

IN CONFIDENCE

REPORT

Toward a New Operating Model for Intelligence and Targeting

Outcomes of the Review of Customs Intelligence Operations

December 2006

Booz | Allen | Hamilton

IN CONFIDENCE

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Executive Summary

In September 2006 Customs commenced a review of intelligence operations in partnership with Booz Allen Hamilton. The review team undertook deep consultations across Customs to determine how intelligence and border targeting functions should evolve to better empower Customs decision-making and improve targeting and other intervention outcomes.

Strengths of the existing approach were clear. The Customs intelligence and targeting function was well resourced overall and staff were clearly knowledgeable and committed, particularly when faced with difficult technology transitions. Intelligence training was well regarded and elements of intelligence best practice had emerged across the country.

At the same time, an analysis of underlying processes and the interactions between intelligence and targeting functions, passenger operations, compliance and enforcement operations, the Container Examination Facilities (CEF), investigations, and policy and technology staff indicated opportunities to:

- › improve horizontal and vertical communication between intelligence staff and their internal clients
- › better leverage the collective expertise of intelligence staff across the nation
- › evolve beyond traditional siloed approaches to the construction of targeting strategies by developing national, cross-stream perspectives
- › enhance the skills, process, technology and information infrastructure essential to high quality intelligence advice and targeting outcomes

The early findings of the review were communicated to the CEO in late November 2006.

In early December the CEO announced structural changes across Customs that elevate Intelligence and Targeting functions to the level of a National Program, provide a new degree of leadership and focus to each, and create a Strategic Development staff that will build the people, processes, and business infrastructure necessary to continue evolution and refinement of these key capabilities.

This report outlines a high-level transformation roadmap for the intelligence and targeting program. It identifies the design objectives, principles and implementation projects that will build on the strengths, and address the deficiencies, identified during the review process. The roadmap will be complemented by more detailed strategies to be prepared within individual projects and work streams.

This program of change is expected to deliver more focused intelligence support to decision-makers, improve targeting outcomes, and establish a more robust and professional intelligence and risk management capability that will equip Customs to meet both existing and emerging challenges.

1 The Changing Operating Environment

Customs manages one of the most complex risk management activities in Australia. Risk identification in the context of the border is increasingly challenging in the face of:

- › an expanding range of national security, community protection and compliance imperatives
- › upward trends in the volume of movements and transactions
- › growing government and community expectations
- › the increasing sophistication of transnational criminal threats to border integrity

Against this background, Customs is working to refresh its approaches to the intelligence and targeting functions that inform the development of policy, the targeting of operational interventions, and the facilitation of legitimate trade and travel.

1.1 The Importance of Partnerships

In today's more complex operating environment, Customs operates almost exclusively in partnerships. The organisation brings its particular powers, expertise and technology to bear alongside a number of other agencies in a whole-of-government response to national security and community protection. Equally, Customs partners with industry to facilitate international trade and the movement of people across Australia's borders.

Going forward, the parameters of Customs intelligence role will be defined by the needs of its stakeholders but will be bounded by the complementary intelligence capabilities of Border Protection Command, national intelligence producers including the Australian Crime Commission, and operational partners including the Australian Federal Police. Customs intelligence will effectively leverage these complementary capabilities and focus on providing the unique value-added judgements of relevance to Customs decision-makers.

New forms of partnership are also on the horizon. As Customs moves toward approaches leveraging end-to-end supply chain management, intelligence will perform an increasingly important role in sharing information and confidence judgements with international Customs administrations regarding the integrity of supply chain components.

Consistent with Customs mandate, the organisation's intelligence and targeting capabilities can be expected to evolve over the next several years into mature and sophisticated models of best practice that service Customs needs and make relevant contributions to the wider intelligence and risk management capabilities of the Australian Government.

1.2 Customs Existing Capabilities

1.2.1 Key Strengths

Customs most valuable resource is its people – in particular their knowledge, expertise, and commitment. This is particularly the case in the intelligence function.

Customs intelligence and targeting staff have proven resilient in the face of the significant challenges posed by ICS implementation and have actively participated in programs aimed at refining profiling and match evaluation processes. In addition, the number of innovative projects currently underway in the intelligence domain is a testament to the energy of intelligence staff. This level of commitment and initiative will be tapped more effectively in the new structure, which will enable regional capabilities and expertise to be leveraged across the entire national program.

Customs second key strength lies in its data holdings. Although data integrity and access issues continue to challenge the organisation, Customs data sets provide a rich resource that will enable intelligence staff to develop and convey a comprehensive environmental understanding to Customs decision-makers once a new analysis and production program is established.

Customs third key strength lies in its willingness to take up and implement new technology. Intelligence is key to building the contextual understanding in which such tools can be most effectively applied.

1.2.2 Key Areas for Improvement

An analysis of underlying processes and the interactions between intelligence and targeting functions, passenger operations, compliance and enforcement operations, the Container Examination Facilities (CEF), investigations, and policy and technology staff indicated opportunities to:

- improve horizontal and vertical communication between intelligence staff and their internal clients
- better leverage the collective expertise of intelligence staff across the nation
- evolve beyond traditional siloed approaches to the construction of targeting strategies by developing national, cross-stream perspectives
- enhance the skills, process, technology and information infrastructure essential to high quality intelligence advice and targeting outcomes

Continuous review, refinement, adaptation and documentation of procedures will be important going forward.

