



RSL
Australia

THE RETURNED & SERVICES LEAGUE OF AUSTRALIA LTD

Patron from 1952-2022, Her Majesty The Queen

ABN | 63 008 488 097
POSTAL | PO Box 30 CAMPBELL ACT 2612
TEL | (02) 6280 4079
EMAIL | enquiries@rsl.org.au

Ref: O 146/23

17 November 2023

2024 Independent Intelligence Review
Department of the Prime Minister and Cabinet
PO Box 6500
Canberra ACT 2600

Email: IIR2024@pmc.gov.au

Submission to the 2024 Independent Intelligence Review

On 22 September 2023, in his address announcing the launch of the 2024 Independent Intelligence Review, Prime Minister Albanese stated that “our intelligence agencies underpin our national security objectives, including helping to safeguard our sovereignty in an increasingly uncertain security environment and that this Independent Review [would] make sure that our intelligence agencies are best positioned to serve the Australian national interest, respond to future capability and workforce challenges, and continue to protect our security, prosperity and values.”

The Returned & Services League of Australia (RSL) believes the recommendations we are presenting will make Australia’s national intelligence community a much different enterprise than it is today. We believe it will result in an intelligence community that is more unified – with a leaner bureaucracy, and a concept for strategic assessments that will support defence and national security strategies, enhance intelligence, surveillance and reconnaissance operations whilst also ensuring we have sufficient indications and warning to defend against attacks by land, sea, air, cyber and space.

In keeping with the 2024 Independent Intelligence Review terms of reference, as stipulated by the Department of Prime Minister and Cabinet (PMC), the RSL welcomes the opportunity to submit the following on behalf of our 1,107 RSL sub-branches representing our 147,000 members for your consideration.

The point of contact for this submission is J.J. Powers, a member of the RSL Defence and National Security Committee.

Yours sincerely,

Greg Melick
National President
RSL Australia

Peter Leahy
Chairperson
RSL Defence and National Security Committee

1. Empower the Director General for National Intelligence (DGNI) with specific authority over select NIC functions.

Our colleagues in the US established the position of Director National intelligence (DNI) – DGNI counterpart; and the Office of the Director of National Intelligence (ODNI), similar to Australia’s Office of National Intelligence (ONI) after the attacks of 11 September 2001 via the 2004 Intelligence Reform and Terrorism Prevention Act (IRTPA). Despite the IRTPA’s legal provisions, experts noted that the IRTPA did not provide the DNI with any substantive authorities, which resulted in the DNI having a lack of control over any aspect of the US’s Intelligence Community (IC). The new position and its associated ODNI were more “coordinators of the willing” than that of IC leader.

The same could be said of the current Australian DGNI position, which was established along with the Office of National Intelligence (ONI) as a result of the 2017 Intelligence Review. To that end, there is nothing in either the 2017 Independent Intelligence Review or the 2019 Richardson Review that would lead one to believe the NIC will heartily embrace anything the DGNI “coordinates” if it is not in their best interest.

Unlike the Secretary of the Department of Defence or the Director General of ASIS, the DGNI does not oversee his sphere of influence, nor do the various NIC agencies have any accountability to his office or the ONI staff. As such, the DGNI cannot direct the heads of the NIC in the way that other Director Generals or Department Secretaries do.

This is an issue of authorities and primarily a bureaucratic problem – which took the US over ten years to rectify. Today, the DNI is a full member of the President’s Cabinet and plans, programmes, and has oversight over the National and Military Intelligence Programmes that fund the activities of the IC. In 2023, approximately \$98.3 billion USD was appropriated and authorised by the US Congress for IC activities, which are managed and monitored by the DNI and ODNI staff.

The problems created by the anomalous position of DGNI, like with the DNI when it was established, means there is no central hub that can enforce change throughout the NIC, make the entire community more adaptable and fiscally accountable, or align intelligence collection operations, intelligence mission data production, or analysis to defence and national security strategies and requirements. Additionally, if the PM wants to enquire about specific intelligence issues, he is better served by engaging directly with NIC departments and agencies through the PMC because existing authorities in law or policy for the NIC to be responsive to the DGNI – are weak.

