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DEFENCE AND TRADE

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JOINT COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Monday, 9 December 2002

Members: Senator Ferguson (*Chair*), Mr Brereton (*Deputy Chair*), Senators Bartlett, Bishop, Bolkus, Cook, Eggleston, Chris Evans, Harradine, Hutchins, Johnston, Sandy Macdonald, O'Brien and Payne and Mr Baird, Mr Baldwin, Mr Beazley, Mr Bevis, Mr Byrne, Mr Edwards, Mr Laurie Ferguson, Mrs Gash, Mr Hawker, Mr Jull, Mr Lindsay, Mrs Moylan, Mr Nairn, Mr Price, Mr Prosser, Mr Scott, Mr Snowden, Mr Somlyay and Mr Cameron Thomson

Senators and members in attendance: Senators Eggleston, Ferguson, Hutchins, Sandy Macdonald, and Mr Baird, Mr Beazley, Mr Bevis, Mr Byrne, Mr Edwards, Mrs Gash, Mr Hawker, Mr Jull, Mr Price and Mr Cameron Thomson

Terms of reference for the inquiry:

Watching brief on the war on terrorism.

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Committee met at 9.05 a.m.

CHAIR—I declare open this morning's public hearing. It is the first in a series of public hearings on Australia's preparedness to manage the consequences of a terrorist attack in Australia. The hearings are part of the committee's ongoing watching brief on Australia's involvement in the war on terrorism and in related actions in response to terrorism. When we began our watching brief in May 2002, we viewed issues associated with Australia's commitment to the war on terrorism from the perspective of a world changed by the terrorist attacks in America on 11 September 2001. The bombings in Bali on 12 October 2002 have tragically demonstrated that the threat of terrorism is always present. While we as a nation must continue to do all we can to prevent terrorist attacks, we must also do all we can to prepare for the consequences of an attack. Our hearings are part of this prudent preparation.

This morning's hearings will focus on the role of the Commonwealth government and its agencies in coordinating the immediate response to and managing the consequences of a terrorist attack. We will be hearing from the Department of the Prime Minister and Cabinet, the Attorney-General's Department, the Protective Security Coordination Centre, Emergency Management Australia, the Australian Federal Police, the Australian Defence Force and two nongovernment representatives—Hugh White from the Australian Strategic Policy Institute and Clive Williams, who is Director of Terrorism Studies at the ANU. In the early part of next year, we will travel to a number of states and territories to hear from local coordinators of the national counter-terrorism strategy, police and emergency service agencies, health service providers and state based representatives of key Commonwealth agencies. Key issues for us in all of these hearings will be the response and management capabilities of each jurisdiction, the capabilities that can be provided at short notice to supplement local resources and the nature and likely effectiveness of the mechanisms in place to ensure a swift and well coordinated response. It is likely that we will report to the parliament in the 2003 budget sittings. We will consider at this time whether to conduct further public hearings on other aspects of Australia's involvement in the war on terrorism.

CORNALL, Mr Robert, Secretary, Attorney-General's Department

TYRIE, Mr Edwin, Director, Protective Security Coordination Centre, Attorney-General's Department

GILLESPIE, Major General Kenneth James, Head of Strategic Operations Division, Defence Headquarters, Department of Defence

McDEVITT, Mr Ben, General Manager National, Australian Federal Police

METCALFE, Mr Andrew, Deputy Secretary, Department of the Prime Minister and Cabinet

TEMPLEMAN, Mr David Charles, Director General, Emergency Management Australia

WHITE, Mr Hugh, Director, Australian Strategic Policy Institute

WILLIAMS, Mr Clive, Director of Terrorism Studies, Strategic and Defence Studies Centre, Australian National University

CHAIR—Before inviting opening statements, I would advise all witnesses that the proceedings, although being conducted in a roundtable format, are legal proceedings of the parliament and warrant the same respect as proceedings of the Senate or the House. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament. I would also advise all witnesses that questions and comments should be directed to the chair; this is not a public meeting where questions can be directed from one witness to another. We intend to conduct today's proceedings in public. But, should anyone wish at any stage to give evidence in private or in camera, you may ask to do so and we will give consideration to that request. If such circumstances arise, to hear such evidence we would convene an in camera session at the conclusion of our public hearing. I welcome you all here this morning. I understand that Mr Metcalfe will make some opening remarks to begin proceedings and then we will move to the other people who are part of this roundtable.

Mr METCALFE—Thank you very much. I am Executive Coordinator Government and Corporate, Department of the Prime Minister and Cabinet. My role within the Department of the Prime Minister and Cabinet is to take leadership on counter-terrorism matters, amongst other things, under the overall direction of the secretary. This morning I will provide a brief opening statement which sets out some of the significant developments that have occurred in relation to counter-terrorism preparedness in Australia over the last year and a half and then move on to my colleague Mr Cornall, Secretary of the Attorney-General's Department.

After the terrorist attacks in the United States on 11 September 2001, the Commonwealth initiated a review, under Mr Cornall's direction, into Australia's counter-terrorism arrangements. The review reported on 29 October 2001. It recommended a large number of measures to increase intelligence capability and sharing, strengthen coordination arrangements, tighten border protection regimes, improve ministerial accountability for counter-terrorism arrangements, tighten the legislative regime around terrorism and cross-jurisdictional offences

and expand the scope of the Standing Advisory Committee on Commonwealth-State Cooperation for Protection Against Violence (SACPAV) and the national antiterrorism plan to include prevention and consequent management issues. Almost all of the recommendations of that review have been or are being implemented.

A key development was on 5 April this year, when the Prime Minister and heads of government from the states and territories met and determined a new national framework for counter-terrorism arrangements. Under that framework: firstly, responsibility for 'national terrorist situations' would rest with the Commonwealth; secondly, the states and territories agreed to review the legislation and refer power to the Commonwealth, where necessary; thirdly, the communication of intelligence between the states and the Commonwealth would continue to be improved; and, finally, SACPAV would be reconstituted as the National Counter-Terrorism Committee, with a mandate to cover prevention and consequent management issues. Those new arrangements were formalised in an intergovernmental agreement signed by the premiers, the chief ministers and the Prime Minister on 24 October this year, following the national memorial service for the Bali victims.

The agreement establishes the National Counter-Terrorism Committee, which does a number of things. It develops and maintains a new national counter-terrorism plan to provide strategic and policy advice to governments, to coordinate national counter-terrorism capability, to enable sharing of relevant intelligence information and to report to COAG on Australia's preparedness in this area. The agreement recognised that there are responsibilities for both the Commonwealth and the state and territory governments relating to countering terrorism. It outlines some of the circumstances in which consideration would be given to declaring a national terrorist situation where broad management and strategic management then vest in the Commonwealth. Examples of that are: where there might be attacks on Commonwealth targets; threats to civil aviation; the use of chemical, biological, radiological or nuclear weapons; and multijurisdictional attacks. Finally, the agreement recognises that the primary operational responsibility for responding to terrorist incidents continues to rest with the states and territories. I have a copy of that agreement, which I do not think the committee has been provided with previously, and so I will be more than happy to table that. I have some copies that we could provide this morning.

Following the tragic events in Bali on 12 October, the Prime Minister announced, in addition to intelligence and border control capability enhancements, a further strengthening of coordination arrangements for counter-terrorism policy to bring coordination of policy issues under the Department of the Prime Minister and Cabinet. This does not affect the operational coordination role performed by the Attorney-General's Department, particularly the Protective Security Coordination Centre.

At the Commonwealth level, counter-terrorism responses are supported by a close working relationship between PM&C, the PSCC and the Attorney-General's Department generally. We have established and updated or upgraded a number of coordination mechanisms because of the fact that there are a significant number of agencies which deal with counter-terrorism issues in one form or another. Importantly, we have developed a new coordination committee called the Commonwealth counter-terrorism policy coordination committee, which is intended to ensure that policy development that may impact on counter-terrorism preparedness and response is properly coordinated across the whole of government. An operational level committee, the Commonwealth Counter-Terrorism Committee, coordinates core counter-terrorism agencies and

their activities and it meets monthly. As appropriate, special incident task forces convene under the chairmanship of the Protective Security Coordination Centre to determine operational responses to specific threat situations or incidents. Also, security coordination meetings occur as required to determine protective security responses to specific threat information relevant to foreign missions, travelling VIPs or internationally protected persons.

Ministerial responsibility in relation to counter-terrorism is quite clear. Ultimately, the National Security Committee of cabinet deals with this issue. Key members of that committee—the Prime Minister, the Attorney-General, the Minister for Defence and so on—have ministerial responsibility for particular aspects of the issue. The National Security Committee of cabinet is supported by the secretaries' committee on national security, chaired by the Secretary of the Department of the Prime Minister and Cabinet; it performs an important policy advising role and a support role for the National Security Committee of cabinet.

I have just a couple of final comments. Firstly, the current national antiterrorism plan provides a detailed outline of procedures in the event of a terrorist incident. One of the first tasks of the National Counter-Terrorism Committee is to update the plan and to ensure that new issues—the concept of a national terrorist situation, the potential for non-conventional attacks to occur, such as chemical or biological attacks, as well as dealing with prevention and consequence management issues—are all encompassed in the plan. The plan is currently being drafted, and we are confident that the plan—which is a plan that necessarily involves the Commonwealth and a number of agencies within the Commonwealth as well as the states and territories—will be finalised before the end of this year.

The final thing I wanted to mention was that the Council of Australian Governments met and considered the issue of counter-terrorism on Friday. The National Counter-Terrorism Committee reported to COAG—it was its first report—and, in particular, it dealt with a number of issues that had been raised by heads of government in their meeting on 24 October. There are three or four paragraphs in the communique from COAG that I think should be provided to the committee. The communique states:

COAG noted that generally Australia is well prepared to prevent terrorist attacks but, as 11 September 2001 and 12 October 2002 showed, preventing a determined terrorist attack cannot be assured. It agreed that Australia cannot afford any complacency in counter-terrorist precautions. The NCTC's efforts to strengthen linkages between consequence management and counter-terrorism planning and its development of a national framework for the protection of critical infrastructure were welcomed.

COAG endorsed the NCTC's development of guidelines for the protection of critical infrastructure, including establishing criteria to identify the critical infrastructure and outline security measures at each level of alert. COAG reinforced the cooperative approach between governments and industry to this task. COAG instructed the NCTC to assign priority to the completion of this task and stressed its national importance.

Deficiencies in the protection of some hazardous materials were also noted and COAG agreed to a national review of the regulation, reporting and security around the storage, sale and handling of hazardous materials. The review will include relevant Commonwealth, State and Territory agencies in consultation with the NCTC and will report to COAG.

COAG agreed also to additional funding to enhance national counter-terrorism capability. This money will be used to upgrade communication systems, supply some needed counter-terrorism equipment to State and Territory police and increase the amount of exercising between agencies involved in the prevention of terrorism and those involved in crisis and consequence management arrangements and capabilities.

The Commonwealth will provide the funds for the communications upgrade and the exercise regime (\$10.4 million initially and \$7.6 million ongoing) and the States and Territories will fund equipment purchases and maintenance (\$4.3

million initially and \$0.8 million ongoing). COAG noted that security at regional and metropolitan general aviation airports will be subject to ongoing review by relevant Commonwealth, State and Territory authorities.

That is all I have in my opening statement.

Mr CORNALL—I appreciate the opportunity to appear before this hearing to discuss the Commonwealth's arrangements to respond to a terrorist attack. I would like to make some initial remarks about the framework in which we operate, which will then I think set the scene for the comments to be made by the Protective Security Coordination Centre and Emergency Management Australia.

In April, the Prime Minister, state premiers and territory chief ministers agreed that the Commonwealth would take responsibility for a national terrorist situation, and it follows that the Commonwealth would take responsibility for the management of the national response to the consequences of such a situation. As you know, a national terrorist situation was defined in the first ministers' communique as including attacks on Commonwealth targets, multijurisdictional attacks, threats against civil aviation and attacks involving chemical, biological, radiological and nuclear materials.

The Commonwealth structure for dealing with a national terrorist situation starts with the Prime Minister and the national security committee of cabinet. Subject to their direction, the Commonwealth then operates through the Secretaries Committee on National Security, the secretariat within the Department of Prime Minister and Cabinet and all relevant departments and agencies, which will depend on the nature of the incident involved but include in particular the Attorney-General's Department, the Australian Federal Police and the Department of Defence.

In particular, two divisions within the Attorney-General's Department have key roles to play in consequence management. They are the Protective Security Coordination Centre and Emergency Management Australia. Emergency Management Australia became part of my department after the last election so that we could more closely link its role and responsibilities in consequence management with the Protective Security Coordination Centre and the management of the Commonwealth's counter-terrorism arrangements generally.

However, it is important to stress that most of the groundwork in consequence management will be done by state and territory police and emergency services, unless the Australian Defence Force is required to assist. The Commonwealth's principal role is to coordinate the national response through the PSCC and EMA under a number of cooperative plans and arrangements with states and territories, such as the national counter-terrorism plan. As Mr Metcalfe said, the national counter-terrorism plan is managed by the National Counter-Terrorism Committee, which includes Commonwealth and state and territory officers from premiers' departments, chief ministers' departments and police forces.

That is the structure which directs our emergency response arrangements. These arrangements were supported in the 2002 budget with additional funding for the Attorney-General's Department of \$14.4 million over four years, which has enabled the PSCC watch office to operate between 16 and 24 hours a day since the terrorist attacks in the United States last year. It is now operating 24 hours a day and will do so until the levels of threat and risk are reassessed in the new year. It provides the central point for the operational activities which

coordinate the Commonwealth's contribution to consequence management. This year's budget also included \$17.8 million over four years for Emergency Management Australia to provide additional equipment and resources to manage the consequences of a terrorist attack in each state and territory.

There are several other points I would like to make in these opening remarks. First, the levels of cooperation between the Commonwealth and the states and territories are very good and getting better. Much more interest is now being taken in the activities of the National Counter-Terrorism Committee by the states and territories, and premiers' and chief ministers' departments in particular are now taking a close and active role. Although this might seem a little remote, the establishment of the Australian Crime Commission could, I think, have an incidental benefit for our improved coordination, as the heads of some significant Commonwealth agencies are going to be members of the board of that commission, along with the nine state and territory and Commonwealth police commissioners. I say this because, if you take a broad view, crime and terrorism could often be linked together.

