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SECRETARY
DEPARTMENT OF HOME AFFAIRS
Opening Statement
Legal and Constitutional Affairs Legislation Committee
Estimates Hearing
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The Department, and the portfolio, of Home Affairs has now been in existence for five months and a day. Since my last report to this Committee in February, the establishment of the portfolio has been structurally completed with the passage of the *Home Affairs and Integrity Agencies Legislation Amendment Act*. The associated Administrative Arrangements Order came into effect at 12.01am on Friday, 11th May 2018, which meant that the Australian Security Intelligence Organisation (ASIO) joined the portfolio.

With our colleagues in the Home Affairs agencies, the Department will continue to build a portfolio which both respects the independence and traditions of the portfolio agencies while also harnessing - in a way that has been hitherto impossible - the collective power and strength of the new national architecture of domestic security and law enforcement. In this age of heightened risk and uncertainty, there is much to be done, and in just five months much has been achieved within the portfolio, or at least commenced:

- The Cyber Security Policy Division, which reports to the National Cyber Security Adviser, has been co-located with the operational staff of the Australian Cyber Security Centre in the Australian Signals Directorate. Already, this arrangement is facilitating improved coordination between policy and operational activities. It is also supporting greater collaboration to address the interconnected nature of cyber threats—particularly as they relate to foreign interference, cybercrime, protecting critical infrastructure, and securing Australian Government systems and networks;
- The Critical Infrastructure Security Division in the Department has been mandated to work more closely with the Cyber Security Policy Division, and the Australian Cyber Security Centre on the risk of a major cyber-attack on our critical national infrastructure;
- The Office of Transport Security has been expanded into the Aviation and Maritime Security Division, which will have a broader remit in relation to the aviation and maritime sectors, eventually including countering terrorism and criminality, considering (with others) the risks of hostile state action and sabotage, the continuity of critical national functions, and assisting in the screening of foreign investment proposals. The Division will adopt a more connected approach to security in these two sectors, and it will work with other agencies and industry to better understand risks, develop end-to-end strategies and strengthen security at air and sea ports;

- On 11th July 2018, the *Security of Critical Infrastructure Act 2018* will take effect. The Act applies to approximately 160 assets in the electricity, water, gas and ports sectors—those most susceptible to espionage, sabotage and hostile state action. The Act will enhance the safeguarding of Australia's critical infrastructure by establishing a register of assets, improving information collection for risk assessment purposes, and providing for a ministerial power to direct industry to manage national security where no other mechanisms exist. My Department is working with industry, States and Territories, and the telecommunications sector to ensure that they understand the Act's intent, their obligations and to develop best-practice processes and systems;
- The Commonwealth Counter-Terrorism Coordinator has been working on strategies to ensure that those who travelled to the Middle East to fight with or support terrorist groups in recent years are dealt with as far from our shores as possible, and to ensure that where there is a lawful right of return it is with forewarning and into the hands of law enforcement and security agencies. Further, as the Minister for Home Affairs has said publicly, the Department is examining the operation of the *Citizenship Act* insofar as it relates to the cessation of Australian citizenship in the case of those dual nationals who no longer maintain an allegiance to Australia. I have also asked the Coordinator to ensure that we fully harness the coming together of relevant functions which are critical to the counter-terrorism effort, including countering violent extremism and working with our loyal and committed ethnic communities;
- The Counter Transnational, Serious and Organised Crime (TSOC) unit has been established, headed by a Coordinator who is a serving Deputy Commissioner of the Australian Federal Police, and who reports to me on questions of strategy and policy, and to the Commissioner of the AFP on questions of operations. We are determined to take the fight up more aggressively to the most dangerous criminals (who for the most part are based overseas), and who seek to harm our nation and to profit from the resultant misery. We will strike at their business models and their economic incentives to profit from crime. Early priorities will be a focus on countering child exploitation (to which I will return), human trafficking and slavery, money laundering, and trafficking in illicit drugs and firearms.
- Also to this end, we have established the Criminal Justice and Law Enforcement Forum of Commonwealth agencies, including the Attorney-General's Department and the Australian Taxation Office, to ensure that we are bringing all of our collective weapons to bear in what is a global fight against capable and well-resourced adversaries;
- The Government has announced the establishment of the Australian Centre to Counter Child Exploitation (ACCCE) to counter the most unspeakable evils imaginable – the abuse, torture and murder of children, especially to be found in the darkest corners of the Internet. The Centre will be developed by the AFP as a joint agency standing task force, responsive to the Commonwealth TSOC Coordinator (mentioned earlier). Amongst other strategies, the Centre will hunt online and will be able increasingly to use all of the weapons at our disposal to deal lawfully with the most evil acts perpetuated on this Earth;
- The National Counter Foreign Interference (CFI) Unit has been established, headed by a Coordinator who reports to me and is responsive to the Director-General of Security. The National CFI Coordinator will lead the development of whole-of-Government strategies to counter foreign interference to ensure the integrity of our democratic system and our economic sovereignty, and to protect Australians who may be vulnerable to coercion from hostile state actors. This Home Affairs' function will not infringe the responsibilities or independence of other agencies. Rather, it will provide a coordinated response to foreign interference by working with other departments and

agencies, the national intelligence community, States and Territories, business, academia and more generally the Australian community.

