

# SPECIAL REPORT

A S P I

## Opportunities abound abroad

Optimising our criminal intelligence system overseas



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AUSTRALIAN  
STRATEGIC  
POLICY  
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STRATEGIC POLICING  
& LAW ENFORCEMENT  
PROGRAM

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July 2016

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Part of a \$1 billion Ice haul is seen on display, in the packaging it was concealed in, at Australian Federal Police headquarters in Sydney, 15 February 2016. © AAP Image/Dan Himbrechts.

# EXECUTIVE SUMMARY

Criminal intelligence (CrimInt) is so useful in serious criminal investigations that it's difficult to envisage a situation where it shouldn't be sought and used if it's available. Its utility also extends to 'strategic' activities, including investment decisions, risk assessments, trend analysis and partnership building—although this usefulness might not yet be fully exploited. Still, the value of CrimInt to modern law enforcement and policymaking means that it's a valuable resource that needs both attention and money.

Obtaining CrimInt from overseas sources, and then disseminating selected assessments, are increasingly important activities for our law enforcement agencies. This importance doesn't stand alone: it's driven by Australia's exposure to the global economic and social system, our attractiveness as a market for illicit commodities and our efficient and reliable financial system. This level of international exposure is clearly reflected in the Australian Crime Commission's assessment that 70% of Australia's major crime targets live or have important links overseas.

This special report argues that Australia's current arrangements for gathering and disseminating CrimInt overseas are suboptimal. While additional resources are needed to address this condition, there's also a need to streamline priority setting and associated collection requirements, provide ways to evaluate and better coordinate the collection of information and intelligence product, and expand opportunities to improve training in CrimInt.

We also have opportunities to better use our CrimInt product to influence others, whether it be to influence foreign governments' intelligence priority-setting or their investment in law enforcement capabilities.

There's little open-source literature describing the performance of Australia's CrimInt system overseas, so we interviewed senior and well-placed officials from nine major Australian Government agencies involved in CrimInt as either producers or customers, representatives of three state government agencies and experts from three research institutions. We also ran a workshop involving experts on CrimInt to examine domestic priority setting.

Using that data, we developed six recommendations to optimise Australia's CrimInt efforts overseas. While our main focus is overseas, we've found it necessary to consider two domestic aspects of the CrimInt system that are essential to optimising our overall effort.

The first domestically focused recommendation is for an enhanced CrimInt priority-setting mechanism that involves ministers. The new system would also involve a process to set collection requirements, task agencies, manage collection plans and dissemination, and conduct evaluations to align the CrimInt system with intelligence best practice.

On 1 July 2016, the Australian Crime Commission was rebadged as the Australian Criminal Intelligence Commission (ACIC). Its board, which could be nominated as the 'mission manager' for Australia's overseas CrimInt efforts, could drive these new arrangements. This would bring all interested parties together, including the state and territory commissioners of police. Alternatively, the Heads of Commonwealth Operational Law Enforcement Agencies (HOCOLEA) could play that role with support from the ACIC board, which would ensure that all interested parties are consulted by using a repurposed ACIC organised crime threat assessment. Either forum has advantages and disadvantages, but if the advantages lean towards a smaller grouping in which the federal agencies decide

the priority for overseas intelligence collection and dissemination, HOCOLEA becomes a sound alternative mission manager.

This effort should be communicated through a whole-of-government international engagement strategy that focuses Australia's overseas CrimInt activities. This is especially important now because four key Australian agencies are contributing to the overseas law enforcement effort and have some—or many—officers offshore.

A new Ambassador for Countering Serious and Organised Crime would manage this strategy. This new role will give greater prominence in our foreign policy to countering transnational, serious and organised crime. The ambassador's tasks would include examining new relationship opportunities, negotiating agreements, planning and assessing relevant aid and capacity development initiatives, and providing consistent, expert representation at international crime-fighting forums. This should be established as a three-year trial to ensure that this position delivers on the need.

New CrimInt hubs are a key recommendation. This isn't a recommendation for a separate network: the hubs would support the AFP's new regional managers and be led by officers with CrimInt experience. They would be the home for other law enforcement, policy and regulatory agencies that conduct CrimInt activities within a given region and would triage information and intelligence collected against the CrimInt collection requirements. While the collection of CrimInt offshore is complex, the hubs would be a very real opportunity to consolidate and coordinate intelligence collection and dissemination in a focused national effort.

We recommend funding a trial to establish the optimal way to structure and position the CrimInt hubs. In the trial period, one hub would be located offshore (perhaps in Washington or London), one located in Australia (to cover Southeast Asia), and one formed as a 'strike team' to be employed in different situations around the world as needed (perhaps starting with China). While we think the straight-out development of five overseas-based CrimInt hubs is the optimal solution, the \$12.5 million price tag is a big one when the concept is unproven and the budget positions of all agencies are under severe pressure. A broader survey of the current system should be undertaken as a precursor to this trial so that the differences made by the new arrangements can be compared and any improvement quantified.

The last recommendation focuses on training and reinvigorating strategic CrimInt skills for intelligence, law enforcement and policy professionals. The National Strategic Intelligence Course has recently been reviewed and refreshed and is available to intelligence practitioners. It's had significant success both on- and offshore, but a number of agencies noted that the high cost of sending their people to the course was a disincentive.

We think Australia's system overseas could be enhanced for a resource outlay of between \$3.2 million and \$14.6 million per year, and elements of this plan could be implemented reasonably quickly. Such moves would prove worthwhile investments in protecting the national interest from the changing criminal threats we face now and will continue to face in the future.

We argue for these new resources because investment in additional CrimInt assets will provide a return on investment in two ways:

- Better intelligence will reduce the amount of government revenue lost to some forms of crime, as our border and financial systems will be protected by advanced warnings and targeted operations.
- Disrupting criminal activity before the perpetrators bring the harms associated with drugs, money laundering and firearms to Australia's shores will reduce the outlays needed for legal proceedings, social services and medical treatment.

From this perspective, the initial outlay for additional CrimInt officers offshore will surely prove more cost-efficient than treating crime here.



# CRIMINAL INTELLIGENCE AND LAW ENFORCEMENT

Identifying and prosecuting criminal actors and disrupting their markets are key priorities for Australian law enforcement. Criminal intelligence (CrimInt) is one of the critical ingredients in that effort.

This special report identifies ways to optimise Australia's CrimInt efforts offshore. It explains why CrimInt is an important asset, looks at challenges with the current system, and recommends ways to overcome those challenges.

There's no commonly agreed definition of 'criminal intelligence', but a recent parliamentary inquiry settled on information that's 'collected about crime and criminals and evaluated, analysed and disseminated'.<sup>1</sup> It's both an art and a science, because it deals in estimates and probabilities concerning future events and trends. Its sources are many but include electronic intercepts, open source data analysis, human sources and special coercive examinations. CrimInt is distinct from evidence, but it contributes (or should contribute) to important law enforcement activities such as policymaking, priority setting and investigations. This makes it both a very sensitive process and a valuable product that's critical to modern law enforcement.

Interviews for this project confirmed that Australia's effort to collect and disseminate CrimInt (as distinct from routine international liaison), both domestically and offshore, could be improved. Since the Parliamentary Joint Committee on Law Enforcement has reviewed domestic arrangements recently, this report largely focuses on Australia's offshore efforts to collect and disseminate CrimInt but also covers two other areas with direct relevance to that effort: priority setting and training.

Such a broad focus is both relevant and necessary. The vast majority of experts interviewed noted that current arrangements for coordinating the CrimInt collection efforts of multiple Australian agencies offshore are neither effective nor efficient: within our current and emerging system lies a real potential to hinder future collection and dissemination. Poor overseas management could also jeopardise relationships, particularly if overseas-sourced information is used for an inappropriate reason or out of context, or many Australian officers try to call upon their counterparts haphazardly, or too frequently, or infrequently.

When asked to reflect on existing relationships and current efforts, most interviewees recognised the overwhelming importance of the international operations of the Australian Federal Police (AFP) to the overall CrimInt effort. They also noted that any new offshore capability or activities should be complementary to that network, especially as a number of other law enforcement agencies are enhancing their own means to collect and disseminate intelligence (including but not only CrimInt) through new arrangements and some new offshore liaison officers. There's a real need to ensure that Australia's collection effort—existing and in prospect—is well coordinated and not duplicative, and maximises the benefit of agencies' individual and shared relationships to serve the national interest as well as their individual needs.

Coordinated effort is vital because it's becoming increasingly important for Australia to have a good system for gathering CrimInt overseas. As is explained below, our increasing exposure to the international system and our attractiveness as a market for illicit goods have heightened that need. There are also opportunities to be gained by optimising our system for dissemination because CrimInt could be used to influence others to see Australia's criminal intelligence priorities in the international criminal landscape.

While we kept the offshore effort at the front of our analysis, we found that a look onshore was necessary to optimise the overall system. That's led us to cover the important precursor activity of domestic priority setting. Without a functioning system here, it's impossible to create an optimal system offshore. We've also considered training in this paper because unless people know how to use CrimInt its value is greatly diminished. We think there's room to enhance our current training effort, and some ways to do so are canvassed in this report.