The second point I wish to make is that the Commonwealth has recently announced the establishment of a critical infrastructure advisory council to put in place a framework for government and business cooperation on threats to critical infrastructure, particularly information infrastructure. While this arrangement will of course be subsidiary to the national counter-terrorism plan, threats to the infrastructure that drives this country and supports its economy are broader than simply terrorist threats; so the establishment of that council is a useful adjunct to the national counter-terrorism plan and has the added advantage of providing a forum for the interchange of ideas and concerns from the private sector, essential utilities and government—and of course the National Counter-Terrorism Committee basically comprises government representatives.

The final point I wish to make is that our current emergency management responses are pretty good. They have been tested in Bali and they have been tested in the bushfires. Although there is room for improvement and a review of our response after the Bali incident indicates specific areas for further attention, I think we should start from the premise that our current arrangements have been recently tested and found to be satisfactory for the task at hand, although there is always room to make them better. That concludes my opening remarks.

CHAIR—We will move up the table. We will move on to you, Mr Tyrie.

A PowerPoint presentation was then made—

Mr TYRIE—I am going to provide the committee this morning with an overview of the coordinating arrangements that centre on the PSCC. I commence by saying that the federal system of government has guided the national cooperation that underpins our coordinated response to counter-terrorism. This was restated by the Prime Minister and all premiers and chief ministers with the signing of the intergovernment agreement on 24 October this year and the changes made to the National Counter-Terrorism Committee on 15 November. The Attorney-General is the minister responsible for national security and is a member of the National Security Committee of cabinet. The Attorney-General's Department has responsibility for coordinating Australia's counter-terrorism arrangements and it was recognised that Australia required a single coordination point to respond to a terrorist situation. The PSCC, a division of the Attorney-General's Department, performs the function.

The National Counter-Terrorism Committee has the primary responsibility for refining Australia's national counter-terrorism arrangements. The committee is a high-level national body comprising representatives from the Commonwealth, states and territories who have a lead role in government, security, law enforcement, intelligence and emergency management. The National Counter-Terrorism Committee ensures nationwide cooperation between all relevant Commonwealth, state and territory agencies for the prevention, response, investigation and management of the consequences of any threats or acts of terrorism in Australia. The PSCC has established key relationships with all the relevant Commonwealth agencies as well as all of the premiers' departments and police services and forces within the states and territories.

The operational role performed by the PSCC includes coordinating Australia's capability to rapidly respond to a terrorist situation. The immediate operational coordination of a national response to a terrorist situation starts at a Commonwealth level, with the meeting of the Commonwealth Counter-Terrorism Committee. A meeting of the CCTC can be called by any agency within the National Counter-Terrorism Committee in immediate response to threats or incidents. It will examine the overall threat to Australia and is responsible for developing and coordinating broad operational responses to the terrorist situation. That includes setting the national counter-terrorism alert level. The CCTC will identify key Commonwealth agencies with interests or responsibilities for responding to the terrorist situation. Those agencies will meet under the umbrella of a special incident task force. The task force is chaired by the PSCC and has a charter to examine operational issues surrounding a terrorist incident. This includes making recommendations on the level of counter-terrorism alert as well as protective security and further counter-terrorism preventive measures.

The PSCC maintains a watch office. The watch office is currently operating on a 24-hour basis. It ensures immediate communication between the Commonwealth and state and territory premiers and police departments. The watch office monitors domestic situations, and should an incident be identified as a terrorist situation, it facilitates communications between the relevant agencies. During the terrorist incident, the watch office coordinates the Commonwealth's media plan. The watch office provides secretariat support to the special incident task force and ensures that timely information is provided to the task force to assist with decision making and overall coordination. The watch office has facilities for liaison officers from various agencies to enable them to work from the PSCC during any incident.

Australia has a plan, the national antiterrorist plan, for preventing, responding to, investigating and managing the consequences of terrorist threats and incidents. The national counter-terrorist plan is the result of collaboration and agreement between all of the federal, state and territory agencies with counter-terrorism responsibilities. The plan is currently being updated, as you have heard, to more accurately reflect contemporary terrorist threats. It provides a framework for response agencies to react to all types of terrorist incidents including threats and situations involving bombings, assassinations, and chemical, biological and radiological incidents.

This slide will show the national crisis management structure in response to a terrorist situation. I will briefly walk you through the coordination arrangements put in place to respond to a situation. The situation develops. Initial advice could come from any number of sources. It could come from the media, the police, an informant and so on. In a terrorist situation, the commissioner of police has responsibility for the resolution of an incident. Therefore, a police forward command post commanding operational resources at the scene of the incident is

established. The police operations centre is the command centre for the police commander in overall control of the situation. Relevant state agencies provide liaison officers to the police operations centre when required.

The Commonwealth government's PSCC watch office would be immediately notified of an incident. Initially, the director of the PSCC would be in close contact with the deputy commissioner of police to ascertain the nature of the incident and the response measures taken by the jurisdiction. The director would advise ministers and key departments of the evolving situation. A meeting of the Commonwealth Counter-Terrorism Committee would be called as soon as possible, usually within one hour. Emergency Management Australia would liaise with the state emergency services regarding any support they require from the Commonwealth. The Australian Defence Force would also be liaising with the state police to determine any support that may be required, including pre-positioning with tactical assault group. The state crisis centre would be established to manage the state government interests with a duty minister, police policy advisers, the commissioner of police and the Commonwealth government Defence Force and media liaison officers. You can see that the National Security Committee liaises very strongly with the PSCC and advises ministers in their dealings with the situation from a Commonwealth perspective. Of course, the National Security Committee would convene.

In the outcomes of the leaders summit, it was agreed to increase Commonwealth involvement. In a declared national terrorist situation and international terrorist situation, the Commonwealth government has responsibility for determining policy and broad strategies. The Commonwealth would consult closely with the affected state or territory governments to ensure the most effective national response drawing on the relevant resources of those governments. Australia's ability to respond to an incident is rehearsed and practised regularly through counter-terrorism training courses and exercises involving Commonwealth, state and territory agencies. This response planning is coordinated by the PSCC under the direction of the National Counter-Terrorism Committee. This cooperative approach has been validated a number of times through actual events as well as through exercises. The effectiveness of the national counter-terrorism arrangements have been clearly demonstrated in a domestic situation with Australia's response, for instance, to the Port Arthur massacre, Australia's response to the September 11 attacks in the United States and more recently Australia's response to the Bali bombings. We are constantly improving them.

Recent refinements to the national counter-terrorism arrangements detailed by Mr Metcalfe and Mr Cornall highlight our Commonwealth, state and territory governments' recognition of the new security environment in which Australians now reside. These enhancements, in conjunction with the dynamic nature of terrorism, serve to highlight the need for a coordinated national approach to counter-terrorism.

Mr TEMPLEMAN—Emergency Management Australia is, as the secretary said, a division of the Attorney-General's Department, having moved from Defence on 26 November 2001. Mention has been made of consequence management. Before we start, I think it is important to state right up-front that consequence management applies to all disaster response arrangements, whether the causes are natural, technological or human in origin. Consequence management, as a definition which has been agreed amongst the emergency management community in Australia, is about the measures to protect public health and safety, restore essential government services and provide emergency relief and recovery to businesses and individuals affected by disasters.

Emergency Management Australia was formed as the Natural Disasters Organisation in 1974, as part of the Defence organisation. It remained in that organisation for 27 years. Fortuitously, it was an organisation that was set up six months before Cyclone Tracy in 1974. It had a significant role, as people may recall, at that time. Its name was changed to EMA in 1993 to primarily reflect an all-hazards focus. Its role is to coordinate the Commonwealth response; it is not an operational organisation. As the secretary and Mr Metcalfe have indicated, first response in any situation we are talking about here rests with states and territories. EMA is tasked with enhancing national emergency management arrangements and community safety. It achieves this through information awareness, training and education, direct assistance to states and territories through a longstanding state support package arrangement and, finally, coordinating the provision of Commonwealth assistance when requested at the time of a disaster.

Some of the major events in which the EMA—or the Commonwealth government—has played a key role in its history include Cyclone Tracy in 1977, as I have mentioned; the 1977 Granville rail disaster; the 1983 Ash Wednesday fires; the 1989 Newcastle earthquake; the 1994 Sydney bushfires; the 1998 Katherine floods; the 1999 Sydney hailstorm; Y2K planning in 1999; security planning for the Sydney Olympics; the devastating bushfires of 2001 in the Sydney metropolitan area; the return of Mir space station in 2001; security planning for CHOGM; the response to the Bali bombings; and, more recently, our current bushfire crisis. Disasters in Australia claim, on average, 50 people's lives a year, and about 1,500 people are injured. The bill to the Australian community, on average, is about \$1.5 billion. Disasters have a direct effect on about a quarter of a million people in Australia each year.

EMA maintains two very active Commonwealth sponsored plans: the Commonwealth Government Disaster Response Plan, Comdisplan, and the Commonwealth Government Reception Plan, Comreceplan. Comreceplan has been very actively used in recent years. It was associated with the Kosovo repatriation, the Timor tent city set up following the evacuation of people from East Timor, and the repatriation of foreign nationals and Australians from the Solomon Islands in June 2000. Essentially, Comreceplan was the document used as the basis for the response to the Bali bombings.

EMA is about fostering relationships, partnerships and cooperation to achieve positive outcomes, noting the respective jurisdictional responsibilities which I have already touched on. We have provided strategic leadership in relation to the Chemical, Biological and Radiological Enhancement Program. As Mr Cornall mentioned, EMA was allocated \$17.8 million over four years for the procurement of detection equipment, personal protective equipment, decontamination equipment and casualty care equipment to be readily available in the event of a CBR incident. The equipment will provide safeguards for the emergency services personnel involved at an incident site and will enable assistance to be provided to large numbers of victims who could be contaminated. The equipment is expected to be procured and available for use in 2003. Funding will also be used to enhance training of first responders, and Health and Ageing is currently developing a pharmaceutical stockpile to treat victims of a CBR incident.

There are some gaps in response capability which are now being addressed by states and territories, particularly in relation to urban search and rescue—we have recently seen some announcements by the New South Wales government in relation to the repositioning of new USAR teams in Wollongong and Newcastle. It is important to note that CBR and USAR programs and policies were being driven well before September 11 in terms of CBR training

and capability development and also in relation to international search and rescue advisory group arrangements.

As already indicated, EMA has now been part of Attorney-General's for 12 months, which has brought about a closer synergy between crisis and consequence management—which again is part of the Cornall review. EMA is now part of the National Counter-Terrorism Committee, which enables response and recovery to be addressed concurrently. September 11 and Bali are clear evidence that consequence management arrangements need to be activated immediately and brought into play directly with crisis management arrangements.

EMA has strong and effective partnerships with state and territory emergency management agencies and the sector agencies, including police, fire, ambulance, emergency services and non-government organisations. The entire emergency management and services sector is involved in prevention, preparedness, response and recovery. Essentially it is about an all-hazards, multiagency, whole-of-government response. Whole-of-government approaches are improving but were severely tested in response coordination for the Bali bombings.

EMA has taken some steps to conduct some lessons learned workshops and the first of these, which the secretary mentioned, was run on 8 November. That workshop identified areas for improvement in subsequent workshops, the second of which is to be conducted in Darwin on 18 December and will work to address those improvements. Cabinet gave a direction on 21 October that a review of these response arrangements be undertaken in early 2003 to look at the response to Bali.

In summary, Australia has excellent standing response and recovery arrangements which are regularly tested, given the indication of some of the responses to disasters that they have been involved in. For instance, right at the moment in the Sydney bushfire situation there are 5,000 people currently on the fire ground containing those fires. I should also add that the responses to the 3,000-odd white powder incidents that have occurred over the last two years are an indication of the capacity of the emergency services response to get on and do that and at the same time meet their normal tasks. That is all I wish to say at this stage, thank you.

CHAIR—Major General Gillespie, I think it was Brigadier Gillespie the last time you were here, so we congratulate you and welcome your comment.

Major Gen. GILLESPIE—Thank you, Mr Chairman. I thank you for the opportunity to make some brief opening remarks on behalf of Defence. The Australian Defence Force could be called on to resolve a domestic terrorism incident in extreme cases where state police and emergency services do not have the capability to deal with that situation. ADF call-out could potentially involve the use of force, and such incidents could include recapturing buildings, freeing hostages, cordoning off areas or reacting to a chemical, biological, radiological, nuclear or explosive incident.

As you have already heard, Australian counter-terrorism responses are coordinated through the Protective Security Coordination Centre in the Attorney-General's Department. ADF involvement is of course covered by a legal framework. The Australian government has important executive and legislative statutory powers that will allow it to defend Australia and its people. These powers include the deployment and use of the ADF where appropriate. The legal

basis for the deployment of the ADF in response to acts of terrorism or as a preventive measure will depend on the location and nature of the incident or threat.

The statutory powers of the Commonwealth include part IIIAAA of the Defence Act 1903. This provides an important mechanism for dealing with what is described as 'domestic violence', and domestic violence will include terrorism. The legislation was amended and introduced before the 2000 Sydney Olympics. The legislation is based on the notion of call-out of the ADF. The legislation provides the authority to deal with specific terrorist incidents and likely terrorist threats. It is important to note that, under this legislation, the states and territories are formally able to ask the Commonwealth for ADF assistance to deal with terrorist incidents or likely terrorist threats. The Commonwealth can also deploy ADF units on its own initiative to defend Commonwealth interests.

Under the legislation, the deployment of the ADF will only occur when state and territory authorities are not, or are unlikely to be, able to cope with the situation. If called out, the ADF would liaise with state and territory police to determine any support that may be required. These call-out arrangements are practised frequently during national counter-terrorism exercises involving the ADF, other Commonwealth departments and agencies, and the state and territory police and emergency services.

The Australian government may also rely on its executive power to deploy the ADF to defend Commonwealth interests and to uphold its laws in the face of a terrorist threat. This power was relied upon earlier this year to deploy ADF assets to supplement civilian police for the security of CHOGM. In that particular case, the ADF assets deployed included air defence assets.

