

The Independence of the Assessments

A prince nevertheless should always take counsel, but only when he wants it, and not when others thrust it upon him; in fact, he should rather discourage persons from tendering him advice unsolicited by him. But he should be an extensive questioner and a patient listener to the truth respecting the things inquired about, and should even show his anger in case anyone should, for some reason, not tell him the truth. (The Prince, N. Machiavelli)

The Criticism

- 3.1 Were Australian intelligence assessments arrived at independently of our more powerful allies? Although the number of submissions to the inquiry was not large¹, most people who made submissions began from the position that Australian policy was closely, and largely uncritically, aligned with that of our allies. Mr Pritchett, former Secretary to the Department of Defence, argued that there was an inbuilt imbalance in our relationship with our allies and that as a result ‘our understanding and our policy can be, or is, already largely shaped’. Independence was, he believed, an unrealistic expectation. He warned that there was a need to be sensitive to any ‘unconscious bias in Australian intelligence advice supportive of US and British plans.’²

1 The Committee received 24 submissions overall.

2 Pritchett submission, pp. 1-2.

Such bias can arise in close cooperation with larger friends, in times of stress and when policy runs strong, even ahead of intelligence.³

- 3.2 Mr Wilkie, former analyst with the Office of National Assessments, also thought that the imbalance in the relationship with partner agencies created problems. He stated that:

The raw intelligence that we were receiving seldom arrived with adequate notes on the source of that material or its reliability. More problematic, I think, was the way in which Australia's relatively tiny agencies needed to rely heavily on the sometimes weak and sometimes skewed views that were contained in the assessments coming out of Washington in particular.⁴

- 3.3 Independence can also mean freedom from internal political pressure on the judgements being made. Mr Wilkie alleged that:

I will go so far as to say that sometimes government pressure, as well as the politically correct intelligence officers themselves sometimes, resulted in its own bias in the assessment being provided by the intelligence agencies.⁵

- 3.4 The Australian Defence Association asserted that a lack of independent judgement within the agencies was the result of flaws within their staffing and promotions systems.

The large number of intelligence agency staff with policy-making backgrounds or ambitions has too often resulted, however unconsciously, in intelligence assessments being biased towards desired policy outcomes rather than being objective in their own right.⁶

- 3.5 The question of independence of Australia's intelligence agencies is complicated. It encompasses the idea of external independence - that assessments are made of Australia's national interest, independent of the interests of other nations; but also internal independence - that assessments are made independently and objectively, based on reliable intelligence and free from political pressure.

3 Pritchett submission, p. 2.

4 Wilkie transcript, 22 August 2003, p. 34.

5 Wilkie transcript, 22 August 2003, p. 34.

6 ADA submission, p. 6.

Independence from external influence

- 3.6 Australia relies heavily on partner agencies for intelligence on regions other than our own. Given that our interests may recede in relation to the distance of events from our shores, this may not usually be significant in any assessment of our immediate national interest. However, the war in Iraq illustrates the problem we face very clearly. Where the government perceives some vital interest is affected by events distant from us, it is important that some sort of independent judgement can be made on the circumstances under consideration. To do this, Australian agencies need to be able to judge the reliability of the intelligence relayed to them or at least have a capacity to understand the limitations and qualifications on foreign agencies' judgements. For example, in the Iraq case, understanding the changes made to the UK dossier or the arguments occurring in the US intelligence community would have been vital to Australian judgements. To do this, Australian agencies have to have a capacity to understand what is happening inside partner agencies and, particularly in the case of Iraq, a capacity to deal with the masses of intelligence coming forward.

