

**SUBMISSION TO THE PARLIAMENTARY JOINT COMMITTEE ON
INTELLIGENCE AND SECURITY INQUIRY INTO
RECRUITMENT AND TRAINING IN AUSTRALIA'S
INTELLIGENCE AND SECURITY AGENCIES**

Introduction

1. This submission, to the inquiry conducted by the Parliamentary Joint Committee on Intelligence and Security into recruitment and training in the intelligence and security agencies, is provided by the Australia Defence Association (ADA) at the request of the Committee. The submission is formatted with numbered paragraphs to assist with any follow-up queries.
2. Founded in Perth in 1975 by a retired RAAF Chief, a leading trade unionist and the director of a business peak body, the ADA has long been the only truly independent, non-partisan and community-based public interest guardian organisation covering defence and wider national security issues.
3. The policies and activities of the ADA are supervised by a board of directors elected by the membership. This submission has been approved by the ADA Board of Directors and was prepared by a group of retired intelligence and security specialists convened for the purpose. Not all these contributors are ADA members.
4. The ADA believes that Australia needs a whole-of-government approach to our external defence and domestic security. The Association therefore seeks the development and implementation of national security structures, processes and policies encompassing:
 - a. an accountable, integrated, responsive and flexible structure for making national security decisions;
 - b. robust means of continually assessing Australia's strategic and domestic security situations;
 - c. the allocation of adequate national resources to national security according to such assessments;
 - d. the implementation of a defence strategy based on the protection of identifiable and enduring national interests;
 - e. the development and maintenance of adequate forces-in-being capable of executing such a strategy; and
 - f. the development and maintenance of manufacturing and service industries capable of sustaining defence force capability development and operations.
5. Objectives 4b and 4c (above) intimately involve the structure and operations of Australia's intelligence and security agencies, and their effective interaction with policy formulation and decision-making bodies.
6. On a national basis the ADA maintains a comprehensive website at www.ada.asn.au and publishes a quarterly journal, *Defender*, and a monthly bulletin, *Defence Brief*. The Association is frequently consulted by the media and regularly contributes to public, academic and professional debates on defence and wider national security matters.

7. The ADA suggests that discussion of recruitment and training matters in the intelligence and security agencies cannot be effectively undertaken without some prior examination of the historical background and philosophies underlying the roles, structures and staffing of these agencies.

8. Moreover, in terms of the intelligence and security agencies, we learn few new lessons but relearn many old ones. The recent boosts to ASIO staffing to counter new threats, after the gutting of the agency in the early to mid 1990s, exemplifies this cyclical problem. Similarly, the Flood Review's reasoned recommendation that DIO needs many more ADF analysts and management expertise was simply another reversal of the cycle whereby such military professionals had been steadily but unwisely replaced by newly-graduated and inexperienced civilians throughout the 1990s and early 2000s. In both agencies the reductions in staffing levels and professional expertise were largely cost-driven although short-term intellectual horizons, bureaucratic managerialist fads and poor direction from Governments also played a part. In both agencies, the financial and operational costs of reversing the situation, including the recruitment and training implications, far exceed the sums allegedly saved by the original budgetary reductions.

9. Two major and inter-related lessons should be drawn. First, within the intelligence community, and their customer departments (and Ministers), there is insufficient corporate knowledge as to previous iterations of the same or similar problems. Second, too many policy decisions are being made at the highest inter-departmental levels, and among senior intelligence agency management, by officials with limited perspectives and insufficient expertise or appreciation concerning intelligence matters.

BACKGROUND

Underlying General Philosophies

10. Before discussing specific issues of recruitment, retention, education and training in our intelligence and security agencies we need to note several principles underlying the theory and practice of intelligence gathering and processing. Foremost of these is rejection of the common but erroneous belief that there are 'intelligence' solutions to all our national policy development or national decision-making problems, or that 'intelligence' is always correct. Neither assumption is valid.

11. These flawed views are partly based on simple misunderstandings as to the difference between information and intelligence. The latter is information that has been collected (deliberately as well as accidentally), collated, integrated with other information, analysed, confirmed or not by other sources where possible, assessed as to its accuracy and the reliability of its origins, reinforced with (clearly identified) analyst comment where appropriate, and then processed for timely dissemination. If an item is not processed in this manner it remains, at best, merely unsubstantiated or random information.

12. Misunderstandings as to the differences between information and intelligence have many results. Two of particular interest to this Committee inquiry are that many intelligence customers do not recognise when they are being short-changed with information instead, and many so-called 'intelligence analysts' are really nothing more than information handlers who add little or no value to the information they pass on. Both these aspects have recruiting and training implications, not least because they can significantly influence the policies underlying the resourcing of our intelligence and security agencies.

13. Another highly relevant issue of theory and practice concerns the intersection of policy and intelligence inputs to decision-making. Many national strategic problems are chiefly policy matters rather than ones that can necessarily be resolved by intelligence gathering (or by intelligence gathering alone). This is too often not recognised by policy advisers or high-level decision-makers. Just as importantly, some strategic problems which could in theory be solved or alleviated by intelligence gathering actually have no intelligence solution because the information required cannot be gathered in the first place, or in sufficient time, for a variety of reasons. The three most common are:

- a. the information sought does not yet exist or does not exist at all (for example, an intention has not been formed or a decision has not been made);
- b. intelligence gathering may be the wrong means or tool for the particular strategic problem, or no means of intelligence gathering exists or is available to collect or process the information sought; or
- c. the target of the intelligence gathering, or the type of information required, is not susceptible to intelligence attack (for example, access to people in general and closely-held information in particular, is difficult in totalitarian states such as North Korea or Burma).

14. Finally, the nature of intelligence gathering and processing, with its myriad of variables and assumption-based predictions is, by definition, one in which imperfect outcomes are more common than not. This is not widely understood in the Australian community generally. It is often not understood even by many intelligence customers and, of particular interest to this Committee inquiry, by many outsiders recruited laterally into intelligence agencies at all levels. Most intelligence agency training systems take this into account by emphasising the need for intelligence reporting to provide a range of hypotheses from most likely to least likely (including potential catastrophic outcomes). But this can be to no avail if the intelligence customer, for whatever reason, demands a single correct answer. Policy staffs across the bureaucracy are notorious for this.

