrorism offences in the definition of 'class 1 offences' for the purposes of telecommunications interception warrants.

Efforts to protect the national information infrastructure and increase public confidence in the security of the on-line environment are also being stepped up under a Government plan to protect IT systems from viruses, hackers and other intrusions. A comprehensive awareness-raising program - with Defence Signals Directorate input - is now being advanced to assist organisations to make informed decisions about information security.

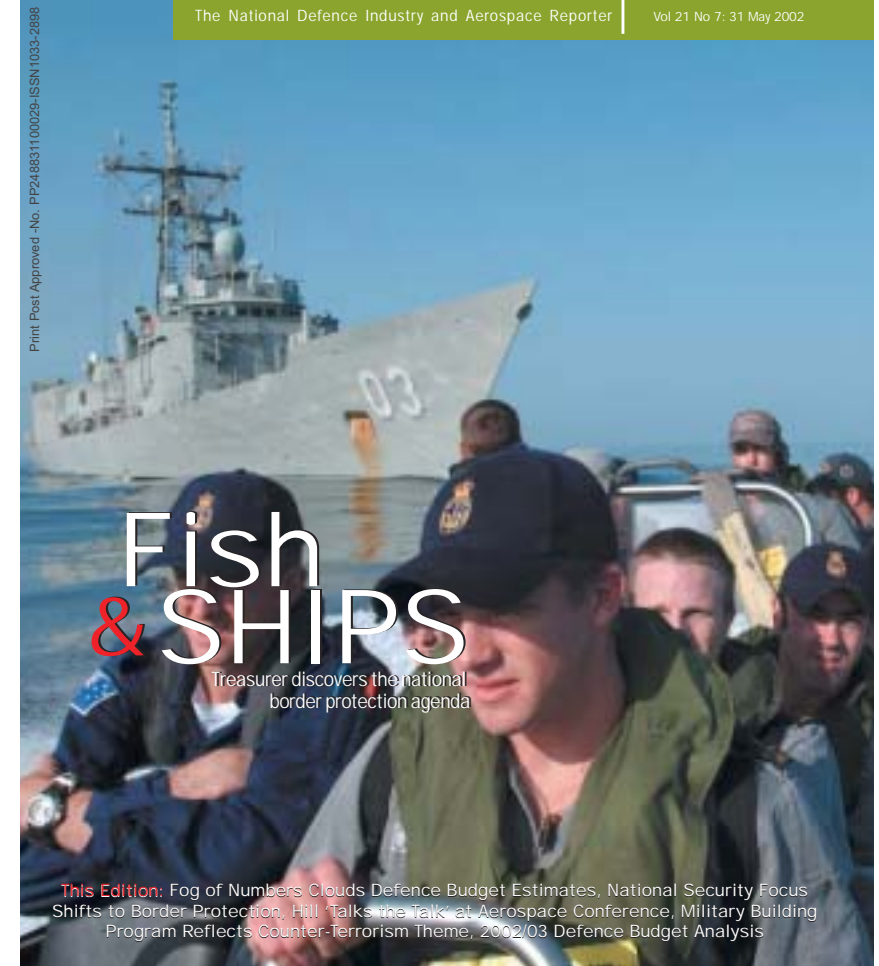
As part of this program, the Attorney-General has also ramped up the activities of the 'Critical Infrastructure Protection Group', which holds responsibility for identifying and providing advice on the protection of Australia's information infrastructure where IT incidents may be defined as critical. The Group has since been overseeing a series of assessments of threats and vulnerabilities in four critical sectors - telecommu-

- **Terrorism funding/Crim Code**
- **AUSTRAC amendments**
- **Telcoms Interception Act**
- **Ramp-up Critical Infrastructure Protection Group**
- **Convene Bus-Govt Task Force on Critical I/Structure**
- **Double ADF C/T forces 2/11**
- **Reinstate Olympics IRR**
- **Aviation Guards**
- **Border Protection Statement on 23/11/01 +\$175.5m**
- **F/A-18s over CHOGM**
- **Other border sec +\$125m**

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- May 2002 Budget
- Aviation Sec, dogs, guarding, national e-security, X-ray units, Coastwatch, HFSWR, Passport biometrics, Indo police boats, etc
- A-Gs gets EMA
- First mkt size effort
- Added up to \$814m through to 2005/06, on top of Defence +1.07b incl Capex for Defence TAGs, CBRNE, etc

Cover Story - National Border Protection

Table 4: New/Additional Domestic Security Measures (including net Capex Allowance)

Description of Measure	Agency	Spent	Budget	Estimate	Estimate	Estimate	ADBR	Total
		2001-02	2002-03	2003-04	2004-05	2005-06		
Enhanced Aviation Security	AFP	20.7	30.5	30.8	31.2	31.6		144.8
Improved Data Access for Border Control	Customs	0.0	6.6	16.3	13.0	6.4		42.3
More Explosive Detector Dogs	AFP	0.0	1.1	1.1	1.1	1.1		4.4
Aviation Security/Surveillance/Enforcement	DoTARS	0.0	2.0	2.0	2.0	2.0		8.0
Enhanced Technical Investigative Capacity	AFP	0.0	3.1	3.1	2.8	2.0		11.0
	ASIO	0.0	8.7	5.9	5.5	3.3		23.4
	NCA	0.0	2.5	1.8	1.7	0.9		6.9
Aust Protective Service Guarding Boost	A-G's	6.9	0.0	0.0	0.0	0.0		6.9
Protective Security Co-ordination Centre Upgrade	A-G's	1.8	3.6	3.6	3.6	3.6		16.2
National E-Security Agenda (net of DSD)	A-G's	0.0	0.9	0.9	0.9	0.9		3.6
	AFP	0.0	1.3	1.3	1.3	1.3		5.2
	ASIO	0.0	1.4	1.4	1.5	1.5		5.8
	NOIE	0.0	0.3	0.3	0.3	0.3		1.0
Additional X-Ray Machines - Containers	Customs	0.0	6.0	9.3	9.6	11.4		36.3
Additional X-Ray Machines - Pallets	Customs	0.0	2.0	1.6	2.1	2.1		7.8
Enhanced Coastwatch Communications	Customs	0.0	2.0	2.0	2.0	2.1		8.1
High Frequency Surface Wave Radar	Customs	0.0	3.0	3.2	3.2	3.4		12.8
ABCI Analytical/Predictive Crime Capability	AFP	0.0	1.4	2.6	2.4	3.2		9.6
Enhancement of Close & C/T Protection	AFP	6.0	27.1	27.4	27.7	27.9		116.1
Law Enforcement Cooperation Overseas	AFP	0.0	6.7	12.1	12.9	13.0		44.7
Undercover Policing - Project Axiom	AFP	0.0	4.4	4.9	5.1	5.2		19.6
Enhance Intelligence Agencies for C/T (net of DoD)	ASIS	0.0	1.7	5.8	6.6	6.7		20.8
	ASIO	0.0	7.2	9.8	13.4	14.3		44.7
	ONA	0.0	0.6	0.6	0.6	0.6		2.4
Passport Biometric Identifier R&D	DFAT	0.0	3.0	0.0	0.0	0.0		3.0
CBRNE Response Capability (net of DoD)	A-G's	0.0	8.4	8.4	0.5	0.5		17.8
	Health	0.0	10.7	0.2	0.2	0.2		11.3
Telecommunications for Rapid Response	AFP	0.0	1.9	1.9	2.3	0.0		6.1
Double Strike Team Capacity	AFP	0.0	4.9	14.2	13.8	11.8		44.7
Enhanced CHOGM Security (net of DoD)	PM&C	31.9	0.0	0.0	0.0	0.0		31.9
Double National Marine Unit Surveillance	Customs	0.0	13.3	17.2	17.2	19.2		66.9
Increased Coastwatch Surveillance	Customs	0.0	9.5	9.5	9.5	0.0		28.5
Boats for Indonesian National Police	AFP	0.0	0.9	0.2	0.2	0.2		1.5
		67.3	176.7	199.4	194.2	176.7		814.1

