Joint Standing Committee on Foreign Affairs, Defence and Trade

Government Response to the Committee's Report

'Watching Brief on the War on Terrorism'
June 2004

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The Government thanks the Joint Standing Committee on Foreign Affairs, Defence and Trade for its inquiry into and report on the preparedness of Australian, state and territory governments and agencies to respond to and manage the consequences of a terrorist attack in Australia. The Government's response to the report's five recommendations is outlined below.

Recommendation 1: The Committee recommends that the Government review the rationale for emergency response equipment allocations to the States and Territories under the National Counter-Terrorist Agreement, taking into account the relatively more significant requirements of the larger jurisdictions.

Response: Agree in part.

Under the *Agreement on Australia's National Counter-Terrorism Arrangements* signed on 24 October 2002, all jurisdictions recognise their joint responsibility in contributing to the development and maintenance of a nation-wide capability to counter terrorism. The nation-wide counter-terrorism capability is developed through utilisation of the policing and emergency management capability funded by the states and territories; and operational and policy capacity of relevant Australian Government agencies funded by the Commonwealth. This is supplemented by a special fund to maintain and develop the nation-wide counter-terrorism capability, provided and administered by the Australian Government on the basis of advice from the National Counter-Terrorism Committee (NCTC).

In addition, from time to time the Australian Government provides specific targeted funding allocations to address identified priority areas. For example, as part of the 2004-05 Budget, the Government announced a proposed cost-shared funding arrangement with the states and territories, up to the value of $30 million, for a package of emergency management measures focussing on urban search and rescue capability. The Government is currently working with the jurisdictions in developing this package.

Prior to the establishment of the NCTC, the Standing Advisory Committee on Commonwealth/State Cooperation for Protection Against Violence (SAC-PAV) administered funding to enhance counter-terrorism capabilities in jurisdictions. The essence of these earlier arrangements was 'equity' in the provision of various training courses, exercises and equipment to ensure that all states and territories were being equally developed. However, some funding was also directed on a justifiable needs basis. For example, in the lead up to the Sydney 2000 Games, NSW Police received additional funding for exercises and equipment. This was the also case in the lead up to the Commonwealth Heads of Government Meeting in Queensland.

The NCTC has recognised a greater need to move from the previous 'equity' model, to that of a 'justifiable needs' model. The NCTC Constitution, Attachment D *Statement of Financial Guidelines*, states that the special fund is allocated by the Australian Government to '...provide a basic viable counter-terrorism capability, built upon extant state and territory capabilities, commensurate with the general level of risk to Australia.' This special fund is allocated '... where there is a justifiable and demonstrable need for expenditure. Parity in expenditure should only occur as a means to ensure the balancing of the nation-wide counter-terrorism capability.'

To underpin this change from an 'equity' model to a 'justifiable needs' model, the NCTC has embarked on a programme of defining the basic viable national counter-terrorism capability, from which the requirements for the various counter-terrorism capabilities can be measured in all jurisdictions. This will enable the NCTC to continue to assist states and territories to develop their counter-terrorism capabilities to the defined basic viable level.

Accordingly, the Government is reviewing capability requirements and defining minimum viable capabilities to provide a basis for funding allocation decisions. However, the aim will be to efficiently allocate resources across all jurisdictions to build a basic viable counter-terrorism capability, rather than to focus on particular additional requirements of the larger jurisdictions.

Recommendation 2: The Committee recommends that DOTARS should carry out a security risk assessment of Hobart airport to determine whether 24 hour surveillance capacity is required.

Response: Agree: all airport security risk assessments are subject to ongoing review.

The security risk assessment of individual airports, including Hobart Airport, is an ongoing iterative process, rather than a single event or activity. This process is conducted by the Office of Transport Security in the Department of Transport and Regional Services (DOTARS) in close consultation with the Australian Security Intelligence Organisation and the Attorney-General's Department to determine, amongst other things, the appropriate level of surveillance capacity required. In reviewing individual security risk assessments, existing threat levels in the aviation sector and the national counter-terrorism alert level are taken into consideration.