15. The complexity of intelligence work and the frequency of imperfect outcomes are why it is essential that intelligence agencies are primarily managed, at all levels, by career intelligence specialists rather than by 'generalist managers' – although there will always be a need for some leavening of outsiders to minimise or prevent intellectual atrophy within the secretive culture and practices of an intelligence or security agency. In military intelligence agencies there must also be a leavening of those with direct operational experience, even if only to assist in maintaining the confidence of battlefield customers. These needs for professionally relevant, rather than just general, expertise have major implications for recruitment and training (and personnel retention) in all our intelligence and security agencies.

The Issue of Professionalism

16. Matters of recruitment, education and training in our intelligence and security agencies cannot be effectively discussed without serious consideration of the concept of professionalism.

17. Intelligence work is a profession not just an operational function or a bureaucratic employment category. A fundamental problem underlying continual difficulties with recruitment, education, training, operations and leadership in all six intelligence and security agencies is the failure to acknowledge this truth and structure our intelligence and security agencies accordingly.

18. Somewhat ironically, moves over the last twenty years to develop tertiary-level courses and qualifications at several universities in intelligence and security disciplines (and related aspects such as security law), and to self-regulate professional standards by the creation and development of a professional body,¹ have often not been matched by sufficient support from agency leaderships. A key reason for this is that many senior appointments in the agencies have been and are held by those with little actual experience in intelligence work and who possess little or no real professional knowledge. Furthermore, most of these newcomers do not seem to realise themselves that they need to acquire relevant academic qualifications or attend professional training courses. A bureaucratic 'closed shop' protects this unprofessional *status quo*.

19. In the case of the defence intelligence and security agencies much of the professional training, especially at the Defence Intelligence Training Centre (DINTTC), is accredited as tertiary-level qualifications with a range of certificates, diplomas, and graduate diplomas. This has taken a long time to develop and is a continuing process. Because many senior managers within intelligence agencies lack a good grounding in intelligence matters they tend to demand one-size-fits-all competencies, rather than appreciate the necessary differences between the types of intelligence gathering or analysis, and the need to align a suite of training with professional career progression.

1 The Australian Institute of Professional Intelligence Officers (AIPIO).

20. As with many longstanding operational, doctrinal and technical problems in the agencies it has been a case of senior appointees from outside the profession not knowing or not appreciating what they do not know.

21. A good general example of this is the poor cross-community knowledge of many outsiders as to the strengths and weaknesses of other agencies, the limitations of the professional and intellectual disciplines involved, and especially why such strengths and weaknesses persist. Even where, for example, such outsiders might understand the difference between a security intelligence agency and a secret intelligence agency there is often insufficient awareness of the respective nuances and practices concerned. DINTCC courses cover these aspects in detail but there appears to be less emphasis in the non-defence agencies. In ONA in particular there appears to be an erroneous belief that such essential knowledge can simply be picked up by on-the-job experience. A stronger cross-community ethos would hasten knowledge exchange generally.

22. There are two telling specific and enduring examples of the don't-know-what-you-don't-know problem among outsiders recruited or appointed laterally into intelligence or security agencies. First, is over-confidence or over-reliance by outsiders on single sources or types of information. They tend to have little or no professional appreciation of the 'all-source' necessity of intelligence processes and therefore the need to employ a range of planning, targeting, collection and analytical tools. Second, is the frequent reluctance of such outsiders to embrace, or even accept, the intelligence estimate process as a key intellectual methodology for effectively managing intelligence tasking from the strategic to the tactical level.² These tradecraft issues are central to a professional education in intelligence.

23. The tendency for intelligence customers to become hooked on current intelligence, rather than more detailed or longer-term intelligence products, too often affects their tasking of intelligence and security agencies. In contrast, the higher the customer the more important it is that they demand intelligence estimates and other longer-term methodologies and products. If the high-level customers (or inexperienced managers recruited laterally into intelligence or security agencies) do not know to demand (or in the latter case produce) these professional products, the problem can easily become a perpetual

2 Intelligence estimates are required to effectively target and steer intelligence collection. Such estimates subsequently structure and manage intelligence analysis in as objective and policy-neutral a manner as is possible. This can include analysing an adversary's capabilities and probable intentions through modelling a spectrum of possible outcomes ranging from the most likely to the most dangerous, addressing competing hypotheses, and then replicating (in varying levels of detail or probability) that adversary's intentions and plans if necessary. A key aspect of the intellectual methodology of a formal intelligence estimate is that it can deduce or induce possibilities and probabilities even in the relative absence of, or contradictory, information to analyse. Just as importantly, intelligence estimates provide a sound intellectual framework for deductive or inductive reasoning when intelligence collection is constrained, difficult or impossible. The production of effective intelligence estimates is a through-career professional skill not one easily acquired without considerable experience or training.

deficiency in agency capability – and an abrogation of the professional responsibilities of those concerned.

24. Finally, in both professional and practical terms, there is also a substantial difference between an intelligence officer and an intelligence analyst. To be effective, intelligence officers need to possess skills in all facets of both collection and analysis. Intelligence analysts generally need skills in the latter area only. The differences can best be summarised as akin to comparing a physician to a paramedic.

25. Insufficient recognition or acknowledgment of the distinction between intelligence analysts and the more comprehensively-trained intelligence officers are major and longstanding causes of difficulties with recruitment, professional development and training within the Australian intelligence community.

26. Now with enough time and training, and skilled supervision, you can generally turn most intelligent and motivated people into intelligence analysts – those who collate, integrate, evaluate and study information to process it into intelligence by deducing or inducing balance-of-probability conclusions. It takes much longer to develop intelligence officers. These are the career professionals who collect the information in the first place (often by a wide variety of specialised, difficult and even risky means) and who manage the analysis process. They are also the ones with the detailed skills and experience to produce and manage the intellectual foundation for all of this complex (and often highly compartmented) collection and analysis – the intelligence estimate.