2 Designing a New Operating Model

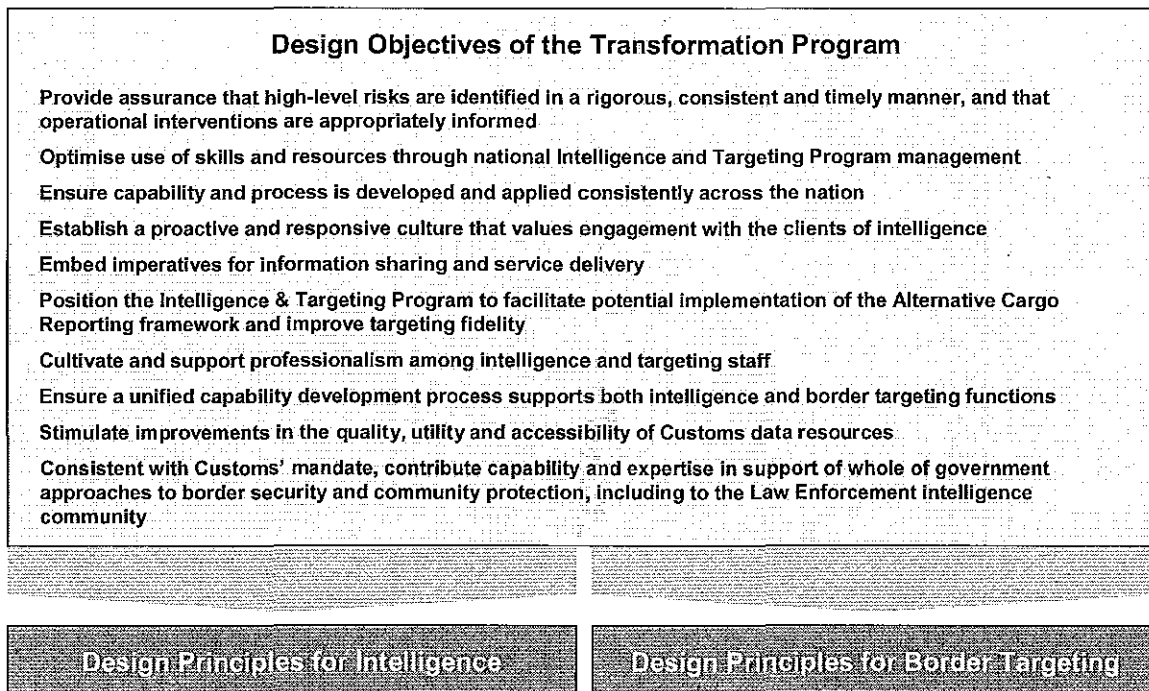
2.1 Design Objectives

Customs is moving toward a new operating model for intelligence and targeting that will address existing diversification and fragmentation and reduce the possibility of intelligence or targeting failures.

Under previous arrangements the intelligence function had become distracted by attempting to manage too broad a range of development activities and by incorporating a related but equally challenging operational discipline in the form of targeting in the cargo streams.

Going forward, both Intelligence and Border Targeting functions will be supported by focused leadership and strategic capability development to ensure that each evolve in their own right, but in full alignment with one another.

A single set of design objectives will frame the transformation of intelligence and targeting, and help position these functions to both enable, and leverage, emerging approaches including within the cargo reporting and maritime identification domains.



2.2 Design Principles for Intelligence

Establishment of top-level design principles will guide redevelopment of Customs highly diversified intelligence activities into a unified national program with clearly articulated objectives.

Design Principles for Intelligence	
Clarity of Function	
	Establishment of a single mission focus and set of agreed objectives, and communication of these across the Customs enterprise
Unity of Purpose	
	Development of approaches that allow multiple geographies to work closely and consistently to nationally agreed objectives
Strategic Leadership	
	Formal establishment of an Intelligence and Targeting Leadership Group, comprising National Manager Intelligence, National Manager Border Targeting, regional intelligence and targeting seniors and Director BPC Intelligence, that caucuses via VTC on a regular basis.
	Establishment of effective governance, priority setting, and performance measurement mechanisms at both national level and in each geography
Program Management	
	Establishment of tighter centralised direction and coordination, while encouraging decentralised execution
	Networking of intelligence capability across geographies, with functional centres of excellence established where they make most sense
	Establishment of organisational units across Australia that remain highly responsive to their host regions but are recognised as components of the National Program
	Development of sufficient visibility of resource allocation across the nation to facilitate synchronisation of effort and allow agile responses to emerging issues
Customer Focus	
	Establishment of an Intelligence Customer's Forum and product evaluation processes
	Establishment of customer-centric work programs
Targeted Collection and Liaison	
	Establishment of means and channels for proactive and timely liaison with foreign organisations
	Establishment of targeted liaison plans for partner agencies
	Continual assessment of liaison performance and return on investment
Centralised Capability Development	
	Coordination of Staff Development, including Training and Tradecraft development
	Coordination of Business Process Development to ensure consistency and interoperability between Customs Intel, BPC Intel, and Border Targeting capabilities
	Coordination of Technical Infrastructure Acquisition and implementation, and centralised business ownership

2.3 Design Principles for Border Targeting

The top-level design principles for border targeting aim to bring clarity and consistency to targeting functions across the nation, and improve confidence in targeting decisions.

Design Principles for Border Targeting	
Clarity in Processes	
Establishment and communication of processes that are clear to both Customs and industry	
Consistency in Application	
Establishment of standard processes that deliver consistency in the application of border targeting procedures, to present a unified face to industry and greater certainty to Customs in applying targeting methodologies	
Confidence in Decisions	
Development of models that facilitate propagation of good practice and the emergence of community, industry, and other stakeholders' confidence in Customs decisions on operational interventions.	

2.4 Overall Structure and Resourcing

Intelligence and targeting activities are being reframed as a national program, with strategic leadership in Canberra and execution elements in multiple geographies.

The Intelligence and Border Targeting functions will be redeveloped with their own functional identities. A dedicated Customs intelligence function will effectively harness the intelligence cycle to produce, exchange and disseminate timely and relevant strategic, operational and tactical intelligence in support of the Customs mission. A dedicated Border Targeting function will integrate profiling and targeting across all streams and border penetration vectors to provide better support to operational interventions.

National management processes will be articulated across all intelligence elements. An Intelligence and Targeting Leadership Group, comprising senior executives in Central office and the regions, will establish a capacity to identify and reallocate intelligence and targeting resources as necessary to achieve best utilisation and address emerging challenges. Good practice should be rapidly identified and propagated across all geographies as appropriate.

Intelligence activities in the regional units have naturally focused on regional issues but this has tended to build organisational silos that are difficult to synchronise. Under these new arrangements interactions between organisational elements across the nation will rely on institutional rather than individual relationships.

No immediate resourcing changes to the overall budget for the program are planned, although there will be some redistribution of functions and staff. Further analysis must be undertaken once new processes and structures bed down.

2.5 Redesigning Intelligence

Proposed Mission of the National Intelligence Program

To support Customs in achieving its strategic outcomes by providing timely, relevant and comprehensive intelligence products and information support to Customs decision-makers and partner agencies

An effective Intelligence capability should provide Customs with sufficient insight into its operating environment to support the whole continuum of decision-making – from policy development and resource planning, to decisions on future operational strategies and support to specific operational interventions.

Customs will benefit from a more customer-focused intelligence activity that drives valuable intelligence products into its client base. Going forward, the intelligence capability will also unify its mission objectives, remove structural fragmentation, strengthen core processes, reduce high staffing turbulence and improve technical support.

2.6 Redesigning Targeting


Proposed Mission of the Border Targeting Program

To focus Customs' interventions on those activities that pose a high risk to the integrity of Australia's national security, community protection and revenue collection measures at the border

Both Customs and industry will benefit from greater clarity, consistency and confidence in the targeting process. Dedicated leadership in the border targeting domain will enable Customs to synchronise its diverse resources to direct highly focused interventions at targeted risks, while minimising impacts on legitimate movements and activities.

2.7 Coordinating Capability Development

Development of Customs business processes and systems in the Intelligence and Targeting domain is increasingly complex, requiring management of many internal and external programmatic interdependencies. A rigorous approach to the acquisition of new technologies, and the management of internal projects, will ensure Customs achieves value for money and can effectively integrate new and innovative concepts.



