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# Australia's Strategic Analysis Capabilities: Reaching Critical Mass

Rory Medcalf

Australia's strategic analysis capabilities extend far beyond the staff, methods and sources available to formal intelligence assessment agencies, notably the Office of National Assessments (ONA) and the Defence Intelligence Organisation (DIO). Capabilities also encompass: other government organisations, including policy departments, which retain subject-area and analytical expertise; the resources of allied and other friendly countries with which Australia has regular dialogue; and non-government capacity, such as in Australia's think tanks and universities, to the extent that this can be harnessed by government. The core capabilities, particularly those of ONA, have been substantially improved since the 2004 Flood Inquiry. In particular, staffing levels have been increased, and consultative and analytical processes better systematised. There remains, however, room for improvement, particularly in the exploitation and synthesis of online sources and other publicly-available expertise. The creativity and transparency of the US National Intelligence Council's 2025 project and the UK Ministry of Defence's DCDC Strategic Trends project provide models for a possible Australia-specific process of presenting regular and contestable long-term assessments in the public domain.

The quality and extent of what might be termed Australia's strategic analysis capabilities became a subject of sustained public scrutiny in the wake of collective international intelligence failure on Iraqi weapons of mass destruction. Whatever criticisms might have been levelled at Australia's intelligence analysis agencies in that context, they nonetheless reached more cautious judgments than many of the better-resourced American and British counterparts.<sup>2</sup> This important juncture in the evolution of Canberra's intelligence community highlighted several inter-related questions about Australia's ability to assess international security information, classified or otherwise. First, can a country of this size have sufficient resources to produce the assessments its international interests dictate? Related to that, is it a matter simply of people and money, or are such factors as the organisation and openness of the strategic analysis community at least as critical? Moreover, is there a particular national quality to Australia's strategic analysis capabilities? Does something definable as Australian culture, perhaps involving a willingness to question received wisdom, lend itself to the analyst's craft?

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<sup>1</sup> Based on a presentation to the *Australia's Strategic Futures Conference*, Adelaide, October 2008.

<sup>2</sup> Philip Flood, *Report of the Inquiry into Australian Intelligence Agencies* (Canberra: Australian Government, 2004), p. 25.

An abiding willingness to test assumptions or challenge the opinions of one's seniors is not the exclusive preserve of Australian analysts. Nor is independent thinking sufficient in achieving first-rate assessments; it is necessary rather as an ingredient in a well-constituted, well-trained, well-coordinated analytical community. That said, Australia's official strategic analysis community, as it stands today, is among the most collegially argumentative work environments an inquiring mind could hope to find. It has its measure of dedication, hard work, intellectual rigour, originality and contestability. Whether there is enough of any of these qualities is of course open to question.

The following overview of the country's strategic analysis capabilities will touch on what they are, what they do, what they do right, and where they could be improved—especially given the increasingly complex global environment that they will have to read and anticipate. One point of emphasis will be how much larger the picture is than simply the formal assessment agencies.

To start with, some definitions. Strategic is a much-abused word with many possible meanings. All who claim to be able to talk purposefully about the craft of the strategic analyst should admit how easy it is to deploy that lexical magic weapon called 'strategic' as a shield for imprecision, a smokescreen for dilettantism with detail. With that caveat, here are several professionally useful definitions of the word:

- That which relates to the gaining of overall or long-term military advantage;
- That which relates to power and in particular to changes in the relative power among states or other entities;
- That which forms part of a long-term plan or aim for a specific purpose; thus, far-reaching in timeframe;
- That which is potentially far-reaching in geography or geographical impact.

The first element—long-term military advantage—remains the critical one. But relative change in the balance of what the Chinese know as comprehensive national power is also a proper domain for the strategic analyst. This includes questions about whether states are losing or gaining power relative to non-state forces.

What is meant by analytical? Narrow distinctions can be made between analysis and assessment: thus initial comment on the value of a piece of intelligence is analysis, whereas assessment is its synthesis with other

sources and with context to form judgments. The following remarks encompass both activities; analysis is a necessary precursor to assessment.