The ADF has a significant range of capabilities with which it can respond to such requests. These include land forces, air and sea lift, medical support and a designated counter-terrorist capability. The ADF's specific counter-terrorist capabilities include the tactical assault groups and the Incident Response Regiment. Tactical Assault Group (West) comprises members of the Special Air Services Regiment and is based in Perth. Tactical Assault Group (East) comprises members of the 4th Battalion Royal Australian Regiment (Commando) and is based in Holsworthy Barracks in Sydney. It enjoys additional personnel support from the Royal Australian Navy. The Incident Response Regiment is comprised of soldiers and scientists and is headquartered at Holsworthy in Sydney.

The ADF maintain excellent operations with our close allies—in particular, Canada, the United States and the United Kingdom. These countries have considerable experience in the counter-terrorist field, and this enables us to ensure that our personnel are kept abreast of the most up-to-date trends and capabilities.

The tactical assault groups provide a world-class counter-terrorism capability to react to state or territory requests for support made to the federal government. They are elite special force units and are able to deploy at short notice. The Australian government has committed considerable resources to raise the second TAG, committing \$219.4 million over four years in the 2002-03 budget to double the capability and strengthen domestic security as a response to September 11 terrorist attacks in the United States.

The TAGs are trained to be able to conduct offensive recovery operations beyond the range and scope of other Australian Defence Force units, including recapturing structures, freeing

hostages and supporting high-risk search teams. The Incident Response Regiment is able to respond to chemical, biological, radiological, nuclear or explosive incidents, both domestically and in support of Australian forces deployed overseas in a high-risk environment. These incidents could also include a threat, which may also be a hoax; an overt incident with immediate effects, which is more likely to be in the area of chemical or radiological incidents; and a covert attack where the event is not known until affected victims begin reporting to medical facilities. This is more likely to be the circumstance of a biological attack. Australia developed significant chemical, biological and radiological capabilities to respond to potential incidents during the Sydney 2000 Olympics. It built on those capabilities immediately after September 11, in support of the Commonwealth Heads of Government Meeting held in Queensland in February this year.

The federal 2002-03 budget included \$121 million over four years to make the Incident Response Regiment a permanent ADF capability. The regiment is defensive and protective by design and has no offensive capability. Its personnel are able to conduct high-risk searches with detection equipment and dogs. It is able to disarm and dispose of a device. It can decontaminate and treat victims and exposed areas, and it can analyse the hazardous materials discovered on sites. The Incident Response Regiment is also able to assist state and territory authorities to respond to emergencies with fire-fighting, aircraft and vehicle crash rescue, and urban search and rescue expertise. As a rapid response organisation, elements of the regiment are maintained at short degrees of notice to move to incident sites throughout Australia.

In conclusion, the ADF maintains a capability that provides the Commonwealth with a means to remove the threat of a terrorist act, or to recover Australians and vital assets and equipment by force if necessary, when the task is beyond the capability of state or Commonwealth law enforcement agencies.

Mr McDEVITT—December 2001 highlighted for Australian policy makers the imperative of a whole-of-government approach to preventing and responding to terrorist attacks, and the key role that police perform in ensuring domestic security. The recent terrible events in Bali have further underscored this. The AFP has significant resources in Indonesia and at home involved in investigation, protection, forensic services, liaison and coordination, as part of the national response to the Bali attack. All state and territory police forces contributed vital personnel on the ground in Bali, and I would like to take the opportunity afforded by this public hearing to record the appreciation of the Australian Federal Police for the contribution of the state and territory police services to Operation Alliance.

The imperative of a whole-of-government approach, and the role of the police in this approach, was formally acknowledged on 5 April this year by the governments of the Australian Commonwealth, states and territories at the leaders summit, in the Agreement on Terrorism and Multi-Jurisdictional Crime. The agreement recognised that the changed security post September 11 meant that previous assumptions about the nature and potential scale of terrorism were no longer valid. Highlighted were the importance of a stronger Commonwealth government role as the national government, the importance of effective cooperation between jurisdictions and the need to build on the arrangements that were already in place. The leaders summit outcome was cemented in October 2002 by the signing of a new intergovernmental agreement on national counter-terrorism arrangements. Both agreements recognise that under the Australian Constitution the states and territories, as has already been mentioned several times, have the primary responsibility for responding to a terrorist situation in their jurisdictions. As the

Commonwealth government's primary law enforcement agency, the AFP will have an important role in the national counter-terrorism plan currently being developed to give effect to them.

The government has significantly upgraded Australia's capacity to counter terrorist threats, through additional resources, streamlined arrangements and new legislation. From a policing perspective, the package of counter-terrorism legislation passed earlier this year was extremely important in bringing a range of activities associated with terrorist activity more clearly within the ambit of criminal investigations and prosecutions. Such activities include recruiting, training, planning, funding and equipping for terrorist acts. The passage of this legislation communicates an expectation from the government that those involved in terrorism will be brought to account before the Australian community and acknowledges the clear benefits of identifying and prosecuting such people before they have a chance to act on their schemes.

The AFP bring a number of strengths to our proactive, intelligence-led investigations of terrorist activity. As terrorism is a global problem, our large and growing network of overseas liaison officers gives us the capacity to cooperate and share information with police forces around the world. Our role as the Australian bureau for Interpol is also important in this regard.

The commissioner recently reinforced the strength of these networks in two ways. The first was by reaching in principle agreement with the heads of law enforcement agencies in Malaysia, Thailand and Singapore for the establishment of memoranda of understanding to enable joint investigations and exchange of information on transnational crime issues. Mr Chair, you will recall that on the last occasion I appeared before this committee I spoke about the joint arrangement with the Indonesian National Police for the investigation into the Bali bombings and made the comment that it was not something that was achieved in seven days; it was something that was achieved over several years of building on those sorts of relationships. The second initiative was the placement of three additional AFP liaison officers in selected Australian embassies to forge closer cooperative working relationships with the counter-terrorism units of the foreign police services.

The AFP has considerable expertise and experience in investigating transnational criminal activity, such as drug-trafficking, people-smuggling, money-laundering and electronic fraud. These are all activities that terrorist groups may be involved in, either to facilitate particular terrorist operations or, more generally, as a means of gathering funds. In recognition of the interconnectedness of much transnational criminal activity, including terrorism, the AFP is in the process of establishing a transnational crime coordination centre. That centre will be housed within AFP headquarters and is due to be opened this Wednesday by the Minister for Justice and Customs. That centre will maximise the interaction, information sharing and effective target selection between the various teams involved in investigating transnational crimes.

The AFP is also bringing a range of established operational relationships to bear in its terrorist investigations, particularly our close cooperative relationship with ASIO and other intelligence agencies and our partnership with border security agencies, such as Customs and DIMIA. In the case of the AFP-ASIO relationship, in recognition of the potential impact of new offences which I referred earlier on our related roles of criminal and intelligence investigations, the AFP and ASIO are working together to develop the best ways forward to operate under the new legislation. We are also in the process of establishing joint counter-terrorism teams in the state capitals, with support and participation from the local police jurisdictions.

Should a worst case scenario eventuate and a terrorist attack occur on Australian soil, the relationship between federal and state police and emergency services will be absolutely crucial to containing the damage caused by such an attack, securing the location of the crime scene and maintaining a disciplined and coordinated investigation of the circumstances of the attack, with the aim of identifying the perpetrators and bringing them to justice. It is significant in this regard that state, territory and Federal Police on the ground in Bali, doing this very sort of investigation, have developed an excellent working relationship.

Bali has also demonstrated how key aspects of resources required to investigate a terrorist attack, such as forensic support, can be assembled quickly from Australian police services. The investigation and the identification and repatriation of foreign victims required the full range of forensic disciplines, including crime scene examination, post-mortem examination and ante-mortem identification processes of DNA, fingerprints and dental identifications. It also required appropriate operational support. The AFP was able to dispatch mobile forensic equipment to the field in Bali. The forensics major incident room to support Operation Alliance was established in Canberra, with representatives from every state and territory police service. This MIR is coordinating the entire international ante-mortem process and collating the information obtained by state and international agencies.

Should there be a terrorist attack in Australia, the local state or territory police would have the first response role and responsibility for the investigation. The new intergovernmental agreement notes the need to cooperate with the AFP, as appropriate, in such situations and the Commonwealth's lead role in declared national terrorist situations. To reinforce the point about Commonwealth-state cooperation, it is worth remembering that the target of a terrorist attack is not merely its location. Any attack on a major Australian landmark would be more than an attack on the jurisdiction in which the landmark was located; it would be an attack on the Australian nation that would warrant the fullest response, drawing upon all the relevant state, territory and Commonwealth resources. We are confident that the new cooperative frameworks that are being put into place, supported by close working relationships between agencies, will deliver an effective national investigation response to any terrorist attack.

CHAIR—Thank you. Mr Williams and Mr White, I understand that you do not have any prepared opening statements. Does either of you want to make any opening comments at this stage, or do you want to proceed to questions?

Mr WILLIAMS—Yes, I would like to make some opening comments. I want to focus a little more on the threat side of things. A lot of protective security work that is very good has been going on, but I would also like to focus on the nature of the threat. Pre-1998 there were a number of constants in the nature of the threat, and I have already talked to the committee about those. However, at the point of bin Laden's announcement in February 1998 of a fatwa against the Americans and their allies, the nature of the threat changed. Post Bali, of course, there was a lot more concern in the Australian community about the nature of the threat, but I do not think Bali in itself actually changed things. Probably a more ominous aspect was the audio tape, which was quite short, on 11 November, which has been attributed to bin Laden, which mentions Australia. Since then, I have attended a regional meeting where it was said that Australia is now being mentioned in mosques in terms of being identified as one of the countries that is aligned against the Muslim world—which is a disquieting issue, obviously.

Not a lot has been said about the JI threat within Australia. It seems to me that JI is more likely to conduct operations within the region than within Australia, because operations within Australia do not really further its intention to develop a pan-Islamic state. However, it might act as a setting-up agency for an al-Qaeda operation into Australia, which is something we should certainly be thinking about.

In terms of targets within Australia, I would say that the highest value targets for an al-Qaeda operation are US diplomatic and Israeli diplomatic premises—probably more the consulates than the embassies because they are harder targets. Clearly, we should think very seriously about the security of our missions overseas; where they are located in areas where al-Qaeda's affiliates operate, we certainly should be very concerned about their security.

We should also be concerned about the innovative aspects of al-Qaeda. In Mombasa, it showed that it is prepared to do things in a different way—in this case, using surface-to-air missiles. If we do get involved in an attack on Iraq, I think that will raise the level of threat to Australia, both overseas and within Australia. That is something we should be thinking about.

In terms of terrorist methodology, internationally 65 per cent to 75 per cent of incidents are bombings, and so that is the most likely kind of incident we would be dealing with. Clearly, we do need to plan for CBRN. Although no terrorist group at the moment is known to have a CBRN capability, the consequences nonetheless would be so great that we cannot afford not to plan for a CBRN incident. In that context, we may be up against an unbalanced individual, as seems to have been the case in the United States with the anthrax letters.

Clearly, we need to be aware of issues like surface-to-air missiles. In fact, surface-to-air missiles have been used in attacks over the past 10 years, on average, about once a year; but, because those attacks have mainly occurred in Sri Lanka and Africa, they have not drawn a lot of attention. Rocket propelled grenades are another area where perhaps again some sort of targeted attack might take out a key individual. RPGs have not been used very often up till now, but one was used against the SIS headquarters in London.

In response to some of the things that have been said, I would have to question the need for a second TAG. I understand that in the current environment it probably is an attractive option, but it is very expensive. The work of the PSCC and others has meant that the New South Wales, Queensland and Victoria police could work together to deal with an incident and, if necessary, could call in the SAS from Western Australia. I just wonder whether a second TAG is worth the expense. Perhaps as a result of Bali a lot of lessons will be learned about the way in which we can respond to regional incidents.

Earlier I passed a paper to the members of the committee. There I look at issues such as the establishment of a counter-terrorism centre to improve intelligence fusion. I talk about the possibility of a terrorism research group, perhaps bringing in academics from the region to look at dealing with longer-term issues. Ultimately, we need to be thinking about the root causes of terrorism and how we can best deal with those; otherwise we are simply dealing with a problem in this generation that will recur in the next generation. We need to think about regional national security intelligence cooperation. I mention the establishment of a regional CTC—counter-terrorism centre. I think the United States already is in the process of finalising one, so perhaps we might have missed the boat there. We certainly can help with secure computer linkages

between intelligence areas in the region, and we need to think very closely about how we engage in that process.

Some other issues which perhaps need to be thought about include things like a national ID card. I understand that we have a floating population in Australia of something like 60,000 people who are not accounted for at the moment. There is a review going on into hazardous materials, but I think there are other issues to do with explosives like who attends explosives courses and that sort of thing. I remember that when I did an explosives course the legislation in New South Wales said that you could carry explosives on public transport—small quantities, admittedly, but still that could be pretty disastrous.

Mr PRICE—Did you say public transport was explosive?

Mr WILLIAMS—No, I said that you could legally carry explosives on board public transport when I was doing my explosives course! There is also the issue of better coordination with private security people and the police front end, who will be the ones whom the community will come to in the first instance in terms of something they are suspicious about. The final issue I would like to raise is the possibility of a national alert system which is perhaps a bit more transparent to the public.

CHAIR—Hugh, would you like to make some comments?

Mr WHITE—I will make a few brief remarks. I am the Director of the Australian Strategic Policy Institute and I am very grateful for having been invited to attend this very interesting briefing. The presentations we have heard from the Commonwealth officials have given a persuasive account of the significant steps that have been taken by the Commonwealth since September 11 to improve the way in which terrorist issues are managed at the Commonwealth level, the way coordination is undertaken with the states and so on.

The question in my mind is whether, in particular in a threat environment that we now recognise we face post Bali, those steps go far enough. I would differ slightly from my old friend and colleague Clive Williams. I think Bali is a significant turning point in our threat assessment because it conveys to us what we perhaps should have realised before, but should certainly realise now: that Australia faces a risk of terrorism from a globally networked, regionally active, operationally focused terrorist organisation with significant capabilities that we know does have an interest in Australia and Australians. If I can put it this way, that is a qualitatively different kind of threat scenario from any that we have faced before. I think the additional factor which is significant is that the kind of terrorism which we must now think about is not the 'standard' style of siege-hostage terrorist incident which was such a prevalent feature of our thinking and our planning in the seventies, eighties and nineties but mass terrorism designed primarily to cause massive casualties and possibly using weapons of mass destruction.

