

**Security in Government Conference 2008
'Australia's Security Outlook'**

16 September, 2008

(Given by Deputy Director-General on behalf of the Director General)

Introduction

- Thank you Martin for that introduction and for the invitation to talk today about Australia's security outlook.
- Seven years on from the September 11 attacks, and nearly six years on from the first horrific terrorist attack in Bali, this outlook is mixed.
- Sustained efforts by Australia, our allies and countries with whom we have close and effective relationships, have made it harder for terrorists to conduct attacks.
- There is no useful precedent, however, for the global violent jihadist movement, which is the most significant terrorist threat we face, and includes al-Qa'ida among others.
- In 2008, this movement, which is essentially a loose network of groups and networks spanning many countries, remains just as committed to perpetrating acts of terrorist violence, including mass casualty attacks.
 - It has proven able to adapt, rebuild and reinvent itself.
- Nor is there any real precedent for the circumstances in which Australia and other countries must confront this threat.
 - Australia's armed forces, active in theatres where insurgents linked to the global jihadist movement operate, have suffered casualties.
 - Australian embassies have been targeted and attacked. And in several countries, our embassies and their staff face the ongoing danger of attack.
 - Instability and insecurity driven by extremist activity in various parts of the world continue to impact on Australians and Australian interests.
 - And, if undetected and unchecked, extremists have the potential to threaten vital national infrastructure and the safety of Australians in Australia as we go about our everyday lives.

- We continue to assess that without preventative measures taken by ASIO and other Australian authorities, attacks would have occurred here.
- Terrorism isn't the only threat to Australia's security I will talk about today, however.
- Australia continues to be a target for espionage and foreign interference, threats which can erode national institutions and values, degrade our ability to protect vital national interests, and undermine our crucial alliance relationships.
- I will begin with the current security environment, before making some observations about the outlook in the years ahead.

The current security outlook

The global jihadist movement

- Terrorism is a visible and immediate threat to Australia and other countries around the globe.
 - Globally, there have been at least 185 significant terrorist attacks in 29 countries since the beginning of the year,
 - resulting in the deaths of more than 1,600 people, and the injury of almost 3,000 others.
- The main source of terrorist threat to Australia and its interests continues to come from violent jihadists.
- While headway is being made against Islamic extremism, it will remain an enduring component of the global security environment for some time to come.
- Why do we think this is the case?
- One reason is that many of today's terrorist leaders 'cut their teeth', so to speak, more than two decades ago in places like Afghanistan.
 - That's a generation. And counting.
- Another reason is that the propaganda and ideology espoused by Islamic extremists continues to garner a constituency, continues to appeal to, and attract, a new generation of followers.

- We've already got plenty of young recruits rubbing shoulders with experienced militants in areas of insurgency, in areas where extremists recruit and train, and throughout the diffuse extremist networks around the world.
 - So the conditions for regeneration are present.
- In terms of terrorism directed against the West, al-Qa'ida remains the vanguard.
- Nevertheless, given the fluid and decentralised nature of the global jihad, we remain as concerned by the dynamic formation and splintering going on within extremist networks and cells, as by the activities of al-Qa'ida.
 - These networks, whose members may or may not have concrete links with al-Qa'ida, or other like-minded groups, all broadly identify with the violent jihadist mission.
- With specific reference to al-Qa'ida, international counter-terrorism efforts to some extent have inhibited its operational freedom.
- That said, Pakistan's Federally Administered Tribal Areas (FATA), as you will be aware, provides al-Qa'ida and associated militants the permissive environment needed to undertake their own terrorist activities, or
 - provide guidance, support and inspiration for other jihadist groups and 'home-grown' extremists to undertake attacks.
- Beyond the Tribal Areas, al-Qa'ida continues to establish and maintain links with several so-called 'franchises' across the middle east, the Gulf region, and several parts of Africa.
 - A strategy aimed at advancing the global jihadist mission, by weaving separate areas of conflict and insurgency into the ideological tapestry of one interlinked struggle,
 - whilst overcoming the constraints of location and broadening operational reach.
- Al-Qa'ida also continues doggedly to pursue its propaganda campaign, including increasing numbers of messages in the languages of target audiences.
- It's also worth noting, in this context, the recent criticism of al-Qa'ida coming from within the ranks of radical Islam.

