

# Can intelligence always be right?

Commissioner Mick Keelty was a keynote speaker at the 13th Annual Conference of the Australian Institute of Professional Intelligence Officers held on 19–21 October 2004 in Melbourne.

What follows is edited text of the speech given at the conference which had an overall theme of *Success involves more than luck: it requires intelligence*.



Photo by Brian Hartigan

Commissioner Mick Keelty

*Although the AFP is not part of the Australian intelligence community in the strict sense, our role makes us a large consumer and provider of intelligence and we have developed close relationships with intelligence agencies in this country throughout the past 25 years.*

These relationships have strengthened significantly over the past decade, particularly as a result of ongoing efforts to fight crime such as drug trafficking, people smuggling, sexual servitude and counter terrorism.

As we all know, the profile of intelligence and law enforcement has risen significantly in recent years, not only due to more recent events, but going back to September 11, the War on Terror, and of course the Bali and Jakarta bombings.

From an operational perspective the newfound community interest in intelligence matters, has produced for us all some mixed blessings.

On the one hand, it has led to greater resourcing and support of the AFP. But on the other hand, greater expectations of what can be delivered, as well as much greater scrutiny and accountability in relation to the performance of the intelligence community.

So, under the theme, *Can intelligence always be right?*, I'd like to explore some of the intelligence-related issues that have emerged in the 21st century environment. I'd also like to discuss some of the reforms the AFP is undertaking to strengthen our intelligence capability and make that more of a backbone of our core

investigations. I believe these reforms will take us to the forefront of intelligence-led policing internationally.

## The Nature of the Task

From an industry perspective, intelligence is expected to be accurate, timely, relevant and actionable – as you would all know. It also needs to be strategic to provide foresight and warning and tactical or responsive.

But from a community perspective, intelligence is essentially about successfully piecing together information that will prevent a repeat of tragedies like the Bali bombings; or the shipment of illegal drugs into our country and the sexual exploitation of a child.

Not only are intelligence practitioners expected to identify a crime type or group that could pose a threat in years to come, but they are also expected to provide timely warning before that group carries out an illegal activity.

## Managing Expectations

While both the intelligence and law enforcement communities want to be able to live up to the heightened expectations created by the security environment, there also needs to be a realistic understanding of the limitations of the environment in which we operate.

The number, types and sources of information available to intelligence staff are vast.

Combine this with the very real threat of disinformation, and no matter how good our people and systems are, we will never always have total foresight and accuracy. But that doesn't mean we shouldn't try.

Further complicating the issue is the fact that the environment we deal with changes so rapidly.

Crime syndicates continue to evolve in response to political and socio-economic drivers. Advances in technology and awareness of law enforcement practices and procedures, also fuel changes in methodology that can frustrate law enforcement efforts.

That is precisely why Dr Azahari is still at large. It is precisely why Russian organised crime take advantage of the internet to distribute child pornography. The person purchasing that pornography has no idea I suspect, that they are fuelling organised crime.

Just think how the use of mobile phone and internet technologies can, and are, being used in remote and secluded locations to organise and conduct serious crimes, including the Madrid and Bali bombings.

And with all of these changes has come a whole new raft of organisational responsibilities and partnerships that I think we should all be looking at.

For the AFP, we balance traditional roles of border protection, investigations into drug trafficking, people smuggling, money laundering and community policing in the ACT, with newer roles. These include counter terrorism, aviation security, high-tech crime, sexual servitude and sex offences, and more recently that of monitoring the overseas travel movements of registered child sex offenders.

Agencies whose role is to advise the Government and relevant authorities that events such as terrorism are going to occur, have a complex and onerous task and we should never, ever, underestimate the difficulties involved.

I think that we are very good at 20-20 hindsight in this country, particularly in the media, but prediction is a much more difficult task.

And prediction is the key word. Intelligence is not an exact science. It rarely, if ever provides certainty, at best only ever 'assessing the likelihood' of an event occurring.

A great example of that is just before the bombing of the Australian Embassy in Jakarta we understood through intelligence that there was a planned second bombing of the Marriott Hotel in Jakarta. Indeed on the day the bombing was to occur, which was the Friday afternoon, there was to be an Australian Embassy function hosted at the Marriott. The function was moved from the Marriott back down to the embassy. Clearly we were of the view that the terrorists misplaced their focus and energy from one place to another and in my personal view, that is one of the reasons why in one sense the Jakarta bombing was committed in the way it was, by a vehicle going past the embassy. They had the bomb all ready to go and they couldn't afford to hang on to it for a great length of time. They had to do something and I think the bombing of our embassy in Jakarta was a manifestation of that.