- With the transfer of the multicultural affairs function from the Department of Social Services to Home Affairs, a more connected approach to social cohesion and multicultural affairs can now be pursued. The Department has refocused its Regional Director roles across Australia to drive closer engagement with multicultural community leaders. Regional Directors are supported by a network of community liaison officers located in all State and Territory capitals. This arrangement will provide a new conduit to explore initiatives which can help connect and unify communities to strengthen Australia's social cohesion.
- A national resilience task force has been established to take a whole-of-Government approach to the way in which Australia prepares for intensifying natural hazards. The task force will work closely with States and Territories, industry and communities to improve the resilience of our critical infrastructure, economy, cities and regions.

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In government, the design of institutions matter, as does how you arrange key functions. If it matters, you will scale functions and pool capacity. The establishment of the portfolio has made possible the bringing together of critical functions, and the commissioning of the vital strands of policy work mentioned above. We now have the framework in place to tackle these questions, with clear lines of authority, singular purpose and pooled capabilities in place - none of which were evident before the establishment of the portfolio. Previously, these functions were broken up and dispersed across a number of departments and agencies which did not necessarily have a primary focus on domestic security and law enforcement. We are also able to work to, and meet regularly with, a single Cabinet Minister who has prime responsibility for these functions, ensuring that we are able to work to clear directions. With the Minister, the agency heads and I regularly review threats and risks, priorities and goals, and we are able to mobilise action and cut through obstacles as required.

The advent of the portfolio has also meant that the Government for the first time has been able to commission a strategic capability review of the entire spectrum of domestic security and law enforcement functions, and to this end following a decision taken in the 2018-19 Budget process, I have established a reform and reinvestment roadmap taskforce. This team will work across the portfolio to establish an accurate picture of current and future capability needs, and how best to fund them, how to best achieve scale, efficiency and better resource allocation, how to reduce duplication and overlap, as well as invest more extensively in technology and automation, and support our highly skilled and expert workforces. This roadmap will inform decision making by the Government about future capabilities and priorities for the portfolio.

I am particularly keen to ensure that with the establishment of the portfolio, and especially in the context of developing the future capability roadmap, we take every opportunity to pool our resources and better exploit new and emerging technologies in areas such as secure data storage, data exploitation (and especially natural machine-learning and artificial intelligence), identity and biometrics, analyst tools and more besides. By coming together, our research, development and procurement efforts will be more effective than if we had pursued these capabilities in isolation.

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It was always going to be the case I suspect that misinformed commentary was going to surround the establishment of Home Affairs. That is the price of a free press – which most certainly has to be free but that does not guarantee that it has to be informed, accurate or concerned with facts. The worst early example of ill-informed reporting regarding Home Affairs – and this was a prize for which there were unfortunately many nominees – was the effort by the correspondent of *The Sunday Telegraph* and associated Sunday newspapers who reported on Sunday 29th April 2018 and again on Sunday 6th May 2018 that I had asked the Secretary of the Department of Defence and the Director of the Australian Signals Directorate to consider an increase in ASD's powers to collect intelligence on Australians or to covertly access their private data without warrant or authorisation. This assertion is completely false.

Without confirming or denying the existence or content of the specific documents which the correspondent claims to have seen, I can inform this Committee that I have not proposed, and nor would I ever propose, that ASD's powers be expanded in the way described in this false reporting. Had the correspondent bothered to check, she would have informed herself that ASD has been given in law a second important function, which relates to the conduct of cyber operations, which as a discipline is quite distinct from signals intelligence collection (SIGINT).

The only matter in issue in terms of potential new powers and functions, as the Minister for Home Affairs has since indicated, is whether ASD's capabilities could and should be employed in the disruption of cybercrime where the whole, or parts, of the relevant cyber network are hosted on Australian telecommunications infrastructure, and secondly whether ASD's capabilities could and should be employed in the active defence of certain critical national networks. I do not intend to further comment on these matters as the specific details are highly classified and in the end will be matters for ministers to determine. What I will say is that the Department will continue to work on these questions with colleagues in other departments and agencies, and will do so on the basis that it will not now, or ever under my leadership, provide advice to Government suggesting that ASD be allowed to acquire unchecked data collection powers in relation to Australian citizens – collection against whom can only ever occur within the law, and in ASD's case under extremely limited and controlled circumstances.

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