Capacity

- 3.7 Did the capacity of our organisations affect their ability to assess the intelligence on Iraq? Both ONA and DIO stated that they saw virtually all the reporting on Iraq from the US and UK, the 'vast majority of information, and certainly all the important information [on Iraq]'⁷ and, they asserted, they were therefore able to make their own judgements. ONA and DIO receive both raw intelligence and intelligence assessments made by partner agencies. 'We can see the judgements they have made and the evidence upon which they have based those judgements.'⁸ They also receive all intelligence distributed by the Australian collection agencies, DSD, DIGO and ASIS. ONA then coordinates and evaluates the work of the Australian intelligence community.
- 3.8 In this period there was a very large increase in the reports received. If a comparison is made between the eight months from 1 January and 31 August 2002 and the seven and a half months between 1

7 DIO transcript, 24 September 2003, p. 5. ONA made similar assurances, ONA transcript, 23 September 2003, p. 4.

8 DIO transcript, 24 September 2003, p. 4.

September 2002 and 18 March 2003, a ten-fold increase in reporting occurred. Australia relied on its partner agencies for approximately 97 per cent of the intelligence on Iraq; only about three per cent of this intelligence originated in Australia. Moreover the majority of the intelligence was from untested or uncertain sources. In the first eight months of 2002, 11 per cent of reports came from what were described as tested sources. In the seven and a half months immediately prior to the outbreak of war, 22 per cent came from tested sources. However, the numbers of reports underpinning these percentages were small and it was unclear to the Committee what number of sources was involved in that reporting. It was also a matter of concern to the Committee that, even with an increasing number of tested reports coming in during the months immediately preceding the war, the intelligence appears to have been, in the end, faulty.

3.9 On intelligence received from overseas, Australian agencies generally accepted the assessment of reliability provided to them. While each country defined reliability in its own way there was an agreed series of formulations. The Australian agencies defined sources in the following way:

- Tested sources – sources who have a record of reporting which has been assessed by analytical agencies to be reliable;
- Untested sources – sources who have no reporting history or who have not yet established a reporting history;
- Uncertain sources – sources whose motivation to provide intelligence reports is unclear and who by their nature might wish to influence the views of Coalition governments. For example reports resulting from interrogations of Iraqi scientists or officials, or from sources within groups opposing the Saddam regime. Sources would remain within this category until their product had been validated; and
- Other - sources for which there was no description except an indication of the overseas agency from which the report originated.⁹

3.10 ONA has approximately 60 staff, of whom about 36 are analysts. Two sections within ONA examined Iraq prior to the war – the Middle East section and the strategic analysis section. There were two analysts in the first and one in the second. The Director-General

9 ASIS submission.

noted that their focus was not exclusively on Iraq during that time, although as the war approached they were spending 'an increasingly high proportion of their time on Iraq.'¹⁰ Immediately prior to the war, at the beginning of March 2003, ONA established a watch office on Iraq. The watch office was to run 24 hours a day with three teams of people staffing it. Within each team, there was somebody with Middle East expertise, somebody with strategic expertise and somebody with military expertise. In all, 10 people maintained this around the clock watch.¹¹

Capacity - DIO

- 3.11 The Defence Intelligence Organisation informed the Committee that it has 142 analysts. Of these, 35 normally work on the Middle East and South Asia and Terrorism and Transnational Issues. Another 49 analyse weapons systems, missiles, defence systems and weapons of mass destruction. During the crisis affecting Iraq, the total number of analysts in DIO did not change; however people were temporarily reassigned to cover Iraq. The number of analysts dedicated to Iraq and Iraq related issues during the war itself was 67.
- 3.12 DIO established an Iraqi Task Force (ITF) in the lead up to the conduct of the war. This task force operated 16 hours a day from 9 March and 24 hours a day from 18 March to 16 April. In this latter period, the ITF involved 54 analysts.¹²
- 3.13 In addition to direct 'supply' of intelligence and assessments from partner agencies, the agencies have liaison officers in Washington and London; ONA has one officer in each place and DIO has four officers in Washington and two in London.¹³ DIO's relationship is primarily with the US Defence Intelligence Agency; the ONA relationship is with the Central Intelligence Agency (CIA) and the Bureau of Intelligence and Research (INR). Mr Jones explained that the interaction between the agencies is active, interrogative and discursive, not passive. Foreign intelligence assessments are questioned and agencies seek more information if an assessment on a significant issue seems to be dubious or raises queries. Mr Jones told

10 ONA transcript, 23 September 2003, p. 3.

11 ONA transcript, 23 September 2003, p. 17. It was into one of these teams that Andrew Wilkie was being placed at the time of his departure from ONA.

