

**Kokoda Paper No. 8**

May 2008

**STRATEGIC DECISION-MAKING:  
OPTIMISING AUSTRALIA'S  
NATIONAL SECURITY PLANNING  
AND COORDINATION FOR 2015**

Ross Babbage

The Kokoda Foundation

[www.kokodafoundation.org](http://www.kokodafoundation.org)

**Researching Australia's Security Challenges**

Published in Australia by the Kokoda Foundation, May 2008

© The Kokoda Foundation

This book is copyright. Apart from any fair dealing for the purposes of private study, research, criticism or review as permitted under the Copyright Act, no part may be reproduced by any process without written permission. Inquiries should be made to the publisher. This book must not be circulated in any other binding or cover.

National Library of Australia  
Cataloguing-in-Publications entry

---

Babbage, Ross, 1949- .

Strategic decision making : optimising Australia's national security planning and coordination for 2015 / Ross Babbage.

ISBN 9780975821879 (pbk.)

1. Australia. National Security Committee. 2. National security--Australia. 3. Australia--Military policy. I. Kokoda Foundation. II. Title. (Series : Kokoda Papers ; no. 8).

355.033094

---

Series Editor: David Schmidtchen  
Cover and design: Qote Canberra (02) 6162 1258  
Cover picture: Photographer: Andrew Sheargold / Getty Images

Printed by: National Capital Printing

Published and distributed by:

Kokoda Foundation,  
46 Baracchi Cres Giralang ACT Australia 2617  
(Ph) +61 2 6161 9000

Email: [manager@kokodafoundation.org](mailto:manager@kokodafoundation.org)

Web: [www.kokodafoundation.org](http://www.kokodafoundation.org)

Additional copies are available from the Foundation at  
A\$22.00 (including postage and GST) per copy.

## PREFACE

This project would not have been possible without the support and assistance of the departments and agencies within the Australian national security community. During the course of this research senior officials spoke frankly about current and possible alternative strategic decision-making processes. They were insightful and exceptionally helpful. All of those who contributed deserve warm thanks.

The advice received from several foreign officials was also valuable, especially in explaining their country systems and processes of high-level national security decision-making. We wish to express our appreciation for their thoughtful participation in aspects of this project. Two closed workshops were conducted in Canberra as part of this project in October and December 2007. Whilst different perspectives were expressed at various stages, a clear consensus emerged about primary themes. This report has been prepared to describe and explain that consensus.

Gary Waters played a valuable role in conducting background research on key issues and also in helping to manage the closed workshops. David Schmidtchen, the Editor of the Kokoda Paper series, carried the load for editing the report and for the very high quality of its detailed preparation for publication.

The primary financial sponsors of this research project are Jacobs Australia, the Department of Prime Minister and Cabinet and the Australian Department of Defence. The Board of the Kokoda Foundation wishes to express its deep appreciation for their support.

This report is not intended to be the last word on the subject. Readers who wish to discuss and debate aspects are encouraged to do so by preparing either a short commentary or a longer article for the Kokoda Foundation's professional journal, *Security Challenges*. For details on how this can be done, please visit:

<http://www.kokodafoundation.org/journal/New%20Site/author.html>

## **EXECUTIVE SUMMARY**

This report is about optimising Australia's highest level national security decision-making. It examines the workings of the National Security Committee (NSC) of the Australian Cabinet and the various other committees and arrangements that support high-level national security decision-making in Australia.

What elements of the strategic decision-making system have worked well in recent years? What elements have not worked so well? What useful lessons can be learnt from the strategic decision-making systems of friendly countries? And what options for change deserve serious consideration to improve Australia's national security planning and coordination for the 2015 timeframe?

The primary conclusions of this research project are as follows:

- Australia's high level national security decision-making processes work well in most respects and will likely continue to do so through 2015 and beyond.
- Particular strengths include the National Security Committee itself that brings together relevant ministers of the Australian Government with relevant senior officials in a single room with authority to decide almost all national security issues on the spot. This system encourages high quality discussions, facilitates informal teamwork and provides senior officials with a clear understanding of ministerial views.
- In crisis situations this efficient, effective and very flexible structure usually produces quality assessments and sound decisions in appropriate timeframes.
- On the other hand, some aspects of Australia's national security decision-making are assessed to be sub-optimal and in need of change.

- In particular, there is a need to focus more of the NSC's time and attention on longer-term security challenges.
- The NSC needs to consider more deeply the broader range of multi-disciplinary security challenges that are now confronting Australia. These challenges include terrorism, climate change, weak state insecurity, pandemics and also the more conventional defence threats that have not gone away. The NSC needs to find ways to assess these challenges in greater depth, to consider alternative strategies and to authorise means of harnessing a wider range of national capabilities for tailored responses.
- The more complex and demanding nature of the national security challenges now being faced by Australia requires the NSC to marshal a wider range of national security 'tools' and the involvement of a broader range of government departments, agencies and elements of society. For instance, no matter how imaginatively they may be employed, elements of the Australian Defence Force, the Australian Federal Police, and AusAID project staff will not, on their own, be capable of achieving much more than holding actions when committed to places like the Solomon Islands. Nor would those agencies be more than of marginal use in combating a pandemic. New 'whole-of-nation' capacities need to be harnessed, new command and management mechanisms need to be developed and new modes of operation need to be authorised by the NSC.
- The NSC is currently over-burdened by reviewing in detail every new defence capability acquisition twice before it is purchased. The heavy load imposed by this 'two-pass' system needs to be reduced. This could best be done by replacing the first pass NSC consideration of individual capability proposals with consideration of a deep assessment of the preferred

total force capability structure for 15-20 years hence. Through this process the NSC should be encouraged to select the total force structure that Australian Governments will need in 2020-2030 – and then repeat the process every 2-3 years. Those new capabilities that have roles within the total force structure and budget level that the NSC selects would be considered to have received first pass approval.

- Were a new Minister for Homeland Security to be appointed, that person should be made an NSC member. The secretary of any new Department of Homeland Security and any National Security Advisor appointed would appropriately be invited to be advisors of the NSC and also members of the Secretaries Committee on National Security (SCONS).
- Occasionally it may be useful to invite external experts to participate in NSC and SCONS discussions when they have strong expertise to contribute on matters under consideration.
- While a wider range of departments and agencies will need to be engaged on national security issues in the future, the membership of SCONS should not be expanded greatly. It would be preferable to adopt an 'onion-like' approach to SCONS membership by maintaining a modest core of senior national security officials as permanent members and inviting a much wider range of key officials and experts to participate when the topics under consideration make this appropriate.
- Should the government appoint a National Security Advisor, this person would be ideally placed to lead research on new and future security challenges and in developing policy response options. Although there are several ways in which a National Security Advisor could be integrated into the national security structure, a good option would be to locate this person as an

Associate Secretary within the Department of Prime Minister and Cabinet. This person would have a direct operating line to the Prime Minister and carry the primary responsibility for coordinating the delivery of issues papers to the NSC.

- One of the more serious problems in the Australian national security system is the weakness that has been allowed to develop in the strategic analytical, drafting, program planning and program delivery skills of most junior and middle-level staff. Numerous remedial measures are required. In particular:
  - A high-quality 2-3 week National Security Practitioner's Course should be established, with participation made a pre-condition for working at medium and senior levels within the national security community.
  - A 1-2 day National Security Leadership Seminar should be conducted annually.
  - Fostering the development of analytical, drafting, program planning and other key skills in staff should be made a standard assessment criterion in the personal appraisals of managers across the Australian national security community.
  - Consideration should be given to re-badging the Australian Defence College the Australian National Security College, offering a range of national security modules as options and encouraging participation from a much wider range of departments and agencies.
- By 2015 the NSC will need purpose-designed meeting and briefing facilities that provide access to greatly improved communications, image display and briefing systems.

## **ACKNOWLEDGEMENTS**

The Kokoda Foundation wishes, in particular, to express its thanks to Jacobs Australia, the Australian Department of Prime Minister and Cabinet and the Australian Department of Defence for their generous support of this and other projects.



**Australian Government**

---

**Department of the Prime Minister and Cabinet**



**Australian Government**

---

**Department of Defence**

**JE<sup>®</sup> JACOBS**

## **ABOUT THE AUTHOR**

### **ROSS BABBAGE**

Professor Ross Babbage is Chairman of The Kokoda Foundation and the Managing Director of Strategy International (ACT) Pty Ltd, a defence consulting and education service delivery organisation.