Recommendation 3. The Committee recommends that the National Counter-Terrorism Committee ensure, by means of a National Agreement if necessary, the interoperability of communications for police and emergency services across Australia.

The Committee also recommends that EMA negotiate with the states to pursue memoranda of understanding with commercial broadcasters to provide emergency messages to the community similar to those being arranged with the ABC. The Committee urges the completion of memoranda of understanding as a matter of priority.

Response: Agree in part.

The Australian Government recognises that these are important issues and agrees to the intent of recommendation 3. Given their complex nature, however, the development of long-term solutions will require the coordination of a number of government agencies and departments, ongoing negotiation with the states and territories and with communications authorities such as the Australian Communications Authority and the Australian Broadcasting Authority.

To this end, the Department of the Prime Minister and Cabinet is currently working with a number of key government departments and agencies to consider a range of government communications issues, including communications interoperability and the broadcast of emergency messages, with a view to determining which agencies are best placed to develop and implement solutions. The states and territories are being closely consulted as part of this process to ensure their views are taken into account and that consistent approaches are adopted to issues which impact across jurisdictions.

Recommendation 4. The National Counter-Terrorism Committee should assess and report on the arrangements put in place between state and territory authorities and the private owners of critical infrastructure within each jurisdiction to ensure the adoption of best practice security principles for infrastructure protection.

Response: Agree.

The Australian Government has been working closely with state and territory governments and with private sector owners of critical infrastructure to ensure that protective security arrangements are appropriate, consistent and accord with best practice. Draft National Guidelines for the Protection of Critical Infrastructure from Terrorism (the national guidelines) have been developed in consultation with these parties and are now at an advanced stage.

In December 2002, the NCTC finalised the Principles for a National Counter-Terrorism Strategy for Critical Infrastructure Protection (the principles document), which sets out the responsibilities of governments and government agencies in order to ensure consistency. The NCTC also commissioned the development of the national

guidelines, which build upon the principles document, and on the cooperation between business and government on critical infrastructure issues.

This cooperation has been facilitated through the Trusted Information Sharing Network for Critical Infrastructure Protection (TISN), which brings together all levels of government, key security agencies, and industry representatives to exchange information and develop cooperative arrangements for protecting infrastructure under an all-hazards approach. Key priorities for the TISN include the identification of critical infrastructure, the identification and mitigation of risks and the promotion of best practice arrangements.

On 25 June 2004, the Council of Australian Governments (COAG) agreed that the draft national guidelines should be the subject of industry consultation. The consultation process included consideration of the national guidelines by the TISN and has now been completed.

It is intended that the information provided in the guidelines will be consistent in its approach with principles of good corporate governance, and with an emphasis on undertaking risk assessments and appropriate planning. The draft guidelines will not be prescriptive for the private operators and owners, but are intended to help businesses put in place appropriate protocols and security arrangements. Given that a large proportion of critical infrastructure is owned and operated by the private sector, it was important to ensure that these businesses provided input into the development of the national guidelines.

The national guidelines will shortly go to COAG for final endorsement, subject to which they will be distributed to the owners and operators of critical infrastructure and to the Australian, state, territory and local governments, which will work closely together to encourage the private sector to adopt them.

Recommendation 5: The committee recommends that the Department of Transport and Regional Services (DOTARS) should review the security arrangements in place at all airports subject to its regulation on a regular basis and report on them in DOTARS annual report.

Response: Agree in part.

DOTARS continuously assesses security arrangements at airports through a programme of compliance audits. DOTARS is reviewing its procedures for measuring aviation security performance in the DOTARS annual report in light of the Government's response to the recommendations in the 2003 Australian National Audit Office Report on Aviation Security. However, there would be risks associated with including information about aviation security arrangements in a publicly available document such as the department's annual report.