The centralised Strategic Development element will relieve the regions of the burden of managing multiple development efforts and will provide a single point of coordination for Intelligence and Targeting professional development, business process development and documentation, and technical infrastructure development.

3 Implementation

3.1 General Approach

The new program structure for intelligence and targeting accords with broader organisational changes announced by the CEO in December 2006.

The final form of the program, and the further development of capabilities therein, will be shaped by the implementation work streams described in this section. These work streams take account of the analysis and consultations conducted during the Review of Intelligence Operations.

3.2 Structure and Staffing

Interim structures are being finalised by the Intelligence and Targeting executive.

During the transition period to July 2007 no changes to overall staffing levels are envisaged. However, some redistribution of staff will be necessary to strengthen targeting strategy development and establish the strategic development function.

A review of outposted positions is foreshadowed. This will likely result in drawback of some of these staff, at least temporarily, to support strengthening of core intelligence capabilities.

3.3 Governance and Accountability

Revised governance arrangements for the Intelligence and Targeting function cannot be finalised until new organisational structures beyond this program have been established. It is envisaged that a new process for determination of the intelligence requirements of clients and stakeholders will be established early in 2007. This will provide a means by which standing and ad hoc requirements will be identified, and relative priorities can be established. Arrangements will be put in place to ensure clients of intelligence participate in the determination of priorities and the flexing of intelligence effort to meet unexpected operational needs. Consultative arrangements will also be established to ensure the feedback loop between intelligence, targeting, operational interventions, compliance and investigations operates effectively.

3.4 Implementation Work Streams

Implementation of the new operating model for Intelligence and Targeting encompasses change in people management, processes and systems dimensions. The implementation projects that will give effect to these changes have been constructed as a set of interdependent work streams to ensure alignment between activities but enable flexibility in resourcing and delivery.

3.4.1 *Intelligence Transformation Work Streams*

These work streams address key issues identified during the Review, and leverage the strengths of existing intelligence capabilities, to build a more responsive and agile intelligence capability focused on Customs' needs. The work streams focus on building and bedding down core intelligence processes and growing a more robust intelligence analysis and production capability focused on providing decision-makers with a deeper understanding of Customs' operating environment.

3.4.2 *Targeting Transformation Work Streams*

These work streams build a capacity to move beyond traditional stream-based approaches to targeting to apply effects-based techniques to identify entities of interest, direct interventions, and disrupt more sophisticated threats to the integrity of the border. These work streams bring further business focus to the process of refining systems and processes in the targeting domain and will scope the building of a new laboratory environment to assist testing and evaluation of profiles.

3.4.3 *Strategic Development Work Streams*

These work streams address those business management and capability development issues germane to both the intelligence and targeting domains. They focus on establishing a regime for performance measurement and continuous improvement, on the development of intelligence and targeting tradecraft, on establishing a career model that builds intelligence professionals, and on encouraging improvements to relevant components of Customs technical infrastructure both within and beyond the program.

Implementation Work Streams

Intelligence Transformation Work Streams	Targeting Transformation Work Streams	Strategic Development Work Streams
Stakeholder Engagement and establishment of Intel Priorities	National Targeting Strategies	Performance Evaluation
Core Intelligence Processes	Targeting Systems and Processes	Tradecraft development (Mentoring, training, skills)
Active Collection	Targeting Operations	Intelligence Career Model
Inter-agency Liaison	Target Development Analytics	Technical Infrastructure
National Analysis and Production Work Program	National Profiling Laboratory	
Operational Support		
Maritime Domain Awareness Integration		
Dissemination & Product Access		
Knowledge Base Enhancement		

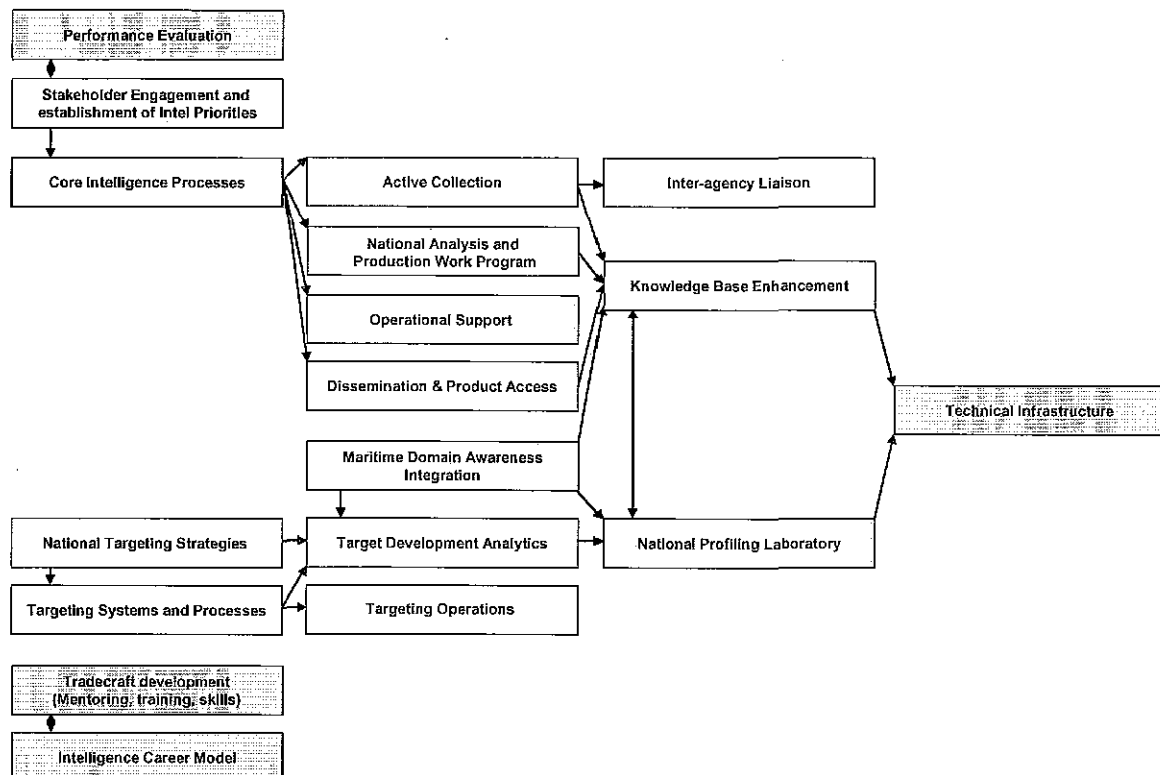
More detailed descriptions of each of the work streams are appended to this report:

- Annex A : Intelligence Transformation Work Streams
- Annex B : Targeting Transformation Work Streams
- Annex C : Capability Development Work Streams

