

ATTORNEY-GENERAL'S PORTFOLIO SECURITY ENVIRONMENT UPDATE 2007–08

The Australian Government is working to ensure that our national security framework remains comprehensive and adaptable to changes in our security environment. Terrorism remains a serious threat to Australia's security. Strong cooperation between the Commonwealth, State, Territory and local governments is vital to countering this threat, but businesses and the broader Australian community also have an important role to play. To ensure that Australia's security framework continues to achieve the goal of protecting Australia from terrorism, our arrangements must be sustainable and supported by appropriate resources.

The Attorney-General is responsible for operational coordination of national security issues. The Attorney-General's Department and other agencies within the portfolio play a central role in developing and implementing measures to effectively counter terrorism. The Budget initiatives outlined in this Update build on a range of activities undertaken by Attorney-General's portfolio agencies to counter terrorism.

Working with the public to counter terrorism

The Australian public plays a crucial role in protecting Australia against terrorism. Counter terrorism efforts cannot succeed without the assistance of well informed and engaged Australians. Information from the public could prove vital to law enforcement and intelligence officers by providing the breakthroughs needed to disrupt terrorist activities. The [National Security Hotline](#), run by the [Attorney-General's Department](#) (AGD), is the Government's interface with the public on matters of national security. Since its inception in December 2002, the Hotline has received over 93,000 calls, letters and emails from members of the public.

To raise awareness of the National Security Hotline, the Government also launched the [national security public information campaign](#) in December 2002. The most recent phase of the Campaign asked Australians to *Help Protect Australia from Terrorism* by remaining vigilant and reporting possible signs of terrorism to the Hotline. In this Budget, AGD will receive a further \$20 million over two years to continue to engage the Australian public in counter terrorism efforts and to promote the National Security Hotline as a tool for community vigilance and action.

Working with business—protecting our critical information and communications infrastructure

Terrorists are constantly developing new and innovative attack methods. A review in 2006 of Australia's E-Security National Agenda found that the e-security landscape is constantly changing and that sophisticated, targeted and malicious online attacks are emerging as a serious threat. These attacks are a major risk to the protection of the identity and financial information of home users and small and medium-sized enterprises. They can affect the reliable delivery of critical services by government and industry and the continuity of government.

To address this risk, the [Australian Federal Police](#) (AFP) and AGD will receive funding as part of a \$73.6 million cross-portfolio measure to implement initiatives to address those risks by:

- securing Australian Government information and communications systems
- enhancing the protection of Australia's critical infrastructure from e-security risks, and

- enhancing the protection of home users and small and medium-sized enterprises from electronic attacks and fraud.

The AFP will receive \$15.6 million over four years to establish a specialised capacity to identify and investigate complex technology-enabled crimes that pose threats to Australia's critical infrastructure. The AFP will also develop law enforcement tools for conducting investigations into technology-enabled crime and to support regional capacity development initiatives in the area.

AGD will receive \$12.4 million to expand the capacity of the [Australian Government Computer Emergency Readiness Team](#) (GovCERT.au). GovCERT.au will inform the owners and operators of critical infrastructure and the defence industry about specific and sophisticated electronic threats to their infrastructure and provide the Australian Government with information about electronic risks to information infrastructure in the private sector.

AGD will also use the funding to conduct a study into the feasibility of developing a program to facilitate real-time sharing of information security data between Australian companies and to develop and participate in a cyber-exercise program to improve and integrate Australia's capability to manage incidents affecting critical infrastructure. The funding will allow AGD to participate in the international cyber-security exercise *Cyberstorm II* which will simulate a significant international incident through attacks on critical communications infrastructure.

Protecting critical infrastructure

AGD provides strategic leadership to business and across governments on critical infrastructure protection issues. Critical infrastructure does not just refer to buildings; it includes Australia's energy and water supplies, banking and finance systems, communications, our food chain, transport services and infrastructure and health services. The majority of Australia's critical infrastructure is privately owned or commercially operated so its protection relies on strong cooperation between owners and operators and all Australian governments.