27. Most but not all intelligence officers are also intelligence analysts, especially in the defence force and in ASIO.³ The nature of the tasking and the operational cultures of these organisations encourage this because their work generally involves a broader range of collection and analysis techniques (and often intelligence targets). In other areas of intelligence work there can be a tendency for narrower specialisations, analytical ‘tool rut’ and less consultation outside the field of immediate expertise. Furthermore, military intelligence and security intelligence operations often require intellectual but disinterested empathy with the target. Those who can develop such empathy tend to make the most accurate estimates, assessments and predictions. Developing this skill takes a lot of resources in terms of education, continuing

3 Because of the defence force’s operational needs and activities, ADF intelligence officers tend to be the most broadly experienced in the Australian Intelligence Community in terms of their exposure to types of intelligence gathering. They also serve widely in the ADF in operational and intelligence positions – not just in postings with Defence’s three intelligence agencies: DIO, DSD and DIGO. ASIO and ASIS intelligence officers tend to be much better at the specialist skills specific to their agency’s primary function but generally do not have the same opportunities for experience in other fields of intelligence gathering. What this means in practical terms is that the defence force, while not formally part of the intelligence community, is a major source of professional intelligence expertise (and intelligence training) nationally. This is one reason why ADF intelligence officers and analysts regularly serve on secondment with all agencies and why former ADF intelligence officers are a fertile area for recruiting in all agencies.

professional development and time. The professional intelligence officer needs to develop a genuine ability to see things from the target's point of view – and this requires both training and experience. It is therefore a career skill and not one swiftly or easily acquired by late-career lateral recruits.

28. In addition, being an intelligence officer is a profession whereas being an intelligence analyst does not necessarily require similar levels of skill, training and experience. As in all professions, a career structure allowing the accrual of adequate experience over time is important for the development, fostering and general exploitation of the skills required.

29. Even with modern search and data fusion engines supporting analysis, you still need the unglamorous encyclopaedic intelligence and data management functions centred on personal expertise accrued through experience. Insight and professional objectivity is still critical to effective analysis and even more so for balanced prediction and contestability. The junior analyst and intelligence officer needs to work their way through such skills to appreciate the nuances of their profession and the strategic problems involved. In all agencies too many of these junior positions were gutted in the last 15 or so years due to the misbelief that such tasks could be predominantly undertaken by software programs alone.

30. As seen with examples such as the resignation of Andrew Wilkie from ONA, short-term employment as an intelligence analyst (especially for those with little or no prior intelligence experience) does not professionally qualify someone as an intelligence officer. This can result in a loss of intellectual perspective and too often leads such analysts to mistakenly over-estimate their skills, experience and wider importance.

31. A range of these background factors and professional and intellectual issues are discussed in *Sense Making in the Australian Defence Organisation (ADO) Intelligence Community*,⁴ and the scientific observations and practical lessons drawn are by no means confined to this part of the wider intelligence community.

RECRUITMENT AND TRAINING

Professional and Practical Distinctions

32. In any discussion of recruitment and training in the Australian intelligence community a distinction should always be made between those intelligence agencies that are both collectors and processors of information into intelligence, such as ASIO, ASIS, DSD and DIGO; and those agencies that are wholly or primarily analytical ones, such as ONA and DIO.

4 Mark Burnett, Pete Wooding and Paul Prekop, *Sense Making in the Australian Defence Organisation (ADO) Intelligence Community*, Command and Control Division, Defence Science and Technology Organisation (DSTO-GD-0440), Canberra, July 2005.

33. Furthermore, in terms of training, career development and operational employment, and irrespective of the type of intelligence or security agency involved, professional intelligence processing and production skills fall into two broad categories: analysis, and the less visible but more vital, underlying intelligence staff work (intelligence estimates, counter-intelligence estimates, collection management, identification of indicators and warnings, etc).

34. As noted above, with sufficient training, enough time and professional supervision you can turn most willing and intelligent personnel with some form of 'operational' or other specialist experience into intelligence analysts. In contrast, because of their complexity and because they require skills that can generally only be gained from broad and long experience, the staff skills normally require a career-intelligence professional co-ordinating the disparate aspects of the intelligence system holistically.

35. Recruiting, training and career development generally should reflect these distinctions between intelligence collection and intelligence analysis, and within such analysis, between the analytical and wider intelligence staff skills required. Too often in the Australian intelligence community these distinctions are ignored because they are not understood.

36. This is doubly correct for management positions at all levels in all agencies. Just as analysts with actual collection experience tend to be better and more widely employable analysts in the long term, career intelligence professionals tend to make better managers of both the analysis and staff processes. This is because they are best equipped through experience and training to target, task, review and manage analysis, and its reporting, far more effectively. The failure to appreciate the importance of intelligence staff skills, rather than just analytical excellence, bedevils most of our intelligence agencies. Furthermore, personnel appointed to management positions from outside the intelligence profession, especially where they have careerist tendencies, tend to be risk averse. This is of concern where the agency is charged with assessing new types of information or unfamiliar situations.

Balancing Professionalism and Lateral Recruitment

37. Lateral recruitment into intelligence agencies is required for a range of operational, intellectual and staffing reasons. However, a direct result of the intellectual failure to appreciate the nature of intelligence as a profession is the unfortunate habit within the Australian bureaucracy of laterally recruiting far too many personnel with policy development backgrounds into analytical and management positions within our intelligence agencies.

38. Too often a tour with ONA and DIO in particular is seen as merely a 'ticket punching' exercise by ambitious careerists before they move on to policy-making areas offering better promotion. Tours with intelligence agencies are also too often used only to gain an individual the security clearances that can speed promotion through the Defence and DFAT bureaucracies.

39. The lateral recruitment of large numbers of intelligence agency staff from policy-making backgrounds, or with such ambitions, necessarily institutionalises significant risks to the objectivity and relevance of intelligence assessments. It frequently results, however unconsciously, in intelligence assessments being biased towards desired policy outcomes rather than them being independent or objective in their own right. This is a fatal flaw in the intelligence process and the wider decision-making processes it supports.