For some observers, the lack of DGNI authorities is a feature, not a glitch because they fear too much centralisation within the NIC – rather than too little. Unfortunately, the level of bifurcation that exists in the NIC today, makes it dangerously susceptible to abuses in power, duplication in capabilities, personnel and resources mismanagement, gaps in intelligence collection and indications and warning of adversarial actions being missed. It is only a matter of time before Australia has its own catastrophic intelligence failure as already seen in the past twenty years in the US, France, the UK, and Israel.

The 2017 Review’s recommendations that keep the DGNI out of the day-to-day business of NIC agency operations are spot-on. That is the job of the agency leaders. However, to ensure that NIC activities are tethered to the national strategy; and there is interagency coordination; and that intelligence gaps are shared; and who is responsible for filling the gaps is known; and that operational missions are not duplicated across similar domains – it is paramount the DGNI be given authorities to execute the duties of the office.

Recommendation: The Director-General of National Intelligence (DGNI) should be afforded some level of force management and budget authority over the NIC. The individual agencies would still execute their personnel assignments, budgets, and operations; but the DGNI would be the focal point for running the “corporate” business of intelligence – the consolidated planning, programming, alignment and distribution of personnel and resources across the NIC’s collective mechanisms.

Such authorities would allow the DGNI to manage the NIC’s shared activities that support national policies and operations. It would strengthen interagency coordination, specifically in identifying shared strategic intelligence gaps, which would reduce the duplication of effort that currently exists across the NIC’s business units. It would also improve the management and distribution of analysts across the community based on national as opposed to functional or agency specific requirements.

Finally, a modicum of budget authority, more than any other authority, would permit the DGNI to ensure the NIC’s support in the development and implementation of defence and national security strategies were aligned and properly resourced per the Prime Minister’s directive that “our intelligence agencies be best positioned to serve the Australian national interest ... and continue to protect our security, prosperity and values.”

2. Create a NIC community management staff.

Based on a recommendation within the 2017 Intelligence Review, what was formerly the Office of National Assessments (ONA) was increased in size to create the ONI. Although the men and women of the ONI are doing a tremendous job, they are in the opinion of experts and their own work force, being pulled in two directions – strategic analysis and intelligence community coordination.

Prior to the creation of the ONI, the NIC had two distinct all-source analytical entities – ONA and the Defence Intelligence Organisation (DIO). These agencies were the analytical all-source focal point for Australia’s decision-makers and the NIC’s interface with like entities in the Five-Eyes and regional all-source centres. The ONI is still providing the all-source political and economic analysis; however, some would suggest, ONI all-source assessments are in competition with the demands of coordinating the day-to-day activities of the NIC.

As witnessed in the recent surprise attack by Hamas into Israel – the most important missions of the NIC are those related to analysis, indications, and warning, which are squarely the responsibility of ONI and DIO.

The challenges in the NIC’s analytical capabilities are the result of several factors, which include pressures to maintain consensus within a fragmented ONI structure, a failure to encourage the development of subject-matter expertise, a neglect of open-source materials, and a strategic analysis gap caused by a lack of diversity in analysis, which leads to ONI and DIO analysts being more susceptible to groupthink and confirmation biases, thus impacting and limiting how intelligence analysts perceive and assess problems. This leads to intelligence assessments and other intelligence products having hollow dissenting opinions and alternative viewpoints from the lowest to the highest levels of analysis within the NIC, which historically, is a precursor for catastrophic intelligence failures.

Recommendation: Australia and its senior defence and national security leaders would be better served if the ONA was once again a separate and distinct agency. This would permit the ONA to concentrate on analytical rigour and allow them to be completely focused on Australia’s most critical national security intelligence requirements.

