

The Big O: how ASIO's boss spreads fear using WMD

By Bill Rowlings¹

Weapons of mass destruction and spying by foreigners are the major security threats – along with terrorism – facing our nation.

Who said that? The Director-General of Security, Paul O'Sullivan, who heads The Australian Security and Intelligence Organisation (ASIO) when giving evidence before a parliamentary committee on 25 August 2008.

But four days earlier, on 21 August, Mr O'Sullivan's boss – the Attorney-General of Australia, Robert McClelland – had signalled a radical new approach to the more realistic threats facing Australia. Here's excerpts:

McClelland:

Few subjects could be more significant than ensuring the Australian community is safe and secure. This involves questions of how we manage our national security and protect local and national infrastructure. It also includes whether we are adequately prepared for national security issues in the broad sense of that term including acts of terrorism, natural disasters and other emergencies.

On that point I note Tuesday's ASPI (Australian Strategic Policy Institute) report on threats to Australian agriculture – another reminder that an all-hazards response is critical in the modern threat environment.

I want to encourage an attitudinal change. Australians can not simply rely upon emergency services to do it all – we must realise that regardless of who we are or where we live, we all have a role in disaster preparedness.

It is critical to have a coordinated approach to disasters whether they are natural or caused by terrorists.

The heart of the matter is the protection of how Australia goes about its business, of preparing our economy and our society to recover from crises – man-made or from natural disasters which we know are inevitable.

ASIO is our domestic spy agency (with some rights to operate internationally). It has become a bloated, over-fed and under-responsiveness agency since the Twin Towers aircraft attacks on New York in September 2001.

'Weapons of mass destruction' is a much-devalued phrase, and Mr O'Sullivan's choice of words signifies a strangely quaint outlook on the world. He is, in fact, adept at a different type of WMD: Words of Mealy Disingenuousness. Both strains of WMD came to light in his evidence to the Parliamentary Joint Committee on Intelligence and Security (PJCIS) in late-August.

PJCIS has members from both the House of Representatives and the Senate, hence 'joint'. The chair is Arch Bevis, Labor stalwart from Brisbane and the man who was

expected to get a ministry when Prime Minister Rudd handed out jobs in late-2007. Mr Bevis, as Shadow Minister for Homeland Security before the November election, was one of the shadows best across his portfolio. However, Mr Rudd decided Australia didn't need a specific Homeland Security Minister, so Mr Bevis missed out.

The deputy chair of PJCIS is Mr Philip Ruddock, long-standing Liberal Member from Sydney best known for heading the Immigration Department, and then being Attorney-General, in the Howard Government. It is noteworthy, and relevant, that the Department of Immigration had a massive internal, culture problem under Mr Ruddock's supervision, as subsequent formal inquiries into the Vivian Solon, Cornelia Rau and dozens of other cases have shown.

PJCIS is currently undertaking a *Review of the Administration and Expenditure No 6 – Australian Intelligence Agencies*. There were nine submissions to the August sittings of PJCIS, including two by ASIO. Of the nine, only one ASIO submission was public – and basically it was the agency's 2006-07 annual report. All other submissions, including ASIO's main document, were and are secret: Here's how the PJCIS website puts it:

Program: Not for publication
Transcript: Not for publication - classified Secret

So the only enlightenment about what ASIO is doing right now is in Mr O'Sullivan's opening evidence words (read as a preamble to answering questions) which include the 'weapons of mass destruction' threat. And what he said on the record gave little comfort to anyone used to reading between bureaucratise lines.

Here is most of what Mr O'Sullivan said...on the record:

The security environment facing Australia is dynamic and challenging.

Al-Qa'ida continues to be the vanguard of this movement, and continues to conduct, sponsor, and inspire terrorist activities.