40. Such forms of lateral recruitment also generally lead to pronounced trends for reactive rather than proactive intelligence reporting, including biases for current rather than longer-term focuses, and intelligence assessments that increasingly differ little from media reporting in currency, depth and forecasting. Such reactive, and generally inconclusive or 'say nothing' assessments lack the predictive discipline and essence vital for effective use by intelligence customers. Furthermore, properly trained and experienced career intelligence officers have the ability to identify other and competing perspectives – those recruited laterally from policy-making backgrounds usually cannot or have much greater difficulties in doing so. In addition, diversity of viewpoints is an agency's best defence against 'groupthink' but this can be seriously diluted by too little or too much lateral recruitment.

41. There is also a tendency for non-intelligence professionals employed as managers in intelligence agencies to demand forensic levels of proof rather than accept the 'balance of probability' inherent in most intelligence work. Such risk-averse behaviour is especially common among staff from policy-making backgrounds and is generally inimical (and even at times disastrous) for employment in intelligence duties. As several of our intelligence agencies suffer from the problem of inadequately qualified or experienced management staff, intelligence assessments with input from more than one agency are even more prone to 'lowest common denominator' or 'groupthink' results.

42. This can also result in analysis with an over-emphasis on post-event reporting instead of forecasting. Those with insufficient training or experience find it is easier to explain what may have happened than to predict what might happen in the future, especially where they are unable to produce formal intelligence estimates as a predictive tool.

43. A cultural failure to appreciate the intellectual and professional disciplines involved, such as the intelligence estimate process, also contributes to the recurring problem where intelligence customers, particularly policy-making staffs, refuse to believe considered assessments that contradict their own personal or collective belief systems or prejudices.⁵ The value of intelligence product can be misunderstood or misrepresented by a failure to understand the rigorous professional and intellectual processes involved, especially where it challenges a comparatively inchoate and intellectually undisciplined policy staff 'process'.

5 Recent examples include the 1987 Fiji coup, the Tiananmen Square incident, the fall of Suharto and subsequent developments in Post-Suharto Indonesia, and several facets of the 1999 East Timor elections and their aftermath.

44. The contribution of intelligence to decision-making processes must be kept as pure as possible, as long as possible, from other inputs such as diplomatic or strategic policy. This well-proven truism is not accepted by many policy-makers. Where such policy-makers are recruited laterally into intelligence and security agencies this process-integrity myopia often accompanies them. It can also lead to such lateral recruits falling into the trap of settling for the first answer that may fit – rather than demanding or applying intellectual rigour and the sound analytical tools that actually fit the problem.

Balancing Professionalism with Leavening

45. Sun Tzu noted that nothing should be as favourably regarded or as generously rewarded as intelligence. In contrast, in the Australian intelligence community being an intelligence professional generally precludes you from higher office in your chosen profession.

46. The ingrained bureaucratic and political habit of recruiting, seconding or appointing diplomats or other personnel from policy-making backgrounds into senior positions in intelligence and security agencies is fundamentally flawed. It persists because those profiting most from the practice are those advising Ministers to keep doing it and are those generally less able to recognise or admit the problem.

47. Intelligence professionalism needs to be nurtured and respected not circumscribed by the self-perpetuating prejudices that the agencies somehow need 'adult supervision' or that intelligence professionals are somehow always 'too narrow' for senior appointments. After all, if the Commonwealth's Chief Scientist is a scientist, the Chief Medical Officer is a physician and the Solicitor-General is a lawyer why are all our intelligence and security agencies, with the exception of DIGO, headed by outsiders?

48. It is also well worth noting that most of the heads, and many senior officials, within our intelligence and security agencies would not qualify for membership of the Australian Institute of Professional Intelligence Officers (AIPIO), the relevant professional standards body. Would we allow our major health institutions to be headed by doctors who could not gain professional admission to the Australian Medical Association?

49. This is not to say that outsiders should never head or be employed in intelligence agencies. Indeed a leavening of outsiders at all levels is essential for intellectual objectivity and to avoid professional and intellectual incest in secretive cultural environments. The trick is in leavening not inundation, and in according appropriate respect to career professionalism. Furthermore, if the comparison with other professions holds true, then such a leavening still requires a certain degree of professional induction.

Avoiding Over-Fishing of the Same Pool

50. The other key problem affecting all intelligence and security agencies, and the private sector, is that they are recruiting from a relatively small pool, especially for experienced staff. Moreover, for security reasons it is a pool that cannot be supplemented much by overseas recruitment. When experienced intelligence professionals move from the government to the private sector the overall national pool of expertise is not diminished but that available to the federal government generally is. This situation has been exacerbated by the recent substantial growth of the various intelligence and security components of the State governments, as they apply greater priorities to counter-terrorism and national infrastructure protection responsibilities.

51. This situation has led to all agencies (and the defence force as the only other large source of experienced intelligence staff) engaging in increased levels of cross-agency poaching, especially of intelligence officers, foreign linguists and specialist technicians. While such personnel are not lost to the official intelligence community as a whole, and movement between agencies is usually of benefit to both the agency and the individual concerned, the practice does result in several intractable problems:

- a. The overall problem of recruiting, training and providing experience to replacements tends to be passed to the losing organisation.
- b. Better funded or more 'prestigious' agencies can evade their responsibilities for recruitment, education and training by poaching rather than career management internally.
- c. In the case of the defence force, loss of experienced intelligence personnel – especially where they are intelligence officers and not just intelligence analysts – often adversely affects the operational capability of the defence force at all levels.
- d. DINTTC, as the largest (and probably the most diverse) provider of professional intelligence training within the Australian intelligence community, has greatly helped with training beyond the Department of Defence and the defence force. This is both directly (through training non-Defence staff) and indirectly (through the poaching of Defence intelligence personnel). The cost of this training, or more accurately the cost of reproducing it should DINTTC not provide it, needs to be recognised in the training (and recruiting) bill for all agencies.

52. There needs to be a more collegiate approach to recruiting and training amongst our intelligence and security agencies. Such an approach is also required because the nature of some intelligence targets, such as terrorist groups and the intelligence gathering methods and techniques used against them, are different to that of traditional nation-state adversaries.

