

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**SUPPLEMENTARY BUDGET ESTIMATES 15-18 OCTOBER 2012**

Prime Minister and Cabinet Portfolio

**Department/Agency:** Department of the Prime Minister and Cabinet

**Outcome/Program:** 1.1.2 National Security and International Policy

**Topic:** National Security Prioritisation

**Senator:** Senator Ludlam

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**Question:**

Senator LUDLAM: We are a bit short of time, and I want to move on to my last bracket. Recognising that I sprang these on you without warning, can you provide us on notice with anything that would help us understand how that prioritisation is done? Without letting out any sensitive national security information out of the bag, how is it done? For example, we hear from time to time that the biggest national security threat to Australia at the moment is violent terrorism. For example, I have heard that concept even over the last week or so. How do you balance out whether that is the case or whether it is food insecurity, direct armed invasion, climate change or economic instability, for example? Those things all fall within the rubric of national security.

Mr McKinnon: There is a discussion about whether all of those would, and there is no simple algorithm that you can construct that will put in all the inputs and give you a focus needing to be taken on something more than something else. Essentially, throughout the government, there are already horizon-scanning processes for risks and threats and, as I said, we then weigh up all of those risks-there is a process, cross-governmental, where we basically workshop those risks, we put focus groups on them, we think about possible contingencies-

Senator LUDLAM: Yes, I do not want to cut you off, but I am aware that we are starting to run out of time.

Mr McKinnon: It does not lend itself to a simple resolution but is basically the whole community coming together, scanning the horizon for risks, discussing those, looking for capabilities and then thinking about where you end up.

Senator LUDLAM: Can you provide us with some written material on the framework for that decision-making process? Whatever you have behind the redrafting of whether it is a statement, a strategy-or whatever it is.

Mr McKinnon: We will take that on notice.

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**Answer:**

Decisions regarding priorities are informed by a range of inputs including open source material, diplomatic reporting and intelligence. National security priorities are also part of a continuum—that is, adjustments are made according to the identified threat or opportunity at the time. In general terms, many threats, such as those presented by terrorism, are usually assessed and treated through the lens of likelihood and consequence.

At the broader strategic level, the National Security Strategic Policy Framework is a whole-of-Government national security planning framework that assists Ministers with the setting of national security priorities. The framework comprises priority setting, strategic risk assessment (including horizon scanning), the Coordinated National Security Budget process and performance evaluation of national security agencies.