Almost always there will be contradictory information, or a piece of the puzzle that just doesn't fit. But this isn't to say that intelligence can never be right.

It is not my intent to comment in depth on the performance of the Australian intelligence community, for whom I have enormous regard, but what I will say is that I think it is doing an excellent job in very difficult circumstances.

We hear a lot in the media about the failings of intelligence, but not so much about the successes. I've just indicated one of the classic successes. The foiled bombing at the Australian High Commission in Singapore and the recent threat on the opening of the Jakarta Centre for Law Enforcement Cooperation in Semarang are very notable exceptions [regarding media coverage], but obviously there are many other examples of intelligence successes that can't be publicised.

From an AFP perspective, there are many operational examples to suggest we are getting it right most of the time.



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For instance, our intelligence capabilities used in *Operation Logrunner* back in October 2000 resulted in the seizure of approximately 357kg of heroin in Suva – still today our largest offshore seizure of heroin.

This was a direct result of the AFP's Avian strategy, in particular the use of our intelligence-led mobile drug strike teams.

Aside from the sheer volume of narcotics seized, what was also unique about the operation was the level of cooperation with our partner law enforcement agencies. We drew together a multi-national team consisting of the AFP, the Fiji Police, the Royal Canadian Mounted Police, New Zealand Police Service, the then National Crime Authority and the United States Drug Enforcement Agency.

Not only did *Operation Avian/Logrunner* result in this large seizure, it confirmed our strategic intelligence approach to transnational crime but also confirmed their operations through the South Pacific region.

More recently, this was reconfirmed with the location and dismantling of a clandestine laboratory in Suva, which the AFP and NZPS assisted the Fiji Police to carry out. The lab contained precursors sufficient to manufacture one tonne of methamphetamine.

That job was the result of sitting down 12 months earlier and getting all the affected agencies through South East Asia and the South Pacific to sit down and recognise that we have to do something about the intelligence we are sitting on and have an appropriate targeting strategy.

The joint Bali bombing investigation with the Indonesian National Police has led to some very important advances in intelligence sharing and cooperation in the region, including information about the way terrorist groups are operating in the Asia Pacific. This intelligence is being used to help disrupt and dismantle their activities.

### AFP and Intelligence

From a law enforcement perspective, the pressures on our intelligence capabilities are two-fold.

Not only are we expected to anticipate the next move, but we also have to do something about bringing those involved to justice. This highlights one of the fundamental differences between intelligence that aims to warn and prevent and investigations, for which success is measured by successful prosecution and conviction.

This dual dilemma was one of the factors that led us to recognise that all of our intelligence collection and analysis capabilities needed to be integrated into one portfolio while still ensuring high quality links to our investigators.

Organisational linkages are critical. We can pump resources into our investigations, intelligence and policy development but if each of these aren't connecting up, then we have a series of disparate outcomes. These linkages must be right so each area in our

organisation is responsive to changes in the other.

If you think about it, if we have the intelligence right we may make decisions about the appropriate resourcing levels. And the question on everyone's mind is how many police are enough police. We have been doing a lot of work with the universities trying to measure our outcome and performance in terms of our drug operations and other activities. We can tell you with confidence that with every dollar invested in drug operations with the AFP, \$5.60 of benefit is returned to the community. For every dollar invested in fraud investigations we return a benefit to the community of \$5.10 and we currently have commissioned the University of Queensland to devise a set of performance measures for our counter-terrorism operations.

It is that level of accountability that we need to have in our policing culture that will help us determine what proportion of resources we need for intelligence and what proportion we need in terms of operations.

It is important to remember that intelligence is just one aspect of the decision making and policy development process – and I think this has been lost in the current debate – but the final decision takes into account many other factors.

While intelligence needs to be aware of policy context and direction, these must not become drivers of intelligence outcomes.

While we have always been aware of the dangers of intelligence analysts developing too close a relationship with policy makers, the problems inherent in this have been truly driven home by recent inquiries.

At the same time, I believe that relevant, actionable intelligence needs to be informed by the policy context. The trick is to ensure that analysts are sufficiently independent so that they do not write into an actual or perceived agenda of the intelligence consumer.