53. Allowing for some significant security difficulties, basic intelligence training should be undertaken on more of a joint basis. There should also be more secondments between agencies and more forums/initiatives for inter-agency co-operation in training and professional development. The example of the defence force in this regard is illuminating. Until the late 1980s the Navy, Army and Air Force trained their intelligence specialists separately and there were few integrated (rather than co-located) joint intelligence staffs and units. The centralising of ADF general and signals intelligence training not only saved money and staff, it significantly raised standards across the board. Each Service was raised to the standard of the highest Service in each intelligence and counter-intelligence speciality. Similarly, integrated joint intelligence staffs raised all-round skills and maximised experience through broader perspectives and increased opportunities for professional and career development. This example shows the way forward for wider and greater cross-agency co-operation.

54. Initial and lateral recruiting could be centralised, or at least the agencies could work together better on this, as they are all fishing from the same pool. While there are obvious difficulties with the differing requirements for negative and positive security vetting, better recognition of each other's security clearance procedures would also assist recruiting, training and cross-agency secondments and transfers.

55. Poaching from other intelligence agencies is a market-led phenomenon that simply transfers recruitment and training costs around the Australian intelligence community without contributing much to fixing overall shortfalls in personnel numbers or the availability or depth of expertise. The answer is not to further restrict or distort this labour market but to free it up. A greater degree of co-ordination between agencies concerning career management would help to cross-pollinate expertise among the community and reduce the amount of movement between agencies at the initiation of the individual. The latter case is usually reactive as people require jobs to become vacant before they can apply for them, and the advertised jobs will not always present the best opportunity to utilise that person's abilities in the new agency.

56. Another problem that needs to be tackled is the blend of intelligence professional and general managerial skills required in an intelligence and security agency. If an agency has insufficient intelligence officers to manage the intelligence process professionally, all that is left are those on the policy officer promotion track or the career analysts who may or may not be any good at managing people and resources. This is a particular problem in the collection agencies, ONA and DIO, although the small size of ONA and its minimal levels of institutional management disguise this. In DIO the problem is lessened at times, because intelligence officers are regularly posted in and out from the ADF, but never really solved. Experience in several agencies, especially DIO in the late 1990s and early 2000s, shows that ostensibly good management of an agency in the bureaucratic sense, but ineffective management of that agency's intelligence processes, leads to pronounced operational ineffectiveness, deteriorating morale, problems with recruiting and falling retention rates.

Linguist Recruiting, Training and Career Development

57. Another key general issue across all intelligence and security agencies, except DIGO, is training in foreign languages and the career management of linguists. Strategic and operational experiences continually teach us that there are never enough linguists. There are certainly never enough at the required levels, because the training cycles involved are measured in half-decades at least and changes in intelligence gathering targets often arise at much higher frequencies. A recent example is the large and sudden increase in Arabic speakers required (despite Australia having an enduring interest in Middle East affairs and repeated military deployments there since 1885), whereas the agencies have traditionally concentrated on predominantly east and South-East Asian languages.

58. Training of linguists on a contingency pool basis has never been popular because of the expense involved and because too few personnel can be spared on either an operational or career development basis for a financial and personnel investment that might never be required.

59. Lateral recruiting of linguists is often not a solution, certainly not a universal one, because sufficient numbers of potential recruits are rarely available. There are also often security clearance and other operational difficulties with first and second-generation immigrant speakers of the language concerned, not to mention cultural difficulties in attracting them as recruits or retaining them in the face of family or ethnic community opposition.

60. Even more importantly, good linguistic skills are not synonymous with aptitude for intelligence work. Even where they are, laterally-recruited linguists still have to qualify in the other professional intelligence skills involved and then gain sufficient experience to be effectively employed as more than translators. At the very least this takes time and sufficient time is often not available.

61. Effective nurturing of foreign language skills also requires through-career exposure to the language involved, including frequent visits and regular postings to the country concerned. Proper career management of linguists must allow frequent and challenging practise of their skills, particularly for more than just the translation of documents or recordings. Maintaining linguistic excellence is a dynamic skill but one that often suffers from financial constraints on overseas visits, training and postings. This causes a cycle whereby linguists grow frustrated and leave, and the remaining ones are then worked harder and thus more prone to also leave eventually.

62. Across all relevant federal government departments this situation is needlessly exacerbated by many overseas representational appointments requiring foreign language (and intelligence) skills, such as Defence Attaches and their support staff in key countries, being filled by those without appropriate intelligence training, or who are late-career linguists who are only

taught a language for their final posting in the organisation concerned. This is often based on an erroneous assumption by non-intelligence managers that general knowledge of the language alone is enough. It also results from career managers using overseas representational appointments to reward generalists at the end of their career, rather than managing posting cycles so they are fully integrated with the need to nurture foreign language skills (and the necessary motivation) on a through-career basis in intelligence specialisations.

63. Finally, there is the matter of where and how linguists should be trained. Different agencies have different needs for spoken versus wider but perhaps shallower foreign language skills. The spoken language skills are best met by concentrated immersion-style courses such as those offered by the ADF School of Languages. The wider but perhaps not as orally-oriented language skills can generally also be met (to varying extents) by university-based courses. In the case of advanced qualifications, both methods require residence and further training in countries where the target language is used by native speakers. There is also the problem that basic (tourist) language skills can be high but military or scientific language skills still low without further specialist training (especially for those students not versed in military or scientific jargon even in English).

64. The ADF School of Languages is a significant intelligence community-wide resource although there are security implications in some cases, especially as foreign intelligence agencies can target it as a personnel chokepoint in agency training processes. Every few years the suggestion is made that the school should be moved to Canberra for reasons of financial and administrative convenience. This idea should never be implemented. The school should stay in Melbourne because the size and cosmopolitan nature of that city's population allows a ready supply of native speakers of most languages for employment as instructors at the school. There are also significant security advantages in locating the school away from Canberra, even if only to complicate the attentions of foreign intelligence agencies.