- *From its base in the border regions of Pakistan and Afghanistan, core al-Qa'ida is regrouping and retains the intent and capability to plan spectacular terrorist acts against western interests.*
- *Some jihadists in other regions, such as the Gulf, the Middle East, and Africa, adhere to al-Qa'ida's ideology and have forged alliances with core al-Qa'ida.*
- *And the ideology of violent jihad – often disseminated through the Internet – continues to resonate with a small but dangerous minority, who may have no connection to al-Qa'ida but who plan and undertake independent acts of terror in pursuit of a global jihadist ideology.*

Within Australia, a small minority of the community adheres to this ideology, and an even smaller minority is prepared to act in support of it.

- *A number of Australians have been, or are currently being tried before the courts on serious terrorism-related charges.*

- *Australians have travelled overseas to associate with extremists or participate in violent jihad.*
- *And Australia, like many other countries, is tackling the problems of radicalisation and 'home grown' extremism.*

The international nature of the violent jihadist movement means that many threats against Australia's interests develop and manifest themselves overseas. And of those threats that directly target us within our own borders, a high proportion have significant overseas links.

But there are other threats to Australia's interests beyond terrorism.

- *Australia's wealth - in terms of our economic strength, technological development, rich resources, and strong global partnerships - makes us a potential target for espionage and foreign interference.*
- *And we must be ever vigilant against the threat posed by the proliferation of weapons of mass destruction.*

Mr O'Sullivan went on to outline ASIO's administrative responses to the threats.

Every time ASIO explains how it is trying to manage out-of-control growth, over-funding, and too much unprocessed data, warning bells sound alarmingly. For example, what Mr O'Sullivan calls 'capability growth', others might term 'empire building'. The ASIO budget has risen 345% in just five years, and the mushrooming staff have barely room to enter the building, so over-crowded is it.

Management is so disorganized that a new structure implemented one July had to be totally re-worked in March, so that the organisation went from the newly-introduced 9 divisions in July 2006 to a sudden 13 divisions in July 2007.

There's so much litigation and legal uncertainty that there has to be a separate legal services entity internally, instead of the legal group being housed in the corporate centre, as would be customary in most agencies of ASIO's size.

As well, the internal culture of the rapidly-expanding organisation is so seriously worrying that a special committee has been set up to try to corral the problem. One wonders if anyone on the PJCIS – particularly Mr Ruddock, with his first-hand experience of the personal cost to people like Cornelia Rau and Vivien Solon and the tens of millions of dollars in compensation paid out to more than 200 people subsequently – questioned Mr O'Sullivan during the recent hearings about ASIO's culture problems.

Mr O'Sullivan said ASIO had "streamlined our recruitment processes". That is customary bureaucrat-speak for lowering standards to meet recruiting targets. The Army – and particularly the Navy – have also 'streamlined their recruitment processes' recently.

In ASIO, another special committee is trying to solve the massive dysfunctionality that lies behind 'technical collection and analysis capabilities'. See CLA's *analysis of ASIO's 2005-6 annual report* at: http://www.cla.asn.au/search.php?zoom_query=ASIO&x=0&y=0

How does CLA know that culture and data collection/analysis is a big problem in ASIO? Because we do exactly the same as ASIO does: we read between the lines, interpreting

'fragmentary' evidence and 'conflicting information' spun into slinky sentences by ASIO's Director-General at rare public hearings and in obfuscatory annual reports.

We ensure CLA's analysis and advice is meaningful, authoritative, timely, and relevant...and, like ASIO, we hope the government will act quickly on our advice.

One ASIO proposed "solution" – which can not solve a culture issue – is a new building, and the spy agency is burrowing away on an architectural and bricks-and-mortar fix for its people problems. The Australian Federal Police are embarked on a similar misadventure, a new building, to try to resolve problems which cause the AFP and Commissioner Keelty to regularly appear incompetent in media reports.

Here's how Mr O'Sullivan spins the current situation in ASIO:

This period of capability growth has brought an attendant increase in ASIO's revenue from Government – from \$66 million in 2001-02, to \$227 million in 2006-07.

