

# Reforming our intelligence apparatus:

## The human factor over the institutional

Warren Reed

Renewed calls for a Royal Commission into our intelligence systems inevitably focus on existing institutional structures and how they interface with each other as well as with their political masters. While the overall effectiveness of our intelligence and security agencies certainly requires attention, the greater challenge currently facing Australia isn't one about which institutions should win and which lose in any new evaluation of performance. Rather, it's about the very lifeblood of the system—the human element—and about how we maximise output from the talent we have for the benefit of the nation and its security.

This is where things have been going wrong for far too long. There has been a continuing failure over decades to keep the upper half of our intelligence community well stocked with people who are appropriately skilled and experienced, and who have a proven—rather than claimed—track record. This is why we have been missing the vital signs of danger. For Australia to have overlooked the rise of Jemaah Islamiyah (JI) in neighbouring Indonesia, as well as the movement's implications for Bali and beyond, was unforgivable. David Farmer, a highly trained analyst in ONA and someone with a solid and practical background, came closer than anyone else to reading the future. If the intelligence community featured more people with his analytical and intelligence staff skills we would have the systems we need.

The Sandline debacle in Papua New Guinea—a country of vital strategic importance to Australia—provides more food for thought. While American intelligence agencies picked up the fact that something nasty was brewing in that country, we were blissfully unaware. The US questioned us more than once on what was going on in our front garden but we assured them nothing was happening—until it did. David Irvine, the then Australian High Commissioner to Port Moresby and subsequently ambassador to China—another country of key strategic importance—is now the Director-General of the Australian Secret Intelligence Service (ASIS). While his skills in the diplomatic arena are beyond question, he has no practical experience or professional qualifications in intelligence matters. In fact, at the time of his appointment to ASIS,

many seasoned officers in various parts of the intelligence community raised the issue that he appeared well behind the starting line during the Sandline affair.

The appointment of David Irvine was also a giant slap in the face to career ASIS officers who were legitimately aspiring to the top job in their profession, especially as the previous Director-General had also been a diplomat. If it were true that there were no suitable candidates to take over from within the Service's professional ranks, who then—in simple human terms—should take responsibility for thus mismanaging the organisation in recent times?

On a broader front, this failure to concentrate the best human talent in the right places was evident in the 11 September 2001 tragedy in the United States. Those attacks highlighted drastic shortcomings in the human and institutional fabric of the American intelligence community. Equally, in a far less visible way, they also pointed to massive human failure within British intelligence systems. Britain's once formidable human resources—both in terms of operatives and stables of agents and contacts—in the Middle East and Central Asia failed the Western intelligence system badly in the lead-up to the World Trade Centre attacks. It was in those areas that Al Qa'eda was building up its strength. Where were MI6's traditionally impressive ranks of Arabists? This is a question that clearly begs the commensurate question where are *our* Asia hands?

The apparent British failure came from a nation that so mightily rallied the intellect and daring of its populace during World War II in order to, for example, crack enemy codes in both the European and Asian theatres. Britain's top intelligence and military thinkers assembled some thousands of mathematicians, scientists and others drawn from professions as arcane as watchmaking. The results of their joint endeavours went a long way to saving Britain (and Australia) from the Axis war machines. But what's happened today? As one old Australian Army officer, a Tobruk veteran, put it last Anzac Day in commenting on our own situation, 'it's as though the watchmakers have raided the Q-Store, stolen every uniform in sight with red flashes, then taken over the High Command!'

Such a situation is largely where we are at in Australia, although it is not just a problem of inexperienced people at

the top. There are also the deep-seated problems of bureaucratic inertia and of cronyism, the latter often nurtured by political masters bent on short-term survival, but which end up perpetuating mediocrity in the upper ranks. This in turn has led to the stymieing of the traditional checks and balances previously built into our system, which are supposed to guarantee that talent is not unnecessarily and unfairly wasted. The stark reality is that in the Australian intelligence community today the supervisory mechanisms and institutional controls that are meant to protect our best human talent, and steer it upwards, are not working. Even Blind Freddie can see that things are badly out of kilter. This is a tragedy, because if the umpire's decision is seen to be professional and objective, people who have been in the system for some time will instinctively accept it. But they do not nowadays, leading those seeking justice and to serve their country to become increasingly obliged to enter the public arena.