3.5 Sequencing and Dependencies

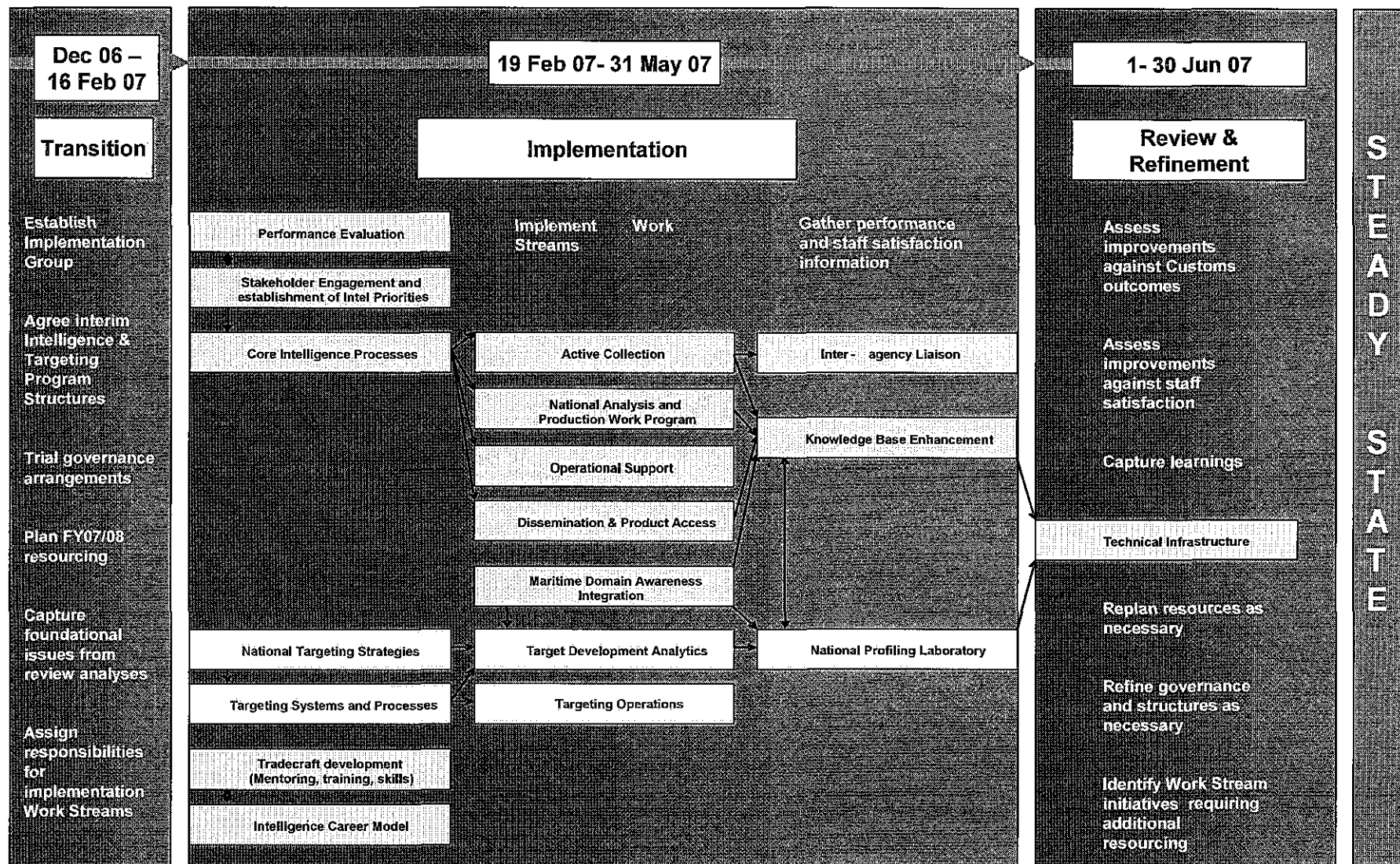
Loose dependencies exist between various work streams. However, these are not so rigid as to preclude reordering of work streams dependent on resource availability and external initiatives. Proposed sequencing allows the progressive building of corporate understanding around the issues under analysis.

Principal Dependencies Between Workstreams



3.6 Outline Implementation Roadmap

An outline Implementation Roadmap is illustrated overleaf. The Roadmap envisages three phases of implementation activity, with the objective of reaching steady state operations by July 2007.



In the implementation Roadmap, early priority is accorded to those people, process and systems dimensions that are impacting performance against Customs outcomes, reducing internal client satisfaction, or undermining staff morale. Initial work streams focus on:

- establishing an appropriate regime of performance evaluation and associated metrics
- engaging stakeholders in a rigorous way to formally define their requirements for intelligence support
- commencing the progressive refinement and documentation of core intelligence processes
- commencing the integration of targeting methodologies across structured streams, other border penetration vectors and geographies
- intensifying efforts to improve targeting information resources, systems and processes
- establishing tradecraft development strategies for intelligence and targeting staff that encompass mentoring programs, identification and propagation of best practice, targeting training and skills development
- developing a career model that fosters the development of intelligence professionals

3.7 Measuring Success

Success in this transformation program will be measured by:

- the degree of change effected in each of the three dimensions of Intelligence, Border Targeting and Strategic Development with reference to the overall Design Objectives of the program
- the impacts on achievement of Customs outcomes (measures to be defined in the Performance Evaluation work stream)
- the degree of staff engagement and satisfaction achieved during the process

Annex A : Intelligence Transformation Work Streams

Intelligence Transformation	
Work Stream IWS 1	Stakeholder Engagement and Establishment of Intelligence Priorities

Key Issues

Governance

There is a need for new governance models that operate effectively at both Central Office and regional level. Previous governance models have met with varying degrees of success. The model must be supported by processes that visualise choices and allow rapid decision-making (eg dashboards), and do not create significant additional overheads for decision-makers.

Building Awareness

An Intelligence Awareness program will be a key tool in educating both senior decision-makers and frontline Customs staff about the capabilities and limitations of Customs intelligence. An initial "roadshow" accompanied by information resources that describe how clients can engage with, and seek support from, Customs intelligence will be helpful.

Engagement Strategies

It is important that clients resume their place at the centre of the intelligence cycle within Customs. A Client Strategies element should be established within the National Intelligence Program to build engagement strategies with all internal and external clients and embed processes that encourage close interaction between intelligence and its stakeholders. An Intelligence Customer Forum should be established to perform an advisory role for intelligence management and conduct an annual review of the quality of service.

Intelligence Requirements and Prioritisation

A rigorous approach to defining the intelligence needs of clients will be an important first step in building a closer level of engagement and establishing mutual confidence. The national intelligence priorities model provides some useful examples of good practice in this regard. A series of stakeholder workshops early in 2007 will allow the articulation of an agreed set of intelligence priorities that will drive standing intelligence production within Customs. Additional processes for the identification of more ephemeral, ad hoc, requirements will be factored into new governance and operational support arrangements.