Professor Babbage has wide-ranging expertise in international security affairs. He has held several senior positions in the Australian Public Service, including Head of Strategic Analysis in the Office of National Assessments, and he led the branch in the Department of Defence responsible for ANZUS policy. Professor Babbage was Assistant Secretary, Force Development in the late 1980s, carrying responsibility for the analysis of all major defence capability proposals and the preparation of recommendations for the senior Defence committees and for Cabinet. From 1986-1990 he was Deputy Head of the Strategic and Defence Studies Centre at the Australian National University. Through the 1990s, Professor Babbage worked with ADI Limited, Australia's largest defence company. In the late 1990s he served as Corporate Executive Strategic Analysis, carrying primary responsibility for the company's longer term thinking and planning. In 2000 he was appointed the inaugural Director of the Centre for International Strategic Analysis in Perth. In 2003 and 2004 he served as Head of the Strategic and Defence Studies Centre at the Australian National University.

Professor Babbage has Bachelor and Masters degrees in economics from the University of Sydney and a PhD in International Relations from the Australian National University. He is an author well known for his many books and articles on Australian defence and national security. Professor Babbage has also written extensively on Asia-Pacific affairs focusing, in particular, on medium- and long-term regional trends.

## **CONTENTS**

	Page
Preface	i
Executive Summary	ii
Acknowledgements	vi
About the Author	vii
Contents	viii
Introduction	1
Australia's Current National Security Machinery	1
What Will Continue to Work Well in 2015?	4
What is Likely to be Sub-optimal in 2015?	6
Other Foreign National Security Planning and Coordination Systems	13
Options for Australia in 2015	20
Conclusions	40
About the Kokoda Foundation	46

# **STRATEGIC DECISION-MAKING: OPTIMISING AUSTRALIA'S NATIONAL SECURITY PLANNING AND COORDINATION FOR 2015**

## **INTRODUCTION**

This report considers how Australia's national security structures and processes have performed in recent years and it also considers their likely effectiveness in the 2015 timeframe. What aspects have worked well and what has been sub-optimal? What lessons can be learnt from the national security decision-making systems of the United States, Britain, Sweden and Singapore? And finally, in the light of all of this Australian and international experience, what options for improvement deserve serious consideration?

## **AUSTRALIA'S CURRENT NATIONAL SECURITY MACHINERY**

The highest-level national security decision-making body in Australia is the National Security Committee (NSC) of the Federal Cabinet. This committee carries primary responsibility for Australia's strategic, security, defence and foreign policies and also for intelligence matters. It is chaired by the Prime Minister and other members currently comprise:

- Deputy Prime Minister
- Defence Minister
- Foreign Minister
- Attorney General
- Treasurer
- Cabinet Secretary and Special Minister of State

Other ministers are periodically invited to attend NSC meetings when particular issues make this desirable.

One of the unusual features of the NSC is that when it meets, NSC members normally sit down one side of the Cabinet table and senior officials usually attend and sit down the opposite side of the table. These senior national security advisers to the NSC normally comprise:

- Secretary of the Department of the Prime Minister and Cabinet
- Secretary of the Department of Defence
- Chief of the Defence Force
- Secretary of the Department of Foreign Affairs and Trade
- Secretary of the Department of the Treasury
- Secretary of the Department of the Attorney General
- Director-General, Office of National Assessments
- Director-General Australian Security Intelligence Organisation

Other senior officials are invited to attend NSC meetings when topics under discussion make this appropriate.

Another unusual feature of the NSC is that it has the power to decide major matters, including the expenditure of very large sums of money, without referring such decisions to the full Cabinet. The only real caveat is that eventually all expenditure needs to be approved by the full Cabinet in the context of the annual budget, prior to its proceeding to the floor of Parliament for formal approval. In the Australian variant of the Westminster system of government, the processes of approving national security measures and expenditures are routine and rarely contested seriously by the parliamentary opposition.

Most submissions presented to the NSC are first considered by a committee of senior officials – the Secretaries Committee on National Security (SCONS). This committee filters draft submissions that are headed to the NSC and also provides some coordination and oversight of intelligence matters.

The permanent members of SCONS are the same senior officials who sit across the table from ministers at the NSC:

- Secretary of the Department of Prime Minister and Cabinet
- Secretary of the Department of Defence
- Chief of the Defence Force
- Secretary of the Department of Foreign Affairs and Trade
- Secretary of the Treasury
- Secretary, Attorney General's Department
- Director-General, Office of National Assessments
- Director-General, Australian Security Intelligence Organisation

There is a third interdepartmental committee, at a lower level, that operates more informally to consider strategic policy issues and to coordinate national security considerations. This Strategic Policy Coordination Group (SPCG) is not empowered to make formal decisions but it can facilitate the development of proposals and their consideration by higher level committees. The permanent members of the SPCG are:

- Deputy Secretary Prime Minister and Cabinet
- A Deputy Secretary from the Department of Defence
- Vice Chief of the Defence Force
- Deputy Secretary of the Department of Foreign Affairs and Trade

Beyond this committee hierarchy, nearly all major national security proposals are developed within one or other department or agency and coordinated, as appropriate, with other departments and agencies. These proposals normally go forward in the format of a cabinet submission for consideration by SCONS and then the NSC.

Similarly, once major decisions are taken they are formally recorded by the Cabinet Secretary and the appropriate departments and agencies are authorised to proceed with implementation under the oversight of relevant ministers and the Cabinet Implementation Unit.

### **WHAT WILL CONTINUE TO WORK WELL IN 2015?**

This research found that Australia's high level national security decision-making processes work well in most respects. There was a consensus amongst senior officials that numerous features are likely to continue to be very effective through 2015 and beyond.

#### ***Sound Structures and Efficient Processes***

The logic of bringing together the small group of relevant ministers as a National Security Committee supported by the key senior national security officials is universally endorsed. These are the people best placed to make key national security decisions for Australia and the NSC facilitates effective deliberations and sound decision-making in both normal circumstances and in crises.

The effectiveness of the NSC model is reinforced by the very strong defence and national security powers provided to the Australian Government under the constitution. There can be little doubt that this group has the authority to take all reasonable decisions to provide for the defence and national security of the country. Moreover, giving the NSC extraordinary executive and budgetary authority provides the Australian Government with remarkable flexibility and agility on national security issues. Put simply, there is very little that constrains the NSC from assessing key issues quickly and

making rapid decisions, even decisions to spend vast sums of money or decisions to go to war. For Australia, this structural and process efficiency is a clear strength which is envied by senior officials in many other countries.

### ***Informal Teamwork***

The current system not only brings the senior national security personnel together routinely but it also encourages them to get to know each other well. In consequence, the discussions in and around the NSC are generally frank and characterised by high levels of trust. When difficult circumstances arise, particularly in crises, this informal and collegiate atmosphere fosters direct exchanges, reduces the scope for misunderstanding and facilitates rapid decision-making.

### ***Officials Understand Ministers' Intent***

Involving the senior officials who lead the primary national security departments and agencies in NSC deliberations means that they can develop a detailed understanding of ministerial views. A key consequence is that senior officials generally feel confident about acting to secure the intent of ministers and, when there is any doubt, direct communication can normally clarify matters quickly. This contributes to the efficiency and speed with which down-stream decisions can be taken and actions implemented.

Senior officials do not, however, always have access to all NSC thinking. Ministers occasionally ask their senior advisers to leave the room so that they can discuss an issue of particular political sensitivity.

### ***High Quality Discussions***

The group of senior ministers and senior officials that comes together in the NSC represents an extremely capable and well-informed group of people. Some participants in NSC deliberations have remarked that the quality of the exchanges

is exceptionally high, especially when there is time for considered briefing and deliberate discussion. This characteristic clearly needs to be retained and protected into the future.

### ***Quality Crisis Management***

A consistent theme in all of the discussions conducted for this research was that the quality of decision-making in national security crises had generally been high. Several factors appear to be responsible for this good performance:

- First, the considered intelligence briefing that has been provided to the NSC has been of high quality and provided a sound foundation for decision-making.
- Second, ministers have generally been well-informed and have been prepared to consider and discuss possible approaches in a logical manner. Ministers have also tended to be practical in their approaches – for instance, understanding of the local difficulties and practical challenges faced by national security personnel in many remote theatres.
- Third, both ministers and officials have generally appreciated the need for speedy decision-making in crises and have avoided procrastination.

### **WHAT IS LIKELY TO BE SUB-OPTIMAL IN 2015?**

While this research found that Australia's high-level national security decision-making generally works well, several features were identified that could be improved and several innovations were discussed which have the potential to strengthen systems and processes by 2015.

### ***Over-Focus on Immediate Decisions***

There is a strong sense that the NSC has tended to focus too much of its attention on immediate issues – sometimes including those of limited import. Too often ministers and senior officials have focused their time on matters of detail

and, periodically, on tactical matters that are the current focus of national and international attention. Ministers have generally been inclined to discuss these matters at length, even when they are more appropriately the province of field commanders and operational managers.