The report also highlights:

- the leading national role of Australian Criminal Intelligence Commission (ACIC) board, in coordinating the CrimInt effort by establishing serious and organised crime priorities
- the role of the Heads of Commonwealth Operational Law Enforcement Agencies (HOCOLEA) in managing the translation of those priorities in a strategic national approach to collection requirements and collection plans
- the value of the AFP's international operations
- the importance of other agencies (see Box 1)
- the importance of considering state and territory needs for CrimInt.

The report identifies an option for the Australian Criminal Intelligence Forum to contribute to priority setting, collection management planning and evaluation.

It also notes the absence of relevant ministers in CrimInt priority setting, which is in contrast to the practice for national security intelligence.

Research for this paper was conducted through semi-structured interviews with senior officers from nine Australian Government agencies and representatives of three state government agencies that collect, produce, disseminate and consume CrimInt. The interviewees were all in senior executive positions or were directly representing their superior officers because they had particular expertise in this field. Thanks to the AFP, we were also able to visit six overseas posts over two years to view operations, and we thank the officers involved. We also consulted academic experts in this field.

This was a qualitative method but a practical one because only a few agencies are involved in this system and therefore in a place to understand and critique it. This method was also necessary because there's little in the public domain to explain our CrimInt system overseas; nor are assessments of the system's effectiveness published.<sup>2</sup>

While focused on the international dimensions of CrimInt, this report also identifies some domestic issues that affect the effectiveness of intelligence collection and dissemination as they relate to our overseas efforts. We examined this complex issue by inviting a group of experts to ASPI for a workshop in February 2016. The results of that conversation have been included in the analysis and recommendations for domestic priority setting and collection management arrangements.

### Box 1: Law enforcement and regulatory agencies with a clear mandate in countering serious and organised crime

The **Australian Border Force** is responsible for protecting Australia's border and managing the movement of people and goods across it in partnership with a range of intelligence, law enforcement and other agencies.

The **Department of Immigration and Border Security** manages Australia's migration program and humanitarian program, Australian citizenship, Customs, and some aspects of offshore maritime security and revenue collection.

The **Australian Criminal Intelligence Commission** is Australia's national CrimInt agency. It has investigative capabilities and has been empowered to conduct special investigations and special operations in circumstances where conventional law enforcement methods are unable or unlikely to be effective. Before 1 July 2016, it was the **Australian Crime Commission** (ACC).

The **Australian Federal Police** is the Australian Government's primary law enforcement agency. Its role is to enforce federal criminal law, to contribute to combating organised crime and to protect Australian interests from criminal activity in Australia and overseas as a key member of the national security community.

The **Australian Transaction Reports and Analysis Centre** (AUSTRAC) is Australia's anti-money-laundering and counter-terrorism financing regulator and specialist financial intelligence unit.

The **Australian Taxation Office** is the government's principal revenue collection agency.

# WHY IS OVERSEAS CRIMINAL INTELLIGENCE IMPORTANT?

The need to gather CrimInt from overseas has never been greater, and its importance is increasing each year.

This need is demonstrated by the increasing costs imposed on our community by serious and organised crime. While the ACC currently estimates the costs at about \$36 billion per year—well over twice earlier estimates—the real costs to Australia’s interests are higher than that when the impact on regional stability is considered.<sup>3</sup>

Also, the ACC says that 70% of Australia’s most serious criminals live or have links overseas. While that proportion mightn’t have too much room for growth into the future, it’s sure to be at least maintained around that level. The reasons for this assertion can be found in two main drivers.

The first driver is Australia’s increasing enmeshment into the international economy. Over the past decade, the number of people crossing Australia’s borders has increased by over 60%; aircraft movements have increased by 75%; shipping tonnages have doubled; overseas investments in Australia doubled over a three-year period in the late 2000s (investment fell dramatically after 2009 but now it’s rising again); and the number of international funds transfer instructions issued annually has increased nearly fivefold (nearly \$4 trillion was moved internationally last year). These changes are indicators of how Australia’s international interdependencies and relationships have grown in the past decade.

We expect these trends to continue. Over the next decade, for instance, we expect to see Australia’s volume of trade, volume of mail and number of shipping container movements to at least double. Generations Y and Z—the digital natives—will do much of their shopping and just about all of their banking online. This group might adopt ‘peer to peer’ lending, too. Detecting illicit goods and criminal money in this traffic is going to become even more complicated.

The second driver is the continuing, and perhaps increasing, attraction of Australia as a criminal market. This is best seen in the astronomical price Australians will pay for some drugs compared to drug users elsewhere: while a kilo of cocaine costs in the range of US\$4,000–54,000 in the US, it can fetch between \$196,000 and \$259,000 here.<sup>4</sup> Australia’s wealthy economy and reliable financial system also make it an attractive target for fraud, cybercrime and money laundering. To understand the scale of these threats, consider the following:

- Organised fraud is said to cost Australia \$6.3 billion each year. Many of the suspects perpetrating online fraud are located overseas, according to the Australian Institute of Criminology.
- According to the ACC, cybercrime costs Australia about \$1.1 billion per year, and much of that crime emanates from overseas.
- AUSTRAC, Australia’s financial intelligence unit, conducted 857 financial intelligence exchanges with overseas counterparts in 2014–15 (up from 301 the previous year), while ‘country of interest’ was by far the main cause of suspicion for financial institutions and other reporting entities (as cited in reporting to AUSTRAC).<sup>5</sup>

Australia’s increasing exposure to the international economy and foreign countries is, of course, of major importance to us and a real benefit. But it also increases our exposure to organised crime and gives transnational crime groups more ways to hide their activities and a greater volume of legitimate traffic to hide in.

This increased potential for exposure to crime based overseas increases the importance of good intelligence sources that, logically, must include overseas sources.<sup>6</sup> The same trends also increase our interest in ensuring that overseas law enforcement agencies are capable of responding to criminal threats that affect the safety of Australians, threaten our borders and might have a detrimental impact on our society and economy. It's therefore important to have a good system for disseminating CrimInt overseas, as well as collecting it.

These trends also lead us to identify a number of reasons why we need to have a better approach to collecting and disseminating CrimInt offshore.

The first is practical and transactional. In the information business, one needs to give something to get something, most of the time. Agencies need to bring something to the table in exchanges to demonstrate their capacity and to establish themselves as credible partners. In some situations, criminal and other intelligence should be shared because it can help alleviate human suffering and suppress crime, making it like an 'international good'. The exception to this, of course, is when intelligence serves illegitimate interests or results in human rights violations.

The second reason for having a good dissemination system is to provide others with information so that they can take action against criminal targets, whether those targets are an immediate priority for us or not. Helping another country with one of its problems can help to establish goodwill and, perhaps, habits of reciprocity.

This third reason for sharing is especially important and perhaps the most underemphasised one, but it's also less precise: sharing intelligence can also shape behaviour. Put simply, it's possible to convince others to act in ways that suit your interests by giving them information and analysis about future threats. This type of exchange is suited to well-formed strategic CrimInt analysis (see Box 2), which should be useful in bringing emerging problems to others' attention and encouraging them to make investments or changes. The importance of our strategic CrimInt product in this exchange can't be underestimated. It's increasingly important collateral in both the collection of product from international partners and the dissemination of our product to them, given crime trends and strategies offshore that will flow on to Australia in time.

We argue that, on balance, Australia isn't making the most of this opportunity because our system for collecting and disseminating CrimInt overseas is suboptimal.

## Box 2: CrimInt is used at three levels: strategic, operational and tactical

**Strategic CrimInt** is informative, explanatory and forward-looking. It provides assessments about the main future criminal threats that will affect the nation as a whole. This provides a resource to enable policy setting at the government and agency levels. It also provides context for agencies as they make decisions about future investments in personnel, equipment and direction. This may include budget allocations for the coming year, bids for shared agency capabilities and new operational priorities.

**Operational CrimInt** is a tool to influence middle managers making decisions. It identifies convergences between issues and activities and supports strategic intelligence by identifying trends.

**Tactical CrimInt** is a tool that influences activity-specific decision-making at the team level as a part of investigative or disruptive activity.

# WHY IS OUR CURRENT SYSTEM SUBOPTIMAL?

The current mainstay of Australia's system for gathering and disseminating CrimInt overseas is AFP International Operations, which includes a network of 103 officers in 29 countries. Those officers are Australian law enforcement's window to the world, as they support all Australian Government policy, regulatory and law enforcement agencies, as well as the eight state and territory jurisdictions. They have many functions: brokering collaboration with international law enforcement agencies to drive investigations; supporting bilateral or multilateral cooperation; enhancing the capacity and capability of international law enforcement agencies to combat transnational crime; and managing the relationship and hosting visits. Gathering and disseminating CrimInt to support international law enforcement efforts is another function for most posts, but one we're told can be 'down the list' unless there's a particular imperative.

The AFP's overseas liaison officers aren't the only relevant Australian resources located overseas. A number of agencies have representatives offshore today, including the Australian Border Force (ABF), the Department of Immigration and Border Protection (DIBP), the ACIC, the Department of Foreign Affairs and Trade (DFAT) and the Office of Transport Security. Few of those officers would be regarded as specialised 'criminal intelligence officers', but they may gather intelligence in addition to other duties. Of course, Australia's primary national security intelligence agencies also operate or have liaison officers offshore, and collecting CrimInt is part of their collection priorities—although probably not a major part.