12 DIO supplementary submission pp. 1-2.

13 There are additional officers from DSD and DIGO placed in Washington and with partner agencies in the UK

the Committee that, whether it is raw intelligence or assessed material, ONA tried to reach and present to government its own judgements on issues. DIO explained that they also made assessments of the allies' judgements and their objectives.¹⁴

- 3.14 The Committee received examples of assessments, which commented on allies' judgements, including those noting disagreements within or between agencies over specific pieces of intelligence.

Judging the reliability of foreign intelligence

- 3.15 When agencies are dependent on overseas sources, a major part of the assessment must be in assessing the reliability of the intelligence. Assessments are not predictions; they are judgements made with varying degrees of confidence depending on the reliability of the sources. ONA reported that it seeks to indicate in its assessments the extent of its confidence in the judgements. Mr Jones stressed that conclusions are drawn from 'bits and pieces'¹⁵ He explained the discipline involved in the evaluation of intelligence:

That means working out first of all what it is, how does this information come, who has acquired it, who is talking here, in what circumstances are they talking, to whom are they talking, what are they talking about, do the people talking actually know what they are talking about, even if they do know what they are talking about are their views actually important, and so on. So every analyst, as they look at every piece of intelligence goes through this process of evaluation to reach a conclusion on how much weight to place on the piece of intelligence. It is a really important discipline of intelligence analysis and it is absolutely fundamental.¹⁶

- 3.16 In trying to judge the reliability of foreign source intelligence, ONA appeared to be aware of some disputes in the partner agencies and unaware or unconcerned about others. Of particular note was their view of the role of the Office of Special Plans (OSP)¹⁷ in the United States and the impact it might have had on the reliability of US

14 DIO transcript, 24 September 2003, p.1.

15 ONA transcript, 23 September 2003, p. 32

16 ONA transcript, 23 September 2003, p. 25

17 A small group within the office of the Secretary of Defence feeding intelligence into the mix, largely from Iraqi defectors.

assessments. The response of ONA to questions about the influence of the OSP was that:

It was not clear to me that the Office of Special Plans was affecting CIA or other US agency judgements through the stuff that it was highlighting.¹⁸

3.17 Underlining the difficulty of judging the reliability of foreign sourced intelligence, the Committee was told:

We try to monitor the processes that are going on in other intelligence communities and, indeed, in other political systems. Some of the finer details of other people's systems are somewhat opaque.¹⁹

3.18 However, the ONA Liaison Officer, who was in Washington from 2000 to 2003, told the Committee that the dispute between the INR and the CIA was very obvious at the time. Although he said he 'did not pick up everything,' he said his 'access was very good.'²⁰

[quotation deleted at the request of the Minister]

3.19 In regard to the OSP, the liaison officer did not report specifically on its role, but he said that the embassy reported broadly on the debate about Iraq and, as a result of this, ONA was well aware of the context in which the US intelligence community was operating.

3.20 DIO appeared to be unaware of the Office of Special Plans or the disputes that embroiled its operation and its relationship to the traditional intelligence agencies in the United States. It was, however, aware of other internal disputes between agencies in the United States. This level of awareness may have been the source of some of their continued scepticism throughout the period.

3.21 Mr Pritchett posed the question whether, given the international controversy over Iraq's possession of WMD and the opposition of France, Germany and Russia to the war, Australian intelligence agencies had 'tested our position ... with countries such as Germany, France, Russia and Japan ... who would certainly have reacted had they seen the threat as we argued it.'²¹ The Committee asked the Office of National Assessments whether they had sought views from these countries. Mr Jones responded that ONA had some access to

18 ONA transcript, 23 September 2003, p. 35

19 ONA transcript, 23 September 2003, p. 35

20 ONA transcript, 27 November 2003, p. 1.

21 Pritchett submission, p. 2.

French and German intelligence; however, the relationship was not as close as 'with our regular allies'²². On the matter of Iraq, they had not received material. He further noted that these countries are not within the usual intelligence sharing arrangements.