## **The Assessment Agencies: Office of National Assessments and Defence Intelligence Organisation**

The obvious core of a country's official intelligence analytical capabilities comprise full-time professional analysts and their managers. The relevant government agencies in Australia's case are the Office of National Assessments (ONA) and the Defence Intelligence Organisation (DIO). But a holistic definition should go beyond these agencies and indeed beyond the Australian government payroll.

It is a matter of public record that ONA produces assessments using all available sources—human, signals and imagery intelligence, diplomatic reporting and open sources—on subjects relating to Australia's security, economic, diplomatic and wider national interests in the international domain. These are typically succinct, often highly readable, classified reports, whose main readership is the Prime Minister, senior Ministers and senior officials and military commanders.

This agency's analytical capacity has increased substantially since 2004. That was when the inquiry into Australia's intelligence agencies, headed by Phillip Flood, recommended a doubling of its budget and staff numbers. The Flood inquiry followed the Iraq Weapons of Mass Destruction (WMD) intelligence failures, and questions about the performance of Australia's intelligence agencies in relation to terrorism and the 2002 Bali bombing.

Almost all of Flood's recommendations were acted on, including an expansion of ONA's staff, the creation of a new stream of junior analysts or research officers, the beginnings of proper training arrangements for analysts, a more systematic approach to contestability of assessments, more focus on long-term and multidisciplinary assessment, and the attachment to ONA of the open source unit from the Department of Foreign Affairs and Trade (DFAT).<sup>3</sup> ONA's role of coordinating the intelligence community was strengthened—though this now appears subject, curiously, to further change in line with the Rudd Government's December 2008 National Security Statement.<sup>4</sup> More regular and sustained efforts at whole-of-community, indeed whole-of-government strategic assessment were introduced, through the rejuvenation of a process and product known as a national assessment. Other more fine-grained improvements, not strictly called for by Flood but in the spirit of his reforms, have also been made.

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<sup>3</sup> *Ibid.*, pp. 180-185.

<sup>4</sup> Rory Medcalf, 'NSS: the story the media missed', *The Interpreter*, December 2008, <<http://www.lowyinterpreter.org/post/2008/12/National-Security-Statement-The-story-the-media-missed.aspx#continue>> [Accessed 2 February 2009].

Another Flood outcome was a rationalisation of the overlap between the work of ONA and that of the DIO. Like ONA, DIO has access to all sources, and produces a large volume of reports of generally a more technical or operational focus and with a greater degree of detail. Its work has a more direct and immediate bearing on Australia defence activities, including the security of Australian military deployments overseas. Since Flood, DIO has focused more squarely on supporting the Australian Defence Force (ADF), assessing political and economic matters only when their strategic repercussions can clearly be shown. That said, the continued existence of some overlap—including in examining the strategic effects of changing military capabilities and WMD programs—makes sense as an added bulwark of contestability of assessments.

Neither ONA nor DIO assesses domestic security issues; a role that is the preserve of the Australian Security Intelligence Organisation (ASIO). It is worth noting, however, that there is an increasing overlap in the assessment roles of the agencies insofar as some domestic threats—those relating to terrorism—could well have an international dimension; which seems to be a major reason for the 2008 modification of Canberra’s intelligence coordination architecture to turn Flood’s Foreign Intelligence Coordination Committee into a National Intelligence Coordination Committee.<sup>5</sup> Of course, the Australian Security and Intelligence Organisation is properly concerned with international developments, not least because of its responsibility to watch for dangers to Australian nationals overseas, though these do not necessarily amount to strategic threats.

## **Beyond Russell**

In any case, the menagerie that comprises Australia’s strategic analysis capabilities, is not housed solely in Canberra’s Russell precinct: home of ONA, DIO and ASIO. Collectors—including the Australian Secret Intelligence Service and the Defence Signals Directorate—necessarily contribute something by way of analysis. Simply deciding whether a piece of information is worth collecting or passing on as intelligence is an act of basic analysis. So the staffing profile of the collection agencies, too, has to be kept in mind when considering how effectively the country’s limited talent pool in analytical skills is being allocated. The Defence Imagery and Geospatial Organisation, too, has an analytical role in interpreting the imagery it passes to assessors.