It's encouraging to see that additional resources have been added to the specific task of CrimInt overseas recently. The slight increase to the AFP's International Operations will help (it has supported an increased focus on counterterrorism, but will soon also include some short-term CrimInt attachments to key countries, such as China), as will the ACIC's recent increase in offshore positions (although not all of the four are dedicated to CrimInt). Another agency is also investing in training for its overseas staff so that they can make greater contributions to the agency's intelligence system. These changes testify to generally constructive attention to the overseas elements of the CrimInt system.

Interestingly, the Australian Government has funded the ACIC enhancements through the Confiscated Assets Account, which holds proceeds from crime. That's a good interim and pragmatic step. However, the account isn't a stable basis for funding because it's not part of the annual budget appropriation.

Australia is also a party to many bilateral and multilateral agreements and a member of numerous law enforcement organisations. On the multilateral front, those links include well-established relationships with INTERPOL and the UN Office on Drugs and Crime; a rapidly emerging relationship with EUROPOL; a dialogue partnership with the ASEAN Chiefs of Police; cooperative arrangements such as the Virtual Global Task Force combating online child sexual exploitation; and close relationships within the 'five-eyes' police community with the US, the UK, Canada and New Zealand. Australia has also forged close links with many traditional friends and neighbours, including Indonesia, the Netherlands, South Pacific nations and increasingly China, all of which provide strong mutual benefits for intelligence collection.

Also relevant to the CrimInt effort is the world-class training school on transnational crime and terrorism run by the AFP and its Indonesian counterpart, POLRI, at the Jakarta Centre for Law Enforcement Cooperation. The centre helps build capacity in regional law enforcement agencies, which helps those agencies to cooperate. Participation by overseas officers in some of Australia's internationally-regarded law enforcement training courses also helps, especially those at the Australian Institute of Police Management. Educational engagements are usually described as deep and beneficial.

Other agencies, such as the ABF, AUSTRAC and the Australian Taxation Office, have strong and growing links in their specialised areas. AUSTRAC, in particular, has been very active recently by signing new information-sharing agreements with Russia, Montenegro, Jamaica, and Trinidad and Tobago. As of April 2016, AUSTRAC had 83 memorandums of understanding for the exchange of financial intelligence with its international counterparts, in addition to two for the exchange of regulatory information. AUSTRAC also has embedded officers in its counterpart FIU in Indonesia (PPATK) and started intelligence analyst exchange programs with PPATK that look likely to pave the way for wider analyst exchanges in other Southeast Asian FIUs. This increased engagement is essential to deal with modern transnational crime.

Despite this outstanding work and strong existing relationships, there's been an ongoing discussion about the need to improve CrimInt arrangements on- and offshore. In that discussion, which has taken place over the past 20 years, committees, reviews and scholarly researchers have considered issues involving CrimInt arrangements in Australia and in some cases have made far-reaching recommendations.<sup>7</sup>

In the offshore context, problems in the system manifest as:

- inconsistent and uncoordinated prioritisation and requirements-setting arrangements
- disjointed collection and dissemination arrangements
- information and intelligence storage repositories that are fragmented.

Some aspects of our domestic CrimInt system accentuate these challenges, such as:

- disagreements over the relative priority given to volume crime and organised crime<sup>8</sup>
- search functions that aren't federated across all CrimInt holdings
- the practice of information ownership, which hampers effective sharing
- incomplete training and education of intelligence professionals in strategic intelligence analysis (including predictive analysis)
- insufficiently extensive training for policy, law enforcement and regulatory officers in how to task and use CrimInt.

Current CrimInt arrangements have addressed some of these criticisms, but the system overall remains suboptimal in important ways. There are some missed opportunities too, and many challenges remain.

The first suboptimal element involves the satisfaction of offshore collection priorities, which most interviewees said weren't met in full. They attribute this to both a lack of dedicated resources and the current priority-setting system. All noted the multiple roles of the AFP's liaison officers, which are described above. All of this work is expected of a small network, which must manage priorities accordingly. That means that active CrimInt collection is difficult to achieve with the numbers of people available, and that people with CrimInt skills aren't necessarily posted to liaison positions.

The issue of priority setting attracted significant attention and concern from our interviewees. At present, there are a number of sources of priorities for CrimInt within national arrangements. They include broad national intelligence priorities, National Criminal Intelligence Priorities (NCIPs) that are set by the ACIC board, some national priorities that emerge from documents such as the National Organised Crime Response Plan,<sup>9</sup> and priorities established by each agency to meet its own needs. As a result, the range of available priority-setting arrangements means that

Australia doesn't have a single consolidated and actionable 'whole-of-governments' set of serious and organised crime CrimInt priorities and derivative collection requirements that meet the needs of all our national, state and territory law enforcement and regulatory agencies.

It's important to stress the last point because the current priority-setting system is criticised by state and territory agencies as giving most attention to Canberra's needs. Indeed, the NCIPs are interpreted as priorities for the ACIC only, and other agencies aren't obligated to contribute towards them.<sup>10</sup> Participants in our workshop described the ACIC's NCIPs, and priorities set for the AFP's International Network by the AFP, as mainly focused on the needs of those agencies. This meant that the priorities sometimes focused on niche crime information (for example, performance enhancing drugs but not 'ice', and trade-based money laundering but not the most prolific money-laundering typologies). So non-national and non-AFP/ACIC priorities—especially in areas such as volume crime trends—tend to receive far less attention, even though those areas are high priorities for other national agencies and state and territory jurisdictions. Of course, the question about who should pay for such CrimInt resources needs to be addressed if this line is taken.

While the ACIC board endorses the NCIPs, those priorities really only 'inform' the efforts of other agencies, which aren't subjected to follow-up or evaluations of their contributions. This situation exists because we have three gaps in the current system.

The first is the lack of a single and consolidated priority-setting mechanism that truly expresses the CrimInt priorities of the Australian Government and the states and territories without detailing specific operational or tactical needs.

The second is the lack of collection management plans against the NCIPs. Agencies are under no obligation to state how they are going to collect information or produce intelligence to meet the priorities, which runs counter to good intelligence practice.

The third gap relates to evaluation. There's currently no mechanism that's similar to the one managed by the Office of National Assessments (ONA) in the national security space. That particular mechanism obliges ONA to 'evaluat[e] the effectiveness of Australia's foreign intelligence effort and the adequacy of its resourcing'.<sup>11</sup> ONA's evaluation role provides a mechanism to assess the intelligence community's performance in meeting priorities. Its role is also useful in identifying intelligence gaps. The lack of a similar mechanism for CrimInt means that there's no ready ability to understand the gaps in the national CrimInt effort, nor to assign resources based on analysis of that effort. This is a missed opportunity.

There also seems to be an underutilised opportunity to use Australian CrimInt to shape other nations' collection postures and, ultimately, their (or shared) investments in countering crime. This opportunity would see Australian officials actively use the products developed by their colleagues to inform longer term thinking in countries of most interest in Australia's crime challenges. This might involve seminars, meetings, speaking tours and capacity development activities. While there are direct efforts to use CrimInt in this way in Indonesia and the South Pacific, the effort seems to be less well structured elsewhere. Time, priorities and corresponding collection requirements and perhaps products might be key issues here.

Another opportunity in the international space is also emerging with the UN's new Sustainable Development Goals, which include an explicit call to develop 'peace, justice and strong institutions'.<sup>12</sup> Such a focus will allow Australia to promote its broad policy preference to prioritise efforts to attain peace and stability, while tackling transnational crime and other threats that concern us here. This area of international development is also one where Australia has a distinct advantage over many others, particularly because we have a deployable police capability and a strong tradition of law enforcement and justice sector capacity development programs to call upon. On the down side, assistance in these sectors is usually focused in the Asia-Pacific region, which limits (but in no way prevents) broader international cooperation and coordination on these matters.



Interviewees also cited achieving consistent and comprehensive representation at the multitude of international criminal forums as a challenge. This form of international interaction has gained in volume and importance over the past few decades, but the ability of Australian experts to be present at all of them has been described as 'constrained'. The most important of these interactions receive high-level attention but, according to a well-placed interviewee, it's hard to provide that attention for all relevant meetings. This means that representation at law enforcement conferences often falls to non-specialist diplomats.<sup>13</sup>

Information and intelligence storage has also been described as fragmented across the relevant agencies. This domestic issue is under consideration, and the Australian Government has announced plans to create the National Criminal Intelligence System to replace existing systems. Technology aside, some agencies continue to cite problems with information sharing created by the absence of trusted information-sharing systems, the differing security classifications of systems, and the amount of intelligence that's deposited into the existing system. On the up side, a culture based on a 'responsibility to share', which promotes intelligence sharing, appears to be evolving slowly. A better, easier to use and trusted information system that provides more features to analysts should also encourage users to share more intelligence electronically with other agencies.

A final challenge mentioned revolved around the training of intelligence officers, particularly in strategic CrimInt. While this is a domestic challenge, interviewees described how important predictive analysis is, although the skills needed to conduct this type of work aren't being widely taught. One interviewee described how training in strategic CrimInt in general hadn't been conducted in their jurisdiction for many years. In addition, there are few professional development opportunities for intelligence officers, especially in the form of short workshops on new issues and analytical techniques, which are considered vital because the field is changing so rapidly.