I think we should no longer be approaching the terrorist problem with the state of mind that a terrorist attack in Australia is the worst-case scenario. It is not. The worst-case scenario is that we do not respond to it properly. I think the state of mind of those responsible for our preparations should be that a terrorist attack is more likely than not. That is not to say that I think a terrorist attack is more likely than not, but I would like to see the people who are

working on this issue regarding it as more likely than not. This is no longer a remote possibility. It is an active possibility that needs to be dealt with very seriously.

Against that background, how adequate are the arrangements that we have in place at the moment? I draw attention to three things. First, there is the immense complexity of the issues. Terrorism, almost by definition, crosses the boundaries between the international, the national, the state and the private sectors. Frankly, all those boundaries between different jurisdictions constitute what one might call strategic weaknesses for the Commonwealth and for the rest of the government mechanism in Australia in responding, because into those boundaries, into those membranes between those different jurisdictions, there are inevitable frictions and inefficiencies. I think the arrangements that we have heard about have done much to minimise them, but I do not think they have pushed them out of the way.

The second point is the very high level of seriousness of the issues. I make the point that it does not seem to me that the adequacy of our responses to previous events—bushfires or national disasters of various other kinds or even the adequacy of our response to Bali, significant and impressive as that was—gives us confidence that we have the arrangements in place to deal with a major terrorist attack in Australia. I think we need to have in mind our capacity to respond to something of a qualitatively different nature from what we have dealt with before. That is not to say that we should not take strength and encouragement from the fact that we have managed problems like this before and that we should not try and learn the lessons. I think we should. The lessons learned from the exercise, for example, following Bali are highly commendable and impressive, but we should not be too comfortable that, because we have managed to handle a few of these things in the past, what we have in place is roughly right.

The third point I make is about urgency. We should not be planning on the assumption that we will get much warning—or any warning—of another terrorist attack. I would be placing a high premium on our capacity to move really fast to improve our capabilities. Very briefly, what does that mean for the nature of our responses? Coordination is a very good thing, and I think that the presentations that we have heard confirm that the Commonwealth has done a great deal since 9-11 to improve the quality of coordination and tighten things up.

I guess the question in my mind is this: is it good enough for the level of threat that I have described? I will mention three areas where I think there is room for questions. The first is at the prevention end, and in particular on intelligence. Intelligence is at the heart of prevention of terrorism. Managing a fully integrated national counter-terrorist intelligence effort is central to improving our chance of prevention. That has to include everyone from the state police working at the detailed level and individual communities all the way up to our national foreign intelligence collection and assessment capabilities. There is a lot of coordination going on there, but I am not yet persuaded that we have a single, integrated, national counter-terrorist intelligence campaign, which I think is what we need. The second is the quality of our preparations for consequence management. A number of the speakers earlier correctly emphasised the significance of consequence management. That is immensely demanding. It will, I think, require some substantial new capabilities, particularly in the state civil sector, and the speed with which those consequence management capabilities are put in place is an important test of the adequacy of our arrangements. The third area is the quality of our command and control of a crisis once it begins and our capacity to respond quickly. Particularly in mass terrorist types of attacks, the speed of your response is terribly critical to the capacity to

reduce casualties and keep the consequences down. A really critical criterion is how fast the system can respond and get things running. My instinct is that a structure of the elaborateness of the one that we have heard of might not be as fast as some of the alternatives.

CHAIR—Thank you, Hugh. We do not mind academics having different points of view. I guess if Des Moore were here we might have another one. Thank you very much for your contributions. We will now go to questions. Any of you may respond to each of the questions that are asked, as long as your answers do not become too lengthy, because, with the number of members on the committee, there will be a variety of questions. I will commence by saying that I watched the charts of the coordination with interest. There was the PM&C, the National Security Council, the PSCC, the secretaries of the committees, and it went through until Mr Tyrie put up a slide that said ‘incident’ where the first people to respond were the state police. The question I have been asked more than any in the last couple of days is this: who is actually in charge in the event of an incident happening? What I would really like to know is who makes the first authoritative decision. Everyone talks about Sydney. Let us say there is an incident or a bombing in Perth, which is even further away from here. Who makes the first authoritative decision as to what should happen? Is it the local leader of the state police where that incident occurred? How soon does the responsibility shift up the line until you eventually get to the stage where the PM&C, the NSC, Ed Tyrie’s group or somebody else becomes involved in the decision making? When there is a coordinated response to any of these things, somebody has to make the decision. I think most people want to know who makes it. Could somebody answer that question?

Mr TYRIE—Can I respond first? In any incident within any jurisdiction—this is with terrorism or any other matter which requires a response—the police commissioner has operational command. With most incidents, the local command will generally respond to the situation unless the report of it is such that the police commissioner responds immediately. But in general terms it will be an incremental response by the local area command in the setting up of the structure which I showed you on the slide there. In that situation, where it involves politically motivated violence, then the standing arrangements are—and they are well practised—that the deputy commissioner of police, who is a member of the National Counter-Terrorism Committee, immediately responds to me. I talk with these deputy commissioners daily—certainly weekly—at present in a link-up. The arrangements are well practised. Then I stand up the Commonwealth arrangements to support the state police arrangements and bring together the Commonwealth agencies which are required from a coordinated response mechanism. It really operates quite simply and quite quickly.

CHAIR—Can you give us a time frame? How long after an incident occurred do you think that you would be notified and how long then would it be before you would move on to notifying the other coordinating bodies that you need to? Are you talking about a matter of 30 minutes or an hour?

Mr TYRIE—The watch office would generally be notified within minutes. Standing up the arrangements—that is, bringing together the Commonwealth arrangements—would occur in under one hour. That is well practised on a regular basis. With September 11—a different situation where we heard of something overseas—the Commonwealth responded to that in bringing people together in the early hours of the morning within an hour and a half. In response to the Columbian consulate incident about a year and a half ago, the arrangements

were in place within a matter of five to 10 minutes. I had a deputy commissioner on the phone as soon as he was aware of it and I had stood up the arrangements within 10 to 15 minutes.

CHAIR—So at what stage does any responsible or authoritative decision making transfer from the deputy commissioner of police in Western Australia to anybody involved at the federal level? Do you then have authority?

Mr TYRIE—I do not have authority to direct Commonwealth agencies in their response but I think we should understand something else. When an incident occurs, and you talk about it occurring in Perth, it does not require notification to the PSCC and the bringing together of the Commonwealth coordination mechanisms for the individual agencies to respond. The AFP, EMA and Defence are generally putting arrangements in place almost immediately if the situation warrants it. I bring together the Commonwealth arrangements to make sure of a whole of government response to support the state in relation to that incident.

Insofar as decision making is concerned, operational decisions are made by the local police commander. They may make those in collaboration with, for instance, Commissioner Keelty if they immediately ask for assistance from the AFP or it warrants the AFP being involved. For Commonwealth decisions, Mr Templeman would immediately put in place the coordination arrangements with regard to consequence management. The PSCC brings together everyone to make sure that there is a whole of government response, that we all know what we are doing and that we are not operating independently of each other.

Mr METCALFE—Can I add to that? The answer to your question is set out quite simply at paragraph 2.4 of the intergovernmental agreement that I tabled earlier. Essentially, the state police commissioner has responsibility for something that is happening in his or her jurisdiction. In that situation, Commonwealth agencies are frequently playing an active role in supporting the state police response. Those agencies might include ASIO or the Federal Police and so on. The border agencies are quite often key players in this.

There is a situation, as outlined in the intergovernmental agreement, in which responsibility for a situation may transfer to the Commonwealth to provide broad strategy and broad direction. That is in that situation which I described earlier—a national terrorist situation. Even within that circumstance, operational responsibility on the ground remains the responsibility of the police commissioner. There is possibly only one exception to that. Major General Gillespie mentioned earlier the potential for the call-out of the Australian Defence Force where, essentially, the state police are unable to manage a particular situation. In that circumstance, there is a formal legal handover of responsibility while the ADF undertakes a particular role, and then there is a formal hand-back of responsibility when that role has been completed. In response to the question about who is in charge if something happens in Perth, it is the police commissioner, supported by Commonwealth agencies and other agencies. If it becomes a national terrorist situation, then the National Security Committee of cabinet would play a broad strategic role and ensure that there is a response to the situation across the board.

Mr TEMPLEMAN—I have a little more to add from the emergency management context. It is important to state right up front that states and territories, as has already been indicated here, have excellent standing counter-disaster arrangements and plans which are regularly tested and exercised. In the same spirit of what has been indicated here, if there is a request for assistance, at the time it comes through that same mechanism, there is one point and one authority within a

state and territory that can make that call on the Commonwealth for assistance. Once the Attorney has actually agreed to the provision of that assistance, EMA can task any Commonwealth agency to assist in the provision of that assistance which involves the use of the ADF, not necessarily in a call-out situation but across a whole range of other types of assistance that could be on offer. The various things that you are seeing now in relation to Commonwealth assistance being provided to New South Wales in support of the bushfire crisis are a perfect example. It is not a matter of just waiting and seeing. There is a lot of coordination and a lot of negotiation and consultation going on all the time between the National Emergency Management Coordination Centre and similar sorts of respective state and territory organisations. So we know immediately that there is likely to be a call on Commonwealth assistance being made so it can be activated and provided forthwith.

CHAIR—I have one final additional question before we go to my colleagues. Do you have any different arrangements, or any specific arrangements, in place for the possibility of what would be the worst attack, which would possibly be biological or chemical terrorism? Do you have any different arrangements in place than you would have in place for a bombing or other serious terrorist threat which is more identifiable than chemical or biological—which I think is more frightening in the eyes of most of the community?

Mr METCALFE—Mr Tyrie may provide some detail on this, but, essentially, the major difference there is that instead of dealing with potentially one incident you are dealing with multiple incidents—

CHAIR—Confined.

Mr METCALFE—There could be a chemical attack which is confined to a particular location, and the arrangements that Mr Tyrie described before of the police establishing a forward command post and taking operational responsibility are obviously relevant. In the situation where there might be a more dispersed type of attack or a biological attack, where the first information that something was happening was not, in fact, a dramatic explosion but rather people presenting in a casualty ward, people getting very sick or people going to their GP, the intention of the new national counter-terrorism plan and associated document will be to provide better guidance in relation to that. At the end of the day, the responsibility for crime, which is what this is, is a responsibility within a particular jurisdiction, subject to the exceptions that I mentioned earlier.

The potential new phenomenon of biological attacks or chemical attacks does mean that people need to be prepared to assess and analyse situations in a way that may have been different in the past. The arrangements remain the same; the players may well be different in that the health bureaucracies, the public hospitals and the Commonwealth health department would assume a much greater role in that particular circumstance. But the overall issues of responsibility and the way that issues are managed remain within that broad framework.

Mr PRICE—How often is that being tested?

Mr METCALFE—The multiple—

Mr PRICE—The exercise?

Mr TYRIE—You are specifically asking about chemical, biological or radiological issues. They were exercised in the last national exercise in Melbourne in March this year. It was chemical and radiological testing. We tested them at that national exercise but worked them well in exercises in the lead-up to the Olympics as well. As for the range of casualties, I would have to tell you that by taking it on notice and getting back to you.

CHAIR—Does anybody else want to comment on those issues?

Mr TYRIE—I would only say to you that Mr Metcalfe's answer with regard to the crisis management arrangements gives the standing arrangements that would be put in place for any crisis, whether it was multijurisdictional or otherwise. There would be a meshing of them together, but the standing arrangements are the same.

CHAIR—Thank you.

Senator SANDY MACDONALD—Mr Metcalfe, I think *Hansard* shows that you said that the ministerial responsibility of the National Counter-Terrorism Committee is quite clear because it is responsible to the National Security Committee of cabinet. It is not really clear to me. As a general comment, I think that our capacity to respond in every way, subject to increased expenditure and effort on intelligence, is, yes, very good. Our military capability is, yes, very good. But the coordination of the response is not convincing to me—this is in line with the previous questions—because, as Mr White says, the worst-case scenario is not that a terrorist act takes place; it is how we respond to it. I think we have the capability to do that, but it is very confusing to people looking in from the outside.

Mr METCALFE—I do not think it should be confusing, so I will go through it again. There are a series of Commonwealth agencies which have responsibility for dealing with counter-terrorism issues. Many of those are within the Attorney-General's portfolio, and the Attorney-General has ministerial responsibility for those issues. However, there are some other agencies which have an involvement—such as, for example, the Department of Defence—and, again, ministerial responsibility is quite clear. As for the border agencies, the customs organisation is within the Attorney's portfolio and the department of immigration obviously has a key role. The immigration minister is a member of the National Security Committee of cabinet. So there is direct responsibility and accountability of the relevant agencies to those ministers.

The National Security Committee of cabinet can play two roles. Its routine role is in relation to taking policy decisions relating to a very large number of matters relating to defence, some foreign affairs matters and, more recently, counter-terrorism issues. It is a committee of cabinet chaired by the Prime Minister and includes relevant ministers. The committee would play a key role in a crisis situation, particularly if there were a situation where the Commonwealth needed to play a role in support of a state police force and the state emergency authorities who were managing a situation to ensure that there was a coordinated Commonwealth response. Similarly, in the event of the new concept of a national terror situation being declared—and the intergovernmental agreement sets out the mechanism for that to occur—the National Security Committee of cabinet, under the leadership of the Prime Minister, assumes executive responsibility for the broad strategies and directions in relation to managing that particular situation. At the end of the day, it is the Prime Minister and his key ministerial colleagues who have responsibility collectively, as a committee of cabinet, but also individually because of the agencies that are within their portfolios.

Mr BEAZLEY—I do not think the public would comprehend the extent to which the primary responsibility for dealing with terrorist incidents lies with the state police and state services. I think the public assumes it is the Commonwealth, and the states made the point that it might be the Commonwealth as opposed to them. I would like to ask a question of all those concerned here in relation to that issue. Are you completely satisfied about the structure of the daily operation of your agencies—this does not apply really to the coordination centre; it applies more to the federal police, to ASIO, who are not represented here, and to the defence forces—and whether you have an integrated operation on the ground with your state colleagues?