It is however the capacity and engagement—or sometimes lack thereof—of relevant policy departments and agencies that matters most especially as an adjunct to the formal assessment organisations. In this regard, DFAT and the Departments of Defence and of Prime Minister and Cabinet are

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<sup>5</sup> Ibid.

important, but also potentially Treasury, AusAID and, increasingly, Climate Change.

A purist attitude towards strategic analysis might discount the inputs of policy departments, especially using a rigid definition of the distinction between intelligence and policy. But it is one thing to quarantine intelligence analysts from undue policy influence—that is, from attempts to pressure them into reaching conclusions that suit policy preferences, or indeed from skewing their investigative focus to avoid politically sensitive subjects. It is quite another to suggest that if analysts and policy makers were never to speak with one another in the course of choosing what to assess and how and why to assess it, that somehow the product would be more objective, more thorough, better researched, and better for the national interest.

The Australian system recognises that there is a proper relationship between policy and analysis, including by involving policy agencies in the processes that set intelligence requirements, and on the boards that finalise the country's chief, all-source, all-agency assessment products, the national assessments. Going further, a good intelligence analyst cannot disregard the analytical conclusions—however preliminary they may be—that he or she gleans from the more policy-oriented work of colleagues elsewhere: for instance, the comment that any respectable diplomatic reporting cable should include.

In addition, some policy departments have sections dedicated to analytical or semi-analytical work: even DFAT, which is sometimes accused of economising on thinking, has for several years had a Global Issues Branch. Though inexcusably understaffed, this unit at least is tasked with assessing big issues, long-run trends and related policy options. And DFAT's economic analytical unit, in its various forms, has produced solid research.

Recruitment is another direct link between analytical and policy agencies. Given the relative thinness of the staffing base of our analytical agencies, and the fact that until recently they did not have a good record of grooming their own senior analysts, it is natural that they should often recruit experienced staff from policy agencies, typically from among those individuals who have brought a reflective bent to their policy work or who have developed geographic or technical expertise.

Policy agencies are not the only other government bodies to contribute in some way to the overall analytical effort. There are technical, research and implementation organisations that have expertise not available elsewhere. One is the Defence Science and Technology Organisation (DSTO). The small and specialised Australian Safeguards and Non-Proliferation Office has exceptional experience and awareness of technical and political challenges surrounding nuclear, chemical and biological weapons, which any self-respecting WMD assessor would consult.

Although DIO is at the top of the defence intelligence effort, it can be expected to draw upon insights from ADF intelligence capabilities—including areas of tactical and operational analysis that might have strategic implications. And the Australian Federal Police, given the expansion of its international deployment role in recent years, now does its own longer-term studies.

A survey of Australia's analysis capabilities also has to take in the non-official sector, which is growing in capacity, impact and profile. This includes a range of relatively young but now established think tanks and research endeavours, notably the Lowy Institute for International Policy, the Kokoda Foundation and the Australian Strategic Policy Institute (ASPI). The ADF has useful, if sometimes under-appreciated study centres on land, sea and air power. In recent years there has also been some healthy growth in relevant university research centres with a policy focus, notably the Strategic and Defence Studies Centre at the Australian National University, the Centre for International Security Studies at the University of Sydney, the Griffith Asia Institute and the Flinders International Asia Pacific Institute. The University of Canberra is forming its own security studies centre. The nation also benefits from a small cadre of private analysts, some of them highly-experienced former public servants or military officers.

Then of course, there is the media. Although Australia has traditionally failed to produce a large body of journalists who can draw upon the policy understanding that come only from having worked within government, a few reporters have genuinely strategic insights to offer—if their deadlines and the commercial imperatives of accentuating the newsworthy allow them. But whereas in, say, India, a preponderance of the best strategic minds is to be found in the media, that is not the case here.