When viewed together, these challenges mean that our system for gathering and disseminating CrimInt offshore is not optimal. It suffers mainly from a lack of resources, but also from missed opportunities to shape others' crime priorities. At the same time, the need for CrimInt is growing in terms of the intelligence needed and the number of agencies needing that support.

### Box 3: The Australian Criminal Intelligence Model

The ACC led work on the development of an Australian Criminal Intelligence Model (ACIM) across the law enforcement, regulation and national security domains as that model relates to crime. An intelligence-led approach is fundamental to the success of the national response to organised crime. The ACIM aims to achieve the free flow of intelligence between policing, law enforcement, and regulatory and national security agencies, based on consistent standards, processes and protocols. It represents opportunities for strategic, operational and tactical intelligence through the articulation of those standards.

Under the ACIM and the Australian Criminal Intelligence Strategy, the Australian Criminal Intelligence Forum (ACIF) was to champion CrimInt. The ACIF has developed the Australian Criminal Intelligence Management Strategy 2012–2015 to guide the implementation of the ACIM, but the model appears to be incomplete and has not been published. The Australian Criminal Intelligence Strategy was finalised by the ACIF in 2012 and is available as an open source document. This leaves a gap in understanding the standards to be applied to the intelligence profession and a single point of reference to a consistent model to use nationally.

# HOW COULD THE SYSTEM BE IMPROVED?

The measures described below are integral to improving the current arrangements for offshore CrimInt collection and dissemination. The measures, including a review of training, are interdependent, so inattention to one will create a problem for all. We have set these recommendations out under the following six headings, shown in Figure 1.

Figure 1: Recommendations for system improvement



## Recommendation 1: Enhance priority setting onshore to provide stronger guidance on offshore collection and dissemination

There are four distinct but interlocking elements to this recommendation. They include a holistic priority-setting mechanism that sets national CrimInt priorities for the Australian Government and the states and territories; identifies the information collection requirements for each CrimInt priority; tasks those agencies with the appropriate skills and capability to collect the information; develops effective collection management and dissemination plans; and uses an evaluation model to assess the efforts of collectors against the impact on the target, the quality of the collection, and gaps in the information. Each step is explained below.

### Enhance CrimInt priority setting

Interviewees generally agreed, and the workshop conducted for this project confirmed, that the existing mechanisms for determining CrimInt priorities aren't leading to coordinated effort towards the highest national priorities. We think a coordinated effort is needed because our resources for collecting CrimInt overseas (and at home) are always going to be insufficient to meet all the needs of all agencies, and more so in a time when those needs are growing. A suitable and robust matrix for identifying and articulating the national priorities is also absent, as is a mechanism for describing the critical, important and useful collection requirements associated with the priorities and incidental collection that should be considered by collectors in the field. So collection offshore isn't clearly focused or defined, and the information flows that identify needs and set priorities for CrimInt purposes onshore aren't robust. Indeed, the current arrangements have been described as confusing and leading to the misidentification or even conflation of individual agency and Australian Government CrimInt priorities with 'national' CrimInt priorities (where 'national' means priorities relevant to Australian Government and state and territory government needs).

It wouldn't take much change to improve coordination of our overseas CrimInt effort, and the approach taken for national intelligence prioritisation provides a good model.

In this role, the Department of the Prime Minister and Cabinet coordinates national intelligence priorities, and ONA coordinates (for the Australian intelligence community) the setting of requirements and tasking for collection and evaluation.<sup>14</sup> The National Intelligence Priorities are set through a high-level process that includes collection, assessment and policy agencies. Final priorities are agreed by the National Security Committee of Cabinet and distributed for all agencies to use. ONA then coordinates a process to translate the high-level priorities into distinct and actionable collection requirements and evaluates agencies' performance against the previous collection requirements. Finally, and as a way to restart the process, agencies' performance is evaluated annually (ONA evaluates agencies' foreign intelligence activities, the Australian Counter-Terrorism Centre evaluates counterterrorism activities, and the Department of the Prime Minister and Cabinet evaluates the Australian intelligence community's performance more broadly).

With the exception of transnational, serious and organised crime in the national security domain, no similar arrangements are in place at the Australian Government level for CrimInt, and ministers aren't consulted on priorities.

There are different ways to improve this process. There's an argument for a staged approach in which the Australian Government creates agreed priorities as a step towards a national perspective. This would allow those priorities, in time, to be merged with those relevant to the states and territories. However, the counter to this argument is that the NCIP process has been in place for many years and, as we have identified above, hasn't produced the synergy and whole-of-government approach so needed in the fight against serious and organised crime.

Considering both options, a better way to refine or overhaul the existing system could be to take the following steps:

- Acknowledge that agency heads will have their own CrimInt priorities and will task their officers accordingly, while also acknowledging that some agencies will have shared priorities and that some scarce collection assets will need to be rationed.
- Establish Australian Government CrimInt priorities in HOCLEA<sup>15</sup> (with a Treasury representative being co-opted for this issue due to the economic threat posed by transnational crime); and then blend federal, state and territory priorities in the repurposed organised crime threat assessment through the ACIC board to create NCIPs.
- Invite the federal–state ministerial-level Law, Crime and Community Safety Council to endorse the NCIPs at least every two years.<sup>16</sup>
- Use the agreed NCIPs to establish collection requirements and collection plans for the Commonwealth's overseas assets through HOCOLEA (or perhaps through the ONA-managed national security process).

This system would lead to a clear 'whole of governments' process that engages the Australian Government and the state and territory governments at the official and ministerial levels. Indeed, we see the ACIC board as being a critical enabler of this process because its individual members have great authority and power: if those attributes are channelled cohesively, a truly national approach to making Australia a harder target for organised crime would surely result.

Three very important ideas are contained in this recommendation. The first is a role for HOCOLEA, which is important because it confirms the Australian Government's priorities and collection requirements, agrees the overseas collection plan and participates in the evaluation. The second is a seat for the Treasury at the priority-setting table. Treasury represents the key voice on the Australian economy and the portfolio it contains a number of agencies with important equities in protecting the economy. We looked for a way to involve the Commonwealth Treasurer in agreeing priorities – if one could be found, that would only add to the status of the NCIP.

The third key idea is giving 'ownership' of the NCIPs to the key federal, state and territory ministers who comprise the Law, Crime and Community Safety Council. This change would also establish political buy-in. This support is

likely to produce greater acceptance of the resulting NCIPs and provide a useful guide when national, state and territory resourcing priorities are considered.

This process also has the advantage of being relatively easy to implement because the key agencies are already involved. It may be that the Australian Criminal Intelligence Forum (ACIF)—a meeting of the senior CrimInt executives from each Australian jurisdiction—could help the mission manager—either the ACIC board or HOCOLEA (see Recommendation 2)—to produce the NCIPs. It's also conceivable that the current organised crime threat assessment (a classified document produced by the ACC) could be repurposed to describe the environment and to identify the NCIPs flowing from that assessment. It's already part of the ACC 'picture of criminality' and is one of the primary documents used to develop the National Organised Crime Response Plan.<sup>17</sup> Such a change would be likely to make the organised crime threat assessment more useful across all jurisdictions. The mission manager would bind all the arrangements together and provide the overall management role.

### Set CrimInt collection requirements and task agencies

Once the NCIPs are set, the information collection requirement relating to each priority must be developed and agreed and tasks given to the agencies responsible for collecting information and intelligence. This could also be done within the redesigned organised crime threat assessment. It's likely that some agencies won't be required to (or may wish not to) collect on some of the requirements, and this is the logical place to identify those elements as well.

It will be necessary at this stage to properly arrange the requirements to enable agencies to more effectively focus their attention and efforts. A model for tiering collection requirements could usefully range through critical, important, useful and incidental to provide more focused guidance to collectors.

### Develop collection management and dissemination plans

Once CrimInt priorities and collection requirements are set, designing effective collection management plans with clear collection arrangements is critical. The plans should span onshore and offshore collection and reflect the relevant agencies' responsibilities for collection effort. In the overseas context, coordinated collection management is needed so that our agencies do not 'overdo' Australian engagement with host country agencies. This is especially important because patchy and uncoordinated liaison efforts offshore have the potential to frustrate partners and deliver poor results.

Dissemination planning is another element that would benefit from additional attention. As mentioned above, this function would see Australian CrimInt, especially strategic CrimInt products, used to influence others' priorities.

### Evaluate efforts against the NCIPs

A broad program evaluation model should be developed to measure successes in these endeavours. Fortunately, a workable model already exists in the national security space, where the intelligence effort is evaluated annually.

The program evaluation model should analyse the contribution of tasked Australian law enforcement agencies (and relevant regulatory and national security intelligence agencies) to CrimInt collection, analysis and dissemination. It should highlight gaps, problems, strengths, weaknesses and residual vulnerabilities in the effort. It should recommend further enhancements to the system to ensure maximum benefit from CrimInt to law enforcement, regulation, compliance and policy agencies.

It's envisaged that the Attorney-General's Department will do the evaluation, using a senior officer to chair an appropriately constituted committee. It's likely that best effect would be achieved by having a senior state or territory intelligence manager co-chair the committee and by involving the ACIF in developing an annual evaluation report. The review team should report to the CrimInt mission manager, making sure to consult all bodies that play a role in CrimInt priority setting, collection and analysis and, importantly, the main users of the product.