- It's too early to say how this development will play out.
- Much of the debate is likely to go over the heads of the pools of potential recruits, many of whom will continue to be more influenced by images and downloads of spectacular attacks; or
 - by the example of someone they know going off to an area of insurgency to become a 'martyr'; than by theology or jurisprudence.
- What is more, its immediate impact will be limited, given the diverse sources of extremist ideology and propaganda, as evidenced by the proliferation of extremist and terrorism-related materials on the internet.

South Asia

- In terms of key areas of concern to Australia, the threat environment in South Asia continues to be volatile, especially in Pakistan and Afghanistan. And recent bombings claimed by the Indian Mujahadeen may indicate a worrying trend in India.
- Stability in South Asia is vital to the global security outlook. The prospect of further deterioration in the situation has significant and far-reaching national security implications.
- Given that al-Qa'ida's core leadership presently operates from the tribal areas of Pakistan, ASIO remains focused on al-Qa'ida in Waziristan and the Tribal Areas, and any threats to Australia's national security that may arise in connection with these areas.
- Other militant groups and networks, including the Taliban, also use these havens to organise and launch attacks in Afghanistan against the Afghani Government and the Coalition forces currently deployed there.
- In Afghanistan, Anti-Coalition Militia (ACM) attacks against Coalition forces continue, and Australian civilians have also been the victims of anti-Western attacks.

South East Asia

- In South East Asia, the counter-terrorism outlook is generally improving, although it remains serious.

- On the positive side, there have been no major attacks against Western interests in recent times.
- Areas like Southern Thailand and the Philippines, where extremists are engaged in insurgency and violent conflict – while destabilising – largely remain contained and localised.
- And authorities across the region, including the Indonesian police, continue to make significant counter-terrorism arrests that impact on groups and networks engaged in anti-Western jihad.
 - As a result, around 500 Islamic extremists are in detention, including Zarkasih and Abu Dujanah, both senior members of Jemaah Islamiyah.
- These arrests have dealt a serious blow to Jemaah Islamiyah (JI), which no longer has the strategic reach it once enjoyed.
- JI is a resilient organisation, however. It hasn't abandoned its violent Islamist goals. So its future direction remains a concern.
- South-East Asia's most wanted terrorist, Noordin Mohammad Top, is still at large, and remains capable of launching anti-Western terrorist attacks.
- As media reporting indicated, the Palembang terrorist cell disrupted by Indonesian authorities in late June/early July was in possession of a number of improvised explosive devices.
 - And was allegedly intending to carry out anti-Western attacks.
- Another concern relates to the potential for new networks to emerge from the extremist milieu in Indonesia, particularly in response to increasing counter-terrorism pressure on JI and other groups.
- Inspired by the ideology of the global jihadist movement, these people may seek opportunities to conduct violent jihad against Western interests by forming or joining more radical groups.

Australia

- In terms of our domestic environment, terrorism-related activity continues to take place in Australia.
- ASIO and its partners have acted decisively to disrupt terrorism planning.

- But whatever the successes, there is no room for complacency.
- We are aware of Australians who hold extremist views, including some who have trained overseas with terrorist groups, or engaged in jihad activities.
- International extremists continue to refer to Australia in propaganda statements. And we know that individuals with significant terrorist links, such as Willy Brigitte, have travelled or attempted to travel to Australia.
- Nor are we immune from radicalisation processes taking place elsewhere.
- Our own experience, as well as the experience of other countries, indicates that in some cases, individuals and small groups can radicalise in condensed timeframes,
 - making it particularly difficult for authorities to track and deal with new developments in the security environment.

Foreign interference, espionage and proliferation

- Moving to other areas of threat, ASIO is responsible for countering espionage and foreign interference in Australian affairs, and contributes to national and international counter-proliferation efforts.
- In terms of counter-proliferation, Australia has legislative obligations to ensure compliance with various United Nations Security Council Resolutions that are aimed at preventing the spread of Weapons of Mass Destruction (WMD), with particular emphasis on Iran.
- So our work currently is focused on efforts to detect and prevent attempts to exploit Australia's industrial, technological and educational resources for WMD development.
- Foreign interference involves clandestine or deceptive activities by foreign powers in Australia – often undertaken by official representatives of foreign governments – intended to fulfil some intelligence purpose, improperly influence government processes, or interfere inappropriately in the affairs of expatriates living in Australia.
- Some governments do collect information on, and sometimes actively target, individuals in Australia who are perceived as dissident, disloyal, or otherwise likely to act in ways unwelcome to a foreign government.

