

## Good-practice guide to national interest policymaking

The first question is what are the security, economic and social risks, and how do they interact, in a particular area, sector or topic of importance. The risks may vary by sector or area, such as telecommunications, infrastructure, energy, education, foreign investment and the role of foreign firms, cyber risk or finance.

The second question is what sort of domestic measures would help mitigate those risks. These measures might include:

- exclusion, inclusion or localisation requirements in a market, including requiring local listing, staffing, management or board;
- strengthening domestic laws, standards and institutions, including about what is acceptable behaviour in terms of market integrity, competition and privacy (e.g. use of data); and
- greater enforcement, compliance or penalties for bad behaviour, including criminalising particular actions for locally employed staff.

Most domestic laws and institutions have an international dimension based in a treaty, an international professional body (like IOSCO, BIS and WIPO), an international rules-based organisation (like WTO, IMF, IEA and IAEA) or an international political body (like G20 and APEC).

The third question is what sort of international diplomatic initiatives across government agencies would help mitigate those risks. Such initiatives might include:

- reprioritising national economic diplomatic efforts to address the principal weaknesses and gaps in the multilateral system (including through forging common cause with partners in global forums, the region and elsewhere);
- reinforcing the integrity of Australia's own practices, laws and institutions by working with others to reinforce, strengthen or extend these international systems;
- identifying priority issues and countries in priority areas (investment, infrastructure, the digital economy or competition arrangements) with whom to collaborate in reinforcing the integrity of their practices, laws and institutions;
- engaging broader partnerships in business, not-for-profits, think tanks and universities to work through issues of concern; and
- developing a sequence of priorities and issues, potential partners and potential forums to be engaged pragmatically over time.

The fourth question is what are the key features of the sector or activity that we want in 5, 10 and even 25 years that meet Australia's economic, security and social interests, and what steps or actions do we take to ensure this. For example, what would be the features of telecommunications that would satisfy Australia's interests in say, 5 years and what technological, market design and security innovations and partners would we need to work with to achieve the national interest? The point here is to ensure that Australia's short and long-term interests are considered explicitly, that individual steps do not have unintended consequences, and that government is proactive rather than reactive in its strategies.

## Guide to the design of public institutions

The first question is whether the Cabinet is provided with all the full range of perspectives and contestability of views to make its decision in bringing the economic, security and social dimensions together. This is the Prime Minister's decision, through:

- the whole Cabinet for open discussion on big cross-cutting matters;
- existing specific committees, like the National Security Committee of Cabinet but expanding membership (to the Trade Minister) and calling in relevant ministers on specific cross-cutting issues and decision making; or
- establishing a high-level strategic Cabinet committee of senior Ministers on cross-cutting multi-interest strategic matters, like infrastructure, foreign investment, communications, dual-use technology and supply chains (with NSC retaining responsibility for specific military, security and intelligence strategies and decisions).

The second question is whether administrative arrangements within the Australian Public Service support strategic decision making by Cabinet. Ways to do this include:

- key departments creating multi-disciplinary teams — to broaden internal expertise, like the way Defence and Home Affairs have an economic branch and Treasury has a security branch — supported by cross-government networks;
- strengthen PM&C's coordination and integration role by creating a multi-disciplinary strategic oversight office inside PM&C (rather than ONI) that is responsible for providing integrated whole-of-government advice to the Prime Minister and Cabinet;
- use the International Economic Policy Group to provide advice and guidance to government departments and agencies on how they conduct international economic relations within their policy remit and how to use international organisations and forums strategically, with oversight by Secretaries Board;
- extend forums on integrated strategic analysis by government officials with a wide range of academics, businesses and international not-for-profit agencies, and explore placements and exchanges; and
- broaden connections and interaction with counterparts overseas, beyond the normal network, to gather fresh perspectives.

The third question is whether government is making full use of the range of tools and perspectives in forming its advice to Ministers and the Cabinet. In terms of tools, genuine multi-disciplinary scenario analysis, simulation analysis and management-firm complex problem-solving techniques are practical tools to identify issues, explore enduring solutions and build relationships and networks. In terms of perspectives, it is worth erring on the side of seeking a wider group of views — inside and outside government — beyond normal connections to explore issues.