



Australian Government

Department of the Prime Minister and Cabinet



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CANBERRA, A.C.T. 2600

Mr Alistair Sands
Committee Secretary
Finance and Public Administration Legislation Committee
Australian Senate
Parliament House
CANBERRA ACT 2600

Dear Mr Sands,

The Office of National Assessments (ONA) has referred to PM&C your letter of 3 September 2004 to the Director-General, Mr Peter Varghese, regarding the recommendation in the report on Annual Reports (No.2 of 2004) by the Finance and Public Administration Legislation Committee ('the report'). As a policy matter, it is more appropriate that PM&C provide this interim response.

Please note that it is not correct that the tabling in Parliament of a declassified annual report by ONA would bring ONA 'into step with the annual reporting arrangements in relation to the Parliament with other intelligence agencies'. Only ASIO provides an unclassified version of its annual report to Parliament, which is a requirement of its legislation. None of the other intelligence agencies currently produce an unclassified annual report.

On the Committee's proposal, the Government agreed, in July 2004, to a recommendation from the Inquiry into Australian Intelligence Agencies conducted by Mr Philip Flood AO, that the mandate of the Parliamentary Joint Committee on ASIO, ASIS and DSD (PJCAAD) be extended to also include ONA, the Defence Intelligence Organisation and the Defence Imagery and Geospatial Organisation. This will take effect once the necessary legislative changes are enacted. The Chair of the PJCAAD subsequently proposed a number of organisational and other changes to that committee, including greater access to annual reports. These proposals are being considered in the context of the review currently being coordinated by PM&C of the operation of the *Intelligence Services Act 2001*. This review is in response to past recommendations in annual reports of the Inspector-General of Intelligence and Security. Your Committee's recommendation will also be considered in this context. Advice is expected to be provided to the Government soon on these matters.

Yours sincerely,

Duncan Lewis
First Assistant Secretary
National Security Division
18 March 2005