- Hill says 18/6/02 new White paper to focus ADF on counter-terrorism
- DCP Supplement 24/6
- Major DoD projects to be reviewed
- Ric Smith for DoD Secretary 24/9
- Bali bombings 12/10/02
- Response via DFAT IDC, A-Gs, EMA, PSCC, Special incident task force, AFP & ASIO to Bali, PM on the ground by 18/10 in Bali



Global Roaming

The onset of counter-terror campaigns is pushing the ADF into new territory

This Edition: ADF Mobilised for Operation 'Bali Assist', Debate Now Seeded for 'Homeland Security' Agency, Army Upgrades for the Campaign Against Terror, Domestic Security Review Follows Kuta Bombings, Al Qaeda Regulations Tabled, Hawke Cautious in Farewell Address

- Post-Bali decisions
- Wholesale review of intell community from 14/10/02
- Separate PM&C review under Bill Blick (IGIS)
- CoA to consult States re national C/T agreement
- No troops for tourist attractions, etc
- COAG to meet in Nov

Headlines

Debate now seeded for 'homeland security' plan

■ Trevor J Thomas/CANBERRA

Prime Minister Howard has announced 14 October, a wholesale review of the structure, processes and collaborative linkages of Australia's intelligence community in order to answer allegations that lapses in coordination between specific agencies may have left Australia 'in the back seat' regarding early warning of the 12 October bombings of tourist haunts in Bali.

The investigation - on top of a separate inquiry being pursued by an inter-Departmental committee within the Prime Minister's own Department - is being headed by the Inspector-General of Intelligence and Security (IGIS), Bill Blick, who will also provide a separate observation about the adequacy of Australia's system of threat warnings for travellers.

The Bali bombings, threat warnings directed at domestic energy facilities, and potentially-controversial conclusions of the two new inquiries have contributed to a re-generation of debate within Australia as to the need for the rapid creation of a separate administrative structure to deal with such circumstances, namely the creation of a Department of 'Homeland Security', in a similar manner as administrative reforms now being adopted by the United States Government.

The adequacy of Australia's national security agencies (including its military forces - refer article page 9) has gained considerable momentum since the 11 September 2001 terrorist attacks upon the United States. Such questions gained a high profile in the political campaign running-up to conclusion of the November 2001 Federal election, with calls by the then Labor Party leader, Kim Beazley, for reform to border security arrangements through the creation of a national Coast Guard, within broader arrange-



Key Points

- The Federal Government is expected to rush forward the conclusion with Australian States and Territories of a new agreement for the co-ordination of national resources to combat the threat of terrorism and higher-organised crime.
- Prime Minister Howard has committed to a wholesale review of the structure, processes and collaborative linkages between Australia's intelligence community, but is resisting calls to form a Department of Homeland Security.
- Attorney-General's Department Secretary Cornall has outlined the reasons why Government considers the case has not been proved for a re-structuring of domestic security institutions.
- Defence Minister Hill has rejected calls for Australian troops to be deployed to protect major national tourist attractions, saying the Government "hasn't made any decision to utilise the ADF beyond what we've done in the past."

ments aiming to establish a Department of Homeland Security.

The Government responded to these calls with its own 'Protecting Our Borders' program, which allocated new funds for high frequency surface wave radar trials, increased 'Coastwatch' surveillance flights, increased Customs marine surveillance capacity (including upgraded digital/satellite communications equipment), and new X-ray equipment for ports.

This package was subsequently built-upon in the May 2002 Federal Budget when - as a result of its preliminary analysis of post-11 September implications for Australia - funding was substantially increased for a number of domestic security ini-

tiatives, as well as military capability enhancement programs with a specific counter-terrorism focus.

Chief amongst the announcements outlined on 22 May were over \$1 billion of enhancements (including net Capital Expenditure allowances) over four years to 2005/06 for the Australian Defence Force (ADF), principally to participate in the War Against Terrorism (WAT), and involving some \$523.8m. Other initiatives included upgrades to real-time and secure communications for WAT-type contingencies, as well as the formation of enhanced Tactical Assault Capability (TAG) and Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE) response capabilities.

Secondly, the Government announced a further \$814.1m over four years (net of Capex allowances) would be provided to support a range of new domestic security measures with the largest allocations being for enhanced Aviation security (\$144.8m) and enhanced 'close' and counter-terrorist protection (\$116.1m). Australia's principal intelligence agencies (ASIS, ASIO and ONA) received upgraded funding, as did the Australian Federal Police (AFP) and National Crime Authority (NCA).

The Howard Government resisted, however, calls to form an over-arching Department of Homeland Security, preferring instead to bolster existing agencies already afforded a legal structure for the purpose of securing Australians at home and overseas. As such, the principal funding was applied to either the Department of Defence, or the Attorney-General's Department, who eventually picked-up Emergency Management Australia (EMA) from its former home in the Department of Defence.

Since that time, and through the Coalition of Australian Governments (COAG), the Government has been working with the States and Territories to bring forward a more comprehensive agreement on co-ordination of national resources in response to terrorist threats, with the final agreement now expected to be brought forward for 'public assurance' purposes from the planned endorsements set down for the next COAG meeting in November.