The other big lesson that emerged from various inquiries into the performance of intelligence agencies, both in Australia and overseas, has been the need to more effectively bring together all the pieces of the puzzle. As the 9/11 report simply put it: replacing the system of the "need to know" with a system of the "need to share".

The days of simply working with your own information are long gone and we now talk about all source intelligence fusion.

Connectivity between agencies to enable the sharing of information and intelligence, both nationally and internationally, is obviously an intrinsic part of this, and an area also receiving priority in the allocation of resources.

Additionally, the value of open source information cannot be overstated and this is one of the reasons that AFP Intelligence has developed a dedicated open source unit to directly support its strategic analysts.

From this perspective, it is extremely important to “know what we know”. You can have the most technologically-advanced databases and supporting systems, but if you don’t know that the information exists then you probably won’t go looking for it and you certainly won’t be able to factor it into the intelligence equation.

## Our Intelligence Goal

The concept of intelligence-led policing is being embraced by major law enforcement agencies worldwide. This is a model of policing predicated on the notion of preventing and detecting crime rather than simply to reacting to it.

I believe that the AFP approach to intelligence-led policing is at the cutting edge of international developments in criminal intelligence. Put simply, our approach has three essential elements.

The first aims to make all of our staff aware of the intelligence gaps the AFP needs to fill. We see all members of the AFP as intelligence collectors, so we are building processes and systems to ensure that what our people know is properly captured and available for analysis.

Secondly, is the resourcing and sustaining of a world-class analysis and production capability.

Lastly, appointing decision makers attuned to the tasking and use of intelligence, and processes that ensure intelligence is considered in all significant decisions.

It is important law enforcement managers truly believe in the intelligence process and

have a realistic appreciation of what intelligence can deliver. They must also have faith in the judgements and recommendations of their intelligence staff. We are not saying we have it totally right at the AFP. However, we are making a conscious and genuine effort to give true meaning to intelligence-led policing and to ensure that we are agile and responsive to the changing environment in which we operate.

But these words – agile, responsive and even “intelligence-led”- have been used to the point that their meanings risk becoming trite and jargonistic. The need therefore, is to actively give operational effect to these concepts.

At the end of the day, our goal is to have all significant decisions – strategic, operational or tactical – made with consideration to the available intelligence.

Importantly we have also factored in mechanisms to learn from our mistakes. If we don’t get it right, we have an in-built process to look at the lessons learned and any assumptions that could have been made differently.

The idea is to continually refine and develop our ability to deliver timely, relevant accurate intelligence.

## Reform of AFP intelligence

The recent organisational shift from a geographic to a functional model – to focus on crime types rather than location – gave us the opportunity to consolidate many of the changes and to ensure that we are best placed to develop innovative intelligence practices and products.

As part of this process, we examined what we wanted from our intelligence capability to meet 21st century needs.

We started by looking at our information flows, with a view to ensuring the information is getting to those who need it.

Then we looked at how we could better coordinate this information; and we also looked at our people and how we could attract and retain skilled and experienced staff.

## Improving Information Flows

With the blurring of distinction between national and law enforcement security issues, suddenly it seemed that everyone had a need to know.

But we didn’t want to overcompensate and potentially move from a culture of ‘information is power’ to a culture of passing the ‘hot potato’.

We had to find the right combination of what to tell, to whom and when – which is often a delicate balance to strike.

I think there has been a real rethink over the past few years about the way in which we classify and caveat intelligence to ensure that it really does get to those who not only need it, but who will also use it.

Certainly the Bali bombings had a huge impact on the culture of information sharing between law enforcement and national security



agencies. One of my staff describes it as the day the 'S' for secret became 'S' for sharing.

A key aspect to getting the balance right at the AFP has been the creation of an integrated Intelligence Portfolio. This provides us with a national oversight capability to ensure we are not duplicating effort, as well as capacity to ensure we are not expending resources on low priority tasks and, that we are all working to a common objective – of producing quality, actionable intelligence.

We see information collection management processes as a critical component of this.

The AFP has never suffered from a lack of information, in fact quite the reverse. The challenge is therefore, to continue to improve the systems and processes to record, catalogue and disseminate the information in a timely manner.



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Part of the solution involves an investment in information technology to ensure that we find the correct balance between vertical and lateral information flows. This includes finding ways to enhance our connectivity with all our stakeholders and clients.