It is perhaps understandable that ministers and some senior officials feel drawn to these immediate and often second-order issues. These matters are on the television screens in real-time, they are relatively easy to understand, they are developments on which ministers are likely to be asked questions and they are matters that often have the appearance of being urgent – though they may not necessarily be particularly important.

The converse is also true. There is a strong view that the NSC has tended to focus far too little of its attention on longer-term strategic shaping, positioning and security investment issues that are essential for effective pursuit of national security. This may, in part, reflect the short time horizons imposed on politicians by the three year electoral cycle, it may partially be a result of the limited experience of strategic thinking by many politicians and it certainly indicates a sense that in very busy governments it is difficult to suspend day-to-day business and focus ministers' collective attention on longer term issues.

### ***Over-Focus on Defence Acquisition Decisions***

Most senior national security leaders seem surprised by the amount of time and effort that is given to the consideration of defence acquisitions in the NSC and SCONS. Many meetings of both of these committees are dominated by discussions about options for defence purchases.

This heavy focus on the Defence Capability Plan is partly a consequence of the 'two pass' system of NSC approval that the government implemented following the Kinnaird Review of defence procurement in 2003. This process stipulates that the 'in-principle' case for a major new defence acquisition has first

to be approved by the NSC. Then, generally several years later, when the project plan, system options and detailed costing are clearer, the NSC considers the proposed capability again. Such discussions frequently extend beyond the nature of the system to be bought to include the precise brand of the system, the numbers to be procured, the phasing of the purchase plan, the location of system production, the subsequent basing and operation of the system and personnel issues. When considering the purchase of a new class of ship, a new combat aircraft or some other complex and expensive system, NSC discussions can be long and sometimes extend over several meetings.

It is perhaps natural that ministers wish to review new defence acquisition proposals in some detail. After all, very substantial sums of money are involved and taxpayers expect that these funds will be expended with due care. Moreover, ministers generally feel that announcement of the purchase of new defence systems carries special political appeal. If such announcements are handled well, they can resonate across the electorate to indicate that a government is serious about the nation's security and that it is committed to looking after the country's interests.

However, expending so much time and energy on the detailed consideration of defence acquisition proposals does incur a high opportunity cost. It means that the NSC is frequently distracted by these issues when there is a need for it to be focussing elsewhere – not least on means of shaping the broader canvass of international security. Most of Australia's senior national security leaders believe that means should be found to reduce the NSC's heavy focus on the detail of defence acquisition proposals.

### ***Strategic Sins of Omission***

In recent years the NSC has occasionally set aside a meeting to consider one or more particularly important longer-term issue. These so-called 'Strategic NSC's' have proved to be mixed successes. Despite the encouraging efforts of at least some senior officials, most ministers have had trouble focussing on more distant horizons. While matters such as options for Australia's relations with Japan and China in 2015 may seem weighty, in practice most ministers consider that the imponderables of the long-term make such decision-making difficult and easy to defer. After an hour or so of such a strategic discussion some ministers have been ready to move on.

This poses a serious problem for Australia's national security planning. In order for appropriate planning for the country's national security to be put in place, it is essential for the NSC to consider with some rigour issues such as how Australia should shape its longer term relationships with key international players such as China, India and Indonesia. Without such longer-term considerations and without the approval of long-term policy themes, national security horizons are shortened and NSC decision-making becomes reactive and less effective.

### ***Security Stove-piping***

In recent years the NSC has been grappling with the changing nature and increasing complexity of Australia's security challenges. The demands of international terrorism, global warming, weak and failing nation states and energy security need much more than the response of single departments and agencies. The Australian Defence Force (ADF) may be exceptionally capable, but it is not able to manage and resolve all of these challenges. Nor are these complex challenges readily amenable to resolution – or even to effective management – by the International Deployment Group of the Australian Federal Police (AFP), the diplomats from the Department of Foreign Affairs and Trade, officials

from AusAID, etc, acting either independently or in combination.

The demands of these new security challenges are much broader. In order to deal effectively with them the NSC needs new tools of statecraft to be added to the national security 'tool kit' and it also needs many traditional tools – such as the ADF, the AFP and AusAID – to be used in new ways. For instance, in the Solomons operations there is a need not only to deploy ADF and AFP elements but also educators to help resuscitate school and trade training, health professionals to strengthen health centres and hospitals, legal professionals to assist in strengthening the criminal justice system, finance specialists to strengthen the banking, taxation and trading systems, and many other types of specialists. Moreover these key people need not only to be found, trained, briefed and deployed for such operations, they also need to be welded into a single Australian commitment that is coordinated, controlled and tailored to achieve best effects over time. These demands have meant that some Australian Government departments and agencies have needed to contemplate finding, training and deploying specialist teams of civilians into distant theatres in ways that they have not considered since at least the Second World War. While the members of the NSC have generally been aware of the need to shift some government agencies out of their 'comfort zones' and into national security operations, the NSC's success in fostering change has been limited so far. There is clearly a need to move some agencies into a stronger whole-of-government national security mindset, if not a whole-of-nation security mindset.

### ***Sense of National Security Community***

During the decade ahead the leaders of all Australian Government departments and agencies, and indeed the leaders of many elements of broader Australian society, will need to develop a clearer sense of their respective roles in Australian security planning and operations. Just as most communities in northern Australia are familiar with and

practised in preparing for the arrival of cyclones and other severe weather, so it will be that the leaderships of all government agencies and many elements of broader society will need to develop a much clearer sense of their potential roles in the event of a pandemic, a serious terrorist attack or a major security crisis in a neighbouring country.

For some government departments and agencies this will require significant change. Some departments have a deeply-ingrained culture of separateness that will need to be modified. Parts of the Departments of Foreign Affairs and Trade, the Attorney General, Health, Education and also of AusAID, and the Australian Federal Police need to be encouraged to strengthen their formal and informal teaming with other agencies on national security issues. They also need to encourage their professional staff to see their career progression not only within the narrow confines of their individual agencies but rather within the broader Australian national security community.

This broader national security community focus should bring many benefits. For instance, when a need arises for specialist health, education, construction, finance or other experts to be deployed for security purposes, it will be essential for all relevant agencies to be well prepared to contribute as part of an integrated national security response. It will be unacceptable for departmental or agency leaders to suggest that such requirements are beyond their remit. The NSC and SCONS need to progress thinking and perceptions on these matters so that all agencies consider themselves to have a contribution to make to the achievement of Australia's national security goals. All government agencies and many elements of Australia's broader society should be encouraged to see themselves as being part of a wide-ranging national security community and to act accordingly.

## ***Shallowness in the Ranks***

While senior national security decision-makers believe that the briefings provided to the NSC and SCONS have generally been of high quality, not all such briefing and documentation has been faultless. Indeed, there is a sense that much of the senior national security decision-maker's good performance in recent years has been delivered under strain and despite serious weaknesses at lower levels of relevant departments and agencies. The senior leaders have sometimes had to make do with poorly focussed policy papers and have been forced to work overtime to sharpen documentation themselves so that it meets more closely the needs of ministers.

This situation has arisen largely because of a failure in most national security organisations to foster a new generation of quality security and defence officials from the late 1980s and right through the 1990s. During that period some key post-graduate education programs were allowed to lapse, some defence and security analytical organisations that had long been nurseries for young strategic analysts were closed, and executives in relevant departments and agencies were not assessed for their effectiveness in encouraging and building up new officials. The short-term focus of the NSC probably also encouraged some senior officials to neglect the development of these more strategic staff skills. The result is that across relevant departments and agencies there are many bright young professionals, but there are very few with advanced strategic analytical skills capable of delivering high quality briefs to senior decision-makers.

The consequences of this are troubling now but may be much more serious in coming years. Most of the senior national security advisers to the NSC and almost all members of SCONS are at least 50 years of age. Their very advanced strategic and advisory skills have been developed over at least 30 years of government service and they have been largely responsible for the quality of briefing, discussion and decision-making that has been evident in the NSC in recent times. However, this leadership group is supported by more junior

staffs, most of whom have not been properly educated and trained for this work and possess capabilities of a much lower standard. This is evident in the modest quality of many studies and briefs produced in the national security agencies and it is also demonstrated by the lack of discipline in drafting ministerial and cabinet documentation, some of which has greatly exceeded formal length limits.

This situation is unsustainable. During the coming decade nearly all of the high calibre strategic leaders who have been dominating the scene in recent years will have retired. Steps need to be taken soon to strengthen the strategic analytical and policy advisory capacities of the rising generations of national security personnel if the quality of top-level decision-making is to be secured for the long term.