## Implementing this recommendation

These five steps are aimed to make sure that truly national CrimInt priorities are produced, agreed and satisfied each year. The processes described here are not extraordinary, because they fit what's usually considered to be a best practice model for intelligence production.

Nor are they costly to implement, because each of the bodies mentioned already exists. A remit change would be required to expand the role of the ACIF to work on the development of the priorities and to assist in the evaluation. Most of these changes should be absorbed into current agency allocations, although the evaluation system should be funded at a cost of between \$0.4 million and \$0.6 million per year.

These changes would potentially increase the efficiency of our resources (particularly by leveraging CrimInt product for broader purposes) and perhaps even lead to savings in work effort.

## Recommendation 2: Appoint a criminal intelligence 'mission manager'

With the need for CrimInt and the importance of international partnerships growing, the second recommendation involves appointing a specific 'mission manager' for CrimInt overseas.

The mission manager would coordinate priority setting, requirements setting and tasking and develop a whole-of-government collection management plan. These elements combined provide the foundation for determining individual agencies' responsibilities for and contributions to the collection and dissemination of strategic CrimInt nationally and internationally. They also provide the framework of evaluating performance.

While ONA could be tasked to be the CrimInt mission manager, it's not best placed to do that because state and territory law enforcement agencies aren't represented in its workings and it's not a specialised agency.

For those reasons, we think the new ACIC board will be one option to be the CrimInt mission manager: the other, as discussed above, will be HOCOLEA. As we have noted, the ACIC board is not only specialised, but it includes the commissioners of state and territory police forces together with the leaders of Australian Government agencies. The AFP Commissioner, who already commands the network of international liaison officers, chairs the board. The board also has systems in place to establish CrimInt priorities, and it doesn't produce intelligence judgments (to separate policy and intelligence, producing judgements is a function of the agencies). Of course, an appropriate change to the incoming ACIC board's terms of reference, and perhaps also a seat for ONA on this aspect of the board's work to ensure coordination with the national security dimension, would be needed to achieve such a change. Enhancing the board's role in this way reflects the agencies' charter to produce the NCIPs.

It would also be possible to make HOCOLEA the mission manager. The advantage of this option is that HOCOLEA is a smaller grouping that, in practice, controls the major overseas CrimInt assets. And it's chaired by the Attorney-General's Department, which is not involved in intelligence collection and assessment.

The mission manager—whether the ACIC board or HOCOLEA—should be supported in this role by the ACIF. The mission manager and the ACIF could use existing national frameworks and partnerships and leverage the resources and partnerships of others to play the overall leadership role for priority setting in a manner similar to ONA's in the national security space. This would mean that the NCIPs are truly national and that all relevant agencies have 'skin in the game' so that when it comes time to evaluate the collection effort a holistic picture can be developed and gaps readily identified.

The mission manager function is not a major stretch for either the ACIC board or HOCOLEA: the ACIC should be able to perform this role using current resources, but the HOCOLEA secretariat might need some bolstering.

### **Recommendation 3: Develop and implement a whole-of-government international engagement strategy**

Interviewees for this report told us a coordinated approach to collection management and dissemination is critical, but they usually described the current system as suboptimal. Some agencies noted that liaison officers from various Australian agencies tend to engage with like interlocutors in host countries and concentrate on the same issues, with inconsistent coordination. The chances of uncoordinated efforts increase in countries where administrative arrangements and responsibilities differ from Australia's. Others noted time pressures on our existing international law enforcement liaison officers and their need to prioritise today's problems over tomorrow's. The recent posting overseas of some CrimInt liaison officers from the ACIC was widely praised but considered insufficient to meet the full need. There was a general feeling that our efforts overseas, and the resources allocated, aren't arranged and managed to meet the CrimInt need.

An international engagement strategy (IES), that describes the CrimInt effort overseas and the responsibilities and liaison points for all relevant agencies at post would be likely to resolve some of the perceived problems with coordination and unity of effort. The value of such a strategy, which would be settled and endorsed in Australia, was raised by most agencies interviewed. It seems to be a good idea waiting to happen.

The purpose of the IES would be to provide direction on Australia's overseas CrimInt priorities to all overseas law enforcement and intelligence assets. It would also explain the relevant collection requirements, tasks, collection management plans and dissemination targets for Australian CrimInt product. It could establish and guide CrimInt capacity development initiatives with partners.

The CrimInt mission manager should be accountable for developing the IES. This will ensure that the key people and groups responsible for countering serious and organised crime in Australia—especially but not only the state and federal police commissioners—are firmly behind a strategy that's written to meet their needs.

The cost of implementing the IES should be absorbed into current tasking for the ACIC or HOCOLEA. However, it couldn't be overseen or implemented without some new appointments and structural changes to facilitate the work. A senior official with specialist knowledge of law enforcement and CrimInt would be the first change.

### **Recommendation 4: Appoint an ambassador to counter serious and organised crime**

A Counter-Serious and Organised Crime Ambassador (C-SOC ambassador) should be a DFAT appointment. Ideally a serving or former senior law enforcement officer (preferably with intelligence experience), the C-SOC Ambassador would be the key figure in the enhanced arrangements set out in this report. The ambassador would have two key tasks relevant to CrimInt arrangements: working with the mission manager and others to develop the IES; and coordinating related IES activities, including the CrimInt hubs proposed below. In addition, the C-SOC Ambassador could undertake other important and currently underaddressed tasks, including identifying and evaluating relevant law enforcement capability and aid assistance, negotiating whole-of-government law enforcement agreements and providing consistent, expert and high-level Australian representation at international serious and organised crime forums, including INTERPOL, the UN Office on Drugs and Crime and other relevant forums where Australian representation is needed.

The C-SOC Ambassador would be well placed to help inform CrimInt priority-setting through an annual report to government and relevant agency heads on issues, initiatives and policy considerations emerging in other countries. The report would also detail the outcomes of multilateral law enforcement meetings and forums and advise on future engagement, aid and partnership priorities.

The position of C-SOC Ambassador could be created by redefining the role of the current Ambassador for People Smuggling (and so treating that activity as one organised crime among many), by extending the role of the

Counter-Terrorism Ambassador, or by a making new appointment within DFAT. Alternatively, a suitably senior ACIC officer could be appointed to the role (and perhaps called the ‘Overseas CrimInt Coordinator’).

The role-change options appear to offer a sensible and essentially cost-neutral way of giving a senior official the necessary focus to achieve the aim of the role without necessarily reducing the focus on people smuggling or terrorism. However, in the light of the current terrorism and people-smuggling situations, establishing a C-SOC Ambassador would be best. It would also be preferable to appointing a coordinator from ACIC, as the ambassador role is likely to receive greater international recognition and to have close links to the broader ambassador network.

This recommendation wasn’t embraced by all our interviewees. Some thought that it would duplicate the roles of other special ambassadors, that the role isn’t clear, and that it lacks priority at a time of resource constraints. We think the benefits will vastly outweigh all of those concerns but we suggest a trial arrangement to establish the C-SOC Ambassador role for three years, after which it would be reviewed. Success measures could include a functioning IES; reduced time to make agreements with other countries; resource savings and the degree of support provided to smaller agencies; a fuller appreciation of international law enforcement capacity development priorities; and clearer assessments of the effectiveness and efficiency of our capacity development activities (in lieu of always seeking contractors). The C-SOC ambassador would cost around \$0.5 million per year (including staff assistance).

## Recommendation 5: Develop and resource at least five CrimInt hubs

A CrimInt ‘hub’ is an office that analyses high-priority criminal challenges in a defined geographical area. Its purpose is to help Australian Government officials in embassies, high commissions and partner agencies covering that area to better incorporate CrimInt tasks in their normal work. We recommend allocating one CrimInt hub to support each of the AFP’s five regional managers (although we canvass other options below).

The key functions of the hub would be managing CrimInt collection in its region against specific collection requirements; contributing to priority and requirement setting and the collection management plan (noting this is new work resulting from the changes to the priority setting mechanism); meeting agency-specific CrimInt production schedules; and providing high-level analysis of regionally sourced CrimInt to inform strategic decision-making and, where possible, investigations and disruptions. The hub would service all the Australian Government investigative and regulatory agencies, from the AFP to the Australian Taxation Office.

We think that the hubs are the best chance for harnessing Australia’s current efforts to collect open-source and some more restricted information and intelligence to meet the collection requirements defined against the NCIPs. While the volume of information and intelligence collected may rise, the real benefits of the hubs will come from the coordination of the existing effort by the regional managers and their senior liaison officers and new opportunities to build relationships that can create additional collection opportunities.

Many of those interviewed think that a hub arrangement would greatly enhance the CrimInt effort overseas, but there are significant differences of opinion about how the arrangement might work. Our workshop identified four broad models: offshore, onshore, strike teams and a hybrid model. Each has different costs, benefits and flexibility, but we consider the hybrid model the most practical in the short term, and that it be used as a basis for experimentation to confirm which model works best.

