Conceived in secrecy, the Australian Secret Intelligence Service has, unsurprisingly, spent the past 60 years operating in carefully cultivated shadows.

Over that time no Director-General of ASIS has, until today, made a public address concerning the role or nature of the organisation.

Some of you will know the story of our beginning. On a cold Canberra evening in mid-May 1950, Prime Minister Menzies, having served martinis to a select group of ministers and senior officials, including a colourful former army officer, Alfred Brookes, penned a letter to his British counterpart, Clement Attlee. A framed copy of the letter hangs outside my office door.

Menzies told Atlee that he had

"...decided to establish a Secret Intelligence Service which, when organised in due course, will operate in South East Asia and the Pacific areas adjacent to Australia. Recent developments in Asia and our 'near north' make this both a prudent and an urgent measure".

Concerned that the idea might leak, Menzies told Atlee:

"Knowledge regarding this scheme has been restricted to the fewest possible here, and for added security I have chosen to write in this way".

Atlee provided help with advice and training, and in May 1952 – just over 60 years ago - ASIS was formed. Alfred Brookes was appointed as the first head of the Service.

Menzies desire for secrecy stuck. Stories about ASIS didn't start to appear in the press until 1972, and ASIS's existence wasn't formally acknowledged publicly for another five years.

For the first couple of decades of its existence ASIS, small and Melbourne-based, was actually known to very few in the Canberra bureaucracy. In the 1960s some departments had only one or two officers briefed on the existence of ASIS.

Few people in government knew of ASIS's existence either. In 1960, almost a decade after the organisation's formation, Menzies, backed by his Defence Minister, decided that the then Minister for the Navy - John Gorton - had no need for a formal brief about ASIS, even though the Service was about to occupy a Navy facility.

Gorton eventually got his briefing when he became Prime Minister, but he in turn is said to have refused to allow the opposition leader, Gough Whitlam, to be briefed, as apparently did McMahon when he succeeded Gorton.

There have been a few times over the past 60 years when "knowledge regarding the scheme" - that is, of ASIS and its operations - has received widespread publicity in the Australian media.
And mostly this has been when things have gone wrong for one reason or another, sometimes the fault of ASIS and sometimes not.

In 1972 Prime Minister McMahon somehow found himself referring to ASIS's old codename - M09 - in a TV interview; there was the sacking of one of my predecessors, Bill Robertson, in 1975; and publicity in 1977 about operations in Chile undertaken on behalf of our allies. And some of you may remember the ill-conceived and bungled training exercise at the Sheraton Hotel in 1983.

So why have I decided today, after 60 years, to shed some light on ASIS's functions and contribution to the national interest? What's changed?

The fact is ASIS remains, at its heart, a foreign intelligence collection agency reliant on human sources. Its business always has, and always will, centre on human interaction, regardless of wider geopolitical or strategic influences.

Yet our world has changed utterly since ASIS was set up 60 years ago. Britain's empire has disappeared, the Cold War divide ended more than two decades ago, and a renascent East Asia, led by China, is now the prime engine of a truly global economy encompassing 7 billion people - nearly three times the world population at our inception.

The growth of new threats to Australia's national security in recent years has redefined and broadened the range of intelligence requirements. From a small, essentially regional body vitally focused on the Cold War, ASIS has evolved into a larger, geographically dispersed organisation helping to safeguard and advance our national interest on a broad front.

Over the past decade the changes have been particularly dramatic. The challenges of helping to prevent terrorist attacks, and providing the intelligence edge to Australian soldiers in the field, have impacted greatly on ASIS.

Our work has gained a new urgency and importance.

Undertaking supporting operations that achieve a direct outcome as distinct from our more traditional information gathering operations is now of increasing importance.

ASIS has needed to increase its operational capacity, and to be more innovative, creative and flexible.

We are now more integrated in our approach than ever before, working very closely with organisations like the Australian Security Intelligence Organisation (ASIO), the Australian Federal Police (AFP) and the Defence Signals Directorate (DSD). Operational and corporate collaboration is close and getting closer.