Conclusion

3.22 It is impossible for the Committee to judge how independent from undue external influence the agencies were in relation to their assessments. Logic would suggest that given the ratio of material from overseas that they relied on, it would be difficult to maintain much independence. In many respects their judgements were similar to and, particularly with ONA, followed the trend of events overseas. Both agencies asserted that they remained detached from the views of the partner agencies in the US and the UK and a number of the judgements of the Australian agencies differed in some aspects from their larger partner agencies. They were on the whole more moderate, more measured and more sceptical, especially the DIO. DIO put this down to Australians being 'more sceptical by nature'²³, but also to a determination to 'insist on reliable evidence for the judgements we make.'²⁴

The views they [the Australian Government] were exposed to were across the spectrum, and if you analyse carefully the product coming from the various agencies, I suppose you would put us near one end of the spectrum and perhaps some US agencies near the other end, with a variety of US, UK and Australian agencies between us.²⁵

3.23 Given the comments made in this report in Chapter 4 on the accuracy of the pre-war assessments and looking at the staffing ratios, the Committee is concerned that ONA may be under resourced for the task it is trying to perform. Assessing intelligence is labour intensive and ONA staffing is at odds with that of DIO. Either ONA should be resourced at a level commensurate with the demands being placed upon it or there should be a clearer division between areas focussed on by each of the agencies with DIO concentrating on military and strategic issues and ONA looking at economic and political matters.

22 ONA transcript, 23 September 2003, p. 39.

23 DIO transcript, 24 September 2003, p. 10.

24 DIO transcript, 24 September 2003, p. 10.

25 DIO transcript, 24 September 2003, p. 14.

The Committee recognises that this is not a simple division to make or to maintain.

Recommendation 1

- 3.24 **The Committee recommends that, in the course of any post war review of the intelligence agencies, the Government assess the capacity of ONA in line with the changed security circumstances.**

Independence from internal political pressure

- 3.25 On the question of internal independence – that assessments are made independently and objectively, based on reliable intelligence and free from political pressure - there is for ONA a legislative framework within which it works.

Agency Powers and Purpose

- 3.26 The *ONA Act 1977* seeks to ensure the internal independence of the assessments made by ONA. Prime Minister, the Hon Malcolm Fraser, established the Office of National Assessments in 1977 as a statutory organisation to, *inter alia*, 'assemble and coordinate information relating to international matters that are of political, strategic or economic significance to Australia.'²⁶
- 3.27 To preserve its independence, the Act specified that:
- Subject to sub-section (2), the Director-General is not subject to direction in respect of the content of, or any conclusions to be reached in, any report or assessment under this Act.²⁷
- 3.28 Two boards, a National Assessments Board and an Economic Assessments Board, consider assessments made by the Office in relation to their respective areas.
- 3.29 ONA does not deal with domestic matters and it does not provide policy advice. Mr Jones, the Director-General of ONA, saw this as a driving philosophy for the organisation, embedded in its Act and

26 *ONA Act, 1977, S5(1)(a)*

27 *ONA Act, 1977, S5(4. Sub-section (2))* allows a Minister or prescribed Commonwealth officer to request the Director-General to prepare a report or make an assessment on international matters that are of political, strategic or economic significance to Australia.

purpose. He did note that ONA did not operate in 'a complete mental vacuum', that it was 'conscious of policy issues'.²⁸ However, he believed that this consciousness led the organisation to focus on policy issues of concern to the government. 'We see ourselves as servicing ministers' needs for assessed intelligence.'²⁹ He did not believe that ONA strayed into areas of policy advice. Analyses might include the possible implications for Australia of a particular development, but would not canvass the possible policy response.³⁰

- 3.30 Given ONA's statutory requirements for independence, the arrangement that has pertained in both Washington and London up to the end of 2003 - that the ONA liaison officer has been an officer of the Department of Foreign Affairs and Trade - has been less than satisfactory as DFAT officers inevitably bring a background of policy advice and formulation rather than experience in detached intelligence analysis. The change that has been made to a dedicated ONA Liaison Officer in Washington and London is important.
- 3.31 By contrast, the Defence Intelligence Organisation does not have legislative protection of its independence. However, it has an inbuilt imperative to maintain the accuracy of its assessments insofar as its assessments form the basis of tactical and operational information upon which troops going into battle rely. Presumably, the imperative is as strong, or stronger, in respect of intelligence upon which a decision might be made to go to war.