## **OTHER FOREIGN NATIONAL SECURITY PLANNING AND COORDINATION SYSTEMS**

This discussion suggests that several weaknesses in Australia's decision-making processes deserve early attention. However, what options for change deserve consideration? In order to enrich thinking about alternative means of improving Australia's national security planning and coordination system, the comparable structures and processes of a number of friendly countries were reviewed. The more relevant conclusions arising from those assessments are summarised below.

### ***The United States Model***

The higher national security planning and coordination machinery of the United States differs markedly from that of Australia. A foundational difference is that the US Constitution divides powers on national security issues more evenly between the executive (President and the administration) and the Congress.

On the one hand the President is Commander-in-Chief of the armed forces and, hence, he can direct movements of the armed forces and their operations. The President has the

power to make international treaties, he can appoint senior government officials and he can lead the administration of government. The President also carries very strong political power, especially at times of crisis when the public wishes to rally around a strong leader.

On the other hand, the Congress has the power to declare war, to regulate and design the armed forces and to appropriate all federal government expenditure. In addition, the US Senate must assent to new international treaties and must also approve the appointment of senior officials to the administration.

Within each US administration the array of government departments and agencies within the national security community is broadly analogous to that in Australia. The heads of all departments and agencies report to the President and to the Congress through an appointed secretary (or minister-equivalent).

The President has, since 1947, appointed a National Security Council (NSC) to advise him directly on national security issues. The NSC (Principals' Committee) is chaired by the President and other permanent members are the Vice-president, the Secretary of Defense, the Secretary of State, the Chairman Joint Chiefs of Staff and the Director of National Intelligence. Other senior officials are invited to participate in NSC discussions, as may be appropriate. The National Security Advisor almost always attends these meetings.

One rung below the NSC (Principals' Committee) is the NSC Deputies Committee. This committee is chaired by the Deputy National Security Adviser and essentially comprises the deputies of all members of the NSC (Principals' Committee). The NSC Deputies Committee spends much of its time coordinating the implementation of NSC (Principals' Committee) decisions.

Importantly, the NSC has a special staff to support its operations. This staff is led by the National Security Advisor, who is effectively the President's chief adviser on national

security issues. The NSC staff is expected to coordinate advice flowing to the President from departments and agencies. In reality, however, this team also provides a personal national security advisory staff for the President that often bypasses the line departments and agencies entirely.

As most Presidents wish to dominate security and foreign policy, these arrangements are strongly supported by them. The National Security Advisor and the NSC staff provide a primary means of moving rapidly past the slow-moving departments of state and also the heads of those departments and agencies who carry divided responsibilities to both the President and the Congress. In contrast to the departments of state, the President has absolute discretion concerning the hiring and firing of the National Security Advisor and his staff. He can direct them at will, set their priorities, determine their reporting timelines and also rule specific options in or out of consideration. As such, the National Security Advisor and his staff have become key facilitators of informed and timely national security decision-making by the United States President.

### ***The British Model***

While the constitutional foundations for national security in Britain are broadly similar to those in Australia, there is a distinction between the mechanisms for strategic policy formulation and those for crisis management. In general, the operational planning and coordination machinery in Britain is also much more decentralised. Ministers and ministerial committees certainly retain oversight of national security planning and emergency responses, but much command and control is exercised by designated lead government agencies or, in the case of modest emergencies, by local authorities.

Recent changes instituted by Prime Minister Gordon Brown have seen a reorganisation of the Government/Cabinet Security Policy Committee and sub-committee structures. At the highest level, the Prime Minister chairs the Ministerial Committee on National Security, International Relations and

Development. This oversees sub-committees dealing with overseas and defence issues, trade matters, protective security and resilience, and tackling extremism. Some of these sub-committees are also chaired by the Prime Minister. In addition, the Home Secretary chairs a meeting on domestic security issues each week.

Supporting these committees are personnel from relevant ministries and agencies. In addition, the Cabinet Office has three specialist staffs that help coordinate national security planning and responses. They are the Intelligence and Security Secretariat, the Defence and Overseas Secretariat and the Civil Contingencies Secretariat.

In the event of major crises, relevant ministers and senior officials meet in the Cabinet Office Briefing Room (COBR). In some respects the Ministerial Committee on National Security, International Relations and Development meeting in COBR approximates the Australian NSC, except that the cast of participants changes markedly according to the nature of the crisis and there are frequently many more senior officials in the room than ministers. Indeed, in some situations, COBR may be chaired by ministers other than the Prime Minister.

COBR is, however, more than the group of senior ministers and officials who form the Strategy Group driving high-level crisis management. Supporting the Strategy Group are a Situation Cell, an Intelligence Cell, a Protective Security Cell, an Operational Response Cell, an Impact Management and Recovery Group and a News Coordination Centre.

Britain retains quite elaborate back-up facilities in the event that COBR itself is damaged, immobilised or destroyed. There is a back-up Strategic Coordination Centre elsewhere in London and there are, in addition, regional and local crisis management centres in other parts of Britain. Generally, whilst policy is established centrally, emergencies are managed at the lowest level that is feasible.

The British tactical national security response system is, in consequence, relatively elaborate and complex. There are certainly larger numbers of people engaged in a variety of structures and processes, including significant numbers dispersed in regions and local areas – not unlike those in the Australian states. Whilst this system is relatively expensive, it would appear to provide a strong capacity to manage multiple emergencies simultaneously including through coordinated public messaging. It also appears to possess a degree of redundancy and built-in resilience that would probably provide a level of continuity, even if the command and control system itself were to be directly attacked by an adversary.

### ***The Swedish Model***

The Swedish system of national security planning and coordination possesses two features that are potentially relevant for this study.

First, the Swedes have long espoused a ‘total defence’ planning model. Within this framework, the Swedes undertake serious planning and develop significant capabilities for:

- Military defence
- Economic defence – measures designed to secure the Swedish economy from potential disruptions to supplies of food and energy as well as other potential national economic security issues.
- Civil defence – measures to protect the population and key elements of infrastructure from both natural disasters and damage in war.
- Psychological defence – measures designed to ensure that in crises the national leadership can maintain effective contact with the population through the use of emergency radio and television stations and printing presses. These measures are designed to defeat rumours and enemy psychological operations.

Successive Swedish governments have been prepared to invest in all four elements of this 'Total Defence' concept, though the military component receives by far the largest share of funds.

The second interesting characteristic of the Swedish national security planning and coordination model is the emphasis on a far-sighted perspective planning process. In brief, this requires careful development and consideration of several alternative futures for Sweden's strategic circumstances 15-25 years hence. Then, against the carefully selected alternative futures, national security planners test alternative total defence structures that could be credibly developed for that time period. In the most recent round of perspective planning, the three assessed defence force models were:

- Reference Model – essentially a modernised version of the status quo.
- An Enhanced Model – characterised by lighter, more modern and better equipped forces.
- An International Deployment Model – designed to facilitate the foreign deployment of modest contingents at short notice.

All three models are costed and the Swedish cabinet deliberates on which model to choose and how much money can be allocated over the following 3-5 years to start putting the selected model in place. This process encourages ministers to think in some detail about the possible shape of the security future and it also forces ministers to consider complete alternative national security systems, rather than simply new equipment proposals or other sub-components of a total national security system.

## ***The Singaporean Model***

The Singaporeans have borrowed significant elements of the Swedish, and closely-related Israeli and Swiss, national security planning systems and processes. Of particular note here is the use of a modified 'Total Defence' model. The Singaporean version not only includes military defence, economic defence, civil defence and psychological defence components, but also a social defence element. The social defence organisation is primarily designed to foster national cohesion and build national resilience against the sorts of external pressures that may be encountered in future crises.

Another interesting component of the Singaporean model is the considered approach taken to preparing senior officials for work within national security committees, departments and agencies. The Singapore National Security Coordination Centre (NSCC) conducts a carefully designed course to explain in depth the nature of Singapore's national security policies, its structures and processes for agency coordination, its capability development plans and various contingency plans. The NSCC also develops and hosts an annual National Security Seminar that is designed to refresh understanding of key national security systems and processes and mechanisms for coordination. This serves as a useful mechanism for tuning the total national security system and can also be used to exercise some elements in key functions.

## ***Summary Judgements***

This brief discussion of the US, UK, Swedish and Singaporean approaches to high-level national security decision-making highlights the following key points that may be relevant to Australia:

- The value of a highly responsive national security staff in the United States.
- The high efficiency that is facilitated by tailored briefing facilities with specialist support staffs in the UK. Moreover the protection, duplication and

dispersion of some key command centres provide a valuable degree of redundancy and resilience.

