

Security in Government Conference  
Director-General's Address  
*'The Future of Intelligence'*  
5 December 2007

## Introduction

- Good morning.
- It's a pleasure to be here to address this year's Security in Government Conference.
- I have been asked to speak today about 'the future of intelligence'.
- While I will make some observations about where the collection, analysis and distribution of intelligence seem to be heading, I think it is prudent to raise questions as much as reach conclusions in an address of this type.
- I would also stress that observations about the future inevitably have to recognise the inbuilt biases of the present.
- In examining these biases we can, of course, look to history to gain perspective and insight into the present, but both the past and the present ultimately provide unreliable testimony about the shape of the future,
  - because the present involves choices between alternatives, made in conditions of uncertainty, and within an environment full of contending parties.
- Discussion of the future of intelligence, I should add, cannot escape at least some degree of reflexivity, particularly as many imagine, and as a

consequence expect, the business of intelligence is to yield precise and certain insights into the future.

- Forecasting, though, is a particularly hazardous pursuit. And one of the roles of intelligence, in my view, is to bring these hazards to the surface by identifying and acknowledging uncertainties; and setting out as much as possible the likely alternatives and the probable risks associated with them.
- Intelligence, as such, should provide as clear an assessment as possible of the interplay between perceptible trends and prospective situations and events, all the while drawing attention to those signals that remain unresolved or contradictory, or even absent.
- In this sense, and it may be one of the least publicly understood aspects of our business, intelligence, at its best, is as much about clarifying, as it is about eliminating, uncertainties within national security decision-making processes.
- This can admittedly cause discomfort because the policy cycle might sometimes demand greater certainty than is, or might ever be, available. But uncertainty is, and will likely remain, the natural condition of our field of endeavour.
- There is another point worth making before we move forward.

- Intelligence is a broad canvass covering a range of activities – not all of which have to do with the future; or with forecasting; or even strategic policy in the proper sense.
- The most obvious example is forensic intelligence, of the type utilised in the wake of the Bali bombings, which involves the reconstruction of something that has already taken place, and the search for clues that might reveal the identity, or location, of those involved.
  - So while counter-terrorism intelligence efforts must predominately be directed at prevention, we shouldn't underplay the important role intelligence has in the response and recovery phases following terrorist attacks or incidents.
    - The analysis of which becomes part of our understanding of terrorist operations and methods, and can thereby help us in our efforts to prevent future attacks.
- Another example is the increasingly important areas of identity and security checking, which utilise various sources of information to assess a person's bona fides.
  - Here the basic questions are: Is this person who they say they are? Is there something about their past and present activities that is of security concern?
- As I will expand on later, various routine but necessary functions of government are likely to involve intelligence of this sort.

- In many of these cases, the intelligence in question may not involve, or presuppose, long-range analysis, yet it is likely to play an increasingly important role in securing Australia's future as a globally integrated, cosmopolitan nation.

### **An emerging paradigm for intelligence**

- In looking for hints about the future of intelligence, we might begin by examining how the present environment has unsettled, at least in some measure, the classical conception of intelligence,
  - which sees it very much as the front line in a nation's defence against geopolitical and domestic risk.
- On this construction, the core phenomena with which intelligence concerns itself are exceptional or volatile states of affairs: most particularly, warfare and major geopolitical or national crises.
  - Indeed, the bulk of the so-called 'intelligence failures' of the twentieth century were instances where intelligence services 'failed' to predict the onset or implications of such events or situations.
- I am not suggesting that the current environment has eliminated this concern. To the contrary, this focus will ever be so, simply because warfare and major crises most directly affect the security of peoples and states.
- My contention, rather, is that the classical conception has had to adjust key assumptions in light of two interconnected developments:

- first, far reaching and strategically unfamiliar geopolitical developments are blurring the line between normal and exceptional states of affairs; and
- second, in response to this evolving security environment, there has been a relaxing of the strictly compartmentalised, silo approach to intelligence that characterised much of the Cold War era.
  - By and large, the business of intelligence will continue to take place out of the public eye, and there will continue to be strict limits on who can see the most sensitive information.
  - One striking change, though, which has already begun, is the progressive ‘mainstreaming’ of some intelligence-related advice throughout different areas of government, and beyond, into the private sector.
- By implication we might be on the cusp of a paradigm shift, whereby intelligence is seen to play an enabling, as much as a defensive, role across a range of activities of modern, globally integrated nations, particularly, though by no means exclusively, in the growing area of cross-border activity.
- Noting my earlier caveat about the biases of the present, I would venture to suggest that the future of intelligence, at least in the mid-term, will have very much to do with sorting through the implications of these changes.

- Let me explain the situation as I see it, beginning with the strategically unfamiliar environment we have entered.

### **Strategic uncertainties for security**

- Earlier this year, I spoke of the significant geopolitical changes that will broadly influence the security environment as we move further into the 21<sup>st</sup> century.
- The last half of the twentieth century saw a decisive shift in favour of the nation-state in the international system – with an almost threefold increase in the number of states.
- There are now just over 190 nation-states, some 30 or so of which have gained recognition from the international community since 1990.
- The strength of the consolidation of the nation-state, though, is not as apparent as its sheer breadth.
- In complexion, strength and stability, the 190 or so nation-states are variegated.
- Political stability, within or across borders, is uneven. And for many states, old and new, statecraft is thin and brittle – a matter more of form, than of substance – or consolidating at the expense of the wellbeing of citizens, or the comfort of neighbours.

- Such a world is no doubt confronting for idealists – particularly those who embraced the end of the Cold War as the beginning of an era of perpetual peace and security.
- Although it will, by and large, seem more familiar to realists, who take it for granted:
  - that the interests of states never fully align, and will, in some cases, be fundamentally incompatible;
  - that projections of power will fuel mutual suspicions, or worse; and
  - that states have an interest in vigilantly monitoring their immediate region and beyond for signs of instability, and preparing for such contingencies.
- This world of ‘real politic’, where the state looms large as the sole locus of power, would seem to make complete sense given the trend toward the nation-state I’ve noted.
- And yet it only goes so far. For the consolidation of the nation-state has coincided with other significant developments, which have expanded the forces and sources of stability and instability.
- The bundle of drivers associated with globalisation is one such development.

- And, as we well know, we have seen the rise of non-state actors, some of which have been able to project power beyond, and in excess of, their relative size, strength, and conventional sphere of influence.
- Chief among these is al-Qa'ida, and the global jihadi movement, although only last year Hizballah, a non-state, engaged in conflict with Israel.
- I would like to say something about the al-Qa'ida phenomenon because it is sometimes underestimated or too hastily harmonised with earlier modes of terrorism.
- Al-Qa'ida grew out of a unique form of insurgency fought against the Soviets in Afghanistan. It still has some of the traits of, although it has clearly gone well beyond, the archetypal insurgency.
- Typically, insurgencies are considered to have, for example, a “*total dependence upon terrain and population*”.
- However, al-Qa'ida is focused on attacking the ‘far enemy’ – the US and its allies – any where and any time.
- And as we've seen from its successful recreation of operational bases in Pakistan, and the various al-Qa'ida franchises formed with militant groups and networks across the Middle East and North and East Africa, its connection to terrain and population is relatively contingent.

- What is more, al-Qa'ida has been unique in its willingness and ability to reach out well beyond traditional constituencies to a globally dispersed and culturally differentiated network of sympathisers and activists, employing a sense of shared identity and fate, and using to great effect new communications technologies.
- Of course, it remains to be seen whether or not, in the longer term, it can continue to cohere this diverse constituency into a broad-based jihadi movement with the patience, resolve and ability to carry out sustained attacks against the West.
- It is clear, though, that since the attacks of September 11, and the initial smashing of its links to the Taliban and Afghanistan, al-Qa'ida has been able to strengthen and create new connections between what is a core cadre of frontier militants and urban radicals throughout many parts of the world.
  - In some cases, these connections are 'thin' and amount to no more than individuals and groups sympathising with Usama bin Laden, or more broadly, al-Qa'ida's goals.
  - In others, they are strong and directly tied to the growth and capability of al-Qa'ida as a militant movement with reach into Western countries.
- This sociological fact – the existence of intricate, dynamic networks linking 'frontier' militants across a range of countries, and small groups of urban radicals throughout the world – has globalised insecurity in a new way.