The office of the Inspector-General for Intelligence and Security (IGIS) was established some 15 years ago with the express aim of acting as such a neutral arbiter. It was structured to investigate and arbitrate sensitive intelligence cases in a secure manner and away from the glare of publicity. Yet IGIS has not only failed some officers who have gone to it for adjudication, it has also forced them to go public—something they would never have previously considered doing and which runs counter to all their professional instincts and training. A thorough audit of IGIS is called for. This is needed not only to gauge how much talent is being seriously 'burnt' inside the intelligence community, but also to look at how many officers taking their cases to IGIS consider they have received appropriate justice. Equally pertinent is the question of whether the intelligence community and its systems have been in any way cleansed or otherwise improved as a result of IGIS action. At the very least, IGIS needs to be restructured so it is far more independent and not so beholden to the executive government of the day. Solid grounds exist for constituting IGIS as an officer of the parliament in the same way as the auditor-general.

Not only are the formal avenues for redress sclerotic or stymied, but there is an increasing tendency for the government of the day to resort to the security apparatus within the intelligence community to crack down on dissent, rather than use that machinery to help cleanse the system. Indeed, it has been suggested that if the inordinate amount of time and energy devoted to the draconian measures to plug the 1998–99 leaks concerning East Timor had gone into monitoring the rise of Jemaah Islamiyah, we might just have managed to pick up the Bali tragedy before it occurred.

A Royal Commission into the intelligence community is urgently required in Australia, not so much to look into institutional negatives, but more into human positives. There are numerous pockets of excellence in the country's overall defence, intelligence and security systems, all of which—in one way or another—draw on our long Australian tradition of pragmatism. The

performance and international standing of our SAS regiment, for example, readily comes to mind, as do myriad examples from the closed world of intelligence—examples that, regrettably, can never be publicly acknowledged or explained. The Australian Federal Police showed us what they could do after the Bali bombings when they had just the right expertise and attitudes called for. A Royal Commission needs to look at how we nurture and replicate those pockets of excellence and clean out the gunk in the system. In effect, it should set about joining up the dots of human success. That would provide a blueprint for identifying and rectifying the points of institutional failure.

But to achieve this a Royal Commission will need wide-ranging powers to blast away the years of bureaucratic accretion that have hampered the development of what should be one of the Asian region's outstanding intelligence systems. Instead, it is in many ways a pale shadow of what many fine men and women working within it know it could be.

As ever in the way of human affairs, it is truth and accountability that are the key factors. We might not be able to change the human condition, but we can streamline our system to get the best out of what we have. If we fail to get it right this time there is no way we will be able to contend with the powerful forces now building up in our region, such as China's emergence. Sun Tzu said, in effect, that when you wish to conquer an enemy you exploit his weaknesses in order to commandeer his strengths. Through diligence and alacrity you suborn them in such a way that when he finally hits the dust he still has a smile on his face.

The choice is ours. It all goes back to harnessing human talent. Our problem is not that we have a shortage of this, but that we have for too long accepted a professional attrition rate that makes those in our region with more ancient traditions of strategic thinking and action, laugh at us. We are lucky we still have a chance to get it right.

But to succeed in reforming our intelligence systems we need to see the defence and security of our nation in a more holistic way. Many of our successes in recent decades have come from Australians who, without losing their own culture, beliefs and perspectives, have gone out into the Asian world around us and learnt the languages, cultures and thought patterns of the peoples who increasingly impact on our destiny. Yet Canberra has cut funding for a joint federal–State program that teaches Asian languages in our schools. That's where much of our next generation of intelligence officers and analysts would have come from.

Sun Tzu would scratch his head over that one. ♦

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