- And we have no grounds to think the motivation to conduct such activities in Australia has or will cease.
- In broad terms, espionage is the theft of secret information, technologies or capabilities by persons acting on behalf of foreign powers.
- Although its impact can be less visible, and more difficult to detect, espionage can have significant consequences for national security in the immediate and longer term.
- We assess that Australia's geographic position, strategic posture, economic wealth, military technology, and close alliance with the United States make Australia a significant target for espionage.
- As I will discuss shortly, the increasing reliance of business and government on the internet is creating significant new opportunities for espionage and espionage-related activity.

Over the horizon

- Having discussed the current security environment, I want now to make some observations about Australia's security outlook in the years ahead.
- For the 'iron law' of security, supported by the experience of history, is the need to deal with immediate threats, whilst anticipating and preparing for future ones.
- This, of course, isn't easy.
- It involves imagination, judgement, cautious extrapolation, all in the context of incomplete information, competing priorities, and calculations of decisions and actions others have yet to take.
- As anticipation involves prediction, I should preface these remarks with the caveat that projecting too far into the future is a hazardous enterprise.
- Security environments can change rapidly and unexpectedly.
- Nevertheless, ASIO has a responsibility to identify and track domestic, regional and global trends, and ask how these might impact on Australia's security, and
 - whether and how they might act as drivers of politically motivated violence, espionage and so forth.

Politically motivated violence

- Looking ahead, terrorism will persist.
- While, as I noted earlier, we expect Islamic extremism to be the key driver of anti-Western terrorism for some time to come, terrorism by other groups could also affect Australia and Australians overseas.
- Given the range of potential catalysts for politically motivated violence, it would be imprudent to rule out the possibility that a new, previously unobserved terrorist threat could emerge in Australia,
 - either as a by-product of events overseas, or as a result of a political grievance within Australia.
- In broad terms, those engaged in terrorism will continue to be innovators, learn from mistakes, and look for new ways to defeat counter-terrorism measures.
- This will be assisted by the increasing amount of information available in the public domain, and the ease with which useful information can be accessed via the internet and other new media.
- In terms of attack methodologies, terrorists will continue to favour bombings – vehicle bombs, suicide attacks, and other improvised explosive devices incorporating homemade explosives.
- They will also continue to use firearms for frontal assaults, and conduct assassinations and kidnappings.
- However, the history of modern terrorism illustrates that terrorists not only take-up new technologies as they emerge, but also devise new uses for old ones.
 - September 11 involved an old technology put to new and devastating use.
- The key, then, is not so much this or that technique or technology, as the capacity to surprise and defeat existing security measures.
 - So we shouldn't ever become complacent with existing security measures, and must continue to ensure our defences are layered, actively tested, rethought in light of developing trends, and subject to the sort of lateral scrutiny terrorists themselves use.

- Islamic extremists and other sub-state groups have long had an interest in chemical, biological, radiological and nuclear weapons.
- While this interest will continue, they face significant difficulties in procuring materials, and synthesising and weaponising effective agents.
 - It's vital, then, that we continue to develop our knowledge of terrorist weaponry and capability, and position ourselves to identify new capability, tactics, techniques and procedures as early as possible.
- What role might al-Qa'ida play in the years ahead?
- While the global jihadist movement has never really depended on a single overarching group or formal organisation, al-Qa'ida's significance has tended to be threefold.
 - First, as the driving ideological force of *global* jihad:-
 - the inspiration for terrorism without borders;
 - the catalyst for giving strategic priority and effect to the doctrine of fighting the 'far enemy' – that's us, the West – before going after the 'near enemy', the so-called 'apostate' Muslim countries.
 - Second, as an operationally experienced organisation capable of orchestrating insurgent activity and conducting or coordinating innovative mass casualty attacks globally, against hard and soft targets,
 - including, of course, Western targets in Western heartlands.
 - And, third, as a kind of training and facilitating resource that extremists can draw on.
- In the longer term, al-Qa'ida's appeal and authority within extremist milieux, and its ability to drive a global agenda, seems likely to depend on whether it can mount its own major attacks, and sponsor or direct attacks by others who share its mission.
- Should al-Qa'ida's broader influence dissipate – caused perhaps by the death or capture of its key leaders; or by an ongoing failure to execute a major terrorist attack against the West – it is uncertain whether another group would or could seek to reignite the global strategy, or whether we would see a 'regionalisation' of violent jihadist activity.