AGD is working closely with business and other government agencies in a range of fora to develop and strengthen initiatives to protect Australia's critical infrastructure from a range of threats. The [Trusted Information Sharing Network](#) for Critical Infrastructure Protection (TISN), made up of Industry Assurance Advisory Groups across key infrastructure sectors, brings business and government together to share information on threats and vulnerabilities and to discuss strategies and measures to mitigate risk. The [Business-Government Advisory Group](#) on National Security (BGAG) also continues to provide an effective forum for business leaders to discuss proposed new security initiatives directly with the Attorney-General and other Ministers.

In January 2007 the Australian Government released *Good Security—Good Business*, a booklet emphasising the importance for small and medium-sized businesses of being prepared to deal with a range of hazards, including terrorism, and the value of having risk management and business continuity plans in place to respond and recover as quickly as possible.

To assist business to develop those plans, the Australian Security Intelligence Organisation's (ASIO's) [Business Liaison Unit \(BLU\)](#), which was established in late 2005, is providing a direct interface between the private sector and the Australian Intelligence Community. The unit develops and provides business security reports to assist businesses' risk management planning processes by providing national security-related information on each industry sector. These reports are disseminated directly to businesses and are accessible on a secure BLU website.

AGD is also progressing the Critical Infrastructure Protection Modelling (CIPMA) project. The CIPMA project aims to develop an IT system which will 'map' and model the interdependencies between Australia's critical infrastructure sectors. The CIPMA project is developing a capability to model, simulate, analyse and examine how Australia's critical infrastructure sectors relate and rely on each other. This will allow the owners and operators of critical infrastructure, and governments, to better understand how each part of Australia's critical infrastructure relies on the effective operation of others and how each sector would be affected if another stopped operating.

The Government's new centralised vetting agency, AusCheck, will commence operations on 1 July 2007. AusCheck, a Division of AGD, will be responsible for coordinating and assessing background checks for Aviation and Maritime Security Identification Cards. AusCheck will use state-of-the-art technology to reduce duplication and offer significant efficiencies to the transport sector while strengthening security at Australia's air and sea ports.

Supporting Australia's law enforcement officers

Ensuring that our law enforcement agencies have sufficient resources to carry out their roles is critical to the sustainability of Australia's national security framework and to counter terrorism efforts. This Budget includes a number of initiatives to ensure that our law enforcement officers have the resources and skills necessary to fulfil their roles.

The AFP is planning redevelopments to its site at Majura in the Australian Capital Territory that will enhance interoperability and effectiveness across the AFP. As part of the 2007–08 Budget, the Government has provided the AFP with funding to undertake a scoping study to explore the feasibility of consolidating major AFP specialist operations and training facilities in one purpose-built facility at Majura.

A new Chemical, Biological, Radiological and Nuclear (CBRN) Data Centre, including a Mobile Forensic Laboratory, will be opened in July 2007. The Data Centre will provide real-time technical advice and intelligence to law enforcement and intelligence agencies and emergency services across Australia about preventing, preparing for and responding to the use of CBRN weapons or materials by criminals or terrorists. The Data Centre will also support relevant parts of the private sector and provide occupational health and safety advice.

The Australian Government has also committed \$5.2 million over four years to Emergency Management Australia's (EMA's) CBRN preparedness research and development program to develop improvements in first response capabilities to deal with terrorism generally and CBRN incidents in particular.

A CBRN attack, and other emergencies such as an air crash, earthquake, tsunami or human pandemic, could result in mass fatalities requiring rapid mobilisation of specialised equipment and facilities to deal with those fatalities at short notice. The Australian Government has invested \$2.4 million over four years to deliver deployable mortuary services within Australia capable of managing up to 5,000 fatalities in any one event.

The AFP will also receive funding in this Budget to provide purpose-built long term accommodation for officers who form part of the Unified Policing Model (UPM) structure at each of Australia's 11 designated airports. The UPM was introduced at airports in Adelaide, Alice Springs, Brisbane, Cairns, Canberra, Darwin, Gold Coast, Hobart, Melbourne, Perth and Sydney in response to recommendations made by the Rt Hon Sir John Wheeler in the 2005 *Independent*

Review of Airport Security and Policing. The UPM ensures there is a single command structure for police and security actions at those airports. This allows the AFP to take a lead role in the fight against terrorism and criminality in the aviation sector. Full implementation of the UPM at all 11 designated airports is expected by the end of 2008, including a 24/7 national operations centre which should be fully operational by July 2007.