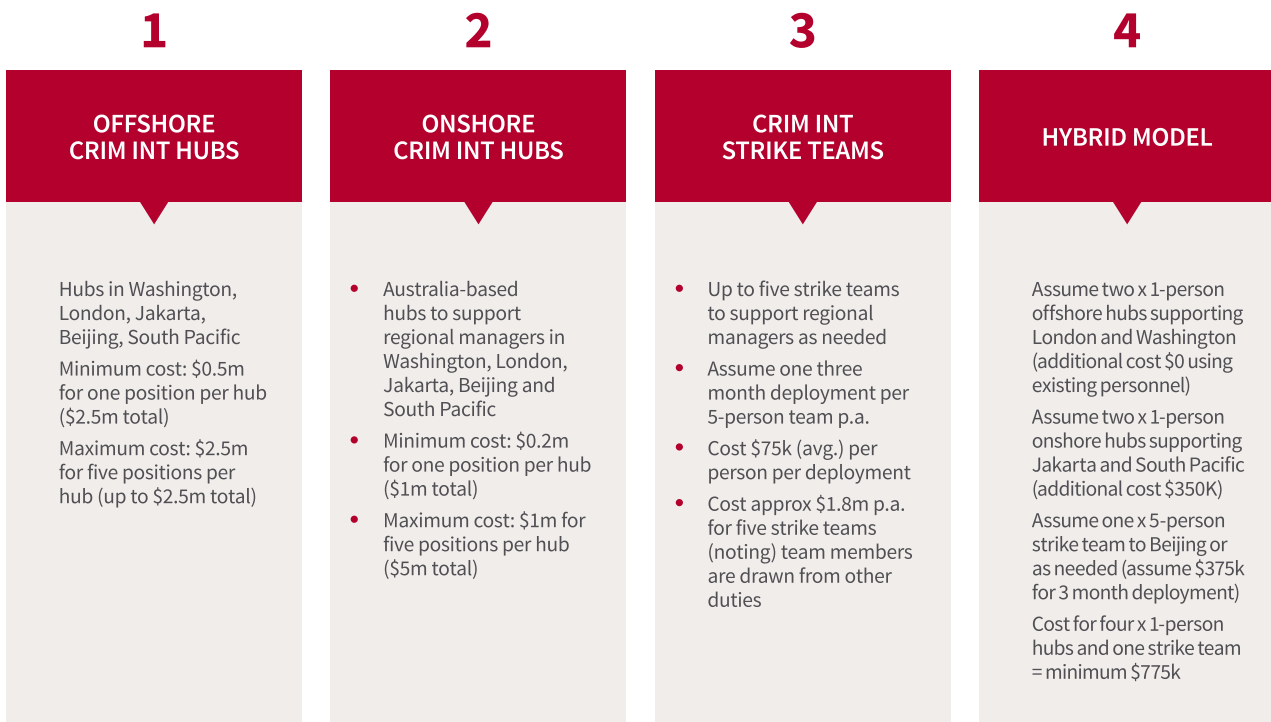
### Option 1: Five offshore hubs

CrimInt hubs could be located in key missions in the Americas (in Washington DC); Europe, the Middle East and Africa (London); Northeast and South Asia (Beijing); Southeast Asia (Jakarta); and the Pacific (Port Moresby or Brisbane). Each hub would be under the direct command of the AFP’s regional manager and would support the senior AFP liaison officer in the designated area to ensure a coordinated and deconflicted approach to local authorities.

The hubs would require new resources of between \$1.5 million and around \$12.5 million, depending on the number of people assigned to each one. As a minimum, we recommend that each hub have a full-time CrimInt coordinator. We suggest redefining the role of two existing ACIC members as regional CrimInt coordinators and adding funding for three more, making the additional cost of this initiative around \$1.5 million, assuming each position costs \$0.5 million. Building on that, hubs could have dedicated analytical and liaison staff from agencies according to need, and perhaps some outposted officers from agencies.

There are real advantages to this option. There’s nothing like immersion in a particular region to really understand the situation, and travel times for meetings and conferences would be greatly reduced in nearly all cases. Offshore officers would have a real chance to develop close relationships with CrimInt officers of other nations in their region, particularly in the nation where they are posted. In some cases, especially in Washington and London, this is a significant opportunity because many nations have liaison officers in those cities. The hubs would also become a place for outposted officers with CrimInt duties to work, which would ensure a greater level of cooperation if applied consistently by agencies. The disadvantage is cost, and some of the immersion effect would be more limited than ideal because the areas to be covered are vast. Figure 2 shows costings for this option and the others listed in this section.

Figure 2: Costed options for criminal intelligence hubs



Option 2: Five onshore hubs

Alternatively, all five CrimInt hubs could be situated in Australia, with collection and dissemination tasked out to existing regional managers and international liaison officers. This would require all agencies to commit resources to a hub on shore, while not providing any immersion or economy in travel time. Still, it would be significantly cheaper than the offshore hubs (at around 30–40% of the cost). While we think this approach would be unlikely to deliver the level of enhancement that’s needed in the offshore domain, it’s a viable option that could be considered.



### Option 3: Five CrimInt strike teams

This option would bring groups of analysts and intelligence officers from relevant agencies together for specific purposes. The groups would be posted offshore to locations dictated by those purposes and returned to Australia and disbanded at the end of the assignments. It's likely that strike teams would be formed in response to urgent regional matters or specific problems or investigations, and therefore would focus on immediate rather than future or currently unknown issues.

While this option has a number of very clear advantages for tactical intelligence directed to specific investigations, including multiagency taskforce investigations, it lacks the scope and dedication needed to enhance the collection and dissemination of CrimInt associated with the NCIPs. That's because it's unlikely that strike teams would create the enduring strategic and operational benefits sought. Simply, this method can't foster lasting personal relationships with practitioners and partners in other countries in the same way that longer term deployments can. This means the strike team option isn't as good at the dissemination function as the preceding two. However, it's a good solution in resource-constrained times, or as a complement to the other methods where additional capacity is needed quickly.

### Option 4: A hybrid model

A hybrid model involves the employment of some hubs offshore (as described above), some Australia-based hubs, and an ability to launch strike teams if needed. It would require the establishment of an onshore multiagency fusion centre for CrimInt assessment—perhaps similar to the National Threat Assessment Centre<sup>18</sup>—to analyse the data collected from a whole-of-government perspective and to disseminate strategic and operational CrimInt product to Australian government agencies. This seems to be a clear and obvious role for the ACIC under its mandate as Australia's lead CrimInt agency and its charter to provide intelligence support to Australian law enforcement agencies.

### Different views on the hubs

Not all agencies favoured the establishment of CrimInt hubs offshore, although there was very strong support for increasing the number of offshore CrimInt officers and for embedding staff from trusted foreign agencies inside Australian agencies to strengthen interoperability and international engagement. It was suggested that any funding provided to establish the hubs shouldn't be at the expense of increasing the number of intelligence officers posted overseas. Arguably, posting more Australian resources offshore, in coordinated whole-of-government teams, is wholly consistent with the proposition to develop the hubs. In any case, those involved in the research thought that the hubs, in some form, are a clear way forward for coordinating our currently disparate arrangements.

### CrimInt hub coordinator

The CrimInt coordinator of each hub would manage the IES under the broad coordination of the C-SOC Ambassador and the supervision of the AFP regional manager. The coordinator would work side by side with the senior AFP liaison officers and other law enforcement agencies (such as the ABF) represented in their region to coordinate the CrimInt effort and maximise engagement opportunities with relevant partner agencies. The CrimInt hub coordinator wouldn't manage collection and dissemination in each country, as that responsibility should continue to lie with the relevant AFP senior liaison officer. The coordinator would add value by assisting the regional manager, coordinating activity in their region in line with the IES and the regional manager's direction, and 'triaging' intelligence collected in that region so that the relevant collection priorities are satisfied.

We considered 'dual hatting' the existing intelligence coordinator in a particular embassy as the regional CrimInt hub coordinator, but that's not optimal because that officer is already responsible to one ambassador and has a full 'day job' in the suggested locations. This simple reality of capacity points to the need for a dedicated CrimInt coordinator in each hub.

## Outposted officers from relevant agencies

The need to have analysts, liaison officers and other CrimInt, regulatory and policy professionals at particular hubs, or embedded with important international partner agencies, would be determined by agency need and coordinated as part of the IES.

It would be worth placing representatives from key agencies in the regional CrimInt hubs, according to need and national interests of course. Those officers could provide specialist advice on CrimInt, but they would also be likely to have the capacity to provide support for agency priorities, too. Since they'd be drawn from agencies such as AUSTRAC, the ACIC, the DIBP and the ABF, their priorities, engagement focus and collection and dissemination tasks would be set through the IES to ensure alignment. Other agencies, such as the Attorney-General's Department, the Australian Taxation Office, the business and prudential regulators, and perhaps social security, may see benefit in establishing firm relationships with hubs, even if outposted officers aren't necessary.

Great value can be derived from outposting some officers to important partner agencies. The AFP already has a number, including one associated with EUROPOL, and so does the ACIC now—but there's a need for more. With financial intelligence units building closer working ties with banks and other private sector partners, outposted officers working to offshore hubs could build the channels needed to deliver faster flows of information and exchanges of thinking between Australian agencies and foreign financial sectors (including high-risk international financial centres). These officers would have firm relationships with the regional hub and CrimInt coordinator to ensure that their output is maximised for national benefit.