- The perspective planning system used by the Swedes facilitates ministerial consideration of alternative total force options well into the future. It helps prevent senior decision-makers being distracted entirely by details, the tactical and the immediate.
- The Singaporean model demonstrates a strong tradition of training and preparing personnel for work within the national security community. It also shows how total system exercise and other habits can overcome organisational stove-pipes and build a culture of whole-of-government and, to some extent, whole-of nation security planning.

## **OPTIONS FOR AUSTRALIA IN 2015**

This research suggests that in order to improve Australia's strategic decision-making processes several measures deserve consideration. The main options to be considered here are:

- Strengthening Australia's National Security Approach
- People Issues
- The Potential Roles and Responsibilities of a National Security Advisor (NSA)
- Options for Modifying Australia's National Security Structures
- Options for Strengthening Longer-term Perspectives
- Process Options
- System and Technology Options

## ***Strengthening Australia's National Security Approach***

There is a need for the NSC to address more coherently the range of security challenges now confronting Australia. Whether one is considering counter-terrorism, climate change, weak state insecurity or the demands posed by a pandemic, standard approaches (or variants of them) are likely to be sub-optimal.

These mostly new challenges require non-standard approaches to assessment, to the analysis of options, and to the generation of responses. It will not, for instance, generally be sufficient simply to consider the employment of ADF elements, possibly supported by Federal Police and maybe some AusAID project funding. While each of these instruments may be of high quality, their use, even in very innovative ways and in imaginative combinations, is unlikely to be optimal. Greater depth of security assessment and analysis, more innovative consideration of alternative strategies and flexible use of a wider range of national instruments will be needed. This will be demanding and pose intellectual and practical challenges for both the senior decision-makers and the bureaucracies that operate in their support.

Another consequence of the more complex national security challenges now confronting Australia is to require a much wider range of government agencies, and also many elements of the broader community, to plan, prepare and train for involvement. The NSC needs to insist on relevant ministers and senior officials developing and delivering both the type and scale of the capacities required.

This should mean that by 2015 it will be possible for the NSC to commit at short notice complex multi-disciplinary task forces, the likes of which have not been seen in Australia for many decades. They might require the commitment of ADF and AFP personnel to a troubled regional country to provide security cover for a complex mix of teams capable, amongst other things, of rebuilding a major town's water supply,

repairing its road, port and airport infrastructure, resuscitating a region's primary, secondary and trade schools, rebuilding local and regional health services, fostering local retail and other enterprises, or rebuilding a region's banking, taxation and other financial services. Moreover, it should be possible not only to marshal and deploy such capacities at relatively short notice, but it should also be possible to commit highly skilled command and control elements to ensure that the entire effort is managed effectively, efficiently and safely.

The wide range of capabilities required for these types of situation are not normally available for the NSC to access short of a national emergency. Departments and agencies need to be encouraged to develop highly skilled deployable teams within their fields of expertise, either from their own personnel and resources or from the wider community.

## ***People Issues***

### **NSC and SCONS Membership**

The first set of personnel issues generated by this research relate to whether the current membership of the NSC and the SCONS will be optimal in 2015. In this respect a consensus emerged on several key points.

First, if a Minister for Homeland Security is to be appointed, that person should certainly be invited to join the NSC.

Second, once or twice a year it would be appropriate to invite the premiers of the states and the chief ministers of the Australian territories to participate in an NSC meeting. These would effectively be National Security Council of Australian Governments (COAG) meetings. As state agencies are inevitably the first responders in a wide range of national security crises (from cyclones to most types of terrorist attacks) this forum would provide a useful mechanism for dealing with several categories of national security planning and coordination.

Third, in order to deal with the increasingly multi-disciplinary and complex security challenges that lie ahead there is a need to involve a wider range of senior officials, and possibly even leaders of industry, in some SCONS discussions. Certainly any NSA who is appointed should be a member of SCONS as should any Secretary of a new Department of Homeland Security. A strong case can also be made for the Director-General of AusAID to join.

However, on balance, it was felt that rather than create a very large SCONS it may be better to adopt a layered 'onion-like' approach, with a small core of full-time national security professionals being augmented with other senior personnel according to the issues of the day.

There is already a small core 'ginger group' that meets at least monthly to discuss key issues and prepare for NSC meetings. This 'ginger group' comprises the secretaries of the Departments of Prime Minister and Cabinet, Defence and Foreign Affairs and Trade and the Chief of the Defence Force. If the new NSA were added, this group would be ideal to 'pre-cook' the defence capability proposals and also other conventional defence and national security issues. In discussing most of these matters it would make sense for the Director-General of the Office of National Assessments and the Secretary of the Treasury to participate. On a range of other issues, such as security in some offshore locations, it may be appropriate to simply invite the Commissioner of the Australian Federal Police, the Director-General of AusAID and maybe the heads of one or two other intelligence agencies to participate when required. Alternatively, when the focus of discussion is to be on domestic security issues, a different balance would sensibly be provided to the core group with the Director-General ASIO and possibly the Secretaries of the Departments of Health and Transport and Regional Affairs being added.

The primary conclusion here is that SCONS permanent membership should comprise the core 'ginger group' plus the Director-General of the Office of National Assessments and the Secretary of the Treasury and only be extended through the addition of any NSA and any new Secretary of a Department of Homeland Security. Nevertheless, a much wider range of senior officials should be encouraged to see themselves as having an occasional role in SCONS – including those secretaries responsible for health, transport, infrastructure, immigration, the Director-General of AusAID and the Commissioner of the Australian Federal Police.

### **Educating and Training Young National Security Leaders**

The second major personnel challenge confronting Australia's national security planning and coordination machinery is to overcome the present weakness in young national security professionals. Many of these people have not been trained effectively for this type of work, many have not been employed in the area long enough to build deep skill, many have not been encouraged by their superiors to develop strong strategic analytical expertise and very few have been offered viable career streams in the field.

Even when staff do gain reasonable skill in analysing key issues relevant to their organisation's core functions, that is inadequate to produce many of the briefs that are required for strategic decision-making at the level of SCONS and the NSC. Most security challenges now confronted by Australia require multi-disciplinary approaches and multi-agency responses. Hence, those producing briefs, policy papers and formal cabinet submissions relevant to these issues need to be able to understand and analyse approaches that extend far beyond the normal purview of their individual department or agency. These wider national security analytical skills are in short supply in Australia.

There is, in consequence, a need to recruit and have more positions for young professionals who can be encouraged to develop the key skills required for this complex work. There is also a need to strengthen the analytical, drafting, coordination, and management skills of those young professionals already employed in this field.

A strong case can, for instance, be made for improving the quality of the two ten month-long staff college courses that are conducted at the Australian Defence College at Weston Creek. It may make sense to re-name this institution the Australian National Security College and, without weakening the defence modules, add broader national security modules as options that would be particularly relevant for senior managers in health, transport, law enforcement, immigration, customs, foreign affairs, emergency management, and other non-defence agencies. However, broadening the optional scope of these long and expensive courses and sharpening the strategic analytic, drafting and coordination skills they foster will never be more than part of the solution – not least because most young strategic professionals will never have a chance to attend these programs.

A strong case can be made for a new short National Security Practitioner's Course. This would be a tightly-structured, high quality 2-3 week program, attendance at which would be a pre-condition for working at medium and senior levels within the departments and agencies of the Australian national security community. Key personnel from departments and agencies on the fringes of mainstream national security planning should be included. This course would brief participants on national security policies and practices, current and planned national security capabilities, contingency plans, and mechanisms for coordinating and progressing relevant government initiatives. A highlight of this course should be a series of hypothetical exercises that would school participants in making the national security machinery work effectively and efficiently.

A further useful initiative would be to follow the Singaporean example of holding an annual National Security Leadership Seminar. This would be a 1-2 day event at which nearly all of the senior officers of the relevant departments and agencies would be updated on new developments. This Leadership Seminar would also provide an opportunity to tune key national security systems and processes through a short desk-top exercise.

A key conclusion of this research is that Australia's high-level national security structures, systems and processes can only operate with high efficiency and effectiveness when all participants – including those at lower levels – are well trained and equipped to excel. All managers within national security organisations should carry responsibility for encouraging strengthened national security analytical, drafting and other key skills and personal performance in this field should be assessed routinely in performance appraisals.

An important by-product of these initiatives would be the encouragement of a much stronger sense of national security community across relevant departments and agencies of government and also, to some extent, across broader Australian society. The government's intention to publish a National Security Statement is a valuable step in this direction. Political and bureaucratic leaders need to place greater emphasis on fostering the national security partnership across society. Key players should emphasise that national security is the business of every Australian and the best solutions to Australia's future security challenges will be generated by the joint efforts of all relevant citizens.

## ***Potential National Security Advisor Roles and Responsibilities***

The Labor Government has indicated its intention to appoint a NSA, probably supported by a national security staff. A key question for this research project has hence been how this person and this staff would best contribute to Australia's national security system. In particular, what should be the key roles and responsibilities given to the NSA?