I notice there is discussion about development of joint ASIO-AFP operations and that you are approaching the states. That is the first point. The second point is this: are you satisfied with the character of state legislation to deal with all the potential emergency situations created by terrorist events of which you can conceive, particularly in the event of a biological attack that presents as a notified outbreak of contamination in a suburb, not in the situation you describe? That could apply also to a gas attack in a subway or something like that. Do the states have the legislation and the organisation capable of quarantining a couple of suburbs—that is, controlling movement in and out of it; dealing with the problems of counselling and the like; and dealing with the problems associated with what you would need to do to handle the grievances of people who were in the suburb but were not affected and wanted to get out, and people who were out of the suburb but had relatives in it and wanted to get in? Do the legislative requirements for that sort of control exist? Do the structures exist within the police services and the emergency work forces of the states to be able to handle these things and do they have the capacity readily to call upon us for help? Given that they are the first responsible to handle these events, are they sufficiently protecting themselves in those capabilities, be they organisational or technical, in relation to their knowledge of and capacity to respond to CBRN incidents, as well as the ability to call on Commonwealth capacities in that regard? I am sorry, that was about 20 questions, but this is a big committee; I will probably get one more and then I am dog meat.

Mr METCALFE—I might respond to one aspect of Mr Beazley's question; then Mr Tyrie may be best equipped in terms of an assessment of capability through his jurisdiction, and then General Gillespie and Mr McDevitt may care to comment as well. In relation to the issue of legislation, I think it is clear that there are different legislative regimes in each jurisdiction, and each jurisdiction is now actively examining its arrangements to cover the very issues that you have raised.

New South Wales, for example, has recently introduced, and passed, I think, a new piece of legislation relating to terrorism, giving powers to the police to arrest without warrant, to search without warrant and to hold people to prevent things from happening. They are quite significant powers that Mr Carr has recently announced. Some jurisdictions, and I am aware of this through a recent report of the National Counter-Terrorism Committee to COAG, are reasonably well advanced in legislation relating to effectively quarantining a place or a suburb, with powers to stop people leaving if they may be contaminated or to stop people entering to avoid them from being contaminated. I would have to check as to whether that is something that is in place in each jurisdiction. I do not think that there is a uniform set of national laws relating to this in each state and territory.

One of the key objectives of the National Counter-Terrorism Committee is to ensure that there is a strong ability to share information and to look for best practice. I know that our state

and territory colleagues on the committee are mindful of the very points that you have raised. We could attempt to provide a more comprehensive explanation to you, because I do not have that information at my fingertips. If I could, I will take that aspect on notice; if I can provide something more to the committee, I will.

CHAIR—Before I call Mr Tyrie, can I remind you that if there are issues of a more sensitive nature that you would only want to discuss with the committee in camera, we would consider a request; but naturally we want to get as much as we possibly can on the public record. That way we can comment on it and report to parliament.

Mr METCALFE—Thank you, Mr Chair. Just responding to Mr Beazley's question, it is a question of whether there is legislation or there is not. In that particular aspect it is going to be very easy to answer.

Mr TYRIE—I am not sure which question I am answering, Mr Beazley.

Mr BEAZLEY—Answer them all. You are capable.

Mr METCALFE—I thought Mr Tyrie might be able to talk a little bit about the arrangements within jurisdictions, and Mr Templeman may be able to speak as well in terms of responding to incidents, which is something that obviously we will get from a Commonwealth perspective in working with jurisdictions. Because of your very regular contact with deputy commissioners and emergency authorities, you might be able to cover that point.

Mr TYRIE—Can I say first up that I think that the coordination arrangements with our state and territory police colleagues insofar as the national response is concerned are first-class. I think that they are well practised. I do not agree with the comments that have been made that they have been totally oriented towards siege-hostage situations. For some five or six years now, particularly in the lead-up to the Olympics and in relation to CHOGM, they dealt with a much wider range of incidents than merely siege-hostage situations. However, it is true that siege-hostage situation work will continue, and continue to be part of the process, because we do not want to throw the baby out with the bathwater in terms of maintaining that capability. The national exercises that have been developed, one exercise in the last few years and the ones planned for next year—as a matter of fact, in Perth in March next year—have been and will be planned around the new environment in which we work and the types of mass casualty incidents that we are likely to face with the new terrorist environment. We are of course developing our capability. I do not pretend for one minute that we can rest on our laurels. We are developing capabilities and we are purchasing equipment that deals with the new environment. I deal with these organisations, not just on a daily basis but sometimes on an hourly basis, and the capacity and capability of the state police and in Mr Templeman's area of consequence management are very well practised and well equipped to respond to a situation at this stage. We are still to develop other capability with regard to some of the issues that Mr White and Mr Williams have addressed, but we are working on it.

Mr METCALFE—Mr Beazley, I possibly mentioned this before you came into the room, but COAG on Friday identified three or four areas where some immediate work is required, and that is indicated in the COAG communique. One of these essentially is secure communications. We do have secure communications capability, but it needs to be a more robust capacity than we have at the moment. The Commonwealth is providing some funding for that, but there are two

other areas that go to your question. The first is additional funding to essentially supplement the budget administered by the PSCC, which will enable a greater level of exercising between the Commonwealth and the states so that the very issues of testing capability and identifying weaknesses more readily can be carried out. Second, there are some particular gaps in relation to protective equipment at the state police level. That is an area to which the states are going to have to pay some immediate attention, and they have undertaken to kit out their people appropriately.

Mr TEMPLEMAN—I could possibly add a little more in the context of the comments I made in my introduction about the leadership initiative taken by the Commonwealth regarding the provision of \$17.8 million to procure specialised equipment and to conduct training for agencies and emergency workers who are the first response to CBRN incidents. Once that is in place, it will significantly enhance their capacity. It involves the procurement of detection equipment, personal protective equipment, decontamination equipment and casualty care equipment to be readily available in the event of any CPR incident. It will provide safeguards for emergency services workers involved with the incident and will enable assistance to be provided to large numbers of victims who may be contaminated. The new equipment is expected to be procured and available early next year. Much more specialised equipment will also need to be sourced from overseas as it cannot be manufactured locally.

I would also like to mention an area which I touched on in my introduction and which is receiving some attention by the states and territories, and that is my concern with our capacity to deal with a large-scale structural collapse. I mentioned urban search and rescue in relation to that. Within Australia at the moment there are five standing USAR teams, all of which are essentially maintained on the eastern seaboard, mainly in New South Wales and Victoria. There are people who are trained in all states of Australia but equipment does not necessarily exist in all states. It was encouraging to see recently in budgetary announcements that further steps are being taken by New South Wales and Victoria to enhance that capacity.

So, one area that does require some specific initiatives to be addressed is the capacity of USAR to greatly enhance Australia's ability to deal with an incident involving structural collapse. Urban search and rescue has only been in the emergency management framework since 1995 after the Kobe earthquake. We were fortunate in Australia following the tragic 1997 Thredbo landslide that we were able to use that capacity. It has been enhanced since then. It involves highly specialised, very expensive and significantly detailed training of personnel. It is a huge investment which takes a long time to put in place. To date steps have been taken to enable Australia to have that capacity in certain jurisdictions. The large number of people trained greatly assists our capacity to meet any first response in that area.

CHAIR—Before I ask if General Gillespie wants to comment, I note that we are still on the first issue and have been going for nearly three-quarters of an hour. I have 10 members of the committee who want to ask questions, so we will have to try to keep things briefer if possible. Mr Tyrie, to facilitate our proposed hearings in Sydney, Perth and Darwin, it would help our inquiry if you could you give us the contact details for your liaison officers in those states.

Mr TYRIE—They are aware of the committee's wishes. I have spoken with each of the jurisdictions and they are well briefed on the situation, as are the normal coordination arrangements.

CHAIR—Thank you.

Mr EDWARDS—It might be of interest to the committee to get the dates of your exercise.

Mr TYRIE—We might go to Perth for that exercise.

Mr TEMPLEMAN—Chair, I would like to write to my state and territory counterparts so that they are included in that process.

Major Gen. GILLESPIE—Thank you. Out of all those questions, I will deal with the one asking whether I am satisfied with our watch arrangements. I think that Defence is one of the better informed organisations in the country, not only because of a long and massive set of investments in linking ourselves to our international colleagues but also through the processes that you heard about this morning about being linked into whole of government, PSCC and those sorts of arrangements. Also, and not least, it is because Defence in Australia is a community-based organisation and we have at many levels throughout the country local commanders dealing with local police, local dignitaries and authorities. Of course, we have a reporting bent, so there is not a lot going on in the country in the sorts of circumstances that you are talking about that does not quickly flow through to us. I think that in the watch-keeping area, yes, we are well connected and I am happy with the arrangements that we have in place there.

In incident management, the command has not changed. With the process that you have heard about here this morning, it does not matter whether it is a hostage taking situation, a bomb threat or even if it is CBRN. The processes that we have in place to control that with the local authorities, and where defence interfaces and works with them, are the same. The techniques for dealing with the incidents themselves are changing. There are some challenges for us, and you have highlighted the CBRN challenge. That is not specific to Australia; it is challenging a lot of countries throughout the world at the present time.

In dealing with the National Counter-Terrorist Committee, I notice that each of the jurisdictions is working really hard on this particular aspect of terrorist challenge at the present time. Some great developments are being made. From our perspective, our incident response unit is out there exercising with jurisdictions, starting to understand what some of the difficulties might be and arranging for the jurisdictions to work with us in developing the right procedures to handle the incidents. In terms of the watch, command and control and how we manage the incidents, there are great developments being made at the present time. That is not to understate the challenges that confront us, particularly in the CBRN environment.

CHAIR—Mr McDevitt, do you want to make any comments on that aspect?

Mr McDEVITT—In the interests of time, very quickly, there was an issue about AFP, state police cooperation and so on, in terms of mobilising a response. Interoperability is an issue for us. It is something that we need to constantly work on to make sure we have the same procedures and guidelines so that a specialist in one jurisdiction can transfer across with those skills and be integrated smoothly into a team. At the moment, with the joint counter-terrorism strike teams, we are trying to build on what we have done in terms of drugs and transnational criminal activity. In the fight against drugs coming in, we have set up some very effective joint

state and federal police strike teams. That is the sort of philosophy that we are trying to pick up in terms of the establishment of counter-terrorism teams around the country.

Mr EDWARDS—I have a question for Mr Metcalfe and perhaps for Major General Gillespie. Firstly, Major General, the committee had the opportunity to visit 4RAR and TAG East. We were very impressed with their level of training, their professionalism and the fact that they were able to be pulled together so quickly. Notwithstanding that, could we have a response to Mr Williams's suggestion that the establishment of TAG East was a costly replication of a capacity which could have been handled by the SAS or state jurisdictions on the east coast? My second question is to Major General Ken Gillespie. I refer to things that have been said to us a few times here today about speedier consequent management response. How can you possibly justify outsourcing ADF health services at this crucial time, particularly given the crucial involvement that your health professionals had post Bali?

CHAIR—I am not sure that the outsourcing would be a question for Major General Gillespie.

Mr EDWARDS—I think it is, because it is in response to incident situations.

Major Gen. GILLESPIE—I will deal with the one question that I think does apply to me here today and that is in my realm of expertise to comment on. That is on the TAG East. My view of this is that the nature of the threat, as we also heard this morning, has changed, and the possibility for multijurisdictional effects from terrorist groups is a real one. With the old TAG structure, we had a single capability that in the new environment may well have difficulty in handling a number of threats that can come from the sorts of effects that terrorists may or may not have these days. There was no redundancy in the capability that we had, so we have created an ability to respond quickly across jurisdictions, with two capabilities. At this stage, I would like to dodge the issue of outsourcing.

Mr EDWARDS—I will withdraw the second question in deference to the chairman.

CHAIR—It is a government policy decision, and I think the government should respond rather than Major General Gillespie.

Mr EDWARDS—Fair enough. I just wonder if Mr Metcalfe has a response to Mr Williams's point in relation to the costs of duplication.

Mr METCALFE—I think that General Gillespie has answered that question. It is a question of redundancy and the fact that, in this environment, as al-Qaeda have shown, we are potentially looking at well-organised, well-rehearsed operations—if, God forbid, they ever occurred—and the potential for multiple targets to be attacked at the one time. That is the rationale for that. In relation to the health issue, I do not think that General Gillespie is able to deal with that question. There would be other people within the Department of Defence who would be able to answer that question but they are not here today.

Mr HAWKER—I thank everyone for the comprehensive introduction we have had. I am a little concerned that there seems to be a lot of focus on the overseas experience in terms of what methods are being used by terrorists. It seems that in Australia we do have another problem, which has been alluded to but I do not think it has been focused on, and that is the extent of the

damage that bushfires can do. As someone who has had direct experience of this, I know there are certain occasions during the year in Australia when, with the combination of weather and other factors, we are extremely vulnerable. In the past it has generally been natural causes, as much as anything else, that have created the havoc that we have had to put up with. I am just wondering what sort of risk has been assessed in relation to that if someone was to focus on that as a form of terrorism. What sort of response would you have and, most importantly, how well prepared are we, particularly if this was a precursor to some other form of terrorist attack, given that a lot of the agencies you have been talking about could be fairly extended?

Mr TEMPLEMAN—In my introduction I covered the historical significance of bushfires, which have claimed significant loss of life, stemming back as far as 1967 in the tragic bushfires in Tasmania and in the 1983 bushfires of Ash Wednesday, and the like. If you look at the bushfire situation since 1994 and in the bushfire circumstances last year, the one pleasing thing was that not one life was lost. In this current bushfire situation there has been one loss of life. It is important to understand here that there are 500,000 Emergency Management volunteers in Australia; 300,000 of those people work in bushfire support, mainly in the fire area, which is a significant plus as far as our capacity to deal with the bushfire crisis goes. We also have excellent standing mutual aid arrangements which exist between states and territories, and you are seeing that apply. In the current situation, we have been fighting bushfires since July this year. We have had situations where teams have been deployed from various jurisdictions to support the Sydney bushfire crisis. As I indicated earlier on, we have 5,000 people on the fire ground at the moment within the Sydney metropolitan region in New South Wales to combat those fires, most of whom are volunteers.