## Resource needs

The level of funding needed to establish these positions is difficult to assess without examining each agency's desired level of representation. It may be possible for some agencies to provide one or two new overseas positions from within current resources (and so reduce the new money needed), perhaps by diverting existing Australia-based or overseas-based positions to the CrimInt role. Still, the quantum for new resources is difficult to establish from our research. However, it's possible to assume that the AFP, AUSTRAC and the ABF/DIBP will all need to place an officer in each hub, and ACIC—as the primary CrimInt agency—one in addition to the CrimInt coordinator. The potential cost of this option for offshore hubs (Option 1) is \$12.5 million; the figure is lower for the other two relevant options.

While that sounds like a lot of money, it's worth noting that Defence had nearly 800 employees based overseas on long-term duty in June 2015 (that is, not in operations or short-duration courses).<sup>19</sup> If an average cost per person is applied, that amounts to \$400 million each year for Defence alone. While that number may have changed since then, we note that the law enforcement agencies have around 137 people posted overseas in roles that might have CrimInt as part (and only a part) of their duties.<sup>20</sup>

## Recommendation 6: Enhanced training and education to use CrimInt

Future police leaders need to be grown so that they can anticipate change and adapt the force as needed. CrimInt, especially strategic CrimInt, is a useful aid in training future leaders because it helps them to understand how the criminal environment is changing and the directions change might take into the future. Failing to educate officers about the directions of change in crime will mean that organisations will fail to prepare future leaders for the challenges they'll face.

The cornerstone of a successful CrimInt model is a training regime that educates intelligence practitioners in the profession and others on what strategic, operational and tactical intelligence are, how to develop each, and how to use it. Failure to recognise and act on these issues significantly diminishes the quality of the CrimInt effort, the written product and practitioners' professional skills. The following points sum up the current training position:

- Consistent minimum standards for training in strategic, operational and tactical intelligence are absent.<sup>21</sup>
- There's been a reduction of training in core and specialised CrimInt skills, including strategic CrimInt, in many agencies.
- Inconsistent approaches and competency standards for intelligence analysts, intelligence officers and intelligence support officers are a problem.
- Failure to recognise and manage these skills within agencies is a lost opportunity to maximise the intelligence effort.
- The lack of any leadership in CrimInt programs leaves this branch of intelligence wanting.

The Intelligence Managers Development Program, previously run by the Australian Institute of Police Management and sponsored by the AFP, has been abandoned, which means that there's now no dedicated intelligence management program in law enforcement and emergency management.

### Development programs for intelligence professionals

The Intelligence Managers Development Program was previously conducted as a Graduate Certificate in Applied Management (Intelligence). Together with the Intelligence Executive Leadership Program (Graduate Diploma), the program examined contemporary intelligence issues, management theory and best practice. Topics usually included leading-edge doctrine in areas such as integrating intelligence into the management process, dealing with large datasets, and applying intelligence in financial analysis, combating transnational crime and counterterrorism.

Other topics for study included strategic management, contemporary issues in CrimInt, strategic planning and performance management, as well as leadership and organisational change.

Participants included senior intelligence and operations staff from the AFP, state police, other government law enforcement agencies, such as the then Australian Customs Service, and international law enforcement partners, such as the New Zealand Police.

The continuation of the National Strategic Intelligence Course (NSIC) is important, and that program has recently been refreshed. However, the methods of delivery could be reconsidered to reduce the cost of attending for agencies, particularly the smaller police forces. That would allow more officers to attend the NSIC, which would fill an important gap and improve the ability of more officers, including senior officers, to interpret and use the intelligence product.

While a range of intelligence programs are run by police forces and tertiary education providers, standards for strategic, operational and tactical intelligence training could also be developed. The ACIF took on the task of setting minimum competency standards across agencies when it developed the Australian Criminal Intelligence Model a few years ago. However, little seems to have been done to implement those standards, and that leaves agencies and providers free to determine their own competencies. For agency-specific needs that's quite proper, but for core competencies it's not ideal.

## The National Strategic Intelligence Course

The NISC is a partnership between Charles Sturt University, the ACIC and the AFP to help meet the professional development needs of Australian law enforcement.

It aims to provide participants with a practical knowledge of strategic intelligence, research methods, program management, data collection and analysis.

The NSIC complements existing training courses hosted by most of Australian policing jurisdictions. These courses comply with the national competency standards administered by the Australasian Policing Education Standards Council.

If our house is in order onshore, there are options for our offshore efforts to include capacity building with partners by sharing training curriculums and competency standards and even intelligence training with them. This approach would be likely to improve our ability to influence partners about our CrimInt priorities and also give us comfort about the intelligence analysis methodologies used in the preparation of intelligence product shared with us.

The resources to conduct these programs should come from existing agency allocations, although some seed funding to revise the courses and set competency standards may be needed. This might amount to \$0.5–1 million to conduct a new training needs assessment and develop competency statements at each of the intelligence levels, and then run pilot courses based on those competencies. Ongoing attendance should be funded from existing training budgets.

# CONCLUSIONS, RECOMMENDATIONS AND RESOURCES

This special report identifies a range of issues affecting the success of Australia's offshore efforts to collect and disseminate CrimInt. Our analysis of weaknesses in the current system identified a number of structural, process, resource and training initiatives that would optimise our CrimInt effort offshore.

The analysis also allows some conclusions to be drawn. First and foremost, CrimInt should be a major input to fighting crime here in Australia: gathering it from offshore sources is increasingly essential, and finding ways to use it better to influence others would be worthwhile.

Second, we've found that CrimInt activity must be explicitly coordinated if we're to maximise our engagement with partners offshore. This need stands for both collecting and disseminating CrimInt. Collaboration across all relevant Australian agencies—including the state and territory jurisdictions—is critical to achieving such coordination, especially as the need for agencies to have offshore representation increases. This effort is best suited to a national, not a solely Australian Government, perspective because it needs to satisfy competing demands in a timely fashion.

Third, our investigation has found that the CrimInt effort offshore is not adequately resourced. Some changes have been made to address this recently, but they are likely to be focused on agency needs, come from ad hoc funding and may be short-term posts. Furthermore, law enforcement officers posted overseas usually perform many roles simultaneously and aren't routinely intelligence specialists. When compared to other national priorities, CrimInt is a very poor relation, and this means not all priorities are being satisfied.

Accepting the recommendations in this report would improve the quality and utility of our overseas CrimInt effort for law enforcement, policy and regulatory agencies. The recommendations suggest a significant amount of work and signal the need for changes in the system.

This improvement would start with a new priority-setting mechanism that integrates Australian Government and state and territory government needs before gaining political support for the resulting national priorities. The mechanisms would also include requirements and collection planning and a formal evaluation system.

The role of the CrimInt mission manager, whether it be the ACIC board or HOCOLEA, is important because it can provide a unified national perspective to the CrimInt effort. The mission manager would create an IES to guide national CrimInt efforts overseas. Support for the mission manager could come from a repurposed Australian Criminal Intelligence Forum.

New roles and structures would also be needed, including a C-SOC Ambassador and CrimInt hubs with dedicated CrimInt coordinators. These positions would implement the IES by working in an integrated way with Australia's existing diplomatic and law enforcement liaison network—there's no proposal to create a separate network with the hubs. A reinvigorated training system is also needed to complement this effort.

Regardless of the options selected, the Australian Government needs to better resource this effort. While the current AFP international liaison network is highly valued, the breadth of its roles means that careful prioritisation of work is needed. That usually means that today's problems get priority over tomorrow's, so gathering and disseminating

CrimInt doesn't receive all the attention it requires. Our assessment of the resources needed (and possibly available) is shown in Table 1.

Table 1: The cost of the recommendations

Recommendation		Cost (per annum)				
New coordination through ACIC board		Nil				
Implement a CrimInt evaluation system		\$0.4–0.6m				
New C-SOC Ambassador		\$0.5m				
Reinvigorate CrimInt training		\$0.5–1.0m				
CrimInt Hubs: Cost of new positions based on \$0.5 m per person per annum	Option 1 (all offshore)	Min.	\$1.5m		Max.	\$12.5m
	Option 2 (all onshore)		\$1.0m			\$5m
	Option 3 (strike teams)		\$1.8m			\$1.8m
	Option 4 (hybrid)		\$775k			\$775k
Confiscated Assets Account (proceeds of crime) balance at end 2014–15		\$51m				

The way forward should begin with process changes to priority setting and collection management (the costs of which are to be absorbed by agencies) and a new CrimInt effort evaluation program (with new resources). Next, the C-SOC Ambassador should be appointed for an initial three-year term to validate the concept and to see whether broader changes in the security environment offer a chance to consolidate other ambassador positions. Funding for new training initiatives, especially a new intelligence training needs assessment and course revision, should be provided soonest.

But the \$12.5 million question is about which of the hub options should be used. We think five overseas hubs are optimal (one to support each AFP regional manager), but recognise that going all the way right now (especially in this financial climate) would be a hard sell.

As a result, we recommend a two-year trial of the hybrid model: one offshore hub, one onshore hub, and one strike team. The trial should be structured to allow a comparison of each option using criteria including the satisfaction of CrimInt priorities, the value of relationships and the impact of dissemination.