65. Another aspect of language training requiring a profound rethink is the temptation to rely too much on correspondence and distance learning methods. For example, for financial reasons in the 1990s the ADF School of Languages cut down on the length of some courses and the number and frequency of residential refresher and re-qualification courses. This led to a discernible decline in the standards of initial training, a marked decline in re-qualification rates and broader difficulties for individuals in maintaining their language skills over the longer term. All these factors detrimentally affected retention rates. The clear lesson is that the national capability to exploit foreign language skills for intelligence purposes, and to maintain pools of such linguists, requires long-term vision and sufficient and sustained investment.

SPECIFIC COMMENTS ON INDIVIDUAL AGENCIES

ONA

66. ONA is unique within the Australian intelligence community in several ways. It is the nominally senior but effectively the youngest agency.⁶ It is also the smallest in staffing and its staff includes very few members with experience as intelligence collectors, even when compared to the other analytical agency, DIO. ONA has traditionally employed few professional intelligence officers and the reasons for this are hard to justify.

67. A longstanding criticism of ONA is that too many of its staff have instead been ex-journalists, overly-specialised academics, serving or ex-diplomats, or come from policymaking backgrounds. Such unbalanced recruitment (with a subsequent dearth of training in the intelligence field) always increases the risk of intelligence analysis and reporting failures, through either inexperience or subconscious weighting of analysis to match policy or diplomatic outcomes seen as desirable. Such tendencies are exacerbated by simplistic customer expectations and exemplified by the 'journalistic', rather than more balanced style, of much ONA reporting. While such reporting is ostensibly customer-focused, it too often results in reports structured as compendiums of the views of other agencies rather than integrated reports incorporating much value-added analysis by ONA (and which is backed up by solid and annotated research which can be called on by customers if required). This somewhat perverse concern with the beauty of its words has been at the expense of the import of the words.

68. A core ONA function is to be the highest-level clearing house for input from diplomatic and intelligence sources. It would help if ONA's staffing culture and practices involved the recruitment of more analysts with significant experience of the difficulties of collecting and analysing intelligence from multiple sources. It often appears that ONA places far too much emphasis on recruiting people as analysts who are specialists in a particular field of study, or who are good with words, rather than recruiting a good leavening of all-rounders thoroughly grounded in the mechanics (and pitfalls) of the intelligence profession.

69. A good case can be made that ONA's functions are predominantly those of an intelligence staff rather than those of an intelligence agency. This is not an arcane professional distinction as it impacts on many aspects of the organisation's structure and function, including its institutional culture and its approach to recruiting and training. It also affects how the organisation sees itself and how it sees its role within the intelligence community.

6 DIO is the youngest agency in organisational terms but the functions undertaken by DIO had been previously performed by DIO and other parts of the ADF and the Department of Defence for decades (and over a century in the case of geospatial mapping).

70. ONA is a relatively small organisation and is mainly staffed by analysts. These are mostly recruited from outside the intelligence profession and are provided with minimal or no training as intelligence analysts. It would be fair to say that few ONA staff are intelligence officers, especially ones with significant experience as intelligence collectors. Three key issues that need to be addressed within the organisation are its apparent reluctance to recruit intelligence officers, the fact that its senior staff are invariably individuals whose only experience in intelligence work (where they have any) is with analysis only, and the reluctance to ensure recruits are adequately trained professionally in intelligence matters.

71. ONA is responsible for producing the nation's peak intelligence assessments, although its capabilities to cover strategic and military matters are necessarily limited – mainly by the limited size and depth of staffing but also because such matters are generally better handled by DIO. It is also responsible for co-ordinating the work of all the intelligence and security agencies and, since the Flood Review, has a much greater role in measuring the effectiveness of all these agencies. The organisation considers it can undertake these functions and meet these responsibilities. This confidence is largely based, however, on the judgements of people whose careers have been largely spent outside the intelligence profession – as have the judgements of external reviews such as that conducted by Phillip Flood (a former diplomat).

72. The committee might usefully examine the ONA Act and ask ONA when, for example, was the last time it produced a proper, formal intelligence estimate to scope and refine its approach to a priority intelligence task. The committee might also ask ONA senior management if its national-level 'assessments' meet the demanding intellectual methodologies and requirements of a formal intelligence estimate, and if so how?

73. The United States, for instance, regularly conducts inter-agency national (and thematic) intelligence estimates (NIE). The NIE allows discussion of alternative hypotheses, while applying a rigorous methodology to ensure comprehensive coverage of the relevant factors that need to be understood for a clear understanding of capability and intent.

74. The ADA is concerned that ONA's senior management might not be able to answer these questions. We have some concerns that they might not even understand why such questions cut to the heart of issues such as professionalism, recruitment, retention and training.

DIO

75. DIO has two main customers: the defence force and the wider strategic policy-making processes within the Government, such as Defence and DFAT.

76. DIO staffing needs to be a balance between longer-serving specialists (both military and civilian) and military generalists who move between the agency and other operational and intelligence functions in the defence force. DIO recruiting practices need to reflect this balance but generally do not. There is a frequent tendency for bureaucratisation within the agency arising from the dominance of long-serving civilian staff, exacerbated by senior military positions not always being held by personnel with adequate intelligence experience or even compensating operational skills. The relatively high throughput of staff does not help.

77. Training within DIO mainly utilises the expertise and capacity of DINTTC at Canungra (although this took decades to implement).⁷ The courses are relevant to DIO's needs and several of them or aspects therein are also relevant to other agencies. One problem is that all senior civilian and military personnel recruited or posted in to DIO, DSD and DIGO do not have to qualify on the Centre's courses dealing with higher management of intelligence staff and reporting processes. In many cases those most in need of the training are those who personally feel they do not need to do it. On a positive note, most junior civilian staff are completing the core intelligence programs. The more senior programs are likely to receive greater support under DIO's new leadership.