A consequence of that need for an integrated effort has been enhanced accountability arrangements, which in turn have resulted in a wider public awareness of the nature and scale of intelligence activities.

Still, there's little public awareness of ASIS’s contribution to national security in helping to protect and advance Australia’s interests in our neighbourhood, of our support for military
operations, and of our efforts in the areas of counter-terrorism and counter-proliferation, to
name just a few.
This of course stems from the inevitable paradox inherent in publicising the achievements of
an organisation whose activities are, by design, secret.

It's against this background that I think it's time to shed some light on the critical work being
done by the men and women of the Australian Secret Intelligence Service, and the unique
contribution ASIS makes to our foreign policy and security.

I’ll focus on three key themes.

• The changing role of ASIS and the contribution it makes to Australia's national
  security.
• The vital importance of risk management and the positive impact that more
  robust accountability processes have had on our intelligence effort.
• And finally how the changing international order is likely to impact on ASIS and
  its activities over the next 10 to 15 years.

First, the role of ASIS.

ASIS's founders and first generation leaders, Alfred Brookes, Roblin Hearder and Bill
Robertson (who sadly passed away last year) would barely recognise the ASIS of today.

In the mid-1950s ASIS consisted of less than 100 people, it had only a handful of very small
stations, and its operational reach was restricted to a few countries in Asia and the Pacific.
And ASIS's overwhelming focus during the early Cold War years was contingency planning
in the event of another major land conflict in Asia.

But its core mission then, focused on the collection and distribution of foreign intelligence on
those who might seek to undermine Australia's national interests, remains essentially the
same today notwithstanding our vastly different circumstances.

ASIS is mainly in the business of collecting secret human intelligence or "HUMINT" - that is
covert foreign intelligence obtained largely through intelligence officers managing a network
of agents working overseas.

Intelligence in our particular realm can be defined as secret information gleaned without the
official sanction of the owners of that information.

As far back as 1976 Justice Hope in his review of the intelligence agencies said that amongst
the reporting ASIS had issued since its formation there were "diamonds", reporting of
"considerable significance to Australia". Today we are still producing diamonds but in
greater quantities.

Of the thousands of secret intelligence reports now distributed by ASIS each year, many are
produced by our officers from their contacts with ASIS agents (our sources) abroad. Other
reports are obtained through our liaison with foreign intelligence services.
These reports cover everything from political developments, economic growth, defence modernization, and social cohesion in a particular country, to terrorist and insurgent planning and much more.

They form many of the building blocks of intelligence analysis by the Office of National Assessments (ONA) and the Defence Intelligence Organisation (DIO), are a significant input into the Department of Foreign Affairs and Trade (DFAT) in the formulation of foreign policy advice to government, and inform ministers of significant developments world-wide.

Good intelligence can assist government in many ways: it can provide early warning of planned terrorist attacks, information on insurgent networks, and more broadly, the intentions of potential foreign adversaries.

Our intelligence reporting can also improve the quality of strategic decision-making, assisting government in the prosecution of Australia's defence, foreign and trade interests, helping to enhance regional stability and avoiding strategic miscalculation. Intelligence can also become an active tool for disrupting the plans of others, including in areas such as cyber security and people smuggling. Intelligence reporting can be invaluable for law enforcement agencies. It can also be vital for Australia's military, helping our special forces and other units achieve tactical success as well as protecting our troops. This kind of intelligence work is now core business for ASIS.

At its heart ASIS has a cadre of highly trained intelligence officers who recruit and run agents.

Our intelligence officers are supported by specialist officers, who bring critical skills in operational analysis and reporting, technical capabilities, training and a diverse range of corporate services.

Most observers of the espionage game assume that gains come from putting more people on the front line to recruit sources. As important as that is, the complexities and significant risk of the business demand a substantial amount of support in the engine room, behind the scenes.

As well as collecting foreign intelligence and distributing it to government, ASIS also undertakes counter-intelligence activities to protect Australia's interests and, under ministerial direction, has the ability to conduct a range of sensitive operations abroad in support of our foreign and defence policy objectives. I’ll say a little more about this later on.