The other thing that I should say with regard to fire suppression arrangements within Australia is that, through the incident command and control system that applies, we have excellent interoperability arrangements with regard to equipment, training and expertise with regard to people who fight bushfires. We also have arrangements whereby the career people who work in bushfire management, as well as the volunteers that I have mentioned, all undergo the same sort of training. There have been enough circumstances that have occurred to lead to the situation that volunteers in the bushfire area need to be treated just as importantly as career people. We have also seen situations whereby aerial firefighting is becoming a significant arm of bushfire management. We have now got the air cranes in support—again, which are now fully operational in the Sydney bushfire situation. Three air cranes are operating today together with the other 85 aeroplanes that are operating in support of that fire situation.

It is a phenomenal effort and it is a very integrated effort. On the issues about terrorism in relation to bushfires, if you look at the way in which these people have been able to get on top of the bushfire situation, where we have had varied peaks and troughs over the last few weeks, it is an absolute credit. On top of that, as I said, most of these people are volunteers. Some of them have been deployed on two or three occasions from jurisdictions to support New South Wales. Some of them are also being impacted by the drought, and therefore they are leaving their own properties where they might actually need to handfeed stock and the like. We are very fortunate that we have that phenomenal support, together with the improvements that have taken place in the command and management arrangements and in the technical area as far as bushfire support, together with the air cranes assisting with this task.

To deal with terrorism issues, if people deliberately light fires that becomes an arson issue and, of course, there are also investigative procedures now which are assisting us to track

arsonists and the like. You probably saw in New South Wales recently that New South Wales has had some success with that over the last couple of days. In summary, we have significantly improved our capacity in Australia to deal with this threat. It is an ongoing threat, and this year has been a significantly higher threat than usual and I believe it is to the absolute credit of the agencies—their support in combating this has been fantastic.

Mr METCALFE—I have two supplementary points. Firstly, to take the specific example of a bushfire being used in some sort of terrorist attack, Mr Templeman has outlined the significant resources that are going into fighting the fires around Sydney and elsewhere in New South Wales at the moment. At the same time, our national counter-terrorism capability has not been impacted in any way by that. The intelligence arrangements and the capability have come from the New South Wales police, who have been involved in dealing with the bushfires, but the actual counter-terrorism mechanisms and resources are still there and still available were there to be any supplementary form of terrorism attack.

Secondly, and probably lying behind Mr Hawker's question, is the fact that no-one can any longer assume that terrorism is going to take the form of a bomb or a siege-hostage situation. Coming out of that paradigm, that might have been where people's thinking was in the 1970s and 1980s. Clearly, we need to be able to think much more broadly because, whether it is the a bushfire or something directed against other utilities such as water or energy, or flying planes into buildings, the issues for governments and those people who are involved in dealing with this remain the same. We have to think much more widely about these sorts of issues, and therefore security has become a much wider consideration for many people. Simply saying that it is a problem for the police or a problem for the Defence Force is no longer valid. That is why the National Counter-Terrorism Committee involves a significant number of other players. At the state level, it is no longer just the deputy police commissioners who are involved but premiers' departments, so at a state level a whole-of-government response is being put into place as well.

Mr PRICE—Like Senator Macdonald, I would be grateful for a clearer understanding of the coordination mechanisms. Could you, in terms of response, give us a diagram that operates from the National Security Subcommittee of cabinet down, and shows how every Commonwealth agency is involved, including your good self, Mr Metcalfe? We will just see from that, with some explanations, exactly how people are brought in and out of crisis and how they escalate. In addition to doing that, would it be too much trouble to also give us a diagram that focuses on all the Commonwealth agencies involved in trying to detect a possible terrorist threat? In other words, principally this morning we are dealing with response but it would also be helpful to have that diagram.

CHAIR—Do you want those two on notice?

Mr PRICE—Yes. I do not think he is going to draw it up at the moment.

CHAIR—I just wondered.

Mr METCALFE—We will take those on notice.

Mr PRICE—Thank you very much. I am sure it will help me and I trust that it will also help Senator Macdonald. I am very pleased that, having done the 2001 review, you are here, Mr

Cornall. Has there been a further review, post Bali? In what way are Commonwealth agencies and departments responding to calls, for example from people like Hugh White, that we need to be bolstering our counter-terrorist capability with ASIO and the Australian Federal Police? What other areas do we need to bolster in order to increase the probability of detecting threats? How do you respond to the call that the government actually has no single intelligence view, that it has quite a number of agencies but it is presented with no single intelligence view. How do you make up for that deficiency?

Mr METCALFE—There was a further review immediately after Bali. On the Monday morning following the Bali attacks, the Prime Minister announced that there would be an urgent review of both legislation and capability. He noted that there had been a very substantial supplementation to counter-terrorism resourcing in the federal budget this year which essentially implemented many of the recommendations of the Cornall review to the tune of \$1.3 billion expenditure this year and in the out years. A further review was undertaken by the National Security Committee of cabinet and the Secretaries Committee on National Security. Following Bali and supporting the SCONS process, I worked with relevant agencies and provided a series of recommendations to ministers.

The Prime Minister announced the outcome of that review on 24 October following the signing of the intergovernmental agreement and following the national memorial service. There was a substantial amount of additional expenditure announced in that, including supplementation to ASIO and to other organisations, and there was a significant bolstering of some key capability around the border protection agencies, such as DIMIA and Customs. From memory, there was some funding to expand the number of airline liaison officers who work in overseas airports under immigration control and some funding for Customs to improve their capability at the border to detect fraudulent documents. In addition, a number of other things were announced as part of that review, including a standing reward of half a million dollars leading to a conviction of an indictable offence relating to terrorism. In addition, the policy coordination role of the Department of the Prime Minister and Cabinet was also announced.

In relation to legislation, I think the review noted the need for the passage of the ASIO bill as a matter of priority. The Prime Minister made it clear that was a 'first instalment' and there is continuing work through the budget process, which is now under way, to further examine whether some further measures and further funding are required. No doubt, announcements will be made in due course in relation to that. In response to your question as to whether there is a single intelligence view in relation to terrorism, there is of course a requirement for ASIO to be the key agency, which collects information from a variety of sources, whether they are foreign sources, defence intelligence or elsewhere, or in communication with the states through police intelligence that is being developed, as well as open source material. ASIO has a key role in assessing that information and in providing threat assessments at a broad national level, as well as in relation to specific events, incidents or people, such as senior political leaders who are provided with protection.

That is a role that ASIO has and has had for some time, and I am sure it has been well articulated to the committee elsewhere. ASIO are not here today but, if you want to look at that issue, I am sure that the Director-General would be able to discuss it with you in more detail either publicly or privately.

Mr PRICE—Can Mr Smith or Mr White add to that?

CHAIR—Do you have anything to add, Mr White?

Mr WHITE—No.

Senator SANDY MACDONALD—I think that is a question that everyone is interested in: what are Mr White's suggestions for the nuts and bolts and improvements?

CHAIR—Yes, I know, but—

Senator SANDY MACDONALD—That is what Roger basically asked: what improvements can be made to ASIO's capacity to secure intelligence?

CHAIR—I understand that, but it is not the focus of this morning's inquiry, and Mr White has indicated that he did not want to add to it. Is that what you said, Mr White?

Mr WHITE—I am happy to respond if you would like me to.

CHAIR—All right. Please respond briefly.

Mr WHITE—ASIO is obviously at the heart of this business, but the characteristic of terrorism as an intelligence challenge is that it does draw in a very wide range of collection methodologies and other kinds of disciplines. At the moment, I think that we have quite effective arrangements in place to allow ASIO and other agencies to draw on one another's expertise in a sort of coordinated way, but it does seem to me that it is possible go beyond coordination to a single, integrated, nationally directed counter-terrorist campaign—particularly one which reliably identifies the gaps in what we know, which is the hardest thing to do. I think that working out what we do not know and chasing the answers is an area where we could, from my understanding of our present situation, do better than we are doing at the moment.

It is true that the government has put significant additional resources into counter-terrorist intelligence capabilities, including significant additional resources into ASIO. My instinct is that the scale of the threat that we now face, the complexity of the intelligence challenge and the centrality of successful intelligence in meeting that threat means that we should revisit that. To take a broad example, ASIO remains smaller today than it was at the end of the Cold War, and I think that its task today is much bigger than it was at the end of the Cold War. In particular, ASIO needs the capacity to operate at a much lower threshold of risk management—that is, it needs the capacity and resources, in particular the people, to go out there and follow every lead as exhaustively as they can. I think that ASIO is a well-managed organisation. It uses its resources in a very intelligent fashion. But if we gave them more resources they could chase more leads, turn over more rocks and provide a higher level of confidence that things are not falling through the cracks.

Senator PAYNE—My question follows to a certain degree from David Hawker's question. It is about how far we can stretch the response capacity that we have. I imagine that it is not beyond the wit of those planning international terrorism to monitor the response capacity of nations that they wish to pursue. If you take the scenario that Mr Hawker painted about a bushfire vulnerable environment, perhaps during a nationally significant activity—say, the World Cup, which is a reasonable flow-on from the 2000 Olympics in terms of comparison and which occurs in multiple locations, small, medium and large, around the country—there could

feasibly be an offshore type crisis. It could be, God forbid, a Bali type repeat and something that happens in multiple locations around Australia at the same time. I understand that it is probably not welcome to try to deal in hypotheticals, but the principal issue of how far we can stretch our resource capacity when we have incidents occurring all over the country and offshore is one which I think members of the committee might be interested in hearing a response to.

Mr METCALFE—To a certain extent it is asking: how long is a piece of string and when ultimately do you run out of string? I think that we have heard here today that Australia does have well-prepared, well-resourced and well-exercised counter-terrorism response arrangements that can ramp up quite rapidly. There is specialist capability within a number of organisations, and there is the ability to then bring in additional resources from those organisations.

I think that Mr McDevitt gave a very good example of the response to Bali—how there is an ability to pool resources between the state and federal police forces, for example, to direct expertise to a particular incident or series of incidents. At the end of the day, if you were dealing with an extremely well coordinated series of attacks in multiple locations, of course there would be issues for all of those agencies. No-one is pretending that we have a very large number of people available and sitting around waiting for something to happen. But I think we need to look at this issue in a multilayered approach. Firstly, we need to ensure that we have the best possible intelligence information available and that that information is being analysed and assessed so that people are ahead of the game in relation to that. Secondly, we have possibly unique capabilities in relation to the protection of our borders because of the fact that we have information about who is travelling to the country in almost all circumstances. Therefore, intelligence analysis patterns and associated issues are able to be undertaken. In the case of certain nationalities, more sophisticated checking is done in relation to their travel because of the potential for terrorism coming from certain parts of the world. That then leads into the domestic arrangements.

I do not want to be evasive but I think that in a hypothetical situation like that we will fall back on the fact that we have significant resources between the Commonwealth and the states and of course they will be applied to whatever situations occur. But, if you start expanding the numbers of simultaneous situations, then obviously resources become more problematic the bigger the issue gets. The answer to that, of course, is having well-rehearsed and flexible arrangements in place so that we can ramp up capability quickly if need be. We talked earlier about the expansion of the tactical assault groups so that we effectively have two TAGs now available. It immediately comes to mind that certain state governments—those of New South Wales and Victoria—have recently announced an increase in their resources relating to counter-terrorism. The enhanced national exercising regime will give us further insights into dealing with multiple situations possibly involving non-conventional weapons. All of these issues are being taken into account and I think we do have flexible and strong working relations between the key organisations. I think that we have demonstrated through, for example, the response to Bali how they are able to deal very rapidly with situations. That is what we will have to rely upon, depending upon what happens in the future.

Senator PAYNE—Major General Gillespie said in his remarks that the Incident Response Regiment could be moved at short notice throughout Australia. What does short notice really mean in this context?

Major Gen. GILLESPIE—I am not going to go into that here except to say that in well under a day we can have people around the country doing what we need them to do. The other thing that goes with a hypothetical question like that is that it completely discounts the preventative capabilities that we have in this country—there are people here who are much better prepared than I to talk about that—such as our strong border protection measures and the way that our law enforcement and intelligence agencies work together. Hopefully, we do not end up in an extremist situation like that, because prevention is far better than the cure.

CHAIR—If we take no longer than five minutes for each question and answer, I can get through everybody. I will remind people to try to keep their questions and answers reasonably brief. I am also trying to alternate between government and opposition members, if anybody thinks they are missing out on a turn.

Mr BEVIS—Reference has been made a couple of times to critical infrastructure protection. I would like to know what, if any, audit has been completed about the preparedness to deal with a terrorist threat on the range of critical infrastructures—in particular, power, water, telecommunications, transport and the IT infrastructure that is critical for commercial operations. As part of that, has there also been an assessment of the various backup systems that might be available? Assuming that it has been done, who was involved in doing it?

Mr METCALFE—Work is under way in relation to that issue. I think it is fair to say that in some jurisdictions it is more advanced than in others. For example, in Victoria I think their plans and arrangements are very well advanced because they had to deal with the issue as a result of the Longford gas explosion. So it was not a counter-terrorism problem, but it was an industrial accident that led to the state gas supply being cut to one per cent. There was a very significant impact on the community as a result of that. That led the Victorian government to do a much more substantial audit of critical infrastructure a couple of years ago and to ensure that prevention strategies, business continuity arrangements and recovery arrangements were in place, whether they were to deal with industrial accidents, natural disasters or terrorism. Other jurisdictions have not been as advanced, probably because they have not had to deal with a recent emergency.

The protection of critical infrastructure is something that has been identified as important, not only looking through the prism of terrorism but also looking at the issue of denial of vital services. It is particularly important now that so much of the critical infrastructure is privately owned, so that power and water in many parts of the country are no longer within the complete control of government. The Business-Government Task Force, which was established last year and which met earlier this year, was the subject of an announcement by the Attorney-General a couple of weeks ago. Mr Cornall mentioned it earlier and may wish to brief you quickly in relation to that. The National Counter-Terrorism Committee, in its report to COAG, identified critical infrastructure as a particularly important area of work. We have essentially developed some guidelines which are applicable to and can be used by each jurisdiction to identify critical infrastructure—infrastructure which, if it is not available, would have a substantial impact upon the community—and which mandate a process for governments and industry to work together to develop prevention strategies, security arrangements and business continuity arrangements.

Mr BEVIS—Has that been adopted by all states and territories?