The discussions conducted during this research developed the following consensus:

- The NSA should be an independent advisor to the Prime Minister on national security issues. However, in retaining the important principle of separating national security policy advice from intelligence advice, the Director-General of the Office of National Assessments should remain the formal head of the Australian intelligence community and also remain the primary intelligence advisor to the Prime Minister and the NSC. The Secretary of the Department of Prime Minister and Cabinet should remain the primary advisor to the Prime Minister on all matters not concerning national security.
- The NSA should play a key role in exercising and enforcing the strategic direction set by the Prime Minister and the NSC. A closely-related function would be coordinating the whole-of-government national security agenda on current issues, including crisis responses.
- Another core role for the NSA would be to lead research and the development of policy options for dealing with new security challenges. The NSA would ideally lead NSC briefing and consideration of options for dealing with emerging and longer-term security challenges ranging from the threat of pandemics, new

challenges from weak and failing states to options for shaping future relations with major powers.

- The Secretary of the Department of Prime Minister and Cabinet might still chair formal SCONS meetings but the NSA would drive many national security agendas and initiatives in close coordination with the Prime Minister and he/she may chair meetings of the core national security 'ginger group' and many other high-level task groups.
- There is a need for a new committee to replace the current Foreign Intelligence Committee so that all national intelligence can be coordinated by the one body. It is suggested that the new committee be named the National Intelligence Committee (NIC). The NIC would best be chaired by either the NSA or the Secretary of the Department of Prime Minister and Cabinet. Members of the NIC should include the Director-General of the Office of National Assessments, the heads of all of Australia's other intelligence agencies, the Commissioner of the Australian Federal Police and the Deputy Secretary Intelligence, Security and International Policy from the Department of Defence.

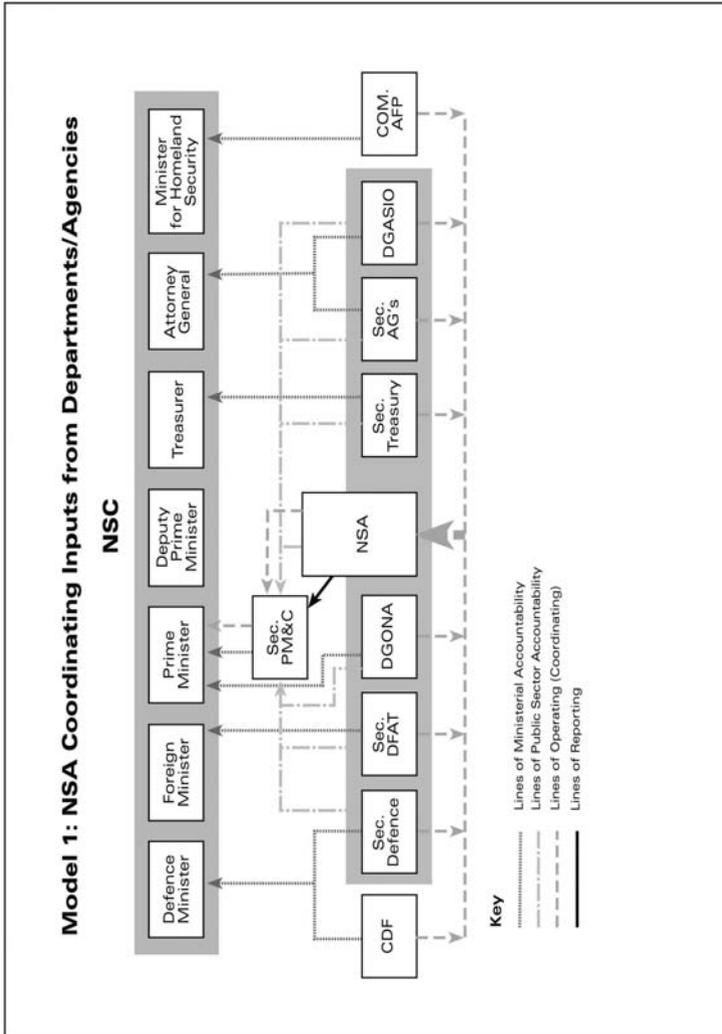
## ***Options for Modifying Australia's National Security Structures***

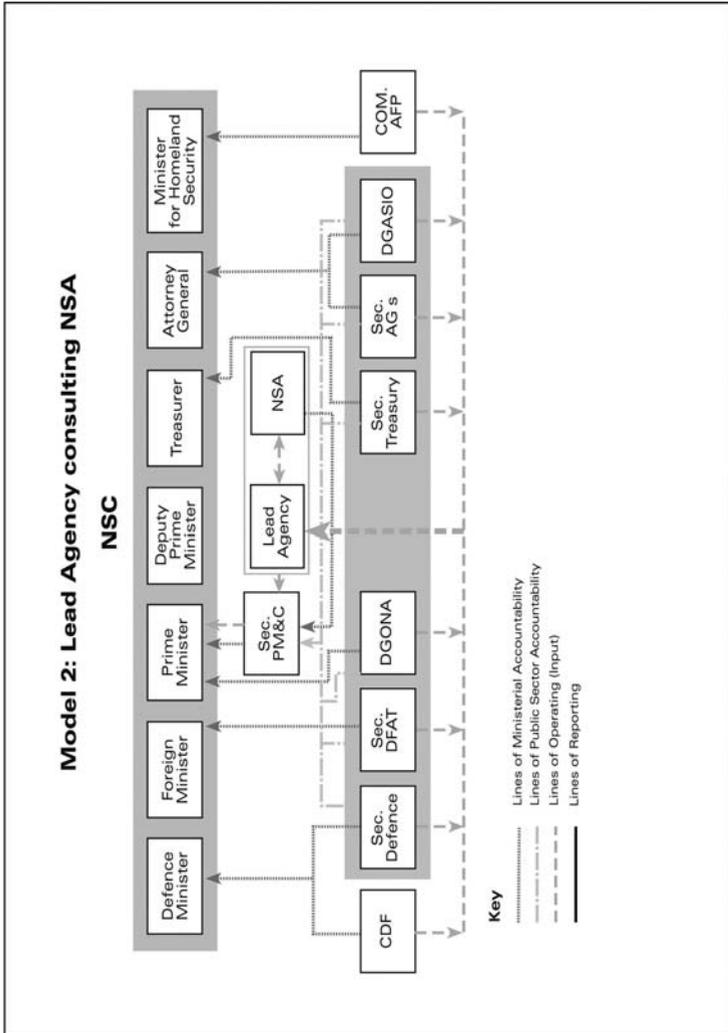
This research project's closed workshops considered numerous ways of integrating the NSA into Australia's strategic decision-making structures. It was concluded following extensive discussion that there were really only three options deserving serious consideration.

In the first option (illustrated as Model 1 below), the Secretary of the Department of Prime Minister and Cabinet would remain pre-eminent in the national security field. The NSA would report to the Prime Minister through the Secretary of the Department of Prime Minister and Cabinet. The NSA would lead research on new and future security challenges and options for response. He/she would also work closely with all of the relevant secretaries and agency heads to coordinate inputs to the NSC.

In the figure below, the proposed lines of operation and communication across agencies, lines of accountability to ministers, the pattern of public sector accountability of secretaries to the Secretary of the Department of Prime Minister and Cabinet and a suggested line of reporting responsibility of the NSA (as an Associate Secretary) to the Secretary of the Department of Prime Minister and Cabinet are all indicated.

In the second option – illustrated as Model 2 below – the NSA would again play a key role in leading research on new and future security challenges and in developing options for response. However, in this model all substantive policy issues would be led by a designated lead departmental secretary or agency head. Within this model, lead agency heads would need to consult the NSA, but they would carry matters under their authority to the NSC and, generally, also carry responsibility for implementing any decisions that the NSC takes on issues within their portfolios.