In sum, many voices and minds are closely engaged in this country's strategic analysis and policy debates—more than ever before—and that is largely to the good. An official analytical and policy community that ignored or under-exploits these external assets would automatically handicap itself in trying to understand future complexity. This is not just about ensuring contestability. It can be as simple as ensuring that some obscure but critical fact or development, and its significance, is not overlooked. Until not long ago, the security implications of climate change were being followed more closely in some quarters of this country's non-official strategic community than in the official one.<sup>6</sup>

So, Australia's strategic analysis community is not as small as it used to be. And the barriers between the work of official and non-official strategic

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<sup>6</sup> 'Govt urged to consider climate change as national security issue', *The World Today*, ABC Radio, 15 June 2006, <<http://www.abc.net.au/worldtoday/content/2006/s1663767.htm>> [Accessed 2 February 2009].

analysts are more yielding than once they were. We are moving away from the artificial demarcations of earlier decades, in which bureaucrats were bureaucrats, analysts were analysts, academics were academics, and journalists were journalists. In this country, each of these occupations has typically been disdainful of the others, and each has kept up its own intellectual monologue on essentially the same set of vitally important strategic subjects without attempting a conversation across professional boundaries. Careers that crossed these divides were frowned upon, or barely considered careers at all.

Beyond this stultifying, wasteful and rather English system, we are beginning at last to experiment with something a little more American in flavour. Admittedly, some professional interchange has long been present: ONA was for many years comprised disproportionately of seconded foreign affairs officers and academics, rather than what might be called career analysts. But this was a narrow and often one-way traffic. Now, finally, the individual's movement back and forth across the boundaries of analysis, policy, academia and think tanks is beginning to look to respectable, logical and even career-advancing. So far, however, there are too few examples to be sure, and some agencies, especially DFAT, are yet to convincingly adapt to an era of greater staff flexibility and mobility.

## **Meeting the Challenge**

For all their multifarious locations, lairs and acronyms, Australia's strategic analysis capabilities remain small. In a country of 21-odd million people, there are perhaps a few hundred souls that really constitute our collective strategic analytical capabilities.

If one starts being more particular by defining strategic analysis as being ultimately about synthesis, then the community becomes much smaller still. An analytical community needs subject specialists, to be sure. But it also needs busybody generalists who can pull together expert views about seemingly disparate subjects, who can make meaningful judgments and generalisations about the interplay of future trends—and in so doing create new knowledge.

It remains an open question whether Australia's undoubtedly improved analytical community is up to the challenge of interpreting an increasingly complex and challenging strategic environment: Australia's crowded security horizon. Related to this are the questions of whether enough is being done to cultivate a successor generation and whether there ways in which the country could make more efficient use of the analytical resources it has.

With an expanded ONA, more systematised linkages within and coordination of the Australian intelligence community, growing networks of contact with foreign assessment-sharing counterparts beyond the United States and

United Kingdom, better capacity to interrogate and scrutinise raw data and to taste-test the potentially overcooked assessments provided by friends and allies, and closer attention to open sources and alternative points of view; with all of this, there is every reason to expect that Australia's strategic analysis capabilities have never been better.

That does not mean they are up to the job that confronts them. In the past five years Australia's assessment architecture has been tested, but not with a trial as difficult as the lead-up to the Iraq war. There remains particular room for improvement in two areas: the cultivation of new analysts, and the idea of strategic analysis as a valued career; and the way strategic analysis engages with the public domain.

On the first score, the basic questions are: where do we find the right people to be analysts, how do we shape them, how do we motivate them to give of their best?

On the positive side, there would appear in recent years to have been a blossoming of courses and students in international security studies. The 9/11 attacks and their aftermath made counter-terrorism and international relations attractive subjects for scholarship and career aspirations; and Russia's 2008 assault on Georgia has probably done its bit for enrolments in strategic studies of the state-on-state variety.

But there remains a large degree of variance across the country in the quality and policy-relevance of what is studied, and in whether the clear and critical thinking and writing skills of graduates are any better for their having studied international relations or something less fashionable like political philosophy or logic. Nor can any amount of subject learning substitute for the ability to think and communicate clearly and critically about the real world.