The undertakings ASIS makes to its agents and the way we deal with them is of central importance to the Service - they go to our core values of integrity, honesty and trust. ASIS doesn't use violence or blackmail or threats. And under the Intelligence Services Act of 2001, ASIS can use weapons in self defence to protect its officers and agents, but not to collect intelligence.

The way ASIS usually goes about its work necessarily needs to remain secret. So I won’t be talking in detail about the nature of current operations. What I can do though is give you a broad outline of ASIS activities in a range of areas.

Let me start with counter-terrorism.
Over recent years an important element of ASIS's operational effort has been directed at the terrorist threat to Australia.

The tragedy of the 2002 Bali bombings provided a great impetus to ASIS's work, which continues nearly a decade later. This event and 9/11, have seen ASIS intensify its focus on the very real threat posed by organisations like al Qaeda and the affiliates it has inspired - with a web of links between extremists from Australia to Indonesia, to the southern Philippines, to the FATA region in Pakistan, and to al Qaeda in the Arabian Peninsula in Yemen, and on to Somalia.

We know that the intention to conduct mass casualty attacks against Western countries, including Australia remains very real. We also know that many of these planned attacks are being conceived in places remote from Australia.

As the reach of terrorism has spread, so has ASIS had to expand its collection capability to the Middle East, South Asia and Africa.

We have for many years been involved in counter-terrorism capacity building with a range of intelligence partners to assist them to develop the professional and operations skills needed to tackle the extremist terrorist threat.

This training is important because it underpins the Australian whole-of-government strategy of assisting regional partners to have terrorists arrested and prosecuted in their own jurisdictions for the crimes they have plotted or committed.

Our counter-terrorism work involves not only collecting intelligence on the plans and intentions of terrorists groups but also working actively to disrupt their operations and to facilitate the work of law enforcement agencies.

ASIS, working with other Australian intelligence agencies and with law enforcement and foreign liaison partners, has been closely involved with the arrest and detention of dozens of terrorists in South-East Asia over the past decade - including in recent months.

Another important part of ASIS's efforts is focused on counter-proliferation.

The risk of nuclear proliferation and the spread of weapons of mass destruction remains a key challenge for Australia. ASIS has been tasked to interdict the flow of proliferation-related material and to support UN sanctions.

We work actively against companies overseas who attempt to trade in illicit and embargoed goods. This is a challenging target which requires a concerted effort by like-minded countries.

When countries choose to ignore or contravene UN efforts to control proliferation or to act against the letter and spirit of UN Security Council Resolutions there is a role for secret intelligence to expose these activities and to assist international efforts to disrupt the trade in WMD.
The threat posed by terrorist groups who might seek to acquire WMD is the ultimate nightmare for security planners and, of course, a prime concern for us and all of the Australian intelligence community.

Where terrorism intersects with counter-proliferation there is a clear but very challenging role for ASIS.

Starting with the Iraq war, **support for the Australian Defence Force** in military combat operations has become an important task for ASIS. We have a major commitment in Afghanistan, and this will remain as long as the ADF is deployed there.

Our work in support of the ADF ranges from force protection reporting at the tactical level through to strategic level reporting on the Taliban leadership.

ASIS reporting has been instrumental in saving the lives of Australian soldiers and civilians (including kidnap victims), and in enabling operations conducted by Australian Special Forces.

The ASIS personnel deployed with the ADF have developed strong bonds, and it’s difficult to see a situation in the future where the ADF would deploy without ASIS alongside.

The field of **cyber operations** is one of the most rapidly evolving and potentially serious threats to our national security in the coming decade. Government departments and agencies, together with corporate Australia, have been subject to concerted efforts by external actors seeking to infiltrate sensitive computer networks. DSD, ASIO and the Attorney-General's Department have a lead role in helping protect the government and business from such threats - as does ASIS.

Considerable resources are now being invested by the government to counter this threat and harden the defences of departments and agencies.