78. The current Director DIO is a senior ADF officer with no prior intelligence experience (but good operational experience as an ADF commander). His civilian predecessor (and several of his civilian predecessors) also had no intelligence experience and no compensating operational background. Virtually all the civilian heads of DIO have, with highly unfortunate consequences, been policy-makers transferred sideways from other departments or agencies. In DIO's equivalent in the United States, the Defense Intelligence Agency (DIA), it is always headed by a seasoned professional military intelligence officer. Indeed Directors of DIA are groomed for the job and are appointed only after a challenging progression of intelligence postings to prepare them for the span of responsibility that such a directorship involves. It is also worth noting that in the Israeli Defence Force the head of Israel's defence intelligence agency is a military officer and one with the rank and clout of a Deputy CDF-equivalent. The incumbent has generally also been an officer with significant prior experience in intelligence matters.

79. The ADA considers that any potential for the continued appointment of unqualified officials to lead our premier defence intelligence agency, or occupy other senior management positions, is a serious systemic weakness. It derives from arcane Defence Department and defence force habit and cannot be justified in the 21st Century. It is a symptom of flawed bureaucratic and political cultures that devalue the through-career skills of professional intelligence officers (both military and civilian), and which overvalue the

7 As discussed above, the difficulties in centralising, rationalising, improving, cross-training and standardising intelligence training within the Navy, Army, Air Force, DIO and DSD offers a good model for similar processes and outcomes across the Australian intelligence community.

supposed applicability of the management skills of generalist civilian officials (and senior defence force officers from non-intelligence backgrounds). Indeed, the practice seems to suppress the impetus for increased professionalisation of intelligence support to government, as intelligence expertise acts as a virtual negative discriminating factor in Defence's promotion and selection processes.

ASIO

80. Both the current head of ASIO and his deputy are former diplomats. Only at the next level down do you find some through-career professional intelligence officers. This says little for the overall effectiveness of the agency's internal career management structures, or the overall bureaucratic and government attitudes to nurturing professionalism in the security intelligence field. It also does little for professional morale if the skills of ASIO staff are implicitly deemed insufficient for higher promotion.

81. Apologists for this situation sometimes claim that career ASIO officers are too narrow in their experience for consideration for senior positions within the agency or other intelligence agencies. Even if partially true at times, this is a self-perpetuating cycle foisted on ASIO officers when staff from outside the intelligence community are continually recruited laterally into senior positions. It is also not helped by the high operational tempo and substantial staffing increases faced by the agency in current circumstances. Indeed, as with DIO, the approach to senior recruitment effectively discriminates against those with the relevant expertise. It would be better if selected experts from ASIO could be given exposure to other policy-related fields elsewhere, in order to bring them back to the agency for senior management positions within their primary field of professional expertise.

82. ASIO training standards and capacities are generally good and are effectively benchmarked against those of comparable agencies or similar functions both in Australia and overseas. Until recently financial constraints have limited the agency's ability to balance the security needs of specialist training with the nature and capacity of the facilities available.

83. Base-level recruiting for ASIO faces major difficulties as the agency is required by operational circumstances to expand faster than its capacity to provide broad career development experiences to its staff. More so than the other agencies it faces special security and operational problems with the recruitment or training of linguists.

84. In terms of lateral recruiting, ASIO has been using the defence force (the only other large source of experienced counter-intelligence officers) as a good source of mid-level staff. In national terms, this is simply transferring the shortage of counter-intelligence officers rather than addressing the overall problem. Perhaps a greater use of secondments from the ADF to ASIO might assist with alleviating this problem, although it would not necessarily help with the ADF's own shortfalls in intelligence officers in the short term.

ASIS

85. ASIS has recruitment and training problems quite different to the other agencies, largely because of the high standards of security required and the operational challenges of undertaking foreign intelligence collection operations successfully in an ethnically diverse and volatile region.

86. The agency's training facilities are good but have often suffered from short-sighted bureaucratic and financial constraints. If Australia is to continue to have the need for this type of intelligence capability the need for a physically and functionally segregated training facility is self-evident and it must be well funded accordingly.

87. Similarly, the capacity of ASIS to share aspects of its education and training activities with other agencies, even language training, must always take second priority to operational security needs. If this costs more than so be it; after all, operational failures caused by security breaches would incur far greater strategic, financial and moral costs.

88. For obvious operational reasons, chiefly to do with plausible deniability concerning the background of officers posted overseas, ASIS has far less of a capacity than ASIO to rely on the defence force or other agencies as sources of lateral recruitment, or indeed secondments.

DSD

89. The specialised technical, foreign language and other intellectual skills required by a range of DSD staff mean the agency has long established and well-tested structures for recruitment, education and training. The nature of the work, and perpetual shortages in key specialisations (particularly given the higher wages on offer in private industry for related skills), can mean the agency suffers more of a staff retention challenge than other agencies.

90. Nonetheless, DSD's unique technical focus and method of operating produces a strong culture that lends itself to senior promotion from within its own ranks. Much more often than the other agencies the head of DSD has come from within the intelligence community and usually from within DSD itself. The specialised nature of the work generates a demand for senior management with an intimate understanding of the organisation's role and functions. This distinguishes the organisation from the other agencies that are more susceptible to infusion of senior leaders from other generalist and policy fields. But as the other agencies expand and the operational tempo continues at a high level, poaching of highly talented staff from DSD may prove increasingly popular.

DIGO

91. As the newest intelligence agency DIGO inherited a reasonable standard of training from its DIO and ADF predecessors. The agency is also able to best exploit civil education opportunities and this has career development, training and recruitment benefits not always available to the other agencies. Like DSD, the agency's work is based on technical skills and capabilities that generate a unique organisational culture. As it expands in the face of growing requirements, DIGO will have to work closely with its training providers to ensure that its people are trained appropriately to provide the support required by the users of its products.

92. In general, DIGO's recruiting challenges are not as complex as the other agencies although it is continually difficult to maintain levels of technical expertise. With imagery analyst training in particular there is a significant training (and career grooming) effort required – almost as much as a linguist – especially to ensure that such analysts are taught (and get to practise) general analytical skills as well as their narrower technical ones. There are obvious parallels here with the challenges of linguist recruitment and training.