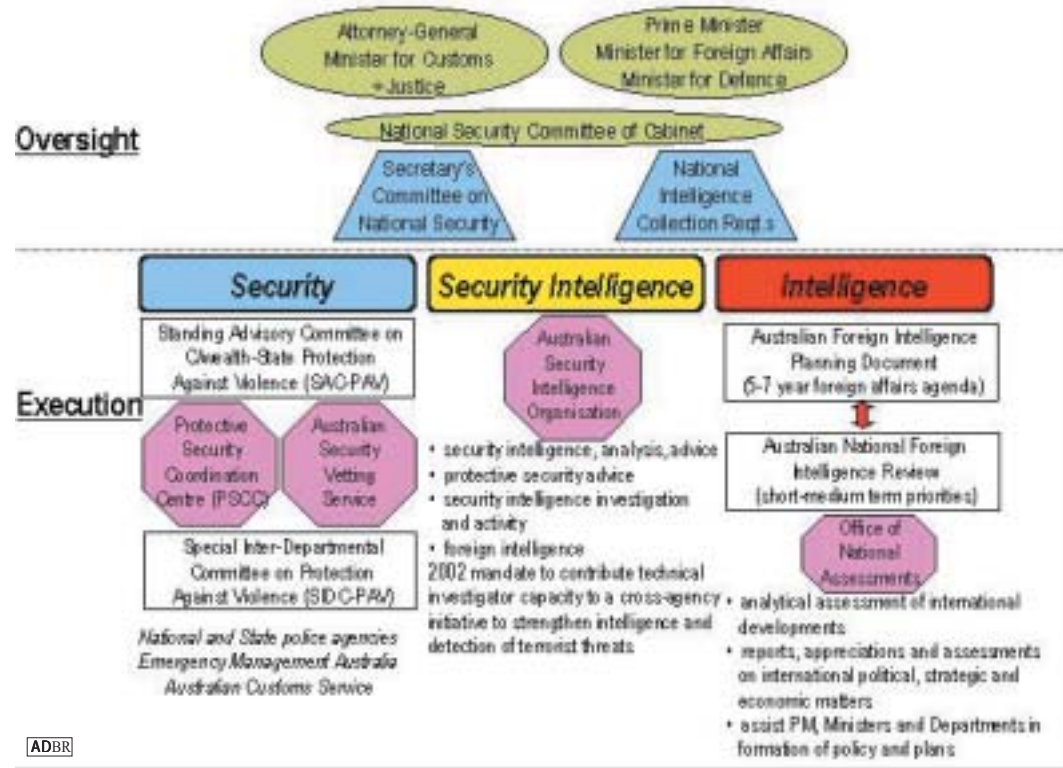
In the aftermath of the Bali bombings - and speaking 20 October in response to calls by NSW Premier, Bob Carr, for the Government to form a new Department of Homeland Security and appoint a Special Minister, Prime Minister Howard indicated his preparedness "to look at a whole range of suggestions, but you don't cure something like this or you don't build or protect just by creating a different bureaucratic structure."

According to Howard, "I've (first) got to be satisfied the existing structure needs improvement.

- Other Budget flow-ons for interim structures
- PSCC +\$14.4m for 16 hours a day
- Ed Tyrie to chair SIDC-PAV, PSCC to support SAC-PAV

plementary

Australia's Homeland Security Architecture



- Reconstitution of interim structures - new model
- First NCTC meeting 13/11 after Comm-State-Territories agreement signed 24/10/02
- Communique issued
- Broader role than SAC-PAV
- Review national C/T jurisdiction, consider industry capabilities, etc - all by Xmas
- Need for cooperation
- +60m for border protection incl fraudulent travel docs, expand air security officers.

Headlines

Bali analyses drive new domestic security focus

■ Trevor J Thomas/CANBERRA

A newly constituted National Counter-Terrorism Committee (NCTC) has met for the first time in Canberra 13-15 November following decisions taken in April to upgrade domestic security in the wake of the 11 September terrorist attacks in the United States, and under the authority of the national Leaders' Summit on Counter-Terrorism and Multi-Jurisdictional Crime.

Establishment of the NCTC (which replaces the Standing Advisory Committee for Commonwealth/State Cooperation for the Protection Against Violence, or SAC-PAV), was formalised through the 24 October signing by Commonwealth and State and Territory leaders of an Inter-Governmental Agreement on Australia's national counter-terrorism arrangements. SAC-PAV was originally established in 1979 following the Hilton Hotel bombing.

Following the Agreement's signing, Prime Minister Howard also confirmed changes to Australia's domestic security hierarchy with the announcement his own Department (of Prime Minister & Cabinet) would assume 'the lead role' for Australian counter-terrorism policy coordination. This has been taken from the Attorney-General's Department, which nevertheless "continues to have responsibility for operational coordination on these issues."

Howard explained the shift of responsibility in counter-terrorism functions as seeking to ensure that the Commonwealth "optimises its arrangements for strong policy coordination between the Commonwealth, States and Territories." These measures, he said, are "aimed at pooling our collective resources to combat terrorism, wherever it occurs and whatever its form."

In the eyes of Commonwealth Attorney-General, Daryl Will-



DEFENCE PHOTO

Key Points

- A newly constituted National Counter-Terrorism Committee (NCTC) has taken over from the Standing Advisory Committee for Commonwealth/State Cooperation for the Protection Against Violence (SAC-PAV).
- With a broad mandate for prevention and managing the consequences of terrorist activity within Australia, the NCTC is to work under the umbrella of an Inter-Governmental Agreement between the Commonwealth, States and Territories.
- Ascendancy of the NCTC in the Attorney-General's Department parallels the more recent assumption of 'the lead role' for Australian counter-terrorism policy coordination by the Department of the Prime Minister & Cabinet.
- Following a Review of Commonwealth Counter-Terrorism arrangements in the aftermath of the Bali bombings, a further \$60m over five years is to be provided to plug perceived gaps in Australia's counter-terrorism armoury.
- The additional measures target the detection of fraudulent travel documents, upgraded capabilities for ASIO and ASIS, expansions of the 'Air Security Officer' program, and measures to increase physical security at Australia's overseas posts.

iams, the new committee "is vital to a strong and united response which protects Australians and Australian interests against the threat of terrorism. The work of the NCTC is an important part of a package of measures the Government has put in place to protect the community from this threat, including increased resources to relevant agencies and tough new counter-terrorism laws." The first NCTC meeting was chaired by the Department of the Prime Minister and Cabinet and attended by senior representatives of the Premiers' and

Chief Ministers' departments, and deputy police commissioners from each State and Territory.

Relevant Commonwealth agencies making up membership of the new Committee include: the Attorney-General's Department, the Protective Security Coordination Centre (PSCC), the Australian Security Intelligence Organization (ASIO), the Australian Federal Police and Australian Protective Service, Emergency Management Australia (EMA), the Department of Defence, Department of Transport and Regional Services, Department of Finance and

Administration, and the Department of Foreign Affairs and Trade. Senior New Zealand representatives also attended the meeting as observers.