- Nevertheless, given the picture of the global jihadist movement I presented earlier, we should expect extremists to continue to emerge independently, and in locations and communities where they have not previously been seen.
- Careful consideration of how the internet might feature in this context, particularly whether it will work as a mechanism for cohering diffuse extremists, or as a catalyst of ongoing fragmentation of the threat environment, is needed.
- While not the norm, there have been cases of individuals radicalising solely via the internet, without having any significant personal contact with like-minded individuals.
 - The arrest on 17 April 2008 in the United Kingdom of an apparent self-radicalised individual preparing a homemade IED is an example.

Espionage

- In terms of espionage, we are likely to see further diversification of the drivers, techniques and actors involved in this activity.
- Any hardening of existing or emerging geopolitical tensions, or sustained periods of militarisation, will likely increase the incentives of state agencies to engage in espionage.
- Another potential driver for espionage and espionage-like activity will be the competitive pressures created by ongoing globalisation.
- The pressures and opportunities to gain an edge across the public and private sectors – a distinction, by the way, that not every country recognises – will continue to fuel a trade in sensitive information.
- The scope of espionage is likely to embrace, but go well beyond, traditional targets such as highly sensitive government information and defence capabilities.
- Key global issues, like energy and resources security, will also drive future collection efforts.
- Some of this activity, which may be thought of as commercial espionage, is becoming more of a grey area for national security.
 - Not only because of the internationalised character of modern corporations.

- But also because we can't assume all countries will accept that their national economy and state power occupy separate spheres within the framework of a globalising economy.
- Some of the activity we see in this space certainly amounts to foreign interference, and the more harmful activity can constitute espionage sufficiently serious to warrant ASIO's attention.
- Espionage techniques will also continue to evolve. The reliance of modern systems of government and business on interconnected electronic information systems involves risks of remote penetration.
- Cyber-espionage, which is a cost effective and reasonably low risk means of intelligence collection, is already an emerging area of concern.
- ASIO anticipates it will need to respond more intensively to some of these non-traditional espionage threats in future.

Final remarks

- I said at the beginning of this speech that the security outlook remains mixed.
- Given this outlook, it is vital that international counter-terrorism cooperation between states consolidates the progress made to date, and continues to evolve to meet ongoing challenges.
 - For the threat posed by Islamic extremism continues to impact on states of all complexions, be they democratic or autocratic; advanced or developing; stable or failing.
- Within states, joined-up counter-terrorism work remains fundamental, and will shape the ability of governments to manage the risks associated with terrorist activities.
- In Australia, we have a significant heritage of cooperation between agencies responsible for intelligence, diplomacy, law enforcement, and border and critical infrastructure protection.
- Government agencies continue to develop effective partnerships with the private sector, and the broader community.

- And other speakers during this conference will articulate the Government's vision regarding the evolution of national security framework in order to continue to build a more secure Australia.
- Espionage and foreign interference also present challenges, and ASIO's work to counter threats like espionage also relies on the quality of the vetting procedures agencies use across the whole employment life cycle; and
 - the diligence of government agencies and officials in reporting unusual patterns of activity.
- As such, a key element for our counter-espionage efforts to protect official information remains raising awareness within government and, increasingly, business, of the threat posed by foreign intelligence collection.
- The volatile security environment we face is one in which old threats take on new guises, and new threats will continue to evolve and challenge our best efforts.
- To deal with this environment, and assist the Government in achieving its goals, ASIO continues to build capability and work with others, both here and overseas, to ensure our intelligence and advice continues to guide and enable the range of agencies involved in protecting Australia, Australians and Australian interests.
- Thank you.

END