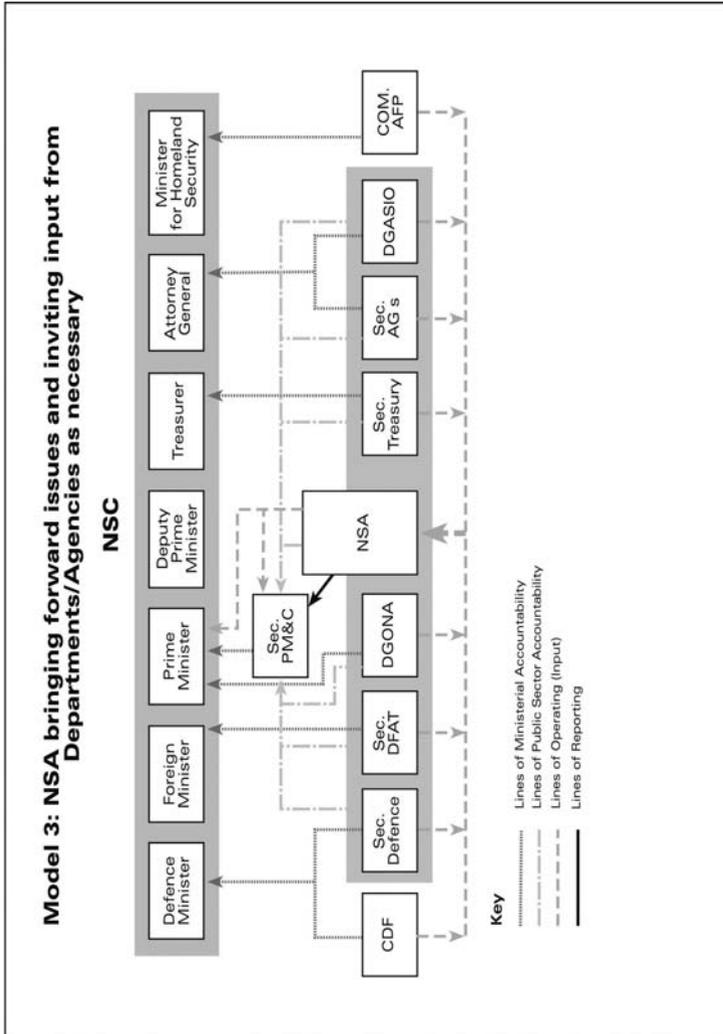
In the third model, illustrated below, the NSA would play a more prominent role in national security planning and coordination. In Model 3 the NSA would exercise strategic direction and coordination across the national security agenda including during major crises. The NSA would also lead research on new and future security challenges and in developing policy response options.

A primary difference from the other options is that the NSA would have a direct operating line to the Prime Minister and carry the primary responsibility for bringing forward issues papers to the National Security Committee. This approach would give the NSA a higher role than in the first two models because it would involve far more than simply consulting with other agencies on *their* inputs to the NSC. Under Model 3 the NSA would be the primary 'gate-keeper' on current and future national security issues going to the prime minister and the NSC. The only major exception would be intelligence matters, which would be carried by the Director-General of the Office of National Assessments.

In practice, under this model the NSA would need to work very closely with the heads of all relevant departments and agencies, as well as with all relevant ministers. He/she would carry a heavy responsibility for working with the Prime Minister to set priorities for NSC consideration and also for ensuring that briefing coming from departments and agencies is made available at an appropriate standard and in the timeframes that are necessary.

One appropriate way to manage an advanced version of Model 3 would be for lead departments and agencies to have carriage of matters that primarily lie in their purviews. For example, Defence would best carry primary responsibility for defence capability proposals and the Department of Foreign Affairs and Trade would best carry primary responsibility for all treaty matters. However, when there is a need to consider a new security challenge (such as developing an approach to a new security crisis in PNG) or a longer-term multi-disciplinary question (such as options for Australia's long-term security

relationship with India), it would probably be appropriate for the NSA to take the lead, in close consultation with relevant agency heads. In the case of many issues led by the NSA, part of his/her role would be to encourage the participation of appropriate government agencies, and sometimes organisations beyond government, that in the past have not considered national security planning to be one of their responsibilities.



### ***Options for Strengthening Longer-term Perspectives***

As discussed briefly above, some of the most serious weaknesses of Australia's current strategic decision-making system do not relate to the decision-making structures, or even to the formal processes employed. They relate rather to the way that the NSC and the SCONS use their time.

There is a need for the two top national security committees to use more effective mechanisms for focussing on longer-term security challenges and determining strategies for implementation. Higher quality briefing and structured discussions may be required in order to, for instance, consider alternative strategies for pursuing Australia's interests with a range of key countries, for dealing with newly emerging threats and for approving plans for building up a broad range of national security capabilities.

Another useful initiative would be an annual 'horizon scanning' process similar to that used in the UK, the results of which would be presented to the NSC in the lead up to the annual budget. This would focus the NSC on key future developments anticipated in the international environment and encourage ministers to consider policy options to help shape international developments and respond to others.

There is also a need for the NSC to consider an alternative way of dealing with the large number of individual defence acquisition proposals that currently require NSC consideration as part of the 'two-pass' process. At present, this heavy focus on considering individual capability proposals twice is both a heavy burden and also a poor way of providing the NSC with total defence and system design authority. It is analogous to a person wishing to buy a new car for use in 2020 focussing intently this year on buying the most appropriate gearbox and steering wheel. Next year the intense focus might be on the most appropriate wheels and doors. The third year the priority might be on selecting the best battery and axles, etc. The car that results in 2019 is likely to be rather incoherent and ineffective. Indeed, the current system is even more

disaggregated because it requires each individual component of new defence capability to be considered twice before it is bought.

Largely missing from the current process is an opportunity for the NSC to consider seriously the anticipated shape of the security environment in 2020-2040, the primary defence tasks that Australian governments of that timeframe will wish the ADF to be able to perform and alternative Defence Force structures that deserve consideration for delivering the desired outcomes. Under current arrangements discussions of this general nature might or might not take place during the preparation of a new Defence White Paper. However, when there has been an eight year gap between production of the 2000 White Paper and the White Paper planned for 2008, there is a clear need to strengthen total force design. In effect, there is a need to employ a modified version of Sweden's perspective planning process to provide greater coherency to Australia's defence and broader national security planning.

It is notable in this context that the Department of Defence periodically produces planning guidance, reviews capability priorities and generates a revised Defence Capability Plan. However, the end product of this process is not a quality presentation of alternative total force options to the NSC. It is rather a long shopping list of new and upgraded defence capabilities recommended for sequenced acquisition. This does not give ministers a vision for the anticipated security environment 15-25 years hence nor does it provide a means of considering alternative total force options for the future.

How might such a total force assessment and review process work in the Australian context? One way would be for the NSC to firstly be briefed on the results of the annual 'horizon scanning' exercise. This would provide an appropriate foundation for a perspective planning process to generate and then review alternative national security models, say every third year. The focus would be on selecting the optimal total force structure model that should be developed to operate 15-25 years hence. The selection of a total force option (together

with a companion indicative budget) would effectively replace the current NSC first pass review process that brings forward scores of individual defence acquisition proposals. Once the total force model was determined, the new capabilities listed within the selected model would automatically be authorised to proceed through the first phases of the capability development process. Only when fully developed as projects within the total force plan would major capability proposals proceed individually to the NSC for final approval prior to purchase.

Were there to be a major change in Australia's strategic circumstances between total force structure reviews, or were a serious technical issue to arise in an important defence system requiring the immediate consideration of an emergency purchase, this would still be possible. However, any emergency purchases would be exceptional for which a special case would need to be made. Moreover, any emergency purchases would also be decided within the context of the coherent long-term plan for force structure design that the NSC had previously authorised.

This approach would encourage the NSC to focus on the total national security capability required 15-25 years hence and at the same time still provide full NSC authority over individual defence and broader national security proposals. In analogous terms, this approach would let the NSC see and select the full car it is buying while still providing the NSC with full authority to change the wheel design or add a turbo-charger to the engine, if that is considered appropriate at the time.

## **Process Options**

On balance, this report favours integration of the NSA into the NSC structures along the lines that are described in Model 3 above.

The formal processes of NSC operation are suggested to be as follows. As at present, any ministerial member of the NSC would have the power to propose an NSC agenda item. In addition it is suggested that the NSA, the Director General of the Office of National Assessments, the Chief of the Defence Force and the Secretary of the Department of Prime Minister and Cabinet could initiate an NSC agenda item provided they have the Prime Minister's concurrence.

There is no reason to alter the status of the Cabinet Submission as the primary mechanism for coordinating all views on a key issue that is to be considered by the NSC. However, there is a need for greater discipline to be exercised on the length and timeliness of Cabinet Submissions. When draft Cabinet Submissions exceed stipulated length limits or arrive beyond the Cabinet deadlines, they should be rejected by the Cabinet Secretariat.

In some situations, especially when the NSC is to consider a completely new topic or an issue that is very challenging, there may be a strong case to invite one or more external experts or advisers to brief the NSC or to participate in the discussion. This could best be organised at the request of the Prime Minister by the NSA or a relevant agency head. In general, it is preferable that these external parties be engaged under standard contractual arrangements.