- *And this in turn has brought challenges. ASIO must be able to maintain its ability to identify, investigate, and advise on threats to security while managing its capability growth.*

ASIO has undertaken a range of programs to ensure it is able to balance these competing, but equally important, priorities.

- *In July 2006, ASIO moved to a nine Division structure, as the first phase of its expansion plan. We undertook further enhancements in July 2007, with a move to 12 ongoing and one non-ongoing Divisions.*
- *These new Divisions, and new Branches within them, allow redistribution of workloads in areas such as Legal services, and support to ASIO's operations.*
- *We also expanded our corporate governance arrangements to support this new Divisional structure, by implementing two new committees.*
 - *One that focuses on ASIO's corporate culture.*
 - *And another that oversees development of technical collection and analysis capabilities.*
- *In 2006-07 we recruited a net 246 staff, which significantly exceeded our growth target and brought our staffing level to 1356 by 30 June 2007. To attract these new staff in a tight labour market we engaged in innovative recruitment campaigns and streamlined our recruitment processes.*
- *We reviewed and commenced implementation of an improved internal training and staff development program to ensure that our training continues to align with our organisational (sic, lower case 'o') needs, and that we obtain the best value for money.*
- *We continued work on refurbishing or relocating our state and territory offices to meet our growing accommodation needs. And we commenced planning to construct a new ASIO Central Office in Canberra.*

- *And we continued to focus our efforts on improving our service delivery for security assessments, especially for visas. Workflows in this area are increasing steadily.*
- *In 2006-07 ASIO issued nearly 210,000 security assessments, including over 53,000 visa security assessments.*
- *Compared to 2000-01 when ASIO issued just over 45,000 security assessments, including 34,000 visa security assessments.*

ASIO works in a volatile security environment in which we must respond quickly, and be flexible about our investigative priorities. What is important one day may be overshadowed by an even more immediate priority the next.

We often have to interpret fragmentary or contradictory information while at the same time providing advice that is meaningful, authoritative, timely, and relevant to our customers' requirements.

The need to act lawfully, with probity, and with due regard for the rights of Australians is a paramount consideration in all aspects of our work. And it is the reason we afford such high priority to engaging and cooperating with the oversight and accountability framework that has been built around the Organisation. This framework includes, of course, the PJCIS.

The challenge ultimately for ASIO is to strike a balance between responding to immediate security priorities and ensuring the Organisation is sufficiently agile, resilient and capable to respond to future challenges. This will be achieved through ASIO's well-planned program for building and maintaining capability, the centrepiece of which is a strong collective of dedicated and professional ASIO officers.

The problem with such bureaucratic schmoozing of PJCIS by Mr O'Sullivan is that this is the ONLY recent information that stands on the public record. We don't know what questions the committee asked: without doubt, the above puff piece by the Director-General demands some very hard questions, but we will never know if any were asked.

We don't know if there were submissions from staff, or from other agencies, pointing out ASIO failings. For example, what does the Australian Federal Police say about how it perceives ASIO's role in the Dr Mohamed Haneef affair? Mr O'Sullivan and ASIO publicly hung the AFP out to dry over Haneef, 'diplomatically' exonerating ASIO from any possible blame, because ASIO is an "All Advice, No Responsibility entity.

In other words, ASIO stands up for and stands behind nothing it says, as the advised department or agency must make its own decision on the ASIO advice.



With thanks to Peter Nicholson: www.nicholsoncartoons.com.au

We don't know why ASIO has refused for years to explain to the courts – as the courts have demanded – the reason that American peace and anti-Halliburton campaigner Scott Parkin was given an adverse security assessment in a case that reeks of the same sort of manufactured-to-suit advice and injustice seemingly visited on Dr Haneef.

The Indian doctor is at least getting an inquiry (dubious though it is for being unable to compel witnesses, and running two months late as well), but Mr Parkin has not even had that benefit. The Inspector General of Intelligence and Security, Mr Ian Carnell, did investigate the Parkin case, producing a report so carefully couched in masterly English expression that it could not be said to have found ASIO deficient.