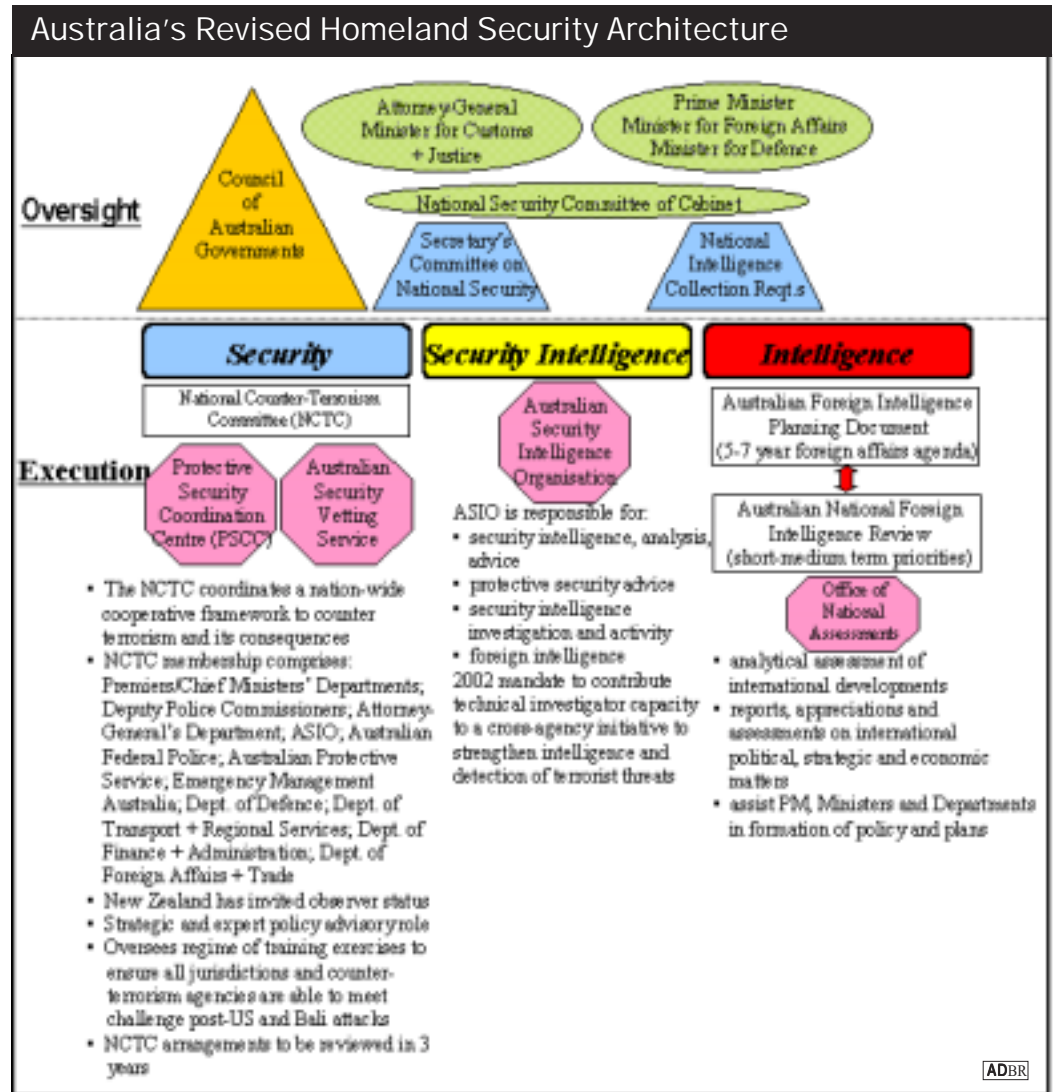
In a communique issued after the meeting, it was said the Committee "received briefings on the current security environment from the Office of National Assessments (ONA) and ASIO, and presentations were also made by the Department of Immigration and Multicultural and Indigenous Affairs, the Australian Customs Service, and from the office of the Commonwealth Chief Medical Officer."

The meeting was further said to have "considered national and jurisdictional counter-terrorism arrangements and the strategies that have been developed to meet the new challenges which have emerged from the attacks in the United States and Bali." As such, the committee has now been charged with overseeing a regime of training exercises "to ensure all jurisdictions and counter-terrorism related agencies are able to meet these challenges."

The NCTC has been equipped with a broader mandate than that of the former SAC-PAV, and these have been set out in specific 'Terms of Reference'. According to the communique, the Committee's immediate focus will be on the current security environment, including the consideration of government and industry capability and measures to detect and prevent threats to Australia's critical infrastructure. An initial report on these issues is to be provided to the Council of Australian Governments' (COAG) prior to Xmas.

Under the new Terms of Reference, the mission of the NCTC is stated as being "to contribute to the security of the Australian community through the coordination of a nation-wide cooperative framework to counter terrorism and its consequences." It is to achieve this mission by: providing expert strategic and policy advice to heads of government and other relevant ministers; ensuring an effective nation-wide counter-terrorism capability is maintained; and reporting annually to the Prime Minister, Premiers and

- Enhance ASIO/ASIS
- Expand Air security officers to I/N flights
- Improve DFAT post security (+31.7m)
- Final Homeland Security Architecture



- Howard steps in
- New SOCOM on the back of Blick report 10/12/02
- Expand special forces from 19/12 by 20%
- 13th meeting of Comm Law Officers 25/11/02
- Critical I/Struct info sharing deal 29/11 to give industry visibility of Govt
- CIAC to be formed with advisory groups from other industries/sectors



- Defence update 26/2/03
- Rebalance ADF to WAT
- Flexible/mobile forces
- No conventional threat
- Focus on C/T (especially regional), help stall spread of WMDs, stabilise failing Pacific states

Reality bites on the path to WMD defence

The release of Australia's first major review of the nation's strategic environment and defence posture since the Defence 2000 White Paper, has re-oriented attention towards 'the twin global threats' of international terrorism and the spread of weapons of mass destruction, particularly through 'rogue' States and radical terrorist groups.

■ Trevor J Thomas/CANBERRA

The 26 February 2003 Defence Update also reminds readers of the continued instability within Australia's immediate region, and how the sum of these global drivers will impact on the Australian Defence Force (ADF) through a re-balancing of military capabilities and priorities. This will be done in parallel with fuller implementation of a new defence 'framework' that will see military forces prepared, in the words of Defence Minister Hill, for "threats that exist, rather than the threats that don't."

Hill's new procurement line is consistent with the approach taken last December by Prime Minister Howard when foreshadowing initial steps to concentrate ADF capabilities through the creation of a single integrated national security and counter-terrorism force under a single commander. Wider impacts of the 2003 Update on future Defence force acquisition priorities will now await development of the 2003/04 Commonwealth Budget.

Set for presentation 13 May, full details of the Budget will provide an insight into broader procurement trends expected to be outlined upon publication of the 2003-2013 Defence Capability Plan (DCP). According to Senator Hill, the forthcoming Budget and DCP "will ensure that the Defence Force is capable to meet those (new) threats (and) will address capability issues in terms of reality, and therefore, better ensure Australia's security in the future."

Defence Update 2003

Speaking at the Canberra launch of 'Australia's National Security - A Defence Update 2003', Hill told media the Government had already made 'numerous decisions' in response to (changing strategic) developments. He added, the future re-balancing now required "will not fundamentally alter the size, structure and role of the ADF, but will ensure a more flexible and mobile

ist attacks are more than a transitory phenomenon - and likely to last for years. We believe that this terrorism is strategically focused with the objective of rolling back Western values, engagement and influence - and to weaken and ultimately supplant moderate Islamic governments."

According to Senator Hill, "we assess that Australia has been identified as a target. We identify the risk that mass casualties inflicted in recent attacks have set terrorist sights even higher, possibly including the acquisition of Weapons of Mass Destruction (WMD)." As a result, the 2003 Defence Update envisages Australia having to progressively acquire its own counter-WMD

plan. We will (also) need to provide niches within coalition operations at the high-tech level, (and) that will continue. The changes to the DCP are not great - they are marginal. But they are important because they put the emphasis upon the tasks that the Defence force actually faces, rather than those that it's unlikely to face."

Noting how the global reach of terrorism had been demonstrated by the attacks of September 2001 and October 2002, Senator Hill deferred to the 2003 Defence Update and its comment, "the strategic environment of 2003 is being shaped by the threat of terrorism, and the determination to counter it. This determination extends as well to another major global threat - the proliferation of WMD. In these international endeavours, the United States with its combination of economic and military might, is increasingly dominant."

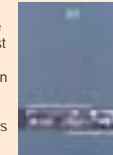
Key Points

- A 25-page 'Update' to the Defence 2000 White Paper has listed salient features of the nation's changing security environment, whilst turning responses towards combating terrorism and of weapons of mass destruction proliferation.

- To pay for the shift in materiel acquisitions to effect such changes, the Government will re-orientate military procurement towards more visible, short-term threats, as against more investments directed at meeting longer-term perceived threats.