Conclusion

- 3.32 The Committee posed questions about whether, regardless of the legal framework or the natural imperatives, there was overt pressure brought to bear on the intelligence agencies to provide assessments to suit a war policy or whether the pressure of a 'policy running strong'³¹ created a mind set, an unconscious skewing of judgements towards a known end?
- 3.33 Mr Lewincamp, Director, Defence Intelligence Organisation, assured the Committee that:

28 ONA transcript, 23 September 2003, p. 2.

29 ONA transcript, 23 September 2003, p. 4.

30 ONA transcript, 23 September 2003, p. 2.

31 Pritchett submission, p. 2

We [DIO] were under no pressure at any time from government in relation to our assessments on this matter. In fact I take it as a significant part of my responsibility to tell the government what I think it needs to hear.³² ... I think this is a government that enjoys contestability of advice.³³

- 3.34 Mr Kim Jones, the Director-General of ONA, told the Committee that ONA 'did not feel under any pressure to be more firm than we were comfortable with being.'³⁴
- 3.35 The Committee asked whether the agencies pre-empted such pressure by offering the government what it wanted to hear. Mr Lewincamp acknowledged the risk of such bias, but assured the Committee that he was reasonably confident his organisation had not succumbed to it on this occasion. He told the Committee that DIO had access to all of the collectors' reports coming out of the US and the UK and that they made their own judgements on the material.³⁵ They were, he said, almost inundated with material.³⁶
- 3.36 The communication between Ministers and the Intelligence Agencies appears to have been regular and open. In the lead up to the war, ONA also provided oral briefings on request to ministers: to the Prime Minister once or twice and to the Foreign Minister several times.³⁷ Additional briefings were made to the National Security Committee of Cabinet. Ministerial staff, in particular the international adviser to the Prime Minister, had regular contact, 'a steady interaction' with ONA. He sought views and asked questions. However, ONA did not normally go up and brief ministerial staff in the absence of a Minister.³⁸
- 3.37 These briefings were separate from the regular flow of written reports. Ministers, too, according to ONA, were interested in the assessments being made, asked questions about the assessments, asked what more was known. DIO reports also went direct to the Prime Minister, the Minister for Defence and the Minister for Foreign Affairs as well as to other addressees.³⁹

32 DIO transcript, 24 September 2003, p. 2.

33 DIO transcript, 24 September 2003, p. 13.

34 ONA transcript, 23 September 2003, p. 9.

35 DIO transcript, 24 October 2003, p. 1

36 DIO transcript, 24 October 2003, p. 5

37 ONA transcript, 23 September 2003, p. 13

38 ONA transcript, 23 September 2003, p. 14

39 DIO transcript, 16 October 2003, p. 1.

3.38 The Committee notes the assurances of both ONA and DIO on the question of their objectivity and independence. It accepts their declarations that there was no overt pressure from Government to change assessments. The Committee has received no evidence that political pressure was applied to the agencies. However, the Committee is aware that a fine distinction might often be made between 'being relevant to the policy issues of concern to the Government'⁴⁰ and catering to the policy concerns of the Government. Changes did occur in the nature and tone of some assessments.⁴¹ The sudden variation in ONA's assessments between 12 and 13 September 2002 is difficult to explain. A distortion may have occurred because of the selection of excerpts ONA presented to the Committee. However, the change happened in assessments a day apart. ONA's explanation, that the compilation of 13 September was to be unclassified, does not seem to explain the difference.⁴² Another possible explanation was that ONA might have been influenced by the contents of the British dossier – the changes in assessment certainly reflect the British views. However, ONA said it did not see the British dossier until almost a week later. It is so sudden a change in judgement that it appears ONA, at least unconsciously, might have been responding to 'policy running strong'. The compilation was made at the request of the Department of Foreign Affairs and was intended to be the basis of Ministers' speeches. However, DIO comments 'that the final product was not formally cleared by the contributing agencies.'⁴³

40 ONA transcript, 23 September 2003, p. 2.

41 This is evident from the Committee's analysis of the assessments in Chapter 2.

42 ONA transcript, 16 October 2003, p. 6.

43 DIO submission, p. 3.