The problem with organizations like ASIO – particularly secret organizations reporting secretly to parliamentary committees which produce secret reports – is that their inevitable errors, incompetencies and failings will not be known for years, if at all. For example, PJCIS is unable under its remit to investigate the Parkin case, because it involves someone who is not an Australian citizen...as if injustice stops being injustice if it happens in Australia by an Australian agency to a national of another country. It is under the same twisted logic that the USA renders people around the world and into detention without trial for five years-plus in Guantanamo Bay, Cuba.

Judged by the accuracy of ASIO's operations as revealed in papers released under the 30-year rule, it used to be an organization which got things wrong in at least 25-30% of what it reported – secretly – on individuals in the 1970s: facts, dates, names of organizations and who belonged to which, names of companions, relationships, wrongly-captioned and dated photos, etc.

There is no reason to think that ASIO's accuracy has improved with age, now the 'Big O' is nearing 60 years old, and has many more staff. It is much more likely that accuracy is declining, given the propensity for more people and computers to multiply uncertainty and for too much data to get in the road of precision. (See box at end of this analysis).

ASIO must continuously unearth suspects and suspicion everywhere to justify its existence, and it must put fear into the hearts of the public, bureaucrats and Ministers or its *raison d'être* disappears, along with the excessive staff and the unconscionable budget.

In the past seven years, since September 2001, ASIO has experienced:

- Massive staff expansion, climbing nearly threefold on its way to 1860 employees (In 2000, Australia needed about 600 ASIO staff: why do we now need 1860? Wouldn't a 50% increase to 900 be enough, or a 100% increase to 1200, to counter an increased threat of terrorism?)
- Huge sums of money thrown at the organization – or, as Mr O'Sullivan calls it, the Organisation* (with a Big O);
** One of the great moments in ASIO's history was when it formally changed the spelling of its name from Organization to Organisation.*
- A structure and culture out of control, as demonstrated by what ASIO is doing internally to patch cracks; and
- Huge expansion of computers and data intelligence gathering, which inevitably means a lowering of the quality and integrity of information by comparison with that gathered in the 1970s, which was itself suspect in about 1-in-3 'facts' (if you doubt this, compare how accurate internet information is today with how accurate encyclopedias were 30 years ago: there is not the time and trouble taken nowadays to make sure 'facts' are right).

Australians are secretly being spied on by ASIO, and there's no practical way of checking whether ASIO's accuracy is 80 or 70 or 60 or 50 per cent. Undoubtedly, people are being hindered in their careers, companies are missing out on government contracts, and sections of society are being inappropriately harassed, all based on ASIO errors.

This impact, on individuals, firms, groups and the nation, won't become public for three decades, if the secret files are even then opened up. Very belatedly, our children will know how well – or poorly – ASIO served their parents. The damage will be well and truly done.

A parliamentary committee can only scratch at the surface of ASIO's problems. Because the committee shares 'secret' information, there is a danger that the committee and its members become captives of the spy establishment. If they do not probe and pry into the culture and management practices of ASIO, the spy agency gets away with such self-serving and outdated piffle as produced by Mr O'Sullivan in late-August under the name of 'analysis'.

PJCIS – or an independent auditor group, with representatives from outside government – must undertake a major forensic investigation at intervals of say, three years, into ASIO to ensure proper governance and functioning of the Australian democracy. It needs:

- people with mainline management experience to ask probing organizational questions, and able to follow up on the inevitable half-truth responses;

- an external audit regularly as to factual accuracy of a random sample of ASIO material (say 2 per cent of ASIO cases over any six month period intensely fact-checked), and
- a public report issued as to how accurate ASIO is...or isn't, and how well or poorly it is operating and being managed.

Mr O'Sullivan was appointed in 2005, presumably for the customary seven years. PJCIS should propose to Attorney-General McClelland that a Royal Commission be held in 2011 into ASIO's performance, so Mr O'Sullivan can be made accountable for his time in charge of his 'Big O' before he departs. If there are annual bonuses for good performance for senior Public Service managers, there should also be annual and end-of-contract penalties for personal and/or organizational failure or mismanagement.