Mr METCALFE—The committee is a Commonwealth-state committee, and everyone is most enthusiastic about undertaking this role. So it is a work in progress. One of the challenges is to undertake what is a very large piece of work. The Commonwealth also has particular responsibility for the areas it regulates, so aviation, banking and offshore installations such as oil platforms and gas platforms are areas where we will be taking the lead in relation to this.

Mr BEVIS—Do we have a time line for those audits?

Mr METCALFE—It is the first half of next year. As I have said, some are under way, but we have tried to bring this issue to a head very quickly in terms of coming up with some nationally agreed guidelines or areas of understanding. That work is virtually complete, and it is then up to everyone to get out there and do the work over the next few months.

Mr CORNALL—Could I just add a couple of observations about that. In a parallel development, in March there was a meeting of the Business-Government Task Force about critical infrastructure protection. That looked at critical infrastructure not just in the terrorist context but also in the context of, for example, prevention of damage from computer hacking, which might damage financial systems and so on. As a result of that we have now agreed with the states and territories and business to establish a Critical Infrastructure Advisory Council, which will be the point at which business can interact with government in terms of the need to develop protections for our critical infrastructure. Underneath the Critical Infrastructure Advisory Council there will be a number of industry specific groups to look at specific issues for critical infrastructure protection in those industries. The obvious groups to start with are in areas like telecommunications, banking and finance, transport and so on. That structure has been accepted by government, it was announced by the Attorney-General on 29 November and it is being put in place now.

Mr BAIRD—Looking back at September 11 and also at Bali, there are a couple of lessons we might learn. In the review of September 11 there was quite a lot of concentration on the FBI reports that came through but nobody acted on. I am obviously impressed by the capabilities at our senior level, but to what extent are we ensuring that these obscure cables and advices that come in are acted on? That is the first point. The second point concerns the advertising program that is to start; do we have the capabilities for the average citizen to ring in to say, ‘There are some very unusual happenings occurring in the apartment next door’? Also, what about targeting and looking at likely vulnerabilities? If we look at the Sari Club, the locals were restricted and it was a Westerners only bar. Are we looking at some of those sorts of areas of vulnerability? Finally, to what extent is air traffic control involved in the process?

Mr METCALFE—I will answer what I can, and others may supplement me. I think Mr Baird has made a very good point about one of the lessons learned in America being about traces or little pieces of information and the difficulty of coordinating that intelligence and someone coming up with the right answer. All I can say is that our colleagues in the intelligence community and ASIO and the Federal Police are critically aware of that issue. I am sure they are doing everything they possibly can to inculcate a culture of questioning, of drawing up that information and trying to put two and two together to come up with four. So I am sure that issue is at the forefront of people’s minds. I do not have specific information that I can share with the committee about precisely what is being done, but I am sure that if you asked the Director-General of Security or his colleagues across the intelligence community they would say that that is one of the most important issues they are dealing with.

As to the proposed information campaign announced by the Prime Minister a week or so ago, for which the detailed arrangements are now being worked through, your question went to the ability of people within the community to report something unusual or suspicious. There are of course existing standing arrangements and responsibilities for that very thing. Essentially it is run by the state and territory police forces with a very simple message: if there is something that is imminent or if a crime is happening, whether it be terrorism or whether it be something else, ring 000.

For the 'this is a bit unusual' type of arrangement, the police have contact numbers in each jurisdiction, and that information goes into their capability either to gather intelligence within their own intelligence bodies or to respond, or to do both as necessary. The issue of the arrangements and the information to be provided to people and the numbers to be advised are currently being settled, and I am sure that a lot more will be said about that in the next week or two.

Finally, Mr Baird made a very good point about vulnerabilities. We naturally enough have to look at issues of critical infrastructure, because they are issues that would have a disproportionate effect on the community as a whole. For example, if something happened to our national telecommunications capability, it would have a very dramatic effect across the country for response. But the potential for the soft targets, for the easier targets, the ones that are unprotected or lightly protected, again is one of the challenges in dealing with terrorism. The fact is that the local shopping centre or football club on a Friday or a Saturday night may well be the place that is more vulnerable than a heavily guarded and protected installation that has been identified by everyone as being critical.

That comes back to the fact that everyone across the nation has to understand that security and a heightened threat level is something that is now with us. Regrettably, life has changed. I think this is one of the key messages that the information campaign will provide: firstly, that we can be reassured that we do have good arrangements in place; but, secondly, that we do need to be more aware. Building owners and companies need to be more aware. Commonwealth agencies, for example, have provided specific information to employees and are reviewing security arrangements associated with their buildings. That same message needs to extend right across the community as we all become more alert in relation to this particular issue. At the same time, the importance of information and intelligence and the proper role of police, ASIO and other agencies in detecting threats and hopefully preventing anything from happening are also key parts of that particular set of arrangements.

Mr CORNALL—While the problems are the same in that we have to be conscious of the need for the right information to get through to the right people, when we do make comparisons with the United States, the scale is significantly different. For example, the FBI deals with 18,000 law enforcement agencies comprising some 625,000 law enforcement officers. The structure in Australia, with eight well-organised police forces, is something I think they would be delighted to have in their country. As a result of September 11, the FBI has now established an office of law enforcement coordination to better ensure coordination between the FBI and its 13,000 agents and all the law enforcement and municipal and state agencies that it deals with. I only put those statistics on the record to show that the dimensions of the problem are different, and we are in a different environment.

Mr BEAZLEY—My question follows up some things that Mr McDevitt suggested about his overseas liaison through the Federal Police, and also what Mr Williams had to say, so you might both like to respond. Firstly, are you satisfied with the character of the information that we are able to exchange with and obtain from the police forces and intelligence services that we deal with through South-East Asia on emerging threats to our interests there and/or here? We have agreements with other countries, of course, on the collection and dissemination of intelligence. Are we able, within the framework of those agreements, to pass across enough information, to your mind?

Secondly, you have developed through South-East Asia the agreements that we now have in place with just about everybody relevant but the Philippines—and they seemed to have a view on aspects of that last week which hopefully may disappear by early next year. Are you satisfied that those agreements are robust enough that, when we ultimately become involved in a conflict in the Middle East, or in Iraq specifically, and a fierce reaction develops in some sections of the community in the area, you will be able to sustain the levels of cooperation that you now have and be reasonably confident that you will be dealt with with a level of frankness that ensures that your agents can rapidly identify emerging threats to Australia's interests?

Mr McDEVITT—Obviously, you have brought up a range of issues there. We continue to work on the relationships across Asia. The relationships vary from country to country, and they vary depending on the specific agency. A lot of them are about face-to-face contact and having a situation where our commissioner can, for example, pick up the telephone and call directly the commissioner of the Indonesian National Police, the Singapore police or the Philippines police, and so on. That is a really important aspect for us—so that, despite the wider environment, at an agency level the cooperation is good and ongoing and the relationships are ones that we continue to cultivate. We cannot afford to allow any of those particular relationships to start to fall away. To that end, we are very active in terms of law enforcement cooperation programs, inviting participants on programs, providing technical assistance and providing training overseas to constantly work on the relationships in our region. There is a lot happening, obviously, outside the police to police relationships. The intelligence agencies have their relationships as well, which they continue to encourage and build on and so on.

I would like to think that, between the efforts of several departments who are fairly actively involved, we would get a reasonable picture and we would get warning of and intelligence on particular groups or individuals who might be conspiring or planning to carry out some sort of terrorist or other criminal activity in the region. I cannot guarantee that we do get all of the information or intelligence, because it is more or less a matter of 'How do you know what you don't know?' It becomes quite difficult. I can say in relation to Bali that within the first 24 hours we had a number of agencies in our region contacting us directly and offering information and intelligence.

Mr WILLIAMS—I think that the efforts of the AFP have been very praiseworthy in this area. They have put a lot of effort into establishing regional linkages. I have seen them being very active in that context in different working groups around the region. I think that part of the problem in the region is that the counter-terrorism capabilities in each country do vary quite a great deal. Perhaps that is an area where we do need to do some work to try to foster better intelligence. It has to be done with sensitivity, obviously. The police in Indonesia took over the role for internal security three years ago. There is an issue there; they need to be helped in what they are doing. In our intelligence community, our focus has been on the AUSCANUKUS

arrangements which have the highest level of classification. I think we need to think about perhaps a second tier, maybe as high as secret—perhaps confidential—where we bring in regional countries and where we cooperate more closely with regional countries in this area.

Finally on the CTC issue, if the CTC is established, and I understand it will be in Kuala Lumpur, I think we should be very closely involved in that. I think there is an issue for us there because the CTC will be a sister agency to the counter-terrorism centre at Langley in the United States, which is also bringing all agencies together. I think we need to think seriously about having another sister agency of the Langley agency set up in Canberra which would do the same thing here: bring all agencies together in one location to focus just on terrorism.

Mr BEAZLEY—Mr Williams, could you elaborate on how that CTC is being established in KL? Who is involved, which governments are negotiating it and so on?

Mr WILLIAMS—I do not know a lot about it. The last I heard about it was at a meeting in Bangkok about three weeks ago. I spoke to the Malaysians there. I was asking about the CTC and they told me that it was to be established in Kuala Lumpur shortly. As for who is to take part in it and how it is to be done, I do not know, but I presume the United States will provide the backup funding for it. At this stage, I do not really know a lot more about it than that. I assume that what they are thinking about is a regional model similar to what they have at Langley at the moment.

CHAIR—Can you take that on notice and provide it to the committee.

Mr METCALFE—Yes, I will.

Senator SANDY MACDONALD—Just picking up on Mr Price's request that a flow chart be prepared by you, I think, Mr Metcalfe, there was a sort of tongue-in-cheek suggestion that perhaps we might have the names and telephone numbers of all the people involved, from the National Security Committee of cabinet downwards. I do not want that, but I do assume that some of you are on the National Counter-Terrorism Committee.

Mr METCALFE—I chair the National Counter-Terrorism Committee.

Senator SANDY MACDONALD—I have a couple of things. The first is that the key to the war on terror is intelligence. If Mr White is not able to provide information today about changes to our intelligence capability, I wonder, Mr Chairman, whether we might ask him if he would be prepared to take something further on notice. It is the key, and I am concerned that we have not spent enough time on it today.

The other thing, Mr Cornall, is this. I understood you to be saying that the Australian Crime Commission would assist in providing information about intelligence threats. I do not know if there is any evidence of that at this stage. You are not talking about a Patti Hearst situation or those sorts of groups; you are talking about Islamic groups of a fundamentalist nature who seem to be well resourced. Do you have any evidence that a national crime commission might be of assistance in intelligence gathering?

Mr Beazley asked Mr Williams about regional cooperation for counter-terrorism, and I think Mr Williams has answered that. I was going to ask a question about that as well. There were two points there: the question on notice to Mr White and the comment from you, Mr Cornall.

Mr CORNALL—The comment I was making was that the board of the Australian Crime Commission will make up all of the police commissioners plus the head of the Attorney-General's Department, ASIO, Customs and the Australian Securities and Investments Commission. The point I was making was that that group of people sitting together on a regular basis as a board would have the capacity to further enhance coordination and cooperation between the Commonwealth and the states at a level that had not existed before, because there was not that opportunity for those people to meet on a regular basis. That was as far as that point was going when I made it earlier.

The second point to make in response to your question is that the focus of the Australian Crime Commission will very much be to develop criminal intelligence and, because of the linkage between criminal intelligence and the possibility of terrorist activity being criminal activity, there is a possibility of enhanced performance there as well.

Mr METCALFE—To provide a bit of supplementary information on the issue of international cooperation and capacity building in the region, the committee may be aware that the Prime Minister announced—I think after he met with the Indonesian President at the APEC meeting at Los Cabos—that, in addition to the Law Enforcement Cooperation Program and other programs that we already have in place, an additional \$10 million in aid to Indonesia specifically to enhance counter-terrorism preparation. The details are now being worked through with the Indonesian government.

CHAIR—Included in our briefing was Hugh's paper, *Beyond Bali*, which I think probably includes a lot of information that you were seeking, Senator Macdonald. I do not know whether you want to add anything extra to that, Hugh?

Mr WHITE—I do not think so, at this stage. If the committee is interested in some further commentary from me—as an outsider, I should stress—on these issues, I would be happy to do it, but most of that would be more suitably done in a closed setting.

Mr BYRNE—My question is directed to Mr Metcalfe and to Major General Gillespie. It flows from Major General Gillespie's comment about air assets being deployed for CHOGM and it touches on my concerns about rapid response capability. I wanted to run a scenario by you, tying in CHOGM and this framework. A plane takes off from Brisbane airport, appears to be hijacked and is flying to CHOGM. My colleague tells me that it is about a 20-minute flight time from Brisbane to Coolom. The plane diverges and it appears as though it has been hijacked. What protocols do you have in place to deal with whether or not that plane should be shot down?

Mr METCALFE—I cannot answer that question, because I was not in this position when CHOGM occurred. I am sure there would have been very specific rules of engagement developed in relation to that particular scenario. There was an air exclusion zone around Maroochydore airport and that broad area and I am sure there would have been protocols that were well developed in relation to it. The RAAF did have, I think, F18s in the area at the time,

and the circumstances in which a decision to engage or not engage would have been very carefully and well thought through—

Mr BYRNE—Within 20 minutes, are you saying?

Mr METCALFE—Yes, I think so. It was specifically to deal with that potential situation.

Mr BYRNE—Sorry, to cut across you again, do you have protocols now for a similar major event, and are you prepared to comment on them?

Mr METCALFE—I would draw a distinction between a long planned for major event, such as a CHOGM, where you had 40 or 50 world leaders gathered, for which certain things can be put in place, and a spontaneous hijacking. At that particular time, it was thought appropriate for air defence arrangements to be put in place. Whether that would be appropriate for further major events would obviously be a decision to be taken at the time. There is a distinction, of course, between the planned event and a spontaneous hijacking where those of sort of resources are simply not in place or available to be brought into operation in that sort of time scale.

Mr BYRNE—I will touch on CHOGM in a second, but say, for example, there is a more recent event where there is no warning. What is going to happen if a plane is hijacked and, say, gets flown into the MCG? Are you saying that that can happen? Are there no protocols that would monitor a flight path divergence, particularly towards a major event or a not planned for event, and someone can simply hijack a plane and, given the set of circumstances after September 11, fly it into the MCG or some similar event?