Expected Outcomes

Effective governance arrangements

Better vertical and horizontal interfaces

Better client awareness of the role, capabilities and limitations of intelligence, and achievement of client focus among intelligence staff

Processes for gathering both enduring and ephemeral intelligence requirements, and prioritising these, to inform construction of both standing and ad-hoc elements of the analytical work program.

Intelligence Transformation	
Work Stream IWS 2	Core Intelligence Processes

Key Issues

Improve Processes across the Intelligence Cycle

Overall, operating concepts and standing procedures in the intelligence and targeting domain could be more comprehensively documented. A lack of well established and maintained doctrine in these domains will render it difficult to achieve consistency across the regions, and interoperability with external partners.

Effort must be directed at rebuilding, documenting, propagating and maintaining robust and nationally consistent synchronised intelligence business processes across all phases of the intelligence cycle.

There will be particular benefit in bringing national consistency to the management of requirements (both through standing priorities and ad hoc Requests for Information) so that the load on collectors and partner agencies can be monitored, and the staging of intelligence requirements through the analysis and production process to dissemination and on to the client can be made visible.

This program will be closely mentored and evaluated to ensure it maintains momentum and delivers practical solutions.

Improve overall Direction and Coordination

The Intelligence Direction and Coordination function ensures intelligence activities are conducted in accordance with an agreed framework against agreed customer requirements. It measures the performance of the organisation and balances resource requirements against priorities. Care must be exercised to ensure that attention to the governance, synchronisation and evaluation activity associated with a well functioning Direction and Coordination process is no longer subsumed by day to day operational imperatives.

Expected Outcomes

Fully documented operating concepts and procedures

Establishment of nationally synchronised processes across all phases the intelligence cycle, and visibility of allocation of effort

Balanced effort across all phases of the intelligence cycle, with renewed emphasis on the Direction and Coordination phase of activity

Intelligence Transformation**Work Stream IWS 3 Active Collection****Key Issues****Drive Collection and Expand External Sources**

In the Collection domain, Customs has taken a largely passive role and would now benefit from proactively planning collection, actively seeking feedback from operational areas, and assertively managing liaison relationships in Customs interest. Customs collection capabilities are constrained by limited access to covert collection resources normally available to law enforcement agencies, including access to telephone intercepts, and use of listening devices and human sources. These issues should remain under review.

Given its limited mandate and finite resources, Customs will benefit from leveraging the intelligence collection resources of its peer agencies to the maximum extent possible. A more rigorous approach to collection planning will be established, with customs intelligence requirements being identified formally to peer agencies and to national intelligence collectors (such as the Defence Signals Directorate) as appropriate. There will be also benefit in taking a more assertive and structured approach to coordination of information requests with international partners.

There is a need to critically review those intelligence collection and liaison activities that Customs has traditionally conducted appropriately resourcing those considered to be delivering tangible benefit and reconsidering the cost/benefit of the others.

Expected Outcomes

Expanded collection relationships with information sources and collection agencies

Proactive management of overseas intelligence liaison

Focused and well-defined collection activity, with Customs RFIs becoming known for their rigour

Targeted resourcing of collection, based on utility and performance

Intelligence Transformation	
Work Stream IWS 4	Inter-Agency Liaison

Key Issues

Customs intelligence maintains a large number of external relationships with partner organisations at both Commonwealth and State level. These relationships are pursued by Customs for a number of reasons and often encompass policy and operational dimensions as well as intelligence and information sharing. Going forward there is a need to bring further focus to the intelligence sharing aspects of these relationships, for example by comparing analytical work programs and developing a broader range of joint approaches to shared problems, where it makes sense to do so. Relationships with key national agencies should be managed at an appropriate level, and in accordance with a relationship management plan agreed by Customs executives.

Relationships with key State agencies such as State police forces should be reviewed to ensure that key Customs intelligence relationships are being managed at the appropriate levels in these organisations, to ensure policy mandates are in place to facilitate more operational-level liaison.

Review of Return on Investment in Liaison

There will be value in reviewing the return on investment that Customs achieves from its large number of outposted / liaison staff. There are clear benefits in building relationships through these arrangements but Customs must balance these benefits with the importance of retaining core capabilities within the intelligence cadre. There may be value in reducing the required level of experience associated with some of these positions to allow senior experienced staff to remain available to guide core intelligence functions, while appropriately skilled but more junior staff gain exposure in liaison roles.

Expected Outcomes

Targeted liaison activities, conducted according to a relationship management plan agreed by Customs law enforcement engagement policy staff.

A clearly identified network of Customs principal points of contact in all key agencies

Regular review of liaison and outposted positions to ensure Customs is gaining worthwhile return on investment

Intelligence Transformation**Work Stream IWS 5****National Analysis and Production Work Program****Key Issues**

The intelligence analysis function converts information and data into knowledge and understanding. It seeks to produce intelligence advice that provides decision-makers with sufficient understanding of their current and future operating environment to make effective decisions.

Leverage and Synchronisation of Combined Expertise

Customs intelligence analysis activities have traditionally operated in silos, with significant subject matter expertise and specialised skills existing in various regions, but being largely invisible across the nation.

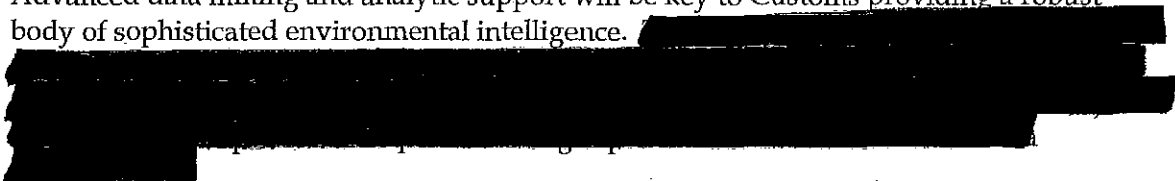
Customs has also had difficulty managing the overall balance between production of strategic and environmental intelligence, production of current intelligence and management of support to operations, and provision of rapid intelligence advice to operational areas on a transactional basis. Today, there is no nationally synchronised Analysis & Production work program, based on customer's agreed intelligence requirements, that provides both Intelligence and its customers with a degree of certainty around outputs of intelligence activity.

Development of a unified national work program for strategic and environmental intelligence will allow all geographies, and all analysts, to participate in a synchronised manner. This will require the development of new means of cross-region and cross-agency analytical collaboration, construction of basic intelligence databases, and a simplified standard product line including national assessments and regional assessments, special assessments and a continuum of regular more operationally-focused products.

This approach will introduce a greater degree of flexibility for both intelligence analysts and managers. Over time there may be value in establishing several Analysis and Production Centres that manage the bulk of the longer term, more strategic and environmentally focused intelligence, leaving regions to concentrate on providing analytical support to shorter term, or locally focused activities. Functional centres of excellence could be established where they make sense – for example a Smallcraft Analysis Centre might best be placed in the north-east of the country or split across north-eastern and western Australia.