A secondary, although equally vital, role of collection management is the threat monitoring function which provides ongoing support and timely threat identification to other functional portfolios – such as counter-terrorism, protection, international, economics and special operations.

Improved customer service to our external clients is also an area that has been subject to review.

Through our integrated information management system we provide a focal point or “front door” to promote timely responses to all intelligence-related requests.

This reduces the potential for requests to work their way from in-tray to in-tray before finally reaching the appropriate person or team responsible for responding.

The system also helps develop collection requirements that enable

us to identify our intelligence gaps and better task and coordinate our collection efforts.

An example of this is Program Axiom, a \$21.4 million undercover policing program. Axiom has a team of full and part-time, covert, personnel who provide high standards of evidence and intelligence collection. This is done across a range of investigative tasks and crime types, including high-tech crime, economic crime, money laundering, illicit drugs, counter terrorism, people smuggling and corruption.

Another key initiative working to improve information flows in intelligence is the secondment of AFP officers to the National Threat Assessment Centre at ASIO. The role of these officers includes passing relevant AFP information for inclusion in threat assessments produced by the NTAC.

Furthermore, my recent appointment as a member of the Foreign Intelligence Coordination Committee, a recommendation adopted from the Flood inquiry, is allowing the AFP to play a role in “developing and implementing a community-wide collection management strategy”.

Further afield, we are also looking at ways to improve intelligence sharing with our regional law enforcement partners.

Today, the AFP has 33 offices in 26 countries with our people engaged in a wide range of programs and initiatives with overseas colleagues, to promote greater law enforcement cooperation and information exchange.

On this note, next month the AFP's Law Enforcement Cooperation Program will sponsor the 3rd Asia Regional Heads of Criminal Intelligence Working Group (ARHCIWG) in Hong Kong.

The group will explore ways to increase and streamline regional law enforcement intelligence capabilities and develop joint strategic intelligence products.

Another important law enforcement initiative in the region is the Jakarta Operations Centre (JOC). This is an AFP team established in the wake of the Bali bombings to provide technical, investigative and analytical support to the Indonesian National Police.

The cooperative efforts of the AFP JOC team

in Indonesia and the INP have achieved significant results in locating a number of people involved directly in the bombings and those with links to Jemaah Islamiyah and its training camps throughout the region.

Looking beyond the region, our involvement in the Transnational Targeting Network is helping to develop intelligence processes and mechanisms that will target complex criminal organisations for investigation and dismantling.

We are working in the network with partners from Canada, the United States, United Kingdom and New Zealand, and sharing our expertise in this regard.

We have also just had the recent announcement that our first steps in approaching Europol and the European Union to become a full-time member of Europol has been warmly received by the European Union.

### Improved Information Coordination

I've talked a lot about getting the intelligence information flowing, so now I'd like to turn to the second part of the equation, that of turning the information into something meaningful and useful.

Our intelligence portfolio is structured to mirror the main operational activities of the AFP: counter terrorism, illicit drugs, people smuggling, transnational sexual exploitation and trafficking, high-tech crime, economic and special (financial) intelligence, protection and the International Deployment Group – which is the group involved in peacekeeping missions and deployments to the Solomon Islands, Papua New Guinea, East Timor and Cyprus.

These areas are supported by a dedicated intelligence function to help identify trends and convergences across the crime-types.

I spoke earlier about the importance of integrating intelligence into AFP decision-making processes.

To help facilitate this, our intelligence teams produce regular strategic intelligence updates for the Executive Management Board. These ensure any indications of change within the criminal environment can be readily factored into appropriate operational and policy strategies and responses.

We also currently have a joint AFP Intelligence and Information Services project underway to develop a suite of software tools to support intelligence requirements within the AFP's PROMIS – or electronic case management system.

This software will boost our capacity to “join the dots” in intelligence and identify convergences between jobs, as well as emerging trends of intelligence significance.

Significantly, this new tool is being funded out of money recovered through the Proceeds of Crime legislation.

We are also working to boost the capacity of PROMIS so that, intelligence staff will be able to readily identify whether certain indicators of a particular crime had been activated during the previous week.

This frequency analysis will enhance our ability to identify those pieces of information that, in isolation may not attract much interest, however, when viewed collectively, their significance becomes much more apparent.

A further innovation is the soon to be introduced Criminal Activity Profiling module within the database.