CONCLUSIONS

93. Both the public and private sectors are fishing in the same pool of intelligence expertise for other than entry-level positions. This often results in skills shortages being transferred about within the pool rather than being tackled and solved in the longer term.

94. Federal government intelligence and security agencies, and the defence force, are the main source of experienced intelligence expertise and the main providers of professional intelligence training. This is unlikely to change. There is, however, room for further rationalisation and integration of such training.

95. As with other Western countries facing the long-term Islamist terrorism problem and wider strategic insecurities, Australia needs to be more serious about a cohesive, functional and truly integrated national intelligence capability. Structural reforms and increased funding alone are insufficient responses. There must be a genuine attempt to solve the people and culture problems by maximising cross-agency co-operation and intelligence professionalism generally. In dealing with the limited talent available and required, we need whole-of-government, integrated, strategies for initial and lateral recruitment, in-service training, wider professional education, secondments between agencies, and retention and career development of intelligence professionals.

96. The key to this is acknowledging that Intelligence work is a profession and that recruitment, training, career development and promotion practices must reflect this. At DIO in particular and in the other agencies in general (with the probable exception of ASIS and DSD), there is a general failure to

appreciate and respect the intellectual and professional construct underlying the nature of intelligence work as a profession.

97. This disregard for professionalism is exemplified by the large number of 'generalist managers' laterally recruited into our intelligence and security agencies who would not qualify for membership of the Australian Institute of Professional Intelligence Officers.⁸

98. Across all agencies there are not enough through-career intelligence professionals in senior appointments. The failure to promote such professionals to senior positions has become a detrimental and self-perpetuating cycle in both operational and career development terms.

99. The lateral recruitment of staff from policy-making backgrounds to senior positions in the intelligence and security agencies should be avoided wherever possible because it is so damaging to the professionalism of the organisations concerned. As well as the operational damages involved, the volume and frequency of such lateral recruitment severely affects the ability of the intelligence community to offer a viable career path for intelligence specialists. This in turn, encourages too many intelligence officers to leave the profession, often at a mid-career juncture where their skills and experience are most useful in a 'hands-on' sense, because they fear their potential for promotion will be unrecognised or unfairly curtailed.

100. With the recent significant expansion of the Australian Intelligence Community there is now the 'critical mass', and therefore considerable scope, for the commencement of a senior leadership grooming program for our intelligence and security agencies. This should include education and training modules much as are currently available to facilitate career progression for public servants in non-intelligence fields of the federal bureaucracy.

101. Only DIGO is headed by someone with a background in the intelligence profession. ONA, ASIO and ASIS are headed by serving or former career diplomats and have been for some time. DSD is headed by a Defence official from a policy background (but some prior management experience in an intelligence agency). DIO is led by an ADF officer with no prior intelligence experience although he has a good operational command background. Even the deputy head of ASIO is a former diplomat. The position of DGONA has never been held by an intelligence professional and it is decades since DGASIO or DGASIS was a career intelligence officer.

102. While this practice may arguably have worked at times during the Cold War, the Committee should recommend the reform of this seemingly entrenched cultural practice. The practice is short-sighted and highly damaging to the intelligence profession, not least because it sets such poor

8 Many serving professional intelligence officers in ASIO and most within ASIS are not members of AIPIO for operational security reasons but would almost invariably qualify for membership if this was possible. Many join discreetly when they retire from operational service.

examples for recruitment, professional training, career development and retention in all our intelligence and security agencies.

103. It is time to revert to the proven practice of ensuring that, at the very least, every second intelligence agency head is a through-career intelligence professional (even if from another agency). In the case of the three intelligence agencies that are not independent of a parent department (DIO, DSD and DIGO), every head of such an agency should be a career intelligence professional unless very compelling circumstances dictate otherwise. In light of the scrutiny placed on our intelligence and security agencies, and the importance of their roles in protecting Australia and its national interests in particularly challenging times, this reform should be a high priority task.

RECOMMENDATIONS

...a first class Intelligence organisation is essential and the head of it must be an officer of brilliant intellectual qualities, who need not necessarily be a professional fighting man. He must be a very clear thinker, able to sort out the essentials from the incidental factors which bear on every problem concerning the enemy.

Field Marshal Montgomery.

104. The Australia Defence Association recommends that the committee especially review the following aspects in compiling their report:

- a. Intelligence work be formally acknowledged by the Government as a profession.
- b. Intelligence professionals be managed as a national asset as for other professions, especially concerning career development, professional standards and accredited education courses.
- c. AIPIO professional standards be used as the benchmark for determining competencies at all levels in our intelligence and security agencies.
- d. In filling management positions in the intelligence and security agencies, priority be given to promotion from within the intelligence profession.
- e. Wherever possible, the heads of Australia's intelligence and security agencies be through-career intelligence professionals from within the Australian intelligence community.
- f. At the very least, every second head of an intelligence or security agency be a through-career intelligence professional from within the Australian intelligence community.
- g. Where someone from outside the intelligence community is appointed to head an intelligence or security agency, the deputy head of the organisation concerned be a through-career

intelligence professional from within the Australian intelligence community.

- h. Personnel recruited laterally into intelligence or security agencies be required to attend relevant professional training courses, no matter how senior their position.
- i. An inter-departmental and inter-agency professional development program for career progression in the intelligence profession be created to enable the intelligence and security agencies to foster an integrated approach to nurturing the personnel talent required.
- j. As is now done in Defence with the Introduction to Defence Intelligence Course (IDIC), consideration be given to instituting selective, cross-agency, base-level training for all initial recruits and those laterally recruited from outside the Australian intelligence community.
- k. Cross-agency secondments be increased for both operational and professional development reasons.
- l. The Defence Language School continue to be located in a city, such as Melbourne, capable of supporting immersion language training through access to large communities of native speakers.
- m. The obvious need for ASIS to maintain a segregated training facility for most purposes be formally acknowledged to protect this facility from future bureaucratic fashions for cost-cutting at all costs.
- n. As a professionalism sustainment measure, ONA (supported by the other agencies) be tasked with preparing national intelligence estimates in support and anticipation of all major national strategic challenges, policies or initiatives.