A heartening development is the growth of informal networks and opportunities for developing young scholars and security professionals, so that what once might have been an assortment of rather isolated individuals now has the possibility of becoming a genuine community. Several universities, the Kokoda Foundation, the Lowy Institute and ASPI have all helped here, including through scholarships, competitions, internships, publishing opportunities and chances to attend conferences and events. The hard part is ensuring that this activity is not Canberra-centric; the need is to find, enthuse and develop talent at an early stage across the country. Web-based forums, like the Lowy Institute's *Interpreter* blog, are one way of leapfrogging geography in this regard.

The assessments community is doing a much better job than once it did to find and encourage talent. Agencies are now far more systematic and open in their recruitment processes—for instance, with an annual intelligence



roadshow touring universities. One challenge is that they, along with policy departments and non-government bodies, all need to be willing to be flexible and to share the talent they thus enlist: after all, they all drawing from the same relatively limited pool.

A bigger and related challenge is to offer genuine careers and opportunities to the quality people thus recruited. It is not yet true to say that Australia offers what might be termed an analytical career. In the United States, professional analysts have greater incentive to stay in their field for the long haul, with room for promotion and a generally good range of openings in the unofficial analysis community when they need a break—in think tanks or the private consultancies that surround the US intelligence and defence machinery.

How to produce the right mix of incentives and restrictions to produce an effective analytical career in Australia is a tricky management task, and these are still early days. The flow of top-quality secondees to and from assessment agencies and other organisations is still not what it could be. And we can't expect analysts, young or experienced, to offer their best and boldest work without providing them with reasonable job security and scope for further training and promotion. At the same time, assessment agencies should not offer sinecures or comfort zones. It may seem inconsistent to suggest that agencies need to foster inter-organisational (and government/private sector) mobility as well as 'career analysts'. In fact, the two objectives can and should be mutually supporting: broader experience can help enhance analysts' skills and promotion prospects, while secondments and exchanges can cast a wider net than would otherwise be the case, to identify and refine the nation's analytical talent.

There are some tough balancing acts here. The only easy answer is that getting the best analysts, and getting the best out of them, must remain a management priority. We can be sure our national strategic analysis community will suffer if its future leaders come into their jobs assuming that finding and keeping top-calibre staff is something they can take for granted.

Training is important in its own right, of course. Matters have vastly improved since the days when most Australian analysts learned solely on the job. At the same time, the community is not big enough to support something on the scale of the CIA's Sherman Kent school, although courses on analytical tradecraft could be included in the 'national security college' proposed by the Rudd Government in late 2008.<sup>7</sup> In any case, much of the solution lies in a hybrid of leveraging training opportunities from partner countries, improved training and mentoring using internal resources, and exploiting the abilities and experience of external members of Australia's

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<sup>7</sup> Kevin Rudd, 'National Security Statement', 4 December 2008, <[http://www.pm.gov.au/media/Speech/2008/speech\\_0659.cfm](http://www.pm.gov.au/media/Speech/2008/speech_0659.cfm)> [Accessed 2 February 2009]

wider analytical community. Progress on these fronts is happening, but needs to remain a priority even if agencies come under fresh funding pressures.

## Going Public

The second area for improvement is the role of strategic analysis in the public domain. Four years ago the Flood report recognised the wealth of data and analysis available in the public sphere, if a government analyst knew how to exploit it. And the world of so-called open source intelligence has grown explosively since then. Some of the sharpest data and analysis on some critical strategic issues, from the North Korean nuclear saga to China's military modernisation to India-US nuclear relations, you can find on blogs for free. There is also an enormous amount of dross, drivel, misinformation and the endless recycling thereof. The ability of a good analyst to discriminate and synthesise, important enough in the classified domain, is absolutely critical if open sources are to be intelligently exploited.

And doing this properly means that government assessment agencies need a greater engagement with the public domain than ever before. A few small steps in the right direction are worth noting. One: The Open Source Branch in ONA not only monitors, translates and collates media coverage on security, political and economic issues on Australia's immediate region; it distills the material into first-cut analysis for the Australian and partner governments, as part of a wider allied burden-sharing effort on globally monitoring and analysing open sources.