- A reconstituted Australian military will increasingly be shaped not only for deployments to the immediate region, but also for the injection of 'niche capabilities' into operations further afield under Afghanistan-type coalition arrangements.

- Australia is to respond to the regional spread of weapons of mass destruction by improving its own knowledge and understanding of anti-missile defence options, including the construction of a new fleet of air warfare destroyers.



force, with sufficient levels of readiness, sustainability and interoperability to perform the increased range of tasks it is likely to have to play in our current strategic environment."

The Minister said that while the threat of direct military attack upon Australia "is assessed to have decreased - in relation to global terrorism, we believe recent terror-

capabilities, with Hill initially listing Project Sea 4000 - the Air Warfare Destroyer - which he termed as being used in the future "to protect an area - it could be troops on the ground or ships transporting troops."

For Sea 4000, Hill confirmed, "we do need that capability - we don't have it at the moment, and it remains in our procurement

No Conventional Threat

Consistent with John Howard's 10 December 2002 statements, the 2003 Defence Update also declares that for the present, "the prospect of a conventional military attack on Australian territory has diminished." It puts this situation down to "the stabilising effect of US determination and willingness to act, the reduction in major power tensions, and the increased deterrent effect of the US-Australia alliance flowing from US primacy."

The implication drawn is that, for the near term, "there is less likely to be a need for ADF operations in defence of Australia." By default, acquisition projects - particularly long-term acquisition projects - can have their procurement schedules shifted around, and in some cases, moved out of the focus of the current 10-years DCP.

Moving on, the new Defence Update positions Southeast Asia and the South Pacific as also facing major challenges, citing political weakness, declines in governance, difficulty in grappling with terrorism influences, as well as the economic effects of terror-

- May 2003 Budget - 23/5/03
- New Security Div in PM&C
- Boost NSC of Cabinet interaction with SCONS
- +\$100m SOCOM weapons
- SOCOM training facilities
- Reserve Response Force
- Politically motivated violence checks
- Upgraded C/T exercises
- Extend PSCC hours 24/7, Nat Sec Hotline, AUSTRAC+, ASNET secure upgrade for NCTC, more guarding

Special forces focus on a 'safer Australia' outcome

■ Canberra Bureau Report

Prime Minister Howard has announced 23 May a new initiative to improve coordination at Australia's highest levels of Government responsible for overviewing counter-terrorism and internal security policy - by splitting the existing International Division within his own Department of Prime Minister & Cabinet into two - thus creating both a new Foreign Affairs Division, and a new Division to focus exclusively on security, defence, border protection and intelligence.

According to Howard, the new Security and Defence Division "will further add to the flow of information to me," whilst boosting other 'very good' coordination arrangements previously put into place, such as his chairing of the National Security Committee of Cabinet, which itself is supported by the Departmental Secretaries Committee on National Security (or SCONS).

The arrangements seek to complement the effective supervision over - and division of responsibilities between Defence



Key Points

- Prime Minister Howard is to boost the coordination of national counter-terrorism policy and response options through the creation of a new security, defence, border protection and intelligence division within his own Department.
- Funding of \$156.8m over four years has been allocated to raise a new Special Operations Command, designed to bring policy, funding and the acquisition of special weapons into a single line of reporting within the Defence Department.
- Up to \$100m of existing DCP funding is set to be brought forward for new special forces weapons procurements, including assault rifles, night vision equipment and US-forces-interoperable radio/communications equipment.
- The raft of national security arrangements announced since 11 September 2001 and implemented across a number of portfolios has now been consolidated under 'A Safer Australia' program, administered by the Attorney-General.

continuum of elite conventional and unconventional operations; and provide forces for Government domestic security operations." To sustain such outputs moving forward, and in the light of 'lessons learned' in the Afghanistan and Iraq deployments, a new capital investment program is also underway for implementation over the next five years.

Anticipated to cost up to \$100m, the special forces acquisition program is expected to encompass new assault rifles, machine guns, anti-tank weapons, mortars, grenade launchers, vehicles, optical equipment (binoculars, thermal imaging equipment and night vision goggles), radios and communications equipment, safety equipment, generators and other related support equipment. The Budget also forecasts the construction of new training and accommodation facilities, along with the upgrade of existing facilities, at 'Holsworthy' Barracks (Sydney), the SOC's nominated headquarters.

Officially launching the SOC at a ceremony at Holsworthy on 5 May, Defence Minister Hill confirmed the appointment of Major General Duncan Lewis to head the new Command. In its first iteration, the Command comprises: a joint headquarters with offices in both Canberra and Sydney; the SAS regiment; 4th Battalion of the Royal Australian Regiment

Table 4: New Military/Domestic Security Measures

Description of Measure	Agency	2002-03	Estimate	Estimate	Estimate	Estimate	ADBR
		Funding	2003-04	2004-05	2005-06	2006-07	
- MILITARY							
Iraq - Funding of Operations	Joint	297.2	197.9	25.8	-	-	520.9
Continuation of Operation Bel Isi II (Bougainville)	Joint	10.1	-	-	-	-	10.1
Coastal Surveillance	Navy	-	17.8	-	-	-	17.8
Special Purpose Aircraft Facilities	Air Force	-	7.1	7.2	7.5	7.8	29.6
A Safer Australia' - DoD Component	Joint	-	34.6	36.1	-	-	70.7
Accelerated ADF Numbers Growth	Joint	-	49.8	36.5	16.5	-	102.8
Navy Personnel Retention Initiatives	Navy	-	-	-	-	-	0.0
Special Operations Command	Army	-	21.6	35.8	49.2	50.2	156.8
Additional Logistics Funding	Joint	101.4	244.3	285.5	284.9	229	1145.1
- DOMESTIC							
Additional Counter-Terrorism Capabilities	ASIO	76.8	7.6	4.0	4.1	4.2	96.7
Politically Motivated Violence Checks	ASIO	-	2.5	0.6	0.6	0.0	3.7
Upgraded Counter-Terrorism Exercises	A-Gs	-	3.6	3.7	3.8	3.9	15.0
Upgraded Counter-Terrorism Exercises	ASIO	-	0.2	0.2	0.2	0.2	0.8
PSCC Watch Office	A-Gs	-	1.2	1.3	1.3	1.3	5.1
National Security Hotline	A-Gs	-	11.2	0.0	0.0	0.0	11.2
Strengthen AUSTRAC	A-Gs	-	17.4	-	-	-	17.4
ASNET Upgrade for NCTC	A-Gs	-	10.9	4.7	4.8	4.9	25.3
Dignitary Protection - Guarding Services	A-Gs	-	20.7	-	-	-	20.7
- Limousines	A-Gs	-	1.0	1.1	1.1	1.1	4.3
		485.5	649.4	442.8	374.0	302.8	2254.0

- Aviation Security Cards
- But only worth +\$200m over 5 years - 2002/03 to 2005/07
- Aust to join Protective Security Initiative (1/8) to intercept spread of WMDs on the high seas

Headlines

National security apparatus consolidates within PM&C

■ Trevor J Thomas/CANBERRA

Eight days into his new job as First Assistant Secretary of the National Security Division (NSD) of the Department of Prime Minister and Cabinet (PM&C), Miles Jordana, has told the ADSC's 'Frontline Security' conference 31 July that solidification of the roles of the new division are currently 'work in progress', whilst at the same time stressing his task was "not to build an over-arching Department of Homeland Security."