Initially designed for community policing, the module allows for features of a burglary – such as time of day, type of stolen goods, and use of violence – to be recorded and later searched against.

We are currently testing this module on recorded detections of drugs at the national level in the parcel post stream, in an attempt to separate and identify importations by major syndicates and those carried out by individuals for their own use.

### The People

We all know that intelligence is only ever as good as the information it is based on. However, with all the hype surrounding intelligence it can be easy to forget that it is also only as good as the intelligence officers and analysts who bring it together.

Therefore, if we are to create a truly professional intelligence stream for the AFP, it is essential that we have the capacity to attract and retain quality personnel.

But it is a highly competitive market. All intelligence agencies are looking to expand and further develop their intelligence capabilities, but the pool of trained intelligence practitioners in Australia is quite limited.

For example, the Office of National Assessment has just been given the green light to double its resources and we are looking to boost our capacity by as many as 50 people across a range of specialist functions.

As employers, we need to make sure that our organisations offer not only competitive and attractive developmental and remunerative incentives but also that our conditions of service make us employers of choice!

One of the ways we have sought to address this at the AFP is by

establishing a career development path. This gives our intelligence staff a clearly articulated career path and an ongoing training and development regime.

The development path will provide training in areas such as new analytical techniques and in information technology support tools.

We are also placing people in research positions at universities. One of the reasons is over 70 per cent of people at the AFP have either tertiary or post-graduate qualifications and to develop them further they need lateral as well as vertical development. It also gets the universities to focus on doing research of an empirical nature that is of value to us so that we can support governments in understanding the value and return for the dollars spent on policing. We need to understand the competition for the public dollar to fund education, health and other extremely important programs. We in policing have to be very accountable for every dollar that is invested in us and we will only do that when we get the intelligence right and when we allow universities to do some empirical studies on the work that we do, and the focus that we have.

At the AFP, we are also looking at ways to promote intelligence personnel through the various pay bands within specific job titles. For example, depending on the skills and expertise they have developed in the job, our intelligence analysts can progress beyond the pay group they were employed against.

We want to make sure their remuneration is always commensurate with their skills, but also provide an incentive for them to acquire new skills that will be of mutual benefit both professionally and organisationally.

We are also providing scope to promote greater mobility and interoperability for intelligence staff in other areas of the AFP, and indeed other organisations. I have already agreed with ONA to have an exchange of intelligence analysts.

This is a really important initiative, as it allows people to be constantly challenged in the workplace, while enhancing their skill base.

The organisation also benefits, because people skilled across a range of disciplines will provide greater flexibility and value-adding in human resources management, ensuring we are better positioned to achieve operational and business objectives.

On that point, for too long we've seen intelligence only inform the operational side of the house. Why wouldn't it be natural for intelligence to inform me as the CEO of the skills that we need in the organisation at the HR level, not only today but into the future. For example, examine issues such as how many Chinese speaking police will we need in the year 2010 and how are we going to get them there? The effect of China after the Olympics and the effect China will have in the next decade means that we will have to change our attitude and certain skills in our workforce to deal with something that we have really only given marginal interest to in the past.

Finally, as part of the Federal Government's election commitment to strengthen regional terrorism capability, new funding will be directed towards extra personnel and specialist analytical tools and equipment for intelligence in the region.

Importantly, \$10.5 million of funding will be allocated to developing language skills; to facilitate the timely sharing of information and broaden our understanding of regional neighbours.

You will recall that the availability of language expertise in the intelligence field was a key issue raised in the Flood Report.

The AFP has long recognised the importance of this and made it a focus of our recruitment strategies. Today, our people are fluent in 38 languages and we are building on this with a number of key language training and development initiatives both in Australia and abroad.

## Conclusion

Building and maintaining a world-class intelligence function requires significant investment.

The AFP is committed to this goal and has allocated significant funding to intelligence resources, processes and systems.

As with other areas of government performance measurement is an increasing priority for AFP intelligence. However, the impact of intelligence is of course notoriously difficult to measure. As part of the AFP's business planning processes attention is being devoted to devising new performance measurements in this field.

Our overarching aim is to produce intelligence that will enable us to effectively respond to the demands of the 21st century law enforcement environment.

Constant change in this environment demands, more than at any other point in our history, that we achieve a greater level of flexibility and sophistication in our responses.

The intelligence reforms that I've just outlined, provide the bedrock that will enable us to meet the greater law enforcement challenges forming on the horizon.