Two: some commendable steps, however small and cautious, have been taken by ONA in putting some judgments about Australia's strategic futures into the public domain. Director General Peter Varghese has given four public speeches in the past few years exploring trends in Australia's strategic environment, terrorism and the strategic consequences of global economic change.<sup>8</sup>

These modest forays are a far cry from the work of the US National Intelligence Council, with its elaborate five-year 'Mapping the global future' project (the 2025 version of which was published in late 2008)<sup>9</sup> or the DCDC Global Strategic Trends process of the UK Ministry of Defence,<sup>10</sup> or indeed the output of the Swedish defence research agency FOI (*Totalförsvarets forskningsinstitut* or Swedish Defence Research Agency), which as a matter of course is made available to the public, even when about such sensitive

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<sup>8</sup> For the Varghese speeches see the ONA website, <<http://www.ona.gov.au/news.htm>> [Accessed 2 February 2009].

<sup>9</sup> National Intelligence Council of the United States, 'Global Trends 2025: A Transformed World', <[http://www.dni.gov/nic/NIC\\_2025\\_project.html](http://www.dni.gov/nic/NIC_2025_project.html)> [Accessed 3 February 2009].

<sup>10</sup> UK Ministry of Defence, 'The DCDC Global Strategic Trends Program: 2007-2046', <<http://www.dcdc-strategic-trends.org.uk/viewdoc.aspx?doc=1>> [Accessed 3 February 2009].

issues as Russia's military capabilities and strategic intentions.<sup>11</sup> But it is a welcome beginning, and if it has made a few of Canberra's old-school bureaucrats nervous then all the better.

The tantalising possibility arises: should, could Australia be more ambitious and develop a project something like the aforementioned US or UK processes? This would involve long-term assessments about Australia's strategic challenges being developed through extensive and inter-disciplinary consultation with non-governmental experts. These would be put on the public record, open to public comment and criticism as an aid to their future refinement.

Do we have the resources to devote to such a process, in parallel to internal classified assessments? Is there serious value that Australian governments, and the wider Australian polity, would derive? What are the downsides? For instance, how might it be possible to address the challenge that official analysts might pull their punches if they worried about how the public or foreign governments might perceive their words and judgments?

The positives would outweigh the negatives. There would be merit in a periodical Australian open-source strategic assessment, in parallel to classified work. The expansion of the non-official analytical community is helping create the intellectual heft to support such a process. Furthermore, like the US and UK examples, it would also involve consultation with foreign experts. On the question of whether greater openness in judgments would make analysts shy to speak hard truths, this concern relates more to concrete analysis of the present—such as the controversial 2007 publication of US intelligence judgments about Iran's nuclear program—than to more speculative work about the future.

The sort of public assessment document being proposed here would be an amalgam of official and non-official, Australian and foreign expertise, with no need to attribute particular views to particular institutions. This would produce a level of plausible deniability that could distinguish it from any 'official' view, thus helping to neutralise any negative diplomatic or political fallout.

At the same time, a suitably rigorous distillation of wisdom from multiple sources and countries could produce a genuinely original and quality product—which might also provide a useful benchmark for government agencies to test their own conclusions against privately. It might be argued that there is no need to reinvent the wheel; the US and UK products constituting an existing free good. Yet however comprehensive they might be, they cannot be expected to offer in-depth consideration of Australia's

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<sup>11</sup> Swedish Defence Research Agency, <[http://www.foi.se/FOI/templates/startpage\\_96.aspx](http://www.foi.se/FOI/templates/startpage_96.aspx)> [Accessed 3 February 2009].

strategic circumstances, nor are Australia's national interests their point of departure.

Sometimes there is no substitute for classified intelligence, which, like the definition of true journalism, amounts to something that someone, somewhere does not want you to know. But sometimes open sources can be just as true, or indeed truer, at a fraction of the cost. It is odd, for instance, that the Western non-proliferation community has long talked of an intelligence failure over the 1998 Indian nuclear tests, given that a party had just come to power on an election platform which hinted not-so-subtly that it intended to do just that.