Supporting intelligence efforts to combat threats to national security

Australia relies upon a strong intelligence-led prevention and preparedness regime to support its counter terrorism strategy. Since the terrorist attacks of September 2001 in the United States, the Australian Government has committed additional resources to ASIO recognising the complexity and unpredictability of the threat environment and the continued increase in the volume and pace of information flows.

The threat from extremism poses the most immediate danger to national security, but espionage, foreign interference, the proliferation of weapons of mass destruction and other forms of politically motivated violence continue to threaten Australia's interests. These remain core concerns of ASIO.

Increased resourcing since 2001 enabled ASIO to establish 24/7 operations in the areas of threat assessment, resource and open-source monitoring and border security. ASIO also expanded its engagement with international and Australian intelligence and law enforcement agencies, increased outreach to the private sector and has developed methods and technologies to counter increasingly sophisticated targets.

The 2006-07 Budget provided a significant increase in ASIO's budget following a 2005 review of ASIO's resourcing that recommended ASIO grow to 1860 staff by 2010-11. The additional resources are being used to boost ASIO's intelligence collection and analytical capabilities, increase the number of surveillance teams, manage the continued rise in the border security workload and bolster ASIO's technical capacity. Staff are being recruited across all offices and areas.

To accommodate the increase in staffing, ASIO's central office will move to a purpose-built building within Canberra's security precinct by 2010-11. The new building will enable ASIO and the Office of National Assessments to remain near other partners in the intelligence, defence and law enforcement communities. The Government has also provided \$78.8 million over four years to upgrade or relocate ASIO's offices in other States and Territories to cater for the growth in staff.

Maintaining our strong legislative framework

Since the September 2001 attacks on the United States the Australian Government has consistently demonstrated its commitment to ensuring that Australia has appropriate and comprehensive laws in place to deal with the threat of terrorism. Significant amendments and new pieces of legislation have been introduced in the past year to maintain our strong legislative framework.

In the 2007-08 Budget, the Australian Government has provided \$35.7 million for eight agencies within the Attorney-General's portfolio to ensure the effective ongoing implementation and enforcement of the *Anti-Terrorism Act (No.2) 2005* and the *National Security Information (Criminal and Civil Proceedings) Act 2004*. The funding will enable the AFP to fully implement and operate the control order and preventative detention regimes. Funding will also be provided to ASIO, Customs and AGD to support the measures contained in the Anti-Terrorism Act. The Administrative Appeal Tribunal, the Federal Court, the Federal Magistrates Court, the

Family Court and AGD will receive funding to ensure the requirements of the National Security Information Act are properly observed.

AGD and the [Australian Transaction Reports and Analysis Centre \(AUSTRAC\)](#), Australia's financial intelligence unit, have also received funding to implement the new [Anti-Money Laundering and Counter-Terrorism Financing Act 2006](#) (AML/CTF Act). The AML/CTF Act will help Australia to prevent money laundering—the process where criminals seek to disguise the illegal origins of their assets—and expand the range of information available to AUSTRAC. AUSTRAC will receive \$133.2 million over four years, recognising its expanded role as the national AML/CTF regulator. AGD will also receive \$12.7 million over four years for a communications campaign to inform the Australian community about the new laws.

The Australian Parliament has also recently passed the [Law and Justice Legislation Amendment \(Marking of Plastic Explosives\) Act 2007](#) to implement the obligations under the United Nations' [Convention on the Marking of Plastic Explosives for the Purpose of Detection](#). The aim of the Convention and the Act is to prevent the misuse of plastic explosives by terrorists. The Act commences on 19 August 2007 and will create offences for the trafficking in, importing, exporting, manufacturing and possession of plastic explosives which are not marked with a prescribed chemical detection agent.