Prime Minister Howard announced 23 May an organisational restructure of his Department involving both an expansion of the current International Division (ID) - to separately cover: Asia, the Americas and Trade; and the Pacific, Rest of the World/Multilateral - whilst a number of former ID national security monitoring tasks would be transferred to a newly-created National Security Division (NSD).

The NSD, lead by Jordana, has two branches: Defence and Intelligence; and Domestic Security. Initially, it is being staffed with around 30 people, tasked to focus on: counter-terrorism, defence, intelligence, security, law enforcement and border protection. Being collocated, the two ID and NSD structures are also expected to work closely in support of other existing, but recently upgraded, national security consultative infrastructure.

At the head of government, these comprise the Departmental Secretaries Committee on National Security (SCONS) - tasked to ensure the timely flow and accuracy of security-related briefings across a range of key Commonwealth agencies - and the National Security Committee of Cabinet (NSC), which is chaired by Prime Minister Howard, and which the two divisions are required to prepare briefings for, as well as support discussion.



DEFENCE PHOTO

Key Points

- The inaugural First Assistant Secretary of the new National Security Division (NSD) of the Department of Prime Minister and Cabinet, Miles Jordana, has given first public exposure of the new Division's role and future tasking.
- Stressing his job was not to build an over-arching Department of Homeland Security, Jordana has spoken about substantial revisions and upgrades to Australia's national security infrastructure since the 11 September 2001 terrorist attacks.
- The Prime Minister says the NSD initiative, "is in no way a defacto Homeland Security Department. We don't need such an animal - our arrangements have worked better than any alternatives could have, and I don't see any need for a new department."
- Howard has nevertheless decided to resource the NSD with a Science, Engineering and Technology Unit filled by secondees from the DSTO, Department of Education, Science and Training; the CSIRO, ASIO and the AFP.

According to PM&C Secretary, Dr Peter Shergold, the establishment of the NSD with additional resources, "will ensure a continued high level of co-ordination and re-inforce a whole-of-government approach to national security issues. It will avoid the need to build new bureaucratic structures, given that the Australian Public Service (APS) already has a range of high performing organisations working together effectively."

Practically, the effect of the new changes is to elevate the role of PM&C across the 'whole-of-government' in consolidating the flow of national security material to the nation's highest decision-makers. This recognises the Department not only coordinates activities across the APS, but also, draws-in material coming from

the States through its Chairmanship of the National Counter-Terrorism Committee (NCTC). Such mechanisms, says Shergold, "ensure that the Commonwealth, States and Territories liaise and work closely together." (*refer NCTC chart in ADBR, Vol. 21, Nos. 15/16, 21 October 2002, p13*).

Addressing the ADSC 'Safeguarding Australia' conference dinner, Prime Minister Howard expressed his satisfaction with the overall national security consultative arrangements now put into place, adding he did not see at this point a need for any further fundamental restructuring of national security apparatus. For a country the size of Australia, Howard said, "we have at a national level been able to achieve a fairly satisfactory whole-of-government approach."

Reinforcing the point, Howard stated, "the degree of interaction between political government at the highest level in Australia and the various agencies, both security, defence and foreign affairs, through the operations the NSC of Cabinet, give me some reasonable assurance that we have been able - as best one can in a democratic parliamentary system - (to) achieve a very effective whole of government approach to these issues."

Howard's decision to draw a line on the creation of further national security apparatus follows his 11 June announcement that, under amendments to the National Counter Terrorism Plan (developed within arrangements that are the responsibility of the Attorney-General's Department), Australia would change its Terrorism Alert Code from a three-level system, to a four-level system. Essentially, a basic 'Low' level alert will now indicate there is no information to suggest a terrorist attack in Australia.

Next up, the 'Medium' level alert will indicate an increased risk of a terrorist attack in Australia, whilst a 'High' level alert will act to considerably shorten the odds on the risk of a substantive terrorist attack on Australian soil. The maximum, or 'Extreme' level of alert, will indicate a terrorist attack is imminent or has occurred within Australian territory.

Howard said the purpose of moving to four levels of alert was designed to "better inform the public to more accurately calibrate the level of preparedness by the various Commonwealth and State agencies." The provisions will also allow a 'specific advice' relating to certain parts of Australia that may be different to alerts applying at the national level.

Concomitant with the change in the hierarchy of alerts, Howard also confirmed the Government had decided the Commonwealth now needed to be empowered to coordinate Australia's response to terrorist incidents. In essence, this is to be effected by new legislative provisions to include 'a national terrorist situation' as coming under the powers and discretions of the

- Anzac intercepts Maya V on 24/1/04 for illegal fishing
- Customs to mount armed patrols of southern oceans
- +40-50m from 17/12/03 for new ship
- Promise of new White Paper of Terrorism

Headlines

Gentle ramp-up of border protection responses

The Royal Australian Navy has rapidly gained a reputation for its expertise in maritime interception and the interdiction of suspected illegal fishing vessels and people smugglers. Under new initiatives being developed by the Government, the ADF will join other national defence forces in a campaign to limit the global spread of weapons of mass destruction.

■ Canberra Bureau Report

The Navy's 'Anzac'-class frigate, HMAS 'Warramunga', was reported 24 January as having successfully apprehended the 'Maya V' - a vessel suspected of fishing illegally within Australia's exclusive economic zone around the remote Heard and McDonald Islands over 4000 kilometres south-west of Perth. The new interception comes just weeks after Prime Minister Howard outlined plans for a further upgrading of Australia's capacity to deal with illegal fishing operations within Australian waters and offshore territory.

The Government said 17 December \$40-50m of new funds would be committed over the next two years to enable the Australian Customs Service to lease an ice strengthened vessel to undertake active fisheries protection. Cognisant of the dangers of 'active' fisheries protection, the new vessel will also carry a deck-mounted 0.50 calibre machine gun, an armed Customs boarding party and Australian fishery officers, to patrol the remote and ecologically sensitive southern ocean.

The Government acknowledged it was still considering a longer term solution to this particular fisheries protection issue, having in the background the possibility of funding a build of specialist patrol craft to undertake the long and arduous missions into the southern ocean. As such, Howard further advised, "a longer-term patrol program will be developed to take over at the end of a two-year period. The program will provide the capacity to board vessels and use force if

necessary, and will help avoid the need to undertake long pursuits of illegal vessels in the future."

Speaking on the decision to lease a new ice-strengthened and armed patrol vessel to police the Heard and McDonald Islands, the Minister for Justice and Customs, Chris Ellison, said the chartered Customs vessel was also expected "to be released for other Customs and Fisheries tasks when not on station in the Southern Ocean." This particular Australian initiative to upgrade its southern oceans presence, was also viewed as complementing the treaty recently signed with France on co-operative surveillance in the Southern Ocean in the Australian Exclusive Zone (EEZ) around the Heard and McDonald Islands, as well as France's EEZ around Kerguelen Island."

Replying to the Government's Southern Oceans initiative, the Shadow Minister for Homeland Security, Robert McClelland, said John Howard was "reactive, not

proactive on border security. Every time there is a crisis, as with the illegal fishing boat 'Viarsa 1',

the Government simply reacts with a short-term fix." McClelland says Australia needed a proactive approach to border security, and cited Labor plans to establish a full-time dedicated 'Coastguard', under a unified Federal Department of Homeland Security. Labor's 'Coastguard' would "unify and strengthen the current patchwork of coastal surveillance arrange-

ments, provide new armed 'Coastguard' vessels, professionally-train 'Coastguard' officers, foster a network of 'Coastguard' volunteers, and deliver a new and better coordinated intelligence capability," he said.