The authorised personnel plus up of the ONA to create the ONI from the 2017 Intelligence Review would remain and serve as the foundation for the personnel structure required by the ONI to execute its NIC functions as a community management staff. Additionally, in order to strengthen integration and cooperation within and across the NIC, the ONI community management staff would be augmented with representatives either being assigned or seconded from all the NIC public service ranks and career fields. This would assist in the development of a NIC work force that is professionally savvy across all the various intelligence disciplines and domains within the NIC and reinforce one of the major goals for the NIC from the 2017 Intelligence Review – that of “strengthening integration across Australia’s national intelligence enterprise.”

3. Synchronise Australia’s National Intelligence Community’s functions and activities with a mandated National Security Strategy.

The essence of Australia’s NIC is to provide intelligence to leaders which informs their decision-making so the nation won’t be surprised and can act. To be effective though, the NIC’s activities must be coordinated with the national strategy.

Although the intelligence and decision-making processes are different, they are not separate. Intelligence is achieved through collection and analysis. Decision-making through strategy and implementation. This relationship is dynamic, and not necessarily sequential or harmonious, however, they are absolutely dependent on each other for their outcomes.

Numerous governments have put a great deal of effort in independent intelligence reviews to assess the NIC and the structures that preceded it. Some of the reviews’ recommendations, such as the designation of a DGNI, the establishment of the ONI, and the creation of the Department of Home Affairs, have improved some aspects of intelligence governance within Australia and with our Five-Eye partners; however, what repeated governments have failed to do is conduct a similar independent review of Australia’s national strategy.

This is critical to the intelligence community and Australia’s defence and national security because a nation’s national strategy serves as its roadmap. It defines for the nation, regardless of which party is in power, what the nation’s priorities are whilst reconciling the means and ends with a steadfast purpose of action. A national strategy is enduring – adjusted slightly based on events – not changes in government. It is tempered against budget realities, is politically agnostic and imbued with the cultural mores of its people. It’s also what drives intelligence collection, production, and assessments.

Often, the security pillar is the emphasis of a national strategy because it’s the simplest to develop and sustain. However, a comprehensive national strategy places equal emphasis on all the crucial strategic pillars – information & technology, economics, security, and diplomacy. To be clear – a national security policy is not a national strategy – it’s simply a key component of the national strategy and the NIC is responsible for supporting all the pillars.

Compounding the lack of an independent national strategy review to calibrate defence and national security activities with intelligence collection and production – are recent decisions by government to cancel significant portions of our national space programme, to delay the naval capabilities review, and to adequately fund intelligence mission data production, the latter being the absolute essential component of all our current and projected precision munition and weapon systems.

It’s said that intelligence drives strategy and policy. The reality is – intelligence only informs and provides context. The true power to drive policy and operations lies with decision-makers – members of parliament, director generals and general officers.

Whilst intelligence failures are mortifying, bad strategy leads to bad decision-making, and bad decision making is deadly.

Recommendation: Because intelligence is a necessity and its greatest impact is in preventing “miscalculations” in the development of a national strategy whilst it is being formed or decisions are being made, the DGNI and the NIC leadership should be provided with a mandated independent national strategy review so the intelligence community’s activities – post the 2024 independent intelligence review – can be fully aligned, resourced and focused on Australia’s most compelling defence and national security requirements as proposed by the national strategy.

Such an independent national strategy review would assist the NIC in aligning its resources and efforts, domestic and foreign, in ensuring there were no gaps in the NIC’s understanding of threats to Australia’s national security. It would also bring more depth and accuracy to intelligence analysis and assessments; plus, it will ensure that Australia’s intelligence resources are optimised in generating future capabilities, whilst preserving our current intelligence, surveillance, and reconnaissance operations.

4. Increase investment in commercially sourced intelligence and Intelligence Mission Data. Greater investment in commercially sourced intelligence data

The threat environment Australia faces today is dominated by bits, bots, and bytes – open-sourced commercial data. It is the cornerstone of the digital world we live in and the operational environment where we will defend and attack. Commercial data or commercially sourced intelligence (CSINT) as it is known in defence and intelligence communities, is also the foundation for the production of intelligence mission data (IMD).