So far as ASIS is concerned, "HUMINT" has a role in identifying the source of these threats and revealing the underlying intentions of those probing our cyber realm. This will become an increasingly important part of ASIS's work in the years ahead.

ASIS also has a role in efforts to counter the activities of the **people smuggling** networks attempting to deliver people to Australia.

ASIS has contributed intelligence and expertise leading to many significant, and unheralded, successes in recent years which have disrupted people smuggling syndicates and their operations. ASIS provides unique enabling intelligence for exploitation by the AFP and other law enforcement agencies.

Having spoken about ASIS’s contributions to national security, let me also note that **intelligence has its limits**.

As the Independent Review of the Intelligence Community noted in its report last year, while Government can reasonably expect some success, balanced against risk and cost, to obtain intelligence that confers strategic and tactical advantage, intelligence is not a panacea for the actions of lone actors, or small groups undertaking acts of terrorism.
Likewise, the Review noted that intelligence can’t always predict major discontinuities and events, especially in closed societies, such as political and social changes occurring at the end of the Cold War, or more recently during the Arab Spring.

And HUMINT, by its nature, is an imperfect art.

Let me now turn to ASIS’s foreign liaison relationships.

The Independent Review of the Intelligence Community judged that close relations between the six Australian Intelligence Community agencies and their international partners, especially long-standing allies, had provided "an enormous dividend" and was a "huge multiplier to the capabilities and effectiveness of our intelligence agencies".

Australia’s national security now depends on a network of international intelligence partnerships that extends well beyond our traditional allies - the US, Britain, Canada and New Zealand - whose contributions remain of critical importance, particularly that of our major ally the United States. ASIS now liaises with over 170 different foreign intelligence services in almost 70 countries - where many close partnerships and vital links exist with agencies in North and South Asia, ASEAN, Europe and the Middle East.

Let me now go to risk and accountability.

A core part of ASIS business is risk management. Our work is inherently risky because we’re asked to do things that other arms of government cannot do. We have to manage risk across the whole range of our activity, from keeping our own staff and agents safe, to ensuring the integrity of our operational work and the validation of our sources.

A key element of risk management is our ability to remain secret and to operate in secrecy. In this, the protection of our agents is of critical importance. Agents won’t work for the Service unless they trust that we can protect them, and this goes to the methods we use to recruit and contact them.

ASIS understands the requirement for a very strong risk management framework and this is something that is central to the way we work. It draws on lessons learned and is guided by the legal framework under which ASIS operates.

Our approach to managing risk is assisted by strong external oversight mechanisms, including close consultation with government.

The 2001 Intelligence Services Act, for the first time, put ASIS on a statutory footing. The Act laid down the legislative basis for ASIS’s work and provided a strong accountability framework to ensure that we operate in a lawful and ethical manner.

Our broad intelligence gathering priorities are set by Cabinet’s National Security Committee. Approval for ASIS operations is given by the Foreign Minister under a set of rigorously enforced procedures and guidelines.

There is also scrutiny of our finances and administration by Parliament through the Parliamentary Joint Committee on Intelligence and Security.
The Inspector-General of Intelligence and Security provides independent scrutiny of ASIS operations, with the powers of a Royal Commission.

ONA regularly reviews the quality of our product, and the Australian National Audit Office scrutinises the ASIS budget on an annual basis.

Australians expect the actions of their intelligence agencies to be accountable and that ASIS act with propriety and in accordance with Australian law.

I can assure you ASIS is an agency with the highest levels of accountability and external oversight.

A few words now on **the challenges ahead**.

When Philip Flood produced his landmark review of Australia's intelligence agencies in 2004 he reported that ASIS was "going through perhaps the most substantial transition in its history in line with the changing security environment" as its role expanded and diversified. That transition from a small agency whose role was focused almost entirely on the collection of secret foreign intelligence, to a fully-fledged intelligence service with wide reach, was completed successfully under my predecessor, David Irvine. Since the Flood review, ASIS has grown in size, capability, skill and in its positive contribution to Australian interests.

From my almost three years in ASIS I can tell you that its officers are highly-skilled, exceptionally professional in their operational tradecraft, and with a deep understanding of the issues they work on.