Defence Minister Hill also announced 15 January the RAN guided missile frigate HMAS 'Melbourne' and the AP-3C 'Orion' detachment currently deployed to the Middle East were to participate in a new round of PSI exercises. Australia was an early recruit to this coalition of countries aiming to develop practical ways to prevent the global spread of weapons of mass destruction, and hosted the PSI group's second meeting in Brisbane last July. That meeting followed the inaugural gathering of the PSI group on 12 June, which was attended by Australia, France, Germany, Italy, Japan, the Netherlands, Poland, Portugal, Spain, the UK, and the USA.

Foreign Affairs Minister, Alexander Downer, described the initiative as "global in nature, and while not directed at any one country, was nevertheless relevant to the Government's concerns about North Korea - including its declared nuclear weapons program.

PSI participants are aiming to send a clear message to proliferators that trafficking in WMD-related items will not be tolerated." Downer had earlier told a National Press Club audience foreign policy was now operating in the 'real world', and under an approach which is determined to advance the national interest in a 'pragmatic and hard headed way'."

Noting Australia's interests 'are global and not defined solely by geography', Downer said "Australia's security is at risk from the

threat of international terrorism and the spread of weapons of mass destruction. Instability, and even State failure in our neighbourhood is a growing concern."

Reflective of this view, the Prime Minister had confirmed during discussions in June with US President Bush the possibility of allies working to interdict North Korean vessels suspected of carrying either drugs or weapons of mass destruction (WMD). When he returned to Australia, Howard immediately commissioned work on a possible approach, which included consideration of what assets it might make available to any active PSI interdictions.

Australia then led 9 September three other nations in the first of a series of maritime, air and land interdiction training exercises previously agreed in Paris by PSI members. The subject exercise, 'Pacific Protector', involved personnel from Australia, the United States, Japan and France - with Germany, Italy, the Netherlands, Poland, Portugal, Spain and the United Kingdom invited to send observers. The maritime interception exercise began with aerial searches for a simulated Japanese-flagged commercial merchant vessel suspected of carrying WMD-related items, which was then intercepted, boarded and searched.

More recently, the Government confirmed 15 January, ADF force elements in the Middle East would join those of other countries in a US-led exercise in the Arabian Sea, called 'Sea Saber'. Defence Minister Hill said Australian forces would be involved "in the collection, analysis and integration of intelligence and operational resources to support the detection, location and interception of a merchant vessel suspected of carrying WMD related equipment."

Five further exercises (where it is planned Australia will participate as observers) are planned for the first half of this year, including: an Italian-led air interception exercise in the Mediterranean; a German-led customs exercise; a Polish-led ground interdiction exercise; and a French-led simulated air interdiction exercise.



DEFENCE PHOTO

- 2004 Defence Budget
- Reflects Feb DCP
- Many programs cut
- Other deferred, funding put back to later years
- +\$51.5m for counter intelligence/analysts
- DIGO enhancements
- +\$227.8m cross portfolio
- +50.2m for Critical Infrastructure Protection
- Regional C/T network



- Peak reached in C/T and HomeSec funding?
- \$3.1b committed in the seven financial years since 9/11 (to 2007/08)
- 'A Safer Australia' and 'Investing in Australia' packages running
- Nat C/T Plan and C/T Policy Committee
- Where being spent?
- +\$716.5m for NCT Hotline, Intel agencies, bio-security, incident resp-

Table 4 New 2004/05 domestic security measures

Description of Measure	Agency	Proposed	Estimate	Estimate	Estimate	Total
		2004/05	2005/06	2006/07	2007/08	
Continue National Security 'Hotline' Service	A-G's	6.2	--	--	--	6.2
Intelligence Agency Supplementation - ASIO	A-G's	30.1	32.4	31.4	33.3	127.2
Intelligence Agency Supplementation - ASIS	A-G's	7.8	12.9	12	12.9	45.6
Intelligence Agency Supplementation - ONA	PM&C	2.4	1.7	1.7	1.8	7.6
Boost AUSTRAC Centre	A-G's	8.7	8.9	9.1	9.3	36.0
Improve Biosecurity Surveillance	Health	6.4	1.3	1.2	1.2	10.1
Radioactive Material Security/Response	ARPANSA	1.3	1.2	1	1	4.5
National Health Security and C/T Response	Health	3	2.5	2.6	2.2	10.3
Critical Infrastructure Protection - A-Gs	A-G's	7.9	9.6	6.1	6.2	29.8
Critical Infrastructure Protection - Communications	DoCITA	1.2	1.4	1.3	1.3	5.2
Critical Infrastructure Protection - Industry	DITR	0.7	1.2	1.0	0.3	3.2
Critical Infrastructure Protection - Transport	DoTARS	0.6	0.6	0.6	0.6	2.4
Critical Infrastructure Protection - Health	Health	0.3	0.3	0.3	0.3	1.2
Critical Infrastructure Protection - GeoScience	GA	0.2	0.2	0.2	0.2	0.8
Critical Infrastructure Protection - Broadcasting	ABA	0.1	0.1	0.1	0.1	0.4
Critical Infrastructure Protection - Police	AFP	--	--	--	--	0.0
Additional Diplomatic Guarding	A-G's	15.6	--	--	--	15.6
Boost Air Security Officer Program	AFP	3.9	3.6	3.9	4.2	15.6
Research into Counter-Terrorism Technology	PM&C	1.0	2.0	2.1	2.1	7.2
New Inspector of Transport Security	DoTARS	0.4	0.4	0.4	0.4	1.6
Increased Cargo Container Examinations	Customs	7.1	3.5	--	--	10.6
Strengthen Immigration Border Control - Barrier	DIMIA	2.5	2.2	0.9	0.6	6.2
Strengthen Immigration Border Control - Intelligence	ASIO	1.1	0.7	0.6	0.6	3.0
Integrated Global Processing for Visas	DIMIA	13.6	17.5	17	19.8	67.9
Information Technology Disaster Recovery	DIMIA	10.2	6.8	6.7	6.8	30.5
Regional Security Initiative - DoTARS, DIMIA, Customs	Cross	0.5	0.5	--	--	1.0
Rapid Deployment Capability	AFP	11.2	8.3	8.6	8.8	36.9
Combat Counter-Terrorist Financing Capabilities	AUSTRAC	2.5	2.4	2.5	2.6	10.0
Secure Radioactive Sources in the Asia-Pacific	ANSTO	1.6	1.9	1.0	--	4.5
Independent Study of Border Control in the Asia-Pacific	DIMIA	1.4	--	--	--	1.4
Transport Security Initiative for Asia-Pacific countries	DoTARS	1.4	1.1	1.1	1.1	4.7
Armed Customs Patrols in the Southern Oceans	ACS/AFFA	47.7	41.4	--	--	89.1
Host Fora on East Asian Economic Security	Treasury	0.8	0.8	0.9	0.9	3.4
Replace Fleet of 10 Armoured Vehicles	A-G's	2.8	0.3	0.3	0.3	3.7
Trial Biometric Technology for Border Control	Cross	9.7	--	--	--	9.7
Increase First Port Boarding of Arriving Vessels	Customs	2.8	--	--	--	2.8
Security Upgrade for Overseas DFAT/Austrade Missions	DFAT	28.6	18.0	14.2	7.1	67.9
Additions to National Medicines Stockpile	Health	13.7	0.5	0.5	0.5	15.2
Construct Security Perimeter Around Parliament House	DPS	13.0	--	--	--	13.0
Upgrade Security of Customs IT and Communications	Customs	4.5	--	--	--	4.5
		274.5	186.2	129.3	126.5	716.5