Otherwise we will have another situation like what occurred with Immigration, where the Minister, Mr Ruddock, had moved on to another portfolio, and the Departmental Secretary, Bill Farmer, was quickly dispatched to Jakarta as Ambassador, so no-one was around to account for how a major department of state became a national and international embarrassment to Australia.

One of the PJCIS's purposes is to review, by 22 January 2016, the operation, effectiveness and implications of Division 3 of Part III of the *Australian Security Intelligence Organisation Act 1979*, which covers terrorism activities. The reason for the review is a sunset clause on that part of the legislation. The legislation is due to lapse on 22 July 2016.

A Royal Commission in 2011 would be a good 'midway' point between Mr O'Sullivan's 2005 appointment and the sunset of ASIO's special anti-terrorism legislation. Undoubtedly – if ASIO continues down its current path – by then or even earlier there will be more than enough reason for a Royal Commission into its activities.

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– Mr O'Sullivan's quotes taken from Director-General's Statement to the Parliamentary Joint Committee on Intelligence and Security (PJCIS) hearing into the Review of Administration and Expenditure No 6, 2006-07_25 August 2008 http://www.asio.gov.au/Media/Contents/PJCIS_No6-0607.aspx

It is not only ASIO that is out of control, in terms of staffing and budget:

Attorney-General's Department:

"Mr Cornall (retiring Department Secretary) has helped the department grow in his more than eight years years as secretary from about 540 staff administering \$225 million to 1550 people administering \$1.252 billion."

– *Canberra Times*, Legal chief's war on words, p5, Monday 19 August 2008
<http://www.canberratimes.com.au/news/local/news/general/legal-chiefs-war-on-words/1247712.aspx>

Australian Federal Police:

“The size and powers of the federal police have greatly expanded in recent years. During Mr Keelty's seven-year tenure at the top, the force's budget has trebled to almost \$975 million, while staff now number more than 6500”

– Sydney Morning Herald, Keelty rebuked after call to limit scrutiny, February 1 2008
<http://www.smh.com.au/text/articles/2008/01/31/1201714150526.html>

For an explanation of the real risk to Australia:

<http://business.smh.com.au/business/the-terrifying-cost-of-feeling-safer-20080826-435l.html>

For earlier analysis by CLA of ASIO documents:

CLA's analysis of the ASIO 2005-6 annual report:

http://www.cla.asn.au/search.php?zoom_query=ASIO&x=0&y=0

CLA's analysis of the ASIO 2006-7 annual report:

<http://www.cla.asn.au/issue/terror.php?blog=25&paged=2>

ASIO mushrooms as we're kept in the dark

To demonstrate ASIO's recent accuracy level, we reproduce below part of a critique from CLA's analysis of ASIO's 2005-6 annual report:

ASIO's Achilles heel for more than half a century has been reporting accuracy.

The spy agency won't have done itself any favours in parliamentary ranks by spelling incorrectly (p115) the surname of rising former National, now Liberal, Senator Julian McGauran, who was a member of the Parliamentary Joint Committee on Intelligence and Security.

It is extremely worrying that ASIO's standards of accuracy are so poor that the agency does not know exactly how many people work for it.

On p5 of the annual report, it says: 'As at 30 June 2006 ASIO had 1110 staff'. On p108, in the financial statements, it says: 'Total Full Time Equivalent staffing levels for ASIO at the end of the year were: 1062.

If anyone finds one or all of the 48 missing ASIO employees, please let Paul O'Sullivan know where they are. He's sure to be very interested, as he's in the business of people security and accurate intelligence.

ⁱ Bill Rowlings is CEO/secretary of Civil Liberties Australia. His extensive career background includes being a public servant with strategic expertise in reading/analysing – and writing – statements like Mr O'Sullivan's.