

The Policy Shift the Media Missed

Australia's Emerging National Security Strategy

Peter Jennings

Speaking in the House of Commons in 1943 about repairing wartime damage to the Houses of Westminster, Winston Churchill argued that the design of the building did much to shape the character of British politics. 'We shape our buildings and afterwards our buildings shape us', he said. Government and opposition faced each other across the chamber, reinforcing the party structure of politics. Indeed much of our language about political affairs—left and right wing, front, back and cross benches—comes from the shape of the building where our politicians work.

A similar claim could be made about government in Canberra. We shape our bureaucracy and afterwards the bureaucracy shapes us, or rather bureaucracy defines the content of the policy advice that goes to Cabinet. This is certainly true in the field of national security. We have defence white papers, foreign policy statements and policies on domestic security mostly because we have a Defence Department, a Department of Foreign Affairs and Trade and an Attorney-General's Department. These organisations have tightly defined roles and missions. Their work may overlap, but largely these agencies have been built to implement and advise on policy in narrowly defined areas.

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Our intelligence agencies, for example, are built around preserving a very sharp division between external and internal security. The role of the Australian Defence Force (ADF), for very sensible reasons, is structured around meeting external security threats, while state and federal police forces focus on domestic security. When these different agencies interact they often do so on the boundaries of their organisational responsibilities. The means and methods of cooperation can be clumsy and legal frameworks complex and ambiguous.

This creates a potentially serious problem: Our government structures are *vertical*. That is, we have agencies with narrow areas of responsibility and few connections between them. However the shape of our most pressing security problems are *horizontal*. Challenges to Australia such as terrorism and regional instability cross the responsibilities of many of our agencies. On terrorism, for example, our domestic and externally focused intelligence agencies have had to develop methods of sharing their material far more comprehensively than in the past because of the potential for terrorist groups to mount attacks within Australia. Terrorist groups exploit their enemy's organisational weaknesses precisely because they operate between these intersections of authority, where intelligence coverage and policy responses may be at their weakest.

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Increasingly, police forces are playing a central role in Australia's international effort against terror and in promoting stability in our near neighbours. The Australian Federal Police have become heavily involved in Southeast Asia, working with their counterparts in Indonesia and elsewhere to develop information-sharing networks. In the Solomon Islands, the ADF was deployed to support the police to restore law

and order. Canberra proposes to send Australian Federal Police (AFP) rather than the ADF to Papua New Guinea to reduce lawlessness in Port Moresby and the Highlands.

This blurring of security roles is also increasingly evident in Australia's management of border security. In April 2003, for example, a North Korean ship, the *Pong Su*, was intercepted and the crew arrested for attempted heroin trafficking off the New South Wales coast. The operation involved a who's who of Australian agencies. The Navy and Special Air Services Regiment, New South Wales, Victorian and Federal police, Customs, Coastwatch, Department of Foreign Affairs and various intelligence agencies were all involved in detaining the vessel. The demands of coastal surveillance involve many separate state and federal agencies and coordination of these groups is a complex challenge.

For most of the time, Canberra's public service agencies work well together, pooling their considerable abilities and resources to achieve common goals. Mostly, but not always. Bureaucratic turf battles can at times get in the way of achieving whole-of-government aims. Agencies may be reluctant to share information, or spend resources to achieve broader national goals when they may not appear relevant to specific departmental interests. What is remarkable, given the cross-jurisdictional complexity of many security issues, is how limited Canberra's resources have been to handle them in a national security context. Until late 2003 the only group with the responsibility to bring these elements together into a national security framework was the National Security Committee of Cabinet (NSCC) chaired by the Prime Minister.

The Coalition government reconstituted the NSCC when it took office in 1996. In addition to the PM its members are the Defence and Foreign Affairs Ministers, Deputy PM, Treasurer and the Attorney-General. It makes decisions binding on the whole Cabinet. During military contingencies such as the East Timor crisis in late 1999 and the 2003 Iraq war, the NSCC meets daily as the decision-making centre of government during crises. More typically the

NSCC meets once every two or three weeks to make decisions on every aspect of national security from military equipment acquisitions to sensitive intelligence and foreign policy issues. Unlike the full Cabinet, the NSCC has evolved a style where senior officials such as the intelligence agency heads, military chiefs and secretaries of departments participate in the discussions.

Over time the NSCC has become an experienced crisis management team with a deep knowledge about national security policy. This group has learned by experience that, to achieve national security objectives, one must combine different instruments of power such as military force, aid and diplomacy, domestic and foreign intelligence, police and other agencies.