Notes: Table does not include Defence initiatives, nor \$14m (of \$35m) from 2004/05 & 2005/06 brought forward into 2003/04 to upgrade security at 140 regional airports; an additional \$19.6m over the next four years (from 2004/05) for DIMIA airport document examination; \$36.8m over five years to support the Jakarta Centre for Law Enforcement Cooperation; new funding of \$0.7m over four years to extend extend counter-terrorism consequence management training with regional countries; an additional \$6.2m to support A-G's increased security workload; funding for A-G's/AFP overseas security enforcement; and security funding for the Olympic Games. [ADBR]

onse, critical i/structure protection, more guards and air security officers, C/T research (SET Unit), inspector of transport security, container examinations, border and visa controls, regional security, armoured vehicles, biometric trials, upgrade overseas missions, medicines stockpiles, PHse perimeter fencing, upgrade Customs IT, etc.

• Terrorism White Papers

Headlines

Ten-point plan to comfort the terrorism generation

Launching a new compilation of cumulative measures taken by the Government since September 2001 to protect Australia against terrorism, Prime Minister Howard has grimly foreseen there to be "no end in sight for transnational terrorism, and it is likely that the number of terrorist groups worldwide will grow."

■ Canberra Bureau Report

Now claiming to have committed \$3.1b to additional domestic security measures over the years 2001/02 to 2007/08, Howard's clear emphasis is on 'intelligence' as the first line of Australia's counter-terrorism defence. Close to one-third (\$872m) of all new domestic security spending has been earmarked for supporting the development of Australia's intelligence capabilities, spanning both people and technical systems. All agencies within the Australian Intelligence Community (AIC) are being encouraged to continue to build their information technology systems and analysis capabilities to ensure they are able to meet Australia's security requirements over the long-term.

In particular, analytical agencies, such as the Office of National Assessments (ONA), the Australian Security Intelligence Organisation (ASIO) and the Defence Intelligence Organisation (DIO), have all been given approval to further develop their expertise to support a strategic and long-term understanding of the threat confronting us. Most recently, ASIO was given approval to develop its workforce to increase its analytical and investigative capabilities, so that by 2006/07, it will have increased its personnel levels by 80% since 11 September 2001.

Howard further emphasised that information sharing relationships within the AIC, and between AIC members and the growing number of agencies involved in national counter-terrorism arrangements, will also

continue to be strengthened. As such, AUSTRAC's role in working with AIC and law enforcement agencies will intensify as it contributes to domestic and international efforts to suppress terrorist financing, Howard says that "increasing coordination and co-operation between all relevant government agencies means we are developing a truly national perspective on understanding and countering the terrorist threat."

The Government has brought all this together under five key principles that will now underpin the planning framework driving the development of future counter-terrorism capabilities. These are: (A) - intelligence assessments that are as comprehensive and accurate as possible about the nature and level of the threat Australians face; (B) - sound risk management approaches that deliver the maximum level of security, while making best use of resources available to Australia; (C) - a centrally directed approach to developing national arrangements and capabilities across the whole of government; (D) - effective partnerships with the States and Territories and the private sector, and continued engagement of the Australian public in the counter-terrorism effort; and (E) - close international and regional cooperation in ways that complement and strengthen Australia's domestic capacity to fight terrorism.

Looking forward, the Prime Minister outlined in his 'Protecting

Australia Against Terrorism' report, a ten-point plan for meeting the challenges thrown-up by his prediction of a growing terrorist threat. First (point 1), he said, the Government "will continue to strengthen its partnership with business in the protection of national critical infrastructure. It will commence work to analyse interdependencies between different elements of our national infrastructure (point 2) and the consequences of infrastructure failures and the application of geospatial technology (point 3), to improve the incident response capabilities of law enforcement and emergency services agencies. The government will (also) pay particular attention to ensuring it is able to maintain essential communications with the public in a crisis (point 4)."

In addition, Howard says that moving forward, the Government "will continue to review the adequacy of protection and response arrangements for key sectors of our economy (point 5). For example, it is working to further integrate Australian aviation, maritime and land transport policies and arrangements into a world-class framework that assures maximum security through the most efficient and cost-effective means possible."

The sixth initiative in Howard's 10-point plan involves the nation's legislative framework being constantly reviewed to ensure relevant agencies have the right tools to prevent and penalise terrorist activity. In doing so, Howard assures citizens the Australian Government "will always seek to strike a balance between strengthening our national security and protecting individual liberties."

Further action is also in train to strengthen Australia's capacity for border security (point 7) through the development of new biometrics technologies, and investment in more efficient and effective data management systems. The Prime Minister says Australia's capacity to respond to terrorist incidents will also "improve through an expanded national medicines stockpile and improved disease surveillance systems. (8)"

Also proposed is an increasing focus on facilitating high-quality and targeted collaboration between Australian and international scientists and researchers on counter-terrorism technologies (point 9). Howard says this program is designed "to help Australia's security agencies, police forces and emergency management agencies develop sophisticated capabilities for countering the terrorist challenge."

Lastly, the Prime Minister affirmed his Government was firmly committed to the global campaign against terrorism (10). He said Australia's linkages with the United States and other allies in key areas of national security "will grow, delivering benefits in intelligence and access to leading-edge skills and technology. Agencies across government will continue to work on a daily basis with their overseas partners to track down terrorists and disrupt their activity. They will continue to work with regional partners and support the development of regional security capabilities."

Howard concluded, "a great deal has been done at all levels of government, by the private sector, the research community and the people of Australia to increase our protection against terrorism. But we cannot be complacent. The Government cannot guarantee that Australia will not be subject to terrorist attacks. It will, however, do everything in its power, in concert with its allies and partners, to take resolute action to protect Australians against the threat of terrorism. In marshalling our physical and intellectual resources to defend our people and interests, we also reassert our value as a democratic society."

ADBR

OBSERVATIONS

- **Post-9/11 response taken in the context of an election campaign and illegal immigrants controversy**
- **Essentially Government reacted within itself, turned immediately to old models (eg: SAC-PAV from 1979)**
- **Was a natural response but, effectively undertaken exclusive of industry involvement/input**
- **This has delayed the ability of business to size the HomeSec market opportunity, and respond with investment and innovation**
- **Ruddock: Govt responsible to electors, Business is responsible to shareholders - no RoI, no invest**
- **Next Govt needs to open-up HomeSec response to**

- wider involvement from industry/whole-of-nation
- PM's Bus-Govt Forum on National Security a good start, but was 40 CEOs from big companies - what about the SME's/Defence model?
 - Need a DCP-style document to help size the market
 - AHSI launched with Athol to help raise HomeSec market awareness, \$650m+ now shifting into industry
 - ADBR editorial