Data Mining and Analytic Support

Advanced data mining and analytic support will be key to Customs providing a robust body of sophisticated environmental intelligence.

**Expected Outcomes**

National Analysis & Production Work Program

Strategy for development of Data Mining and Analytic Support capabilities

Intelligence Transformation	
Work Stream IWS 6	Operational Support

Key Issues

Shift toward an “operational” culture

Implementation of this transformation program will encourage Customs Intelligence to evolve a culture that has an operational rather than administrative focus. Part of this shift will involve Customs Intelligence propagating the good practice that exists in the Passengers environment, in which close support is provided to operational clients, into other operating environments.

Provision of timely intelligence, and stimulation of broader initiatives to improve the flow of operationally relevant information to frontline staff, will assist in building shared situational awareness among operational staff. As Customs approaches to management of formal operations matures, it is likely that demands for intelligence-based planning materials and briefing support will grow.

Quality of Support to Operational Interventions

Customs Intelligence will develop a closer client service orientation. More timely access to environmental intelligence will assist compliance staff in making operations, just as closer access to intelligence analytical support should improve the efficiency and effectiveness of investigations. As intelligence support to operational activities grows, frontline staff and managers will be in a position to consider live operational information against a background of structured intelligence on trends, normalcy patterns, and methods of concealment when making intervention decisions.

In particular, there are significant opportunities to improve intelligence support to the examination processes at the CEFs. CEF managers and staff have historically had limited access to structured intelligence to support more complex or threshold examination decisions, especially with regard to known methods of concealment. Provision of dedicated Intelligence support to the CEFs will allow better support to managers making examination decisions, and will allow for verbal briefings to examinations staff when undertaking high priority examinations.

There may be benefit in rebadging the information officer function carried out in some regions as an intelligence liaison function with the dual roles of providing transactional intelligence and information services, and gathering more ephemeral intelligence requirements to feed into the ad hoc component of the analytical work program.

Expected Outcomes

Improved processes for assigning analytical resources in support of Investigations and Compliance

Enhanced direct support to the CEFs

Formalised feedback loops between operational and intelligence areas to support flexing of intelligence support as necessary

Intelligence Transformation**Work Stream IWS 7****Maritime Domain Awareness Integration****Key Issues**

The Australian Maritime Identification System (AMIS) is under development by Border Protection Command. This new capability will assist Customs and partner agencies to develop and maintain situational awareness in the maritime domain, up to 1000NM from Australia's shores.

[REDACTED]

AMIS outputs represent a significant new resource for Customs intelligence and appropriate linkages should be built between Customs Intelligence and Targeting functions, Border Protection Command Intelligence Centre, and the AMIS capability.

Expected Outcomes

Engagement plan linking Customs Intelligence and Targeting program elements with Border Protection Command Intelligence Centre

Technical and business infrastructure linkages (eg appropriate levels of security access) enabling Customs intelligence staff to receive the products of the BPCIC and AMIS capabilities

Intelligence Transformation	
Work Stream IWS 8	Dissemination & Product Access

Key Elements

To best serve decision makers, intelligence dissemination should be an active and proactive activity rather than a passive administrative function. Intelligence dissemination should not be assumed to have occurred once a report has been published, emailed or archived. The tailoring of intelligence products and services to clients is what distinguishes good dissemination practice in the intelligence domain.

Push and Pull Dissemination

Intelligence of near term policy and operational significance must be “pushed” to relevant decision-makers. In many cases the most effective means of achieving this push is via verbal briefings that allow the decision maker to interact with the information through the analyst, and the briefer to ensure the delivery and comprehension of the message. Customs will benefit from a program of briefing techniques training as part of its evolving intelligence tradecraft.

The IntelFind initiative should be supported and further developed, leveraging the good practice evident in the intelligence agency websites within the Australian intelligence Community. Explorations of additional channels for improving the penetration and reach of intelligence product among customers should occur.

Expected Outcomes

Dissemination will be actively managed to ensure that clients receive the information they have requested, and information on developments they should be informed about

Increased use of regular verbal briefings will improve the communication of intelligence, build the professional competencies of intelligence staff, and raise awareness and understanding of the function

Broadly accessible Intelligence product libraries will allow ready “pull” access to finished intelligence and will support both structured and unstructured queries

Intelligence Transformation	
Work Stream IWS 9	Knowledge Base Enhancement

Key Issues

Management of Customs Intelligence Knowledge Base

Customs approach to information management is still evolving. As Customs intelligence begins to produce a broader and deeper range of finished intelligence products there will be a need to ensure these are appropriately embedded in a knowledge management framework. Going forward, all finished intelligence should be tagged with the metadata necessary to ensure it can be readily retrieved in response to a range of structured and unstructured queries.

The approach to management of entity-related information requires refresh. The National Intelligence System underlying database, search engines and reporting systems will be reviewed to identify possibilities for upgrade or replacement under the Technical infrastructure Work Stream. In this process it would be useful if a solution can be purchased that would allow the seamless transfer of information between Intelligence and Investigations. Adoption of a single integrated Intelligence and Case Management platform would be advantageous.

Construction of Basic Intelligence Holdings on the Operating Environment.

Customs manages extremely large data sets in both live and historical domains. This data provides a rich information resource for Customs Intelligence and Targeting purposes. It is from this data that Customs Intelligence will be able to develop the environmental intelligence that enables decision-makers to draw insight. Environmental intelligence will prove particularly beneficial to targeting customers who are attempting to build deeper and more sophisticated profiling capabilities.

Ramping up production of environmental intelligence, over and above the intelligence products sought under existing arrangements with Compliance staff, will require development of a knowledge management strategy that controls capture of value-added environmental intelligence products in such a way that cumulative understanding of the environment can be achieved. This may require construction of new "views" of Customs data holdings, and the possibility of additional metadata tagging for some classes of information.

Expected Outcomes

Knowledge Management Strategy for intelligence data and finished intelligence products

Strategy for constructing "views" of Customs data holdings that support production of environmental intelligence

Annex B : Targeting Transformation Work Streams

Targeting Transformation	
Work Stream TWS 1	National Targeting Strategies

Key Issues

In the previous Customs structure, targeting activities were dispersed across multiple organisational silos, leading to a degree of stove-piping in approaches to targeting and challenges in developing cross-stream strategies. Given that sophisticated criminal adversaries are likely to be agile across streams a reformed Targeting Branch will allow Customs the capacity to achieve similar agility in response.

To take full advantage of this new organisational flexibility a national targeting strategy will be required which clearly maps Customs national priorities to individual targeting objectives. This strategy will coordinate targeting both across the regions and also between the different import and export streams.

The aim of this work stream is to develop national targeting strategies and to steward their implementation.