Typically governments attempt to deal with cross-jurisdictional security problems by assembling Interdepartmental Committees or 'IDCs' to handle the issue. They don't always work. Whatever the wider lessons to emerge, the IDC assembled in 2001 to handle illegal people smuggling highlighted the challenges involved in bringing many agencies together at short notice to manage a crisis. The committee struggled to develop basic procedures and to work out the type of information it needed and how to collect and disseminate that data. It appeared that there was uncertainty about the levels of seniority and decision-making autonomy that departments were prepared to give their representatives.

This approach is not an adequate way to service the NSCC and there have been a number of developments since that time to increase the bureaucracy's capacity to offer a genuine national security approach. Following the Bali bombing in October 2002, counter-terrorism policy work was centralised in the department of Prime Minister and Cabinet (PM&C) and, in July 2003, the department created a new National Security Division. This comprises around 30 people, largely drawn from Defence and Foreign Affairs. The Prime Minister has been at pains to stress that his new division will be a coordination mechanism between departments. But it would be unusual if the division did not over time deliver more policy control to Prime Ministers on critical national security issues.

Other Government central agencies, notably the Departments of Finance and Administration (DOFA) and Treasury, are increasing their capacities to shape crucial defence and security decisions. Following Mr Malcolm Kinnaird's review of the Defence Materiel Organisation, the Government decided to significantly increase DOFA's ability to critically evaluate military equipment proposals. A new branch with around 15 staff is being built to support that task. Treasury has likewise made structural changes to beef up its ability to make substantive input to NSCC deliberations.

These developments may read like a dry account of bureaucratic deck-chair shuffling, but they go to the heart of how national security policy is developed and the *quality* of that policy is vitally important to Australia's future security.

For the agencies traditionally at the centre of national security policymaking—Defence and Foreign Affairs—these developments come as a mixed blessing. There is no question that security issues now have a much greater prominence in government thinking and in spending priorities. Equally, PM&C and the central agencies of DOFA and Treasury, are taking on a much more substantial policy making role. As a result Defence has lost much of the authority it used to enjoy over issues like military equipment purchases.

In future, PM&C is now far more likely to set the basic shape of key security policies. This process will continue to consolidate the Prime Minister's position as the unrivalled source of power and authority for national security policy making. Over the last few years, the Prime Minister's capacity to set fundamental directions on key issues such as defence spending, setting the broad roles and military capabilities of the

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ADF and over the conduct of military operations has dramatically increased. Through the regular meetings of the NSCC, the Prime Minister is able to develop close relations with the Chief of Defence Force, the Service Chiefs, departmental and intelligence agency heads. PM&C's growing capacity to advise the PM on issues that were once more exclusively the responsibilities of line departments, strengthens the PM's ability to set policy directions.

This trend is unlikely to be reversed by a change of government or internal party leadership changes. It consolidates what others have described as an increasingly presidential character to the position of the Prime Minister.

Over time we are likely to see a further strengthening of the role of the NSCC. The Secretaries Committee on National Security (SCONS) will become more prominent as a central clearing house for whole-of-government policy development. Other departments and agencies are likely to review their own structures to see how they can more effectively contribute to national security policy making. That might include widening opportunities for staff to be seconded to other departments for work experience, and looking to inject a broader understanding of security into internal policy development work. Achieving that broader perspective—and a style of doing business that is more open to a variety of inputs from different agencies—implies a profound change in the ways departments currently operate.

One possibility that should be resisted would be the creation of a much larger bureaucratic entity, bringing Australia's national security infrastructure together into a 'megadepartment', similar to the US Department of Homeland Affairs. Current coordination difficulties

between agencies and departments would still occur within a megadepartment, but they would be less visible to outsiders. There would still be a need to coordinate with state agencies, as well as with national public service departments with limited but important national security functions. There is also the problem of deciding what areas to include in a new, larger organisation. A megadepartment designed, for example, to house all national agencies with counter-terrorist responsibilities would have a different composition from one built to meet the challenges of border security.

The development of a more coherent approach to national security, largely driven by the Prime Minister and supported by his department's coordination and policy setting role is a necessary step for Australia. We face a more challenging and complex security environment, and the range of possible threats go well beyond the capacities of individual government departments to counter. To deal with these problems it makes sense that the government should want to strengthen its ability to use all the instruments at its disposal.

A sensible next step would be for the Prime Minister to sponsor the development of a national security policy statement similar in coverage and broad policy intent to the annual National Security Statement issued by the White House. This would certainly be valuable for the potential it offers to clarify and strengthen key lines of policy across all government departments. The government has already indicated a plan to publish a white paper on counter-terrorism, designed to show the wide range of initiatives taken. A National Security Strategy paper would take this policy further, linking and better coordinating the many areas—from aid, to policing, from diplomacy to military force—that collectively contribute to Australia's security. Of course, the last thing one would want would be yet another bland policy paper. But the government has never before produced a national security statement. There is both the need and the opportunity to do some innovative work in this area. We should set to this task before the tide of international events forces us to take a less considered approach.