AGD is currently developing reforms to Australia's arrangements for [international extradition and mutual assistance in criminal matters](#). The fight against transnational crime and terrorism requires strong and effective arrangements for cooperating with other countries and these reviews will ensure that Australia has appropriate legislation in place to facilitate this. In February 2007 the Government announced the key reform proposals, which will involve substantial changes to the [Extradition Act 1988](#) and the [Mutual Assistance in Criminal Matters Act 1987](#). Drafts of the amended legislation will be released for public comment in mid-2007.

Protecting our borders

Border security is another vital aspect of Australia's counter terrorism arrangements. Ensuring we have sufficient resources to protect our borders, at airports and on our coastline, is a priority for the Australian Government.

Australia's maritime jurisdiction covers 15 million square kilometres including 36,000 kilometres of coastline and over 12,000 islands. Border security agencies including Customs and the [Border Protection Command](#) (an inter-agency organisation bringing together the resources and expertise of Customs and Defence) are working to protect Australia's maritime domain from a range of threats.

In this year's Budget, the Government will provide \$79.5 million to the Border Protection Command to continue with Phase Three of a project to develop the Australian Maritime Identification System (AMIS). When it is fully developed, AMIS will provide a comprehensive awareness of Australia's maritime domain. AMIS will collect, analyse and disseminate maritime information and intelligence allowing Australia's border security and law enforcement agencies to get a more accurate picture of our extensive maritime domain.

Customs is also implementing a range of measures announced in the 2006–07 Budget designed to significantly increase the security of Australia's air borders. These measures enhance Customs' capacity to identify, inspect and respond to high-risk export air cargo by deploying more explosives

detector dog teams, additional mobile x-ray vans and, in collaboration with industry, trialling and evaluating communications technology that will allow Customs to achieve real-time tracking of export air cargo.

Being prepared to respond to a terrorist attack

The Australian Government is committed to ensuring that Australia's counter terrorism arrangements are well tested and that all agencies are ready to respond if needed. The NCTC's exercise program, coordinated by AGD's Protective Security Coordination Centre (PSCC), uses regular exercises involving simulated terrorist incidents to test key agencies' responses in a range of scenarios. They also test the effectiveness of coordination arrangements between the Commonwealth, States and Territories. In 2007-08, the Australian Government has committed an additional \$24.7 million to maintain and expand the successful NCTC exercise program.

As part of Australia's preparations to host [APEC 2007](#), the PSCC has coordinated major APEC-themed exercises in New South Wales, South Australia, Tasmania, Queensland and the Northern Territory. These exercises, which brought together personnel from a range of Commonwealth, State and Territory government agencies, were designed to test security arrangements and communications protocols that have been put in place for APEC 2007.

It is vitally important that the Australian community are prepared to respond in the face of an emergency such as terrorist incident. Through Emergency Management Australia's [Working Together to Manage Emergencies](#) initiative, the Australian Government is supporting communities, local governments and volunteer organisations to improve community safety and training for volunteers involved in emergency management. Since 2004 more than 800 projects worth \$28 million have been funded across Australia. In 2007-08 more than \$13 million will be available for grants to implement projects designed to develop self-reliance at both the community and local government levels.

EMA's \$15 million Urban Search and Rescue capability development project will enhance national urban search and rescue operational capability through the establishment and pre-positioning of stockpiles of equipment to enable timely response to such incidents. The initiative is funded under a cost sharing arrangement over four years between the Australian Government and the States.

Countering terrorism through international relationships

Australia's relationships with our neighbours and international partners play an important role in protecting our people, assets and infrastructure from terrorism. Australia's international counter terrorism arrangements aim to increase regional understanding of the nature of the terrorist threat; identify terrorists and deny them the operating environment to plan and execute attacks; disrupt terrorist networks and strengthen the counter terrorism capabilities of our international partners and allies.

The AFP International Liaison Network is a vital tool in this strategy. The Network is made up of 80 officers in 33 posts across 27 countries. Additional funding has also been provided in the 2007-08 Budget for Liaison Officers to be posted to Laos. This will enable the AFP to work collaboratively with Lao law enforcement agencies on a range of issues. ASIO has also enhanced its international effectiveness through increased cooperation with overseas agencies.