In time, state and territory agencies should also be asked to consider funding some overseas positions, especially if they wish to increase the focus on their needs.

The changes recommended in this report will enable CrimInt in Australia to deliver on its potential through actively managed collaboration and coordination of our efforts overseas. The measure of its success will be in the reduced impact and cost of serious and organised crime to Australian society, the partnerships it produces with our neighbours and friends, and the economy created as agencies focus on their mandated roles.

# NOTES

- 1 Parliamentary Joint Committee on Law Enforcement (PJCLE), *Inquiry into the gathering and use of criminal intelligence*, May 2013, p. 5. The committee also noted how the lack of an accepted definition of CrimInt had 'contributed to varying expectations, standards and approaches across the jurisdictions which has resulted at times in the duplication of effort' (p. 10). Thanks to John Coyne for his contribution to this definition.
- 2 Some relevant studies include John Coyne, Peter Bell, *The role of strategic intelligence in law enforcement*, 2014; and Kevin Rogers, 'Development in Australian strategic criminal intelligence', in J Radcliffe (ed.), *Strategic thinking in criminal intelligence*, 2nd edition, 2009.
- 3 Australian Crime Commission (ACC), *The costs of serious and organised crime in Australia 2013–14*, Canberra, 2015; David Connery, Clare Murphy, Hayley Channer, *A web of harms: serious and organised crime and its impact on Australian interests*, ASPI, Canberra, 2015.
- 4 UN Office on Drugs and Crime, *World drug report 2014*. Figures based on prices for cocaine salts in 2012, US price for 50% purity. The ACC provides a price range of A\$180,000–250,000 and a median purity range between 30% (in South Australia) and 64.5% (in Western Australia).
- 5 ACC, *The costs of serious and organised crime in Australia 2013–14*; Cassandra Cross, Russell G Smith, Kelly Richards, *Challenges of responding to online fraud victimisation in Australia*, Australian Institute of Criminology, 2014, p. 5; AUSTRAC, *Annual report 2014–15*, pp. 50, 67.
- 6 The relevance of overseas sources and gathering efforts to CrimInt was highlighted by then Home Affairs Minister Jason Clare, who stated that '96 per cent of drug seizures come from intelligence from law enforcement agencies before the parcel or container even arrives in Australia'. Jason Clare, Minister for Home Affairs and Minister for Justice, 'Better intelligence leads to record seizures', media release, 17 May 2012, cited in PJCLE, *Inquiry into the gathering and use of criminal intelligence*, p. 3.
- 7 PJCLE, *Inquiry into the gathering and use of criminal intelligence*; John Coyne, Peter Bell, 'Strategic intelligence in law enforcement: a review', *Journal of Policing, Intelligence and Counter Terrorism*, 2011, 6(1); Patrick Walsh, *Intelligence and intelligence analysis*, Routledge, 2011; Thomas Fingar, *Reducing uncertainty: intelligence analysis and national security*, Stanford University Press, 2011.
- 8 PJCLE, *Inquiry into the gathering and use of criminal intelligence*, pp. 93–96. Volume crime includes offences such as burglary, car theft, robbery and assault. Some definitions include low-level drug crimes and criminal damage. Serious and organised crime is defined in the *Australian Crime Commission Act 2002* as crime that involves two or more offenders and substantial planning and organisation; involves the use of sophisticated methods and techniques; and is committed, or is of a kind that is ordinarily committed, in conjunction with other offences of a like kind; and is a listed serious offence that attracts a penalty of 3 years (ACC Act, Part 1, section 4).
- 9 Attorney-General's Department, *National Organised Crime Response Plan 2015–18*, [online](#).
- 10 PJCLE, *Inquiry into the gathering and use of criminal intelligence*, p. 15.
- 11 Office of National Assessments (ONA), *Coordinating Australia's foreign intelligence activities*, [online](#).
- 12 For the list of the UN Sustainable Development Goals, see [online](#).

- 13 There's a good chance that the AFP's new regional managers will begin to address this concern, and this should be kept in mind when we argue for a new ambassadorial position below.
- 14 The ONA shares the counterterrorism coordination role; it partners with a specialised area (now the Australian Counter-Terrorism Centre) to coordinate international and domestic counterterrorism intelligence activity.
- 15 This stage would also allow foreign partner agency priorities to be considered, should that be desirable.
- 16 The council assists the Council of Australian Governments by developing a national and trans-Tasman focus on fighting crime and promoting best practice in law, criminal justice and community safety. The Australian states and territories, the Australian Government and the New Zealand Government are each represented by a maximum of two ministers, [online](#).
- 17 ACC, *Annual report 2014–15*, [online](#); Attorney-General's Department, *National Organised Crime Response Plan 2015–18*, [online](#).
- 18 The ACIC Fusion Centre could be enhanced to handle the task. It would be likely to require retitling to reflect its role as a national CrimInt threat assessment centre delivering strategic and operational intelligence against the national CrimInt priorities.
- 19 Department of Defence, *Annual report 2014–15*, Table 8.16.
- 20 This figure is based on the number of law enforcement officers posted overseas at 30 June 2015. Of those, the AFP had 99 in its International Network and 14 outposted to international partners, the ACC had 4 (est.), AUSTRAC had none and the ABF had 20 (the DIBP's 204 people aren't included, as most are involved in visa processing activities). Sources: 2014–15 annual reports.
- 21 Those standards (and the national aspiration to develop them) are explained in AFP, 'Australian Criminal Intelligence Model Strategy 2012–15', [online](#).



# ACRONYMS AND ABBREVIATIONS

ABF	Australian Border Force
ACC	Australian Crime Commission (from 1 July 2016, the Australian Criminal Intelligence Commission)
ACIC	Australian Criminal Intelligence Commission (the Australian Crime Commission until 1 July 2016)
ACIF	Australian Criminal Intelligence Forum
ACIM	Australian Criminal Intelligence Model
AFP	Australian Federal Police
ASEAN	Association of Southeast Asian Nations
AUSTRAC	Australian Transaction Reports and Analysis Centre
CrimInt	criminal intelligence
C-SOC	counter-serious and organised crime
DFAT	Department of Foreign Affairs and Trade
DIBP	Department of Immigration and Border Protection
HOCOLEA	Heads of Commonwealth Operational Law Enforcement Agencies
IES	international engagement strategy
NCIPs	National Criminal Intelligence Priorities
NSIC	National Strategic Intelligence Course
ONA	Office of National Assessments
UK	United Kingdom
UN	United Nations

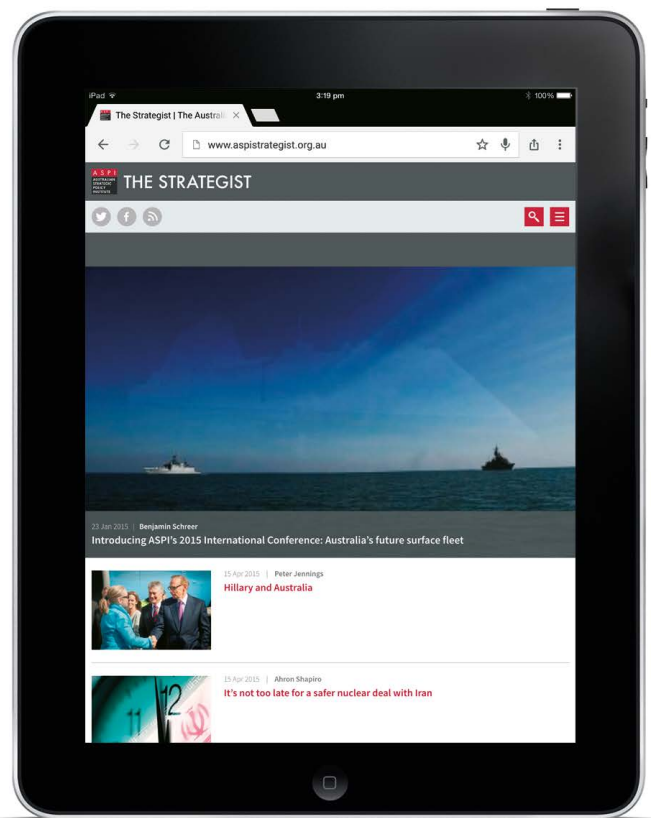
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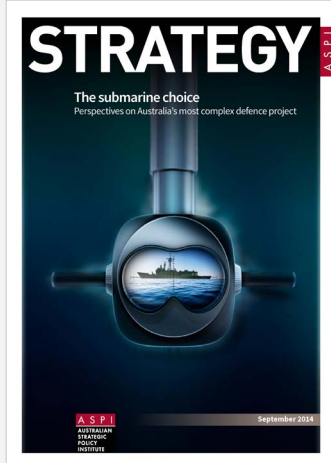
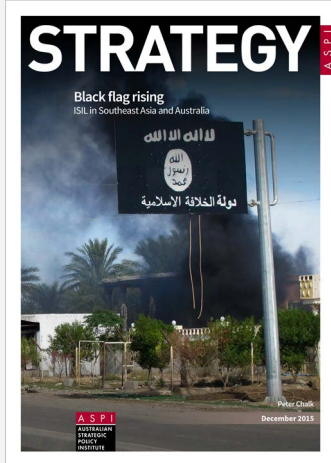


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