They are also acutely aware of the priorities of the Government they serve and committed to the kind of intelligence service Australia needs and the Australian people expect.

Sixty years on ASIS has evolved into a far-flung organisation with representation stretching right through our region to Central Asia, South Asia, the Middle East, Africa, Europe and the United States.

While still a relatively small organisation with a budget of around $250 million, ASIS is now a key component of Australia's national security architecture. It makes a significant - I would argue disproportionate - contribution to Australia's security across a diverse spectrum.

Over the next 10 to 15 years, as Australia continues to grow and change, and the threats and challenges facing us evolve, ASIS will need to continue to adapt.

ASIS's operational sphere will become more challenging, volatile and dangerous than at any time since the Service's formation. Australia's strategic geography will dictate a requirement for high-quality, independent intelligence in the face of a much more dynamic international environment.

- Some of the societies and countries ASIS focuses on will be less stable as a result of demographic trends, pervasive corruption and endemically weak government.
- ASIS officers will have to operate in denser, more complex urban environments in both developing and developed societies.
• The personal risk to our officers has increased in recent years and will continue to increase.
• The separate yet inter-related revolutions underway in information technology, nanotechnology, biometrics and materials technology will also fundamentally alter the environment in which our officers operate.
• Developments in cyber are a two-edged sword for an agency like ASIS. They offer new ways of collecting information, but the digital fingerprints and footprints which we all now leave behind complicate the task of operating covertly.
• Global competition for resources, not only for countries in North Asia, will become more acute as populations grow. Competitive tensions across regions will generate an increased demand for HUMINT and other intelligence reporting.
• Terrorist groups will have increasing opportunities to get their hands on WMD-related material. This will be a major concern for us and our partner agencies, and HUMINT will have a vital role in monitoring and disrupting the efforts of terrorists trying to obtain WMD.

All of this underlines the fact that ASIS is at a pivotal point in its development.

Our history and, in particular, the impressive progress of the past decade provide a strong foundation on which to build. But more needs to be done if ASIS is to deal effectively with the new and significant challenges we will face in the future.

A program of reform, restructure and revitalisation is now underway in ASIS to enhance the skills we will need to operate effectively in a shifting, globally-networked world.

Our biggest asset is our people. We need to focus on building a strong cadre of intelligence officers and specialist officers to enhance our operational structure.

About 40 years ago - after I left university and as a long-haired and scruffy youth - I went to an interview at Victoria Barracks in Melbourne, in an effort to join ASIS. It wasn't much of a process and I wasn't much of a candidate. I sat in a small office and chatted for an hour or so with an elderly, bespectacled man. I clearly didn't impress him. I didn't make the grade and then went off on a rather more eclectic career.

Now as Director-General - life can sometimes work in mysterious and satisfying ways - I’ve been gratified to find that ASIS continues to be as hard-headed and clear-sighted in its selection decisions. (I’ve also been gratified to find that our selection processes are now rather more comprehensive and sophisticated.)

Those who join ASIS are amongst the best young men and women Australia produces (women make up 45% of ASIS staff). ASIS offers unique challenges and a rewarding career for those who have a vital interest in Australia's future. Its staff are first class. While in films and books foreign intelligence work carries a reputation for mystique (and perhaps even glamour), the reality is that those who work for ASIS choose to do a complex and difficult job in secrecy, often facing tough environments, and without public recognition.

Sixty years ago Menzies saw the establishment of ASIS as a "prudent and urgent measure" in response to the many changes taking place in Asia and the Pacific. He was right to do so, and subsequent governments over the past six decades have been right to invest further in the development of ASIS's unique capabilities.
The coming decades will be demanding for Australia's intelligence community. However much technology continues to change the basis of intelligence collection there will always be a prime requirement for human intelligence - the kind of intelligence that can really make a difference and the work that is core business for ASIS.

A professional, capable and accountable Secret Intelligence Service is destined to play an even more central role in securing Australia's future in the decades ahead.

Nick Warner
Director-General
Australian Secret Intelligence Service

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