This strategy would clearly link targeting priorities and resources to the broader Customs Strategic Priorities, which themselves are derived from whole-of-government national security and law enforcement directives. The strategy would capitalise on the recent restructuring of the Intelligence and Targeting Program.

The strategy would include:

- › The assignment of responsibility for targeting within Customs.
- › The identification of key stakeholders in the border targeting process, both within and outside Customs.
- › Measures for the coordination of targeting activities across streams.
- › Measures for the coordination of targeting activities across regions.
- › Requirements for the production of intelligence to support the targeting function.
- › A description of the manner in which other Customs activities, such as Compliance, support and enable the targeting function.
- › A range of performance metrics against which targeting activities are to be measured and a strategy for continuous improvement.
- › The identification of business process owners for all systems used to support Customs targeting.

Expected Outcomes

Establishment of National Targeting Strategies

Targeting Transformation**Work Stream TWS 2****Targeting Systems and Processes****Key Issues**

In the information rich streams such as passengers, and most particularly cargo, the use of automated systems is critical in identifying high risk movements and transactions.

Expand the capabilities of the current targeting systems. ICS CRA is a powerful tool, but one which is relatively opaque to Customs staff. CRA profiling tools will need further tuning and exploration to maximise their efficiency and effectiveness, and as such systems become more powerful it will be increasingly important to deeply understand their capabilities.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Minimise latency and maximise coverage during passenger pre-screening. Screening of incoming passengers prior to their arrival allows timely and considered interventions to be undertaken, and facilitates fast through-put of legitimate travellers. Given the limited time available to screen large numbers of concurrent passengers these processes need to be efficient and highly automated. To enable more effective and efficient targeting in the passengers stream, a work review of passenger targeting should be undertaken. This study would identify, and where feasible automate, as much of the initial screening activity as possible. This would free evaluator resources to then manually assess those passengers identified as posing a potential border threat.

Expected Outcomes

Acceleration of current CRA development and tuning initiatives

Positioning of the targeting function to implement the Alternative Cargo Reporting project

Normalisation of the FRAM capability

Maximisation of coverage during passenger pre-screening

Targeting Transformation	
Work Stream TWS 3	Targeting Operations

Key Elements

The aim of this work stream is to improve the processes by which targeting referrals are produced and results from the matching engines are assessed and actioned.

Quality of base data

The majority of initial targeting decisions in the cargo and passengers streams are made on the basis of information supplied by industry. It will be important to continue to improve the quality of information upon which targeting decisions are made. Further awareness and compliance programs that assist industry to understand the importance of this information may be required.

Availability of timely intelligence to targeting staff

In all streams, environmental intelligence will become increasingly important to detection of departures from normalcy baselines. Better access to intelligence will allow match evaluators and other targeting staff to make referral decisions with a greater degree of confidence. The specific intelligence requirements of targeting staff should be formally identified.

Quality of operational feedback in the targeting process.

Processes to ensure timely and comprehensive feedback flows between targeting and operational staff will be established to enable measurement and improvement of the targeting process.

Documentation and consistency of the match evaluation function.

Match evaluation processes, including for cold selection, need to be nationally consistent and based upon agreed and documented principles. Information and intelligence on a consignment should accumulate during the entire evaluation process, culminating in the intervention action.

Expected Outcomes

Nationally consistent set of match evaluation processes and protocols.

Comprehensive documentation

Formalised, consistent and timely processes by which feedback is provided on the outcome of targeting operations, successful or otherwise.

Development of a 'targeting portal' that will enable evaluators and other targeting staff with consolidated access to timely intelligence and information, including that from other agencies.

A cooperative program with Compliance and industry to improve the quality of data being provided to ICS.

Accumulation of information and intelligence gathered during the evaluation process into a unified data set that provides an 'information rich' environment for the intervention process.

Targeting Transformation	
Work Stream TWS 4	Target Development Analytics

Key Elements

The aim of this work stream is to improve the quality of the target development and profiling undertaken by Customs. The development of improved profiling measures will allow more effective use to be made of limited intervention resources. Going forward profiles should be clearly traceable back to the intelligence that generated them, be monitored for effectiveness and currency, be prioritised, and become progressively more sophisticated as systems develop.

Profiling should be a proactive process exploiting good environmental intelligence to identify high risk cargo and passengers from amongst a vast stream of transactions and movements. Good profiling will identify high risk activities for further assessment and facilitate the efficient flow of legitimate traffic. The development of better profiles and profiling methods will be very reliant upon the quality of intelligence able to be provided. Intelligence will trigger the generation of new profiles and allow them to be appropriately framed within an understood normalcy baseline. Accordingly, the successful outcome of this work stream will be heavily dependant upon the results obtained in the intelligence streams.

Under another work stream Customs will be developing a coherent National Targeting Strategy to proactively guide the development of profiles and alerts, and provide a consistent methodology to assess the relative risk posed by disparate border threats. Exploiting this flexibility, opportunity now exists to improve the manner in which profiles are developed and maintained.

Staff responsible for developing profiles do so based upon their own personal understanding of how the systems function. This understanding would be enhanced by more extensive training and improved documentary guidance.

Establishment of a developmental laboratory would enable profile experimentation and simulation of end to end processes without impacting the live production environment. Feedback is also critical to assessing the effectiveness of the profiling process and determining intelligence gaps. A formal process should be established to record and assess the results of every profile to enable a regular, proactive and informed profile maintenance routine to be established.

Improvements in the target development and profiling will allow better articulation of the National Targeting Strategy, and exploit concurrent improvements in the targeting systems.

Expected Outcomes

More sophisticated and deep profiling

Establishment of target development analytics that support development of more agile targeting approaches, especially against more sophisticated threats

Targeting Transformation	
Work Stream TWS 5	National Profiling Laboratory

Key Issues

A National Profiling Laboratory would support quality profiling by providing an environment where new profiles, and profiling concepts, can be developed and tested.

In a complex system such as ICS, the effectiveness of profiling is dependant in part in the ability to test new profiles prior to their activation. The aim of this testing is to ensure the profiles function as desired, and do not produce unintended consequences which might impact upon the flow of cargo. The success and efficiency of such testing is dependant upon the availability of an appropriate test environment.

Development of a National Profiling Laboratory would support quality profiling by providing an environment where new profiles, and profiling concepts, can be developed and tested. The profiling laboratory could feature:

- › The ability to simulate the risk assessment and matching engines in use in the cargo stream in a safe environment where testing can be undertaken without jeopardising the running system.
- › It would utilise bodies of historical and test data to support the testing and development of new profiles and profiling concepts under varying simulated real world conditions. New test data sets should be able to be created as required to further explore complex queries.
- › Another outcome of the Laboratory would be the development of a cadre of profiling staff with a deep expertise in the profiling tools to mentor others and interface with IT staff as expert users.

