

# **A Strategic Framework for National Risk Assessment**

SRA Conference

Melbourne  
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# Key Points

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- ❑ National risks unrecognised exposure
  - Longstanding classic disasters
  - Compounded by new systemic exposures
- ❑ Need for modern management in government
- ❑ Australian approach fragmented (and weak?)
- ❑ Time for more co-ordinated progressive strategy



# National Risk

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- ❑ Consider
  - Impacts: nature, quantum and locale
  - Seek to understand risk's source
- ❑ Definition: threatens security, economy, welfare
  - Events – natural and man-made – with consequences beyond local capability
  - Crisis with such damage to assets , reputation or performance to threaten viability



# National Crises in Australia

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1974	Natural	Cyclone Tracy
1987-8	Governance	Shooting massacres
1980s	Governance	Chronic allegations of police corruption
1989-1993	Operational	Series of coal mine disasters
1989	Operational	National pilots strike
1992-3	Economic	Recession; housing market collapse
1995	Operational	Escape of <i>calicivirus</i> from CSIRO lab
1998	Operational	Longford explosion, Sydney water contamination
1999	Operational	HIV contamination of Red Cross blood supplies
2001	Governance	Failure of HIH Insurance and Ansett
2002-2005	Governance	Immigration Department incompetence
2003	Natural	Canberra bush fires
2005	Technology	Failure of new Customs system

# National Risk Strategy: Rationale

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- ❑ Pre-emptive introduction: Canada and NZ
  - Need modern management in government
  - Leverage and optimise resources
- ❑ Reaction to major incidents: UK and USA
  - Revealed capability inadequate
  - Highlighted unsuspected exposures



# National Risk Strategy: Structure

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- ❑ Prevent, identify, respond, restore
- ❑ Active, co-ordinating (Homeland Security)
  - Integrated planning and response
  - Whole-of-government
  - Pre-positioned response capability
- ❑ Embedded (enterprise risk management)
  - Establish best practices
  - Provide training
  - Devolve responsibility



# Future National Risks in Australia

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National security	Military/terrorist attack
	Environmental and health spillovers
	Natural disasters
	Economic exposures
Critical systems	Infrastructure: physical and financial
	Food supplies
	Essential services
	Introduction of [new] technologies
Major institutions	Government & private organisations
	Regulators – public and private sector
	Police and judiciary
	Operational failures

# Fragmented Response in Australia

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- ❑ Natural disasters
  - Essentially State and Local Government responsibility
  - Adequate resources?
- ❑ Safeguarding Australia
  - Security focus
- ❑ Regulators, ombudsmen, professions



# Major Strategic Weaknesses

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- ❑ Silo mentality
  - Narrow focus on biosecurity and borders
- ❑ Fatalistic attitude
  - Risk management is defensive/reactive
  - No attempt to develop lessons learned
- ❑ Almost secretive approach
  - No accountability
  - No independent standards



# Weak Crisis Management

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- ❑ The BOB Hoax of July 2004
    - John Anderson: “Those people who for whatever twisted reason are unable to resist the temptation to draw attention to themselves in spectacularly inappropriate ways, ought to recognise that ... the full force of the law will be brought to bear”
  - ❑ Boxing Day 2004 *tsunami*

ABC News: “Federal Police Commissioner Mick Keelty has warned that the number of Australians killed by the tsunamis might reach the hundreds.”
  - ❑ The Indonesian Embassy Anthrax Envelope in June 2005
    - Prime Minister: “It’s a very serious criminal act... it’s recklessly dangerous...Preliminary tests suggested it was a biological agent ...”
  - ❑ The Kovco affair April-May 2006
    - Weapons handling procedures broke down
    - Initial miscommunication to Defence Minister Nelson
    - Wrong body shipped home
    - Brigadier Cosson left report in Qantas lounge
    - “Highly unlikely that anyone in the Australian military will be disciplined”  
Defence Force Chief Angus Houston (July 2006)
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# Model National Risk Strategy

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- ❑ Strategic understanding of sources, frequency and consequences of national risks
- ❑ Best practice implementation
  - Understand hard and soft issues
- ❑ Robust risk management procedures
- ❑ Audit national capability and resources
  - Facilities, skills, and training
- ❑ Effective crisis management and response
  - Develop client focus



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