How much does the Australian government spend on purely open-source collection and analysis? The Open Source Unit within ONA costs perhaps 10 percent of ONA's annual budget of around \$30 million. Certainly open source collection and analysis goes on elsewhere too—every time an ONA or DIO analyst or a diplomat opens a website or speaks with a researcher from a thinktank—but even so, the aggregate cost of this is likely to be a fraction of the hundreds of millions of dollars devoted each year to the collection and analysis of classified information.

In this context, the cost of commissioning, every five years or so, a year-long process of consultation and analysis involving, say, half-a-dozen full-time analysts as well as various external consultants, to produce an unclassified strategic trends document should be relatively small.

## **Conclusion**

What makes the Australian strategic analysis community special is a confluence of factors, notably style and size.

Style-wise, there is a reasonable degree of frankness, contestability, openness and egalitarianism—relatively flat structures, and a willingness of senior staff to give junior staff a hearing, and of junior staff to express themselves—that have a relationship with Australian cultural traditions and that lend themselves to caution in intelligence assessments.

Caution, though, can be a weakness as well as a strength. In too cautious a culture, the risk is of the sort of groupthink, in which the lone, dissenting analyst who might just have got it right is at risk of being ignored. There is a fine line between a sensible, professional culture, which ensures that wilder wolf-crying claims do not find their way to the core of assessments, and an analytical version of the tall-poppy syndrome in which the genuinely gifted analyst may find his or her sober warnings unheeded. This is a challenge for managers, and for the dissent mechanisms which exist, or should exist, in any serious analytical agency.

Size-wise, Australia's community could still be a bit larger, and it needs to build in some further capacity for regeneration.

One option for judicious expansion would be the creation of a new branch in ONA devoted solely to long-range trend forecasting, thus consolidating that agency's habit in recent years of focusing more on the future than on the present.<sup>12</sup> This could involve a multi-disciplinary group of staff—an economist, an environmental scientist, a military expert, a geopolitics generalist and perhaps a social scientist or demographer—who look only at trends and potential discontinuities beyond the next five-to-ten years. The work of this new Futures Branch, which might grow out of ONA's existing Strategic Analysis Branch, would rely heavily on open sources, although it would still have the advantage of being able to test them against judgments based on classified material.<sup>13</sup> Each five years or so it could be the core taskforce—perhaps in partnership with a team of think tank analysts—for the public-domain strategic assessment proposed in this commentary.

But, on the whole, and if recent positive trends can be consolidated, Australia's analytical community is probably approaching an ideal size: not too big, not too small. Big enough to be potentially self-sustaining; small enough to mobilise quickly and to ensure that informal networks help to test the effectiveness of formal processes.

Australia's strategic analysis community is finally beginning to reach a critical mass. The numbers will never be huge, but they are now big enough so that on any issue there is likely to be a plurality of credible views that cannot be ignored in formulating, testing and re-testing analytical judgments.

The challenge now is not so much about expansion as about, first, ensuring a strong successor generation, and second, making the most of the synergies and links among elements of the community—including those outside government. The continued quality of leadership and management will remain vital. There is no room for complacency on any of these fronts. Just because Australia's strategic analysis capabilities have never been better does not mean they will pass the tests they will doubtless face in the years ahead.

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<sup>12</sup> Daniel Flitton, 'Secretly Green: Encounter with Peter Varghese', *The Age*, 17 January 2009, p. 25.

<sup>13</sup> Under this model, the existing Strategic Analysis Branch would continue to exist in parallel with the Futures Branch, but would be able to focus more squarely on the short and medium term.

*development on the ASEAN Regional Forum, and extensive work on nuclear non-proliferation and disarmament, notably with the Canberra Commission and the Tokyo Forum. Rory's journalism was commended in Australia's premier media awards, the Walkleys. His projects at the Lowy Institute focus on security implications of the rise of China and India, nuclear non-proliferation and disarmament, and Australian strategic policy. [rmedcalf@lowyinstitute.org](mailto:rmedcalf@lowyinstitute.org).*