In 2006–07 AUSTRAC signed two new international Exchange Instruments with Japan and Albania and agreed to an updated Exchange Instrument with the United Kingdom. These instruments, along with over 40 other such instruments, allow AUSTRAC to exchange financial intelligence with foreign counterparts. New agreements signed in 2006 on international criminal justice cooperation, with Malaysia, Thailand and China will also strengthen Australia's ability to counter terrorism by facilitating law enforcement investigations into a range of transnational crimes.

Attorney-General's portfolio agencies continue to play a significant role in Australia's efforts to build regional capacity to counter terrorism through a number of initiatives.

- The Australian Government has previously allocated \$36.8 million over the five years to 2009 to develop the Jakarta Centre for Law Enforcement Cooperation (JCLEC) in Indonesia. JCLEC provides the AFP with a bilateral forum to establish regionally consistent investigative practices through training initiatives. Since it was opened in 2005 JCLEC has hosted 85 courses for over 1,900 participants.
- The AFP is also providing technical investigations and forensic training to counterparts in the Philippines and Thailand to improve the investigative capacity of those police forces. The AFP is currently working with Solomon Islands counterparts to establish a Solomon Islands Transnational Crime Unit and over the past year has assisted Fiji, Samoa, Tonga, Vanuatu and Papua New Guinea and Micronesia to establish Transnational Crime Units within their police forces.
- The AFP's Australian Bomb Data Centre is working with partner law enforcement agencies to establish Bomb Data Centres in the Philippines, Malaysia, Thailand and Indonesia. Once operational, these centres will collect, collate and analyse information concerning explosives incidents, contributing to intelligence on the threat posed by the use of explosives by terrorists.
- A number of areas within AGD are working with counterparts in the Pacific and South East Asia to establish and strengthen legal systems that prevent terrorism. The [Regional Legal Assistance Unit](#) works with the governments of other countries to ensure that all forms of terrorist activity are criminalised by developing legislation that implements the international counter terrorism conventions and protocols and related United Nations Security Council Resolutions. The Unit also assists governments to establish or strengthen frameworks for international criminal justice cooperation including extradition and mutual assistance.
- AGD's [Anti-Money Laundering Assistance Team](#) is working with Pacific countries to establish systems to combat terrorist financing and money laundering. Over the past year, the Team has provided a variety of technical assistance to Pacific countries including facilitating the establishment of the Solomon Islands' Financial Intelligence Unit and providing in-country mentoring to its analysts, conducting a workshop for representatives of 14 Pacific Financial Intelligence Units and presenting workshops on anti-money laundering and countering the financing of terrorism in Tonga and Solomon Islands, and for the judiciary and Bar in Palau.
- AUSTRAC assists its counterpart agencies in the South East Asia region to build anti-money laundering and counter terrorism financing capacity through a range of initiatives. In 2007 AUSTRAC will work with counterparts in Cambodia, Laos, Myanmar, Vietnam, Brunei, Singapore, Thailand, Indonesia, Malaysia and the Philippines and will coordinate two counter terrorism financing workshops for APEC economies. Early in 2007, AUSTRAC commenced the 'Financial Intelligence Unit-in-a-box' project to assist financial intelligence units in several Pacific Island countries to improve their IT capacity to track suspicious transactions.

- Customs is working with counterparts in Indonesia, the Philippines, Malaysia, and Thailand through a series of inter-agency workshops designed to strengthen relationships and improve operational effectiveness in maritime border environments and is delivering equipment and support programs in key areas of Indonesia, Malaysia and the Philippines to help them introduce and maintain the use of technology such as CCTV, X-ray and tools for trace detection of explosives and drugs.

In August 2006 the Australian Government announced a \$493 million funding boost for the AFP's [International Deployment Group](#) (IDG) to recruit more officers to be deployed overseas. Those officers are helping to ensure the stability of Australia's neighbouring countries, strengthen law enforcement capabilities across the region and address the threats of transnational crime and terrorism. Currently, the IDG is engaged in activities in Solomon Islands, Timor Leste, Tonga and Vanuatu.

In summary

These measures are part of a multi-layered approach to ensure our counter terrorism arrangements remain strong and sustainable. Over the next year and into the future, the Attorney-General's Department and portfolio agencies will continue to work at home and internationally to counter terrorism and protect Australia's national security.