Mr METCALFE—The simple fact is that there are not F18s patrolling the nation's skies 24 hours a day over all our major cities, or even over our major cities when particular things are happening. That simply is a reality. In response to that, though, there have been a whole range of additional air security arrangements put in place. The enhanced security checking for people boarding aircraft, the access control at airports and the development of the aviation security officers which are provided by the Australian Protective Services are all directed at that particular issue. It is not as if people are complacent in relation to that; they are not. It is simply that there are certain ways of trying to achieve an outcome.

Mr BYRNE—But you are saying that, as a failure mechanism, if those set of circumstances fail, there is no protection as I understand there is in some cities in America. My second question is this and I will finish off with it: if there was a decision and you had an alert warning, who would make the decision to shoot the plane down?

CHAIR—I am trying to let it flow as much as I can, but I do think there are some answers that perhaps are best not put on the public record but could be given in camera.

Mr BYRNE—I understand that.

Mr METCALFE—I do not have all the facts at my disposal, Mr Chair. I can see what we could do in discussing it with the Department of Defence. The decision to engage in that way would be a decision that was taken very properly and there would be very clear lines of accountability in relation to that decision. If I can add anything further on notice, I will. Essentially, Australia does not have either the threat environment at this stage or, indeed, the

capability to have large numbers of fighter aircraft over all of our cities monitoring the situation. Indeed, I do not think that they have that as a constant in the US. It is something that is directed at particular times of threat.

Mr JULL—I would like to move onto the general public. We do not seem to have mentioned them much this morning. We did have some reference, in terms of the initial structure, as to how the media would operate. Can you give us a bit of background, Mr Tyrie, about how the media will operate and form part of this particular operation? I have raised before the difficulty of radio, which I guess would be the prime source, and the computerisation of radio and the number of relays that are there. Many of our metropolitan radio stations, in fact, have nobody in the buildings when they are broadcasting at the most critical hours of the night. Has anything been done with the radio industry, or the Federation of Commercial Radio Stations, to make sure that they can form part of the plan and that, in fact, we can get emergency information out to the general public about these things—for example, on a Saturday night, when, in Brisbane, there is not one radio station that is going live to air?

Mr TYRIE—I will answer the first part of the question. The media arrangements are part of the national counter-terrorism arrangements. The Attorney-General's public affairs area is a member of the arrangements—that is, they are present for the very purpose of ensuring that there is media coordination. They have very well established relationships upwards to ministerial media liaison points. As I mentioned earlier, the Attorney-General is the minister responsible for national security, but in a particular instance it might well be the Prime Minister who deals with it. In fact, that has been the case in some instances. So there is a relationship with Commonwealth ministerial media liaison, and across the country there is a relationship with both premiers and police media relations. As with the national counter-terrorism arrangements, there is a very strong, well developed and well practised relationship across the country for handling a situation.

I think you raised the second part of your question the last time that I appeared before you, and I have the same answer. The fact is that I did not realise that radio stations are not manned. Regarding how they would be built into the relationship, we are going through how we would get the message out to the public. We are going through those machinations at the moment as we develop the national counter-terrorism plan and the arrangements. Radio is a part of the Prime Minister's announced communication strategy leading up to Christmas and beyond, but I cannot answer you with regard to the radio stations that are unmanned and how you would get a message out. Maybe Mr Metcalfe could answer that.

Mr METCALFE—Mr Jull is probably drawing a distinction with a planned information campaign, where community service announcements are made about the broad issue of terrorism. I thought the question was about when something specifically needed to be told to people.

Mr JULL—If sarin gas is released in the subway of Central Station in Brisbane at eight o'clock on a Saturday night, how do you get the message out about not coming into town?

Mr METCALFE—Precisely. From what you are saying, that is an area that falls into the broad emergency services response for cyclone alerts and so on.

Mr TEMPLEMAN—Mr Chairman, I think we need to give some credit to the Australian Broadcasting Corporation. During the planning for Y2K, Emergency Management Australia did go through some arrangements in terms of being able to plan the release of information. The ABC certainly has a capacity, where stations are asleep and there are ongoing programs, to generate some information by overriding a particular program. We have had dialogue with the ABC in relation to the need to have effective communication arrangements in place to do this. Other carriers and stations would take the lead from the ABC as well, and they would filter that information to both TV and radio. It is certainly well understood and appreciated by the Australian Broadcasting Corporation, with whom we have had more recent discussions about this. It is actively activated in cyclone warnings, bushfires and things like that. Something that is not necessarily overlooked by the media is being able to communicate a very effective and rapid message to the community.

Mr JULL—I acknowledge the ABC, except that they do not have a very big audience, particularly at night, but the FM stations do. Triple M in Brisbane is on relay from Melbourne and 105 FM is on relay from Sydney. They do not have a journalist in the building; they have nobody who could physically flick a switch. What the devil do you do then? Do you just let them play headbanging music while people suffer all around the ridges?

Mr TEMPLEMAN—I am happy to get some more information for the committee—

Mr JULL—Yes, if you would, please.

Mr TEMPLEMAN—but I am led to understand from my recent discussions with the ABC that they have the capacity to certainly—

Mr JULL—I am not talking about the ABC, though.

Mr TEMPLEMAN—I know that, but I am saying that there is a capacity in terms of their relationship with other carriers to actually ensure that the message gets communicated to the ‘headbanging’ stations that you referred to.

Mr JULL—Just on that, Mr White, you made mention of the need to upgrade new and substantial capabilities within the civil sector. You did not expand on that. What did you mean by that?

Mr WHITE—A number of the capabilities have actually been touched on in the discussions this morning—for example, the expansion of capacities amongst civil emergency services to respond to chemical and biological incidents. As you have mentioned, there is a significant capability in the ADF centralised in Sydney, but the first response is invariably going to be from state authorities—civil authorities and state emergency services of various sorts. I was placing emphasis on the significance of not just acquiring that centralised capability in the ADF but acquiring capabilities in those civil services which are dispersed around the country. If things are working properly, the civil services will be the first people on the scene and the most important in containing the situation rapidly; but there is a wide range of others. Another very good example is the development of urban search and rescue capabilities, as mentioned by Mr Templeman.

Senator EGGLESTON—When one comes at the end of the queue, often the ground has already been covered. The question I was really interested in asking was about the use of the two tag groups, east and west, and what the criteria would be for the use of what it seems are two different groups. That may not be something that the major general cares to answer in view of the earlier answer given that they did have different purposes. The other general issue was the preparedness to deal with biological terrorism, which might have the capacity to close off large areas of cities if people, for example, added cholera to water supplies and so on. I just wondered whether or not there was a confidence, among the people responsible, that we really do have a competent capacity to deal with a biological attack on Australian cities.

Major Gen. GILLESPIE—On the issue of the two tags, they provide the capabilities that I outlined before. There are differences in the skill levels and the types of things that each of the different groups do, but by and large I have described what it is that they do. I have also described the fact that there is a call-out process for how they would be employed, and the nature of that and where it sits in our legislation. I do not think there is anything more to cover there.

Mr TEMPLEMAN—I passed information previously to the committee in relation to the enhanced CBR arrangements that will provide each state and territory capital city with a cache of material for first respondents to be able to deal with a CBR incident, and I indicated that that program will be in place early next year. I think it is also relevant that I point out the other comment that I made earlier on regarding the capacity of the emergency management agencies to deal with the many white powder incidents on top of their normal tasks. They have proven their effectiveness, in the hazmat sort of context, to deal with that and to rehearse and practise the arrangements that would be put in place. But, as I say again, their capacity to deal with this in a much more immediate situation will be greatly enhanced by the new CBR material that they will have in place early next year.

The other thing that I think it is important to bear in mind here is the more recent arrangement, again through the leadership of the federal government, through the Council of Australian Governments' decision some time ago, to plan for an event such as foot-and-mouth disease in this country. Exercise Minotaur, which was conducted in September this year, involved all jurisdictions in a full-scale emergency and management planning exercise. An actual incident to test the arrangements was conducted with very effective outcomes. It involved all levels of various agencies, right down to industry, local government, states, territories and the federal government. The aim was to fully test what our response, coordination and management arrangements would be and it proved to be a very effective exercise. It stressed that there are certainly some gaps to be addressed, but they are now being looked at to make improvements in a 'lessons learned' context.

Senator EGGLESTON—That really involves an agricultural sort of situation, though, rather than something that affects hundreds of thousands of people, which was really what I was concerned about. Anyway, thank you for your answer.

Mr TEMPLEMAN—Mr Chair, I think it is important to appreciate that whether it be agricultural or whatever, this is about any disaster which has an effect on the community. You can supplant the arrangements, whether it be an agricultural circumstance or a pandemic flu type situation, to ensure that you have the mechanisms in place and that you can add the

appropriate agencies into that to test that arrangement. The lessons learned in that exercise can be equally applied to any other type of scenario.

Mr METCALFE—One specific piece of information is that the Commonwealth Chief Medical Officer, Professor Smallwood, recently announced that the Commonwealth has now acquired substantial stocks of smallpox vaccine for use, if required, to inoculate first responders. Because of the potential for inoculation itself to have very serious side effects, there are no plans to have a mass immunisation such as some people have advocated. Rather, sufficient stocks are being put in place so that, if required, the people dealing with the situation—medical or police emergency services—could be vaccinated, with the ability to bring more supplies into the country rapidly, if required.

CHAIR—I have exhausted my list, but Senator Payne had a second part to her question.

Senator PAYNE—I know Mr Baird made a reference to air traffic control and how that fits into the process. I am not sure whether he got a response to that. He suggested to me that he had not. I would be interested in the answer to that. Secondly, at what level of the arrangements that have been outlined today, in terms of the coordination process and the various committees, are plans made to deal with security restrictions that might follow a terrorist attack? Where are plans developed for border control, travel restrictions, controls on aircraft operating within Australia, security of high value targets, security of so described VIPs and that sort of thing?

Mr METCALFE—Firstly, in relation to air traffic control, I apologise for not having covered that earlier. Aviation security generally, whether it is access to major airports or regulation of the airline industry, including air traffic control arrangements, is the responsibility of the Department of Transport and Regional Services. They are a member of the National Counter-Terrorism Committee and we work closely with them in relation to the issues that are their responsibility. In relation to the management of a situation following a terrorist attack, that essentially falls into the arrangements outlined earlier by Mr Tyrie and Mr Templeman. There are essentially well coordinated and well developed plans in place. If something happens, not only are we thinking about managing, investigating and responding to that, but part of the core business of the PSCC is to think, ‘Well, what more could happen?’ A good example was the response to the attacks on 11 September 2001 where our national crisis arrangements came into place and a whole series of measures were taken on the basis of asking whether, if it has happened in the US, it could potentially happen here or something could happen here. That is indeed core business for the PSCC associated agencies.

Senator PAYNE—So if something happens here and you have to shut down our international and domestic airports, increase security on high value targets et cetera, that all comes out of the PSCC?

Mr TEMPLEMAN—It is essentially the responses that are considered in the Special Incidents Task Force that is activated by the PSCC. Obviously, decisions of that gravity are not taken by public servants; they are taken by ministers. That is where the mechanisms that we explained earlier came into place.

Senator PAYNE—Straight up to the NSC.

Mr TEMPLEMAN—Yes. On the evening of 11 September, things happened very rapidly, and consideration was given as to what measures needed to occur.

Senator PAYNE—Thank you, chair, I appreciate that.

Mr PRICE—Mr Tyrie, I have another question. When you answered in the affirmative about having tested biological weapons, was it anthrax you had in mind when I asked you about exercising against biological weapons?

Mr METCALFE—I think Mr Tyrie's answer was in fact that chemical weapons were tested in that exercise, not biological weapons.

Mr PRICE—So there has been no testing?

Mr TYRIE—Of biological weapons, no. Chemical weapons were tested in the last exercise and may be tested in the next exercise.

Mr PRICE—Mr Metcalfe, on notice, could you identify the additional expenditure for each Commonwealth agency that arose from the acceptance of the recommendations in Mr Cornall's report? I think you described it as a first cut, post-Bali review. Could you tell the committee who undertook that review; how long it was for; and, again, the additional expenditures that flowed to each department agency?

Mr METCALFE—I will take the detail on notice. In this year's budget there was an additional \$1.3 billion. I think budget announcements would have indicated the disaggregation, but we will get those together and provide them to the committee. In relation to the post-Bali review, as I said that was undertaken by the National Security Committee, informed by information provided by the Secretaries Committee on National Security, and the work of engaging with the relevant departments and agencies was coordinated by me and colleagues in the Department of the Prime Minister and Cabinet. That review provided a substantial additional amount of funding. I will not mention the figure, because some of the funding went to ASIO and ASIS, and I will need to check the extent to which that information is public. The review took place very quickly, because that is what the government wanted. From memory, the Prime Minister asked for it on 14 October, and the outcome of the review was announced 10 days later. The PM, in announcing that further supplementation, made it clear that it was a first instalment. Through the current budget process, which is now getting under way, those issues are being further considered.

CHAIR—Thank you, Mr Metcalfe. You can see that Mr Price is preparing for House of Representatives estimates committees. As long as they take over ours, we do not care. Is it the wish of the committee that the papers presented by Mr Metcalfe on consequence management be received as evidence and recorded as exhibit 1? There being no objection, it is so ordered.

Resolved (on motion by **Mr Price**, seconded by **Senator Payne**):

That, pursuant to the power conferred by paragraph (o) of sessional order 28B, this committee authorises publication of the evidence given before it at public hearing this day.

CHAIR—I thank you all for your attendance here today. I believe we have probably only skimmed the surface on a number of issues, but you cannot expect to do much more when the subject matter is so large. I particularly thank you for your frank and comprehensive answers. Sometimes it is difficult to know which information can be placed on the public record and which should remain private, but we appreciate the way you have openly responded to many of the questions that have been asked here today. I think it can only help the committee in its deliberations, particularly when we move to the states to gather further information on the coordination of their responses. So thank you very much to all those in the departments, and also particularly to Mr Clive Williams and to Mr Hugh White for their attendance today. If at some stage in the future we feel we need to recap anything we will contact you. I must say that this watching brief, which we have conducted since May this year, has been very well attended by members of the committee, so I thank all the members for their interest. We particularly thank the witnesses for appearing before us today, the first of our public hearings in relation to the watching brief on the war on terrorism.

Committee adjourned at 12.04 p.m.