Once a course of action is decided it is important that the NSC not become bogged down in the details of implementation. Rather, the normal procedure should be for the NSC to pass implementation responsibility to a lead department or agency. Functional leadership, measures of effectiveness, budget control and overall accountability for outcomes needs to be the responsibility of a single agency,

and effectively, of a single agency head. A working group or a committee may play a role in support of the lead agency head but should never itself be left carrying a major implementation task. The committee approach generates confusion and frequently leads to lowest-common-denominator performance because under such an arrangement no individual can be held personally responsible for the outcome.

### ***System and Technology Options***

One field in which there is scope to improve the functioning of the NSC is by providing a more capable range of briefing systems and technologies.

At present the NSC and SCONS rely almost exclusively for briefing on written or spoken words and simple photographs and other images, usually printed on pieces of paper. The primary participants in this research considered that a wider range of briefing modes are needed now and will be essential by 2015.

Most fundamentally, there is a need for the NSC to have ready access to the full range of secure and other communication links. It is important for the NSC to be able to involve members who may be temporarily in remote locations and it is also important for the NSC to be able to discuss key issues with senior commanders or national security managers in remote locations. Reliable and secure communication links need to be readily available.

It was also felt that some dimensions of complex operations, campaign plans and intelligence briefs can be clarified rapidly through access to the right displays. If a picture is worth a thousand words it may be the case that a moving 3D image displaying the anticipated unfolding of an opponent's campaign plan may be worth ten thousand words. Moreover, the potential to deliver this type of 'rich' briefing picture to the NSC and SCONS is expanding as Australia develops highly sophisticated 'common operational pictures' of

distant theatres that display friendly forces, most enemy forces and almost all neutral elements.

The use of this more sophisticated briefing and communications infrastructure could certainly be distracting for the NSC. It could also potentially encourage members of the NSC to dabble in detailed tactical and operational issues that are best left to commanders and other specialists in the field. Nevertheless, this research concluded that by 2015 the NSC should routinely meet in a purpose-built facility, probably under Parliament House. This facility should offer very high levels of physical security and it should also provide exceptional communications linkages and access to advanced, very flexible, briefing systems. Provided that they are used with discretion, discipline and skill, this research concluded that appropriate electronic briefing facilities should be able to contribute significantly to NSC briefing and decision-making.

## **CONCLUSIONS**

This research project concluded that Australia's high-level national security decision-making processes work well in most respects and will likely continue to do so though 2015 and beyond. Particular strengths include the National Security Committee itself, which brings together relevant ministers of the Australian Government with relevant senior officials in a single room with great authority to decide national security issues. Operating this system within the Australian culture encourages high quality discussions, facilitates informal teamwork and provides senior officials with a deep understanding of ministerial views. In crisis situations this efficient, effective and very flexible structure usually produces quality assessments and sound decisions in appropriate timeframes.

On the other hand, this research concluded that some aspects of Australia's national security decision-making were sub-optimal now and need to be changed by 2015. Amongst these sub-optimal aspects were tendencies to over-focus on immediate issues and to spend too much time on detailed

consideration of individual defence capability proposals. There is a need to focus more of the NSC's time and attention on longer-term security challenges of greater import. There is also a need for the NSC to consider more seriously the totality of defence and national security capability development and assure itself that it is authorising the acquisition of a total suite of capabilities that will provide future Australian Governments with the operational options that they will need in 2020-2040.

This research also concluded that the more complex and demanding nature of the national security challenges now being faced by Australia requires the NSC to marshal a wider range of national security 'tools' and the involvement of a broader range of government departments, agencies and elements of society. No matter how imaginatively they may be employed, elements of the Australian Defence Force, the Australian Federal Police, and AusAID project staff will not, on their own, be capable of achieving much more than holding actions when committed to places like the Solomon Islands. Nor can they effectively combat a pandemic. New 'whole-of-nation' capacities need to be harnessed, new mechanisms need to be developed and new modes of operation need to be authorised by the NSC if Australia is to make progress in combating many of the new security challenges. More elements of Australian society should be encouraged to view themselves as contributors to national security.

Another challenge faced by Australia's national security system is the relative weakness of the lower and middle level national security staffs. It could be said that the current national security system is trying to operate with crippled legs. This is placing unnecessary stress on senior officials and unless remedied by sustained action it could weaken the national security system more seriously by 2015.

What then, are the major initiatives that this research concluded deserve serious consideration? They are as follows:

- There is no need for marked change in the membership or operations of the NSC. However, were a new Minister for Homeland Security to be appointed that person should be appointed an NSC member. The secretary of any new Department of Homeland Security and any NSA appointed would appropriately be invited to be advisors of the NSC. There is also a strong case for inviting the state premiers and territory chief ministers to participate in occasional NSC discussions.
- The NSC needs to develop a stronger habit of focussing on longer-term national security challenges and options.
- The NSC needs to consider more deeply the broader range of multi-disciplinary security challenges now confronting Australia and in prospect. These challenges include terrorism, climate change, weak state insecurity, pandemics and also the more conventional defence threats that have not gone away. The NSC needs to find ways to assess these challenges in greater depth, to evaluate alternative strategies and also to consider means of harnessing a wider range of national capabilities for tailored responses.
- The NSC should be briefed on the results of an annual 'horizon scanning' process and consider options for shaping international developments and responding appropriately to them.
- The heavy load imposed on the NSC by the 'two-pass' system of considering individual defence capability proposals should be reduced. This could best be done by replacing the first pass NSC consideration of individual capability proposals with a deep

assessment of the preferred total force capability structure for 15-30 years hence. Through this process the NSC should be encouraged to consider the force structure that Australian Governments will need in 2020-2030 – and repeat the process every three years. Those specific capabilities that are listed within the future total force structure and budget level that the NSC selects would be considered to have received first pass approval.

- Occasionally it may be useful to invite external experts to participate in NSC and SCONS discussions when they have strong expertise to contribute on the matters under consideration.
- While a wider range of departments and agencies will need to be engaged on national security issues in the future, the membership of SCONS should not be expanded greatly. It would be preferable to adopt an ‘onion-like’ approach to SCONS membership by maintaining a modest core of senior national security officials as permanent members and inviting a much wider range of key officials and experts to participate when the topics under consideration make this appropriate.
- Should the government appoint a NSA, this person would be ideally placed to lead research on new and future security challenges and in developing policy response options. Although there are several ways in which a NSA could be integrated into the national security structure, a good option would be to locate this person as an Associate Secretary within the Department of Prime Minister and Cabinet. This person would have a direct operating line to the Prime Minister and carry the primary responsibility for coordinating the delivery of issues papers to the NSC.

- Numerous measures are required to strengthen junior and middle level capacities for national security analysis, drafting, program planning and program delivery. In particular:
  - A high-quality 2-3 week National Security Practitioner's Course should be established, with participation made a pre-condition for working at medium and senior levels in the national security community.
  - A 1-2 day National Security Leadership Seminar should be conducted annually.
  - Success in fostering the development in staff of strategic analytical, drafting and other key skills should be made a standard assessment criterion in the personal appraisals of all national security managers.
  - Consideration should be given to renaming the Australian Defence College the Australian National Security College, offering a range of national security modules as options and encouraging participation from a much wider range of departments and agencies.
- By 2015 the NSC will need purpose-designed meeting and briefing facilities that provide access to greatly improved communications, image display and briefing systems.

In brief, there are some aspects of Australia's high-level national security decision-making system that are truly outstanding and the envy of senior officials in other countries. However there are also aspects of recent NSC operations and systems that are less than optimal and could readily be improved. Indeed, if left unattended, some current weaknesses will become much more serious problems during the coming decade.

One surprising aspect of this research project was that most of the changes and innovations that senior officials suggested for consideration could be readily implemented within 12 months and all could be in place within 24 months. There is hence no need to wait for 2015 in order to be well prepared for the national security challenges of the next decade and beyond.

## ABOUT THE KOKODA FOUNDATION

### Purpose

The Kokoda Foundation has been established as an independent, not-for-profit think tank to research, and foster innovative thinking on, Australia's future security challenges. The foundation's priorities are:

- To conduct quality research on security issues commissioned by public and private sector organisations.
- To foster innovative thinking on Australia's future security challenges.
- To publish quality papers (*The Kokoda Papers*) on issues relevant to Australia's security challenges.
- To develop *Security Challenges* as the leading refereed journal in the field.
- To encourage and, where appropriate, mentor a new generation of advanced strategic thinkers.
- Encourage research contributions by current and retired senior officials, business people and others with relevant expertise.

### Membership

The Kokoda Foundation offers corporate, full and student memberships to those with an interest in Australia's future security challenges. Membership provides first-release access to the *Kokoda Papers* and the refereed journal, *Security Challenges*, and invitations to Foundation events. Membership applications can be obtained by calling +61 2 61619000, and downloaded from:

<http://www.kokodafoundation.org/Joinindividual.html>