IMD is the precision intelligence that precision weapons require. Without IMD – the F-35 fighter is no better than a crop duster, the Hunter frigate – a tugboat, and the HIMARS rocket launcher – a gatling gun. To put it in AUKUS terms - nuclear fission is the muscle that runs a nuclear submarine, but IMD is the brain and neuro system for the entire vessel – its torpedos, missiles, sonar, command and control. Without IMD – the muscles don’t know what to do or when to do it.

Producing IMD from CSINT is an extremely laborious and costly process. Although Australia’s national intelligence community’s (NIC) budget is classified, the US’s is not. In 2023 the US will spend a substantial portion of its \$98.3 billion intelligence budget in producing IMD, most of it derived from CSINT, for its precision weapon systems, cyber defences, and diplomatic activities.

It’s assessed that China, Russia and Iran will spend that amount or more on intelligence mission systems, data, and architectures to support their precision weapon and digital defence systems and national security strategies.

Australia and its Five Eye partners are in an intelligence arms race to derive meaning and value from commercially sourced intelligence, and the winners of the race will have the strategic advantage. Those who don’t – will fail.

The production of IMD from CSINT has been a systemic problem for Australia since as early as 2016. The difficulty is threefold – first the government has failed to adequately invest resources into the production of IMD. Second, the requirements for IMD are not clearly defined, nor understood by the entire NIC or senior national security leaders or parliamentarians. Finally, and the most egregious, is NIC agencies and private sector

companies are poaching intelligence and data analysts from each other with no regard for the consequences it has to each other's mission or overall national security objectives.

Recommendation: All one has to do is look at Ukraine to appreciate the value of IMD on targeting and cyber operations. The effectiveness of the Bayraktar TB2 drone, the Patriot air defence, HIMARS and Harpoon anti-ship missiles are directly attributable to the to the CSINT imbued into each of these weapon systems IMD. It's permitted Ukraine to hold the Russians at bay by efficaciously shaping the intelligence, surveillance, and lethality domains in the operational environment.

Additionally, CSINT has been foundational in non-lethal systems such as the Starlink satellite system, plus a myriad of diplomatic, information and cyber defence technologies. This has assisted Ukrainian, UN, and NATO relief organisations in positioning and delivering medical, humanitarian and relief supplies to Ukrainian displaced persons and refugees.

As information from the war in Israel becomes more available, the importance and power of CSINT and IMD in the urban and sub-terranean (tunnels) operational environment will illustrate further why it is critical for Australia's NIC to be at the forefront of CSINT use and IMD production.

Defence has tried to rectify some of its internal challenges within the NIC by creating the Chief of Defence Intelligence and the Defence Intelligence Group. It's also establishing a combined intelligence centre between Australia's Defence Intelligence Organisation and the US's Defense Intelligence Agency to assist in the management CSINT and the production of IMD for the ADF. However, these actions only assist Defence – not the NIC – and they don't eliminate the principal issues hindering the nation's use and production of CSINT and IMD – personnel poaching, duplicative activities, limited resources, and a production plan that is dated and not addressing the most compelling IMD shortfalls in support of current and projected ADF operations.

If Australia is to regain the distance it has lost in this intelligence arms race, government must align its sovereign industrial and digital capability strategy for national security, intelligence, and surveillance with its domestic and diplomatic agendas. It must also, per the RSL Topic #1 recommendation, instil in the Director-General of National Intelligence (DGNI) some level of force management and budget authority over the NIC.

Such authorities would allow the DGNI to manage the NIC's shared CSINT and IMD activities that support national policies, operations, weapons and munitions acquisitions. It would also strengthen interagency and commercial entity coordination, specifically in identifying shared IMD gaps. This would reduce the duplication of effort that currently exists across the NIC in the collection of CSINT for IMD production. Finally, it would improve the management and distribution of analysts across the community based on national verse functional requirements, again enhancing IMD development.

Summary of Recommendations

1. Empower the Director General for National Intelligence (DGNI) with specific authority over select NIC functions.
2. Create a NIC community management staff.
3. Synchronise Australia's National Intelligence Community's functions and activities with a mandated National Security Strategy
4. Increase investment in commercially sourced intelligence and Intelligence Mission Data.