Expected Outcomes

Closer performance evaluation of profiles

Analysis of profile behaviour prior to release on live data

Profile experimentation and refinement, leading to improved success rates

Exploration of profiling good practice across streams

Annex C : Strategic Development Work Streams

Strategic Development	
Work Stream DWS 1	Performance Evaluation

Key Issues

Regular performance evaluation will feature strongly in the new structure. The definition of performance metrics in both the Intelligence and Targeting domains will enable the consistent evaluation of processes and initiatives.

It will be important to identify measures that are both qualitative and quantitative, and that can be collected in a practical manner. There are arguments for making a subset of targeting metrics available to industry to provide visibility into the efficiency of trade and passenger facilitation.

Improved performance reporting will managers in allocating resources and in ensuring alignment of business improvement efforts going forward.

Overall intelligence performance can be judged on the basis of quality, responsiveness and efficiency. Performance measures for intelligence must include measures of inputs, processes and outcomes. Examples may include:

- › FTE used versus planned
- › Numbers of RFIs received, and satisfied within client timeliness requirements
- › Numbers of Products produced against Plan
- › Timeliness of products
- › Relevance of products
- › Accuracy of products
- › Comprehensiveness of products

Overall targeting performance will similarly include input, process and outcome measures, and may include:

- › Volume of "events" (eg transactions/movements) analysed
- › Efficiency and effectiveness of profiling
- › Timeliness of targeting decision-making (eg match evaluation for cargo)
- › Impact on overall detection strike rate

Expected Outcomes

Agreed regime of performance metrics and evaluation strategies in both Intelligence and targeting domains

Strategic Development	
Work Stream DWS 2	Tradecraft Development

Key Issues

Attention to development of unique Customs tradecraft in intelligence and targeting will be key to professional development of staff and future operational effectiveness.

Training

Customs training in the intelligence domain is well-regarded by staff. It appears to be well constructed and is readily accessible. It is biased, however, toward preparation of analyst staff and could be expanded to provide training in the additional disciplines necessary to achieve balance across the other phases of the intelligence cycle, including the development of client strategies and proactive approaches to collection.

Training packages to support targeting are in development and should be reviewed to ensure they address the new organisational model. Early release of training in profile generation, and in match evaluation, will address a priority need.

Experiential Opportunities

Customs intelligence already participates in several professional development programs initiated by partner agencies, including the AFP Leadership in Criminal Intelligence Program. There would be value in exploring broader opportunities for Customs Intelligence staff to gain experience of tradecraft as it is applied in other organisations – for example short term reciprocal secondments to the Customs / Border Protection administrations of cooperating nations could be extremely valuable and would provide additional incentive to staff.

Sharing of Good Practice

Good tradecraft evolves most effectively in organisations in which good practice is rigorously identified and routinely shared. Going forward, there will be greater interaction among intelligence and targeting staff across the nation, and more opportunities to share good practice around specific challenges and sets of expertise. There would be value in establishing communities of interest around particular elements of tradecraft and capturing and communicating lessons learned from operational activities.

Expected Outcomes

Expanded training calendar, to include packages dealing with management of intelligence processes in all phases of the intelligence cycle, and all phases of the targeting cycle

Strategy for developing new experiential opportunities for intelligence and targeting staff

Annual cycle of Tradecraft Forums that bring together specialist expertise to enable the sharing and propagation of good practice

Strategic Development**Work Stream DWS 3****Intelligence Career Model****Key Issues**

In many organisations that incorporate intelligence capabilities, establishment of an Intelligence Career Model to grow intelligence professionalism has emerged as best practice. Customs intelligence requires staff who are well versed in both intelligence skills and in the complex practices and operations of Customs itself in order to provide focused support to decision-makers. The time it takes to develop professional mastery in this field argues for establishment of a career model that attracts high-performing staff and values tenure.

Recruiting

Analysis of staffing profiles indicates that, on average, Customs officers join Intelligence late in their career and have limited tenure. In addition to existing programs for graduate recruitment, younger, high performing Customs staff must be encouraged to join Intelligence and Targeting and to stay within the program for longer periods.

Professional Growth and Retention

Customs has completed some good work to date in defining training needs for analytical staff. Looking forward, a professional intelligence analyst developmental framework should be established to train and grow professional staff. This framework will identify the skillsets that should be cultivated in intelligence staff. These will include:

- Communications skills
- Understanding of policy and operational context
- Understanding of stakeholders
- Planning and logical analysis skills
- Data extraction and collection skills
- Knowledge of evaluative tools and techniques
- Data organisation skills
- Understanding of analytical tools and methodologies
- Conceptual skills

As a priority, strategies must be developed to retain sufficient expertise in the function to assure “critical mass”. These strategies may involve reducing career reassignment turbulence, and increasing the attractiveness of tenure by improving the value of work undertaken.

Expected Outcomes

More effective recruitment outcomes

Growth and retention of skilled intelligence staff, including deep subject matter experts

Reduced posting/reassignment turbulence and better succession planning

Strategic Development	
Work Stream DWS 4	Technical Infrastructure

Key Elements

Improving Systems

The technical infrastructure supporting intelligence collection, analysis and dissemination comprises a mix of corporate systems, intelligence-specific systems such as NIS, and various user developed applications and external system accesses. The targeting environment accesses a similar range of systems. As Customs progressively improves its data management, processing environments, and storage search and retrieval capabilities, the quality of intelligence production will improve.

This Work Stream is identified as the final implementation activity as it will largely involve sponsoring user needs identified by intelligence and targeting staff into corporate IT development processes to seek modifications and refinements to corporate systems.

In addition, this work stream will capture and represent broader issues that impact the efficiency or effectiveness of Intelligence and Targeting but are outside their remit, such as the lack of data interoperability between Investigations and Intelligence.

In the case of those systems and projects that fall within the Program, this work stream will build the business cases for significant change, or for normalisation of user-developed applications into the corporate baseline. For example, the NIS platform in use in Customs is several iterations behind its current version and is reaching the limits of its flexibility. A Business case should be raised to replace or update this capability. This work stream will also conduct a methodical analysis of the intelligence and targeting utility of second tier systems such as INTERCEPT, and the continued utility of the various user-developed applications and associated data silos across the Intelligence and targeting domains.

Improving Information Flow

Customs today appears to rely on point to point communications, largely based around email connectivity. Relevant information is yet to be networked across the organisation as a fluid resource that can be accessed where, when and how it is needed. However, this environment will markedly improve with rollout of the "One Office" technology. Opportunities to better move structured intelligence product into frontline locations should be explored as part of this work stream.

Expected Outcomes

Improvements to the utility of corporate systems including CRE and EXAMS

Assessment of the intelligence and targeting utility of second tier systems such as INTERCEPT, and determination of future arrangements for user-developed applications in the Intelligence and targeting domains

Leverage of the untapped delivered capabilities of the Teradata warehouse

Business case for replacement or upgrade of the NIS system that enables seamless sharing of data with Investigations (compatible with Case Management systems under consideration)