



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

**Reference: Auditor-General's reports Nos 32 (2008-09) to 1 (2009-10)**

MONDAY, 16 NOVEMBER 2009

CANBERRA

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**JOINT STATUTORY  
COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**

**Monday, 16 November 2009**

**Members:** Ms Grierson (*Chair*), Mr Georgiou (*Deputy Chair*), Senators Barnett, Mark Bishop, Bushby, Feeney and Lundy and Mr Adams, Mr Bevis, Mrs Bronwyn Bishop, Mr Bradbury, Mr Briggs, Ms King, Mr Neumann and Mr Robert

**Members in attendance:** Senators Lundy and Barnett and Mr Adams, Mr Briggs, Ms Grierson, Mr Georgiou, Mr Neumann and Mr Robert

**Terms of reference for the inquiry:**

To inquire into and report on:

Auditor-General's reports Nos 32 (2008-9) to 1 (2009-10)

**WITNESSES**

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**Committee met at 9.53 am**

**CHAPMAN, Mr Steve, Deputy Auditor-General, Australian National Audit Office**

**CLARKE, Dr Thomas Edmund (Tom), Executive Director, Performance Audit Services Group, Australian National Audit Office**

**CORRELL, Mr Bob, Deputy Secretary, Department of Immigration and Citizenship**

**FOX, Mr James, First Assistant Secretary, Citizenship, Settlement and Multicultural Affairs Division, Department of Immigration and Citizenship**

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**JACKSON, Ms Deborah, Senior Director, Australian National Audit Office**

**MINNS, Mr Michael, Assistant Secretary, Border Operations Branch, Department of Immigration and Citizenship**

**ROWLANDS, Dr David Melville, Audit Manager, Australian National Audit Office**

**TEMPLETON, Mr Peter, Assistant Secretary, Settlement Branch, Department of Immigration and Citizenship**

**WHITE, Mr Peter, Group Executive Director, Performance Audit Services Group, Australian National Audit Office**

**CHAIR**—I declare open today's public hearing, which examines the Auditor-General's Report No. 35 of 2008-09: *Management of the Movement Alert List*. I welcome the representatives from the Department of Immigration and Citizenship. At about 10.20 we will have to move on to the Settlement Grants Program with your department because of today's special proceedings, so I apologise for that. We are going to have to be very efficient. I draw witnesses' attention to the written guidance on the conduct of hearings available for you at the table. Do you have anything to say anything about the capacity in which you represent your organisation?

**Ms Jackson**—I am a senior director of the Performance Audit Services Group, ANAO.

**Dr Rowlands**—I am also a senior director of the Performance Audit Services Group.

**CHAIR**—We have received some opening statements from the Audit Office. I would ask a member to accept this as a submission today.

**Senator BARNETT**—So moved.

**CHAIR**—Thank you, Senator Barnett. Does the Audit Office have an opening statement, or did you wish to make one now, Mr White?

**Mr White**—No. For the benefit of the department, we have tabled an opening statement. It summarises the background to the audit and the findings from the audit. I have one minor correction to the last sentence. It should read: ‘Finally, to assist the committee in its inquiry, I have with me today two members of the audit team: Dr Tom Clarke, executive director, who oversaw this audit; and Dr David Rowlands, the audit manager.’ My apologies for the typo.

**CHAIR**—Are you happy now, Dr Clarke? Thank you. Did DIAC have an opening statement?

**Mr Correll**—Yes, we do.

**CHAIR**—Please proceed.

**Mr Correll**—MAL is the department’s principal electronic alert system and is an integral part of the national security and border control strategy. It is an important part of the layered approach to border security and a key element in control of the entry of noncitizens into Australia and in the granting of Australian citizenship. MAL’s purpose is to alert a decision maker to adverse information the department holds about an individual so that this information is available in the assessment of visa and citizenship applications, passenger processing at overseas checkpoints and immigration clearance at the Australian border. MAL is only one piece of information used by a decision maker in granting or not granting a visa or citizenship. MAL is a database and an administrative risk management tool. It is not a client case management system. On this basis, the records in the database may be imperfect but this does not have a detrimental impact on clients.

The audit report notes that in some cases the completeness of records held within MAL had suffered in recent years. This must be seen in the context of an alert list which has rapidly expanded. Today MAL holds approximately six times more personal alert list records than 10 years ago. Changes arising from the developing relationship with our national security agency have resulted in the need to hold increased numbers of records, of which a significant proportion do not meet minimum data standards. As stated in the ANAO report, we recognise that:

It may be better to have a sparse record of a person of concern than none at all ...

As at 30 September 2009, there were 680,816 individuals of concern on the personal alert list component of the MAL database. Of those, 391,989, or 56.6 per cent, were national security alerts owned by one national security agency. In addition, there were over 1.8 million lost, stolen or altered travel documents of interest on the document alert list component of MAL.

The increase in