- This is because such a network is extending the logic of insurgency – which effectively subverts the system of checks and balances used to restrain the use of force, and the rules that apply when it is used – into the global arena.
  - And this is progressively blurring the lines between war and peace, conflict and non-conflict, and domestic and international security.
- Al-Qa’ida and the global jihadi movement has shown that it is possible for networked extremists to operate simultaneously across defined theatres of war, regions of relative peace and stability, and the domestic settings of highly stable, economically developed countries.
- They have also shown, through attacks in Bali, Madrid, London, New York and Washington that such activity is especially dangerous when it takes place on a micro scale: involving a handful or a small group of individuals who create relatively few visible signs, and are remarkably difficult to detect.
- Looking ahead, if this situation continues, the future we face will be one where significant national security threats coexist with what the classical paradigm would interpret as signs of relative stability and order.
  - In an address I gave last week I spoke of the risk of ‘security fatigue’.
  - Given this unusual coexistence of the conditions of security and insecurity, ensuring that we don’t succumb to this will be one of our key ongoing challenges.

## The 'mainstreaming' of intelligence

- While the scale of terrorist activity is relatively small, in the sense that a few willing individuals can carry out large-scale, devastating terrorist operations, the scope of risk and potential vulnerability continues to broaden across a range of traditional and non-traditional targets.
- This situation has opened up a field of security challenges with which intelligence services are likely to grapple for some time to come, although intelligence will be only one aspect of our national response to these challenges.
- Looking ahead, the need to share and synthesise information, and create strong links between formerly discrete areas of policy and administration, is likely to increase.
- This is no small change. Intelligence advice in previous times had an exceptional status within government because of its nature, and the strong need to ensure it remained held closely within tight circles.
  - While we still need to ensure information is properly handled, and that safe channels exist for its distribution, protecting the nation from attack is the prevailing concern.
- Indeed it is clear, taking a broader perspective, that we are seeing something of a 'mainstreaming' of some intelligence-related advice horizontally throughout various areas of government, and beyond, into the private sector.

- As such, the challenge for intelligence services now, and in the future, is to ensure our advice is relevant, timely and sensitive to the needs of others; and to sensitise a new range of users to the protocols for handling and using intelligence.
- Let me give some examples of this trend.
- In an increasingly globalised world, more of Australia's interests – political, cultural and economic – lie offshore, or are affected by circumstances and events overseas.
  - Australian businesses are pursuing opportunities throughout our region and internationally.
  - Large numbers of Australians travel, work and live overseas.
  - And significant numbers of foreign nationals visit and work here, and want to become Australian citizens.
- So we're developing stronger ties with the business community, through innovations like our business liaison website, and the recently announced register of Australian commercial interests overseas,
  - which will ensure that our threat assessment product is targeted where it needs to be, and
  - allow businesses to make more informed risk management decisions concerning existing or future overseas ventures.

- We also liaise closely with the Department of Foreign Affairs and Trade in its administration of the travel advisory system, which provides information about the overseas security environment so that travellers to particular destinations can make more informed decisions about their travel.
- The large number of movements across our borders – of people, cargo and cash – means that we continue to build strong working relationships with the relevant departments and agencies.
- We continue, for example, to look for efficient and effective ways to deal with the steadily increasing volume of border security work.
- The challenge here being to ensure that someone of security concern is prevented from entering, or leaving, the country, whilst providing the ‘green light’ to the vast majority of persons who visit our shores in good faith, and with good will.
  - So we’re working with the Department of Immigration and Citizenship to implement the Next Generation Border Control System, which is a forward looking, smarter and more flexible system designed to improve security checking processes.
- It’s worth making the point that intelligence checking of this type may not necessarily provide the key insight or single piece of information that fundamentally changes the shape of the strategic or geopolitical environment.

- Although it can make all the difference between a successful or disrupted terrorist attack against Australia.
- And it undoubtedly helps us to shape the future environment in our favour by making it much more difficult for known extremists to travel.
- On the domestic front, given that there is a small domestic constituency receptive to extremism, intelligence will play an important role not just in trying to identify who they are, and whether they are engaged in activities of security concern; but also by contributing niche expertise to broader government efforts,
  - to keep in check the future growth of such a constituency;
  - to make the environment more difficult for those who might engage in terrorism-related conduct; and
  - to assist law enforcement efforts, from prevention through to prosecution, should individuals or groups of individuals actively prepare to carry out a terrorist attack.
- Some of this work is ‘green fields’ for the intelligence business, which is why we are working hard to establish the appropriate frameworks through which to manage our new relationships, and to understand the requirements they place on intelligence processes.
- To be relevant and actionable across so many domains, intelligence increasingly will require the leveraging of advanced information

management systems, to absorb, sort and correlate information gathered from here and abroad.

- So the future very much involves working to expand our reach into the known threat environment, and being able to translate this into useful product meeting the requirements of the nation.
- But perhaps the greater challenge will be to use our ingenuity and resources to translate the unknown into the known.
- This is something to which ASIO already devotes resources, but is likely to remain an important area of capacity building across the intelligence spectrum.
- Partly this will involve the use of cutting edge technologies and a suite of advanced analytical techniques to synthesise and find meaningful information in large volumes of unstructured data.
- And advanced technologies might, in some cases, and at some points in the intelligence cycle, replace the role played by humans.
- But technology will supplement, not eliminate, the need for judicious analysis and judgement.
- So while the intelligence officer of the future will employ an increasing array of technologies when collecting, analysing and providing meaningful context for intelligence, he or she will continue to require sharp intellectual and observational skills, as well as the moral

imagination to make sense of an environment offering few or subtle clues, but many potential dangers.

## Conclusion

- Having made these observations about a security environment that is blurring the line between the normal and the exceptional state of affairs, and the mainstreaming of intelligence, I would like to finish by making two broad points about the future of intelligence.
- The business of intelligence is becoming more closely aligned to a range of areas of government, and as such is moving with and helping to shape the prospects of a modern, globally integrated country.
- If this is where intelligence is heading, then my first point is that the future of intelligence and the future of cosmopolitan nation-building are very much on the same trajectory.
- In this sense, intelligence will play as much an enabling as a defensive role for a range of national goals as Australia becomes more and more globally integrated.
  - And this, in fact, may provide the best context in which to discuss the complex issue of the relation between security and liberty, an issue likely to remain subject to different perspectives within the community, and the different parts of our system of government, for some time to come.

- My second point is that as this mainstreaming of intelligence continues, it is vital that intelligence itself does not become ‘mainstream’ in the sense of ‘run of the mill’.
- I don’t think it will, so long as we remain focused on what distinguishes intelligence from other types of advice.
- Firstly, intelligence is concerned to get behind the veneer of public postures and penetrate the sphere of covert, dangerous activity.
- Secondly, intelligence is deeply engaged with the threat environment at both the ‘micro’ and ‘macro’ levels:
  - intelligence, that is, about the concrete activities of particular individuals or groups of individuals; and
  - intelligence informing our broad understanding of the security environment – nationally, regionally and globally.
- Which together mean, thirdly, that intelligence is deeply engaged with the limits of the known environment.
- Intelligence services are professional sceptics about the visible world and seek to discern whether its machinations, or hidden reaches, hold serious risks for our national wellbeing.
- Despite the fact that intelligence can’t promise to forecast with precision an unknown and uncertain future, nor always deliver complete or unambiguous information, there will continue to be significant need for

the sort of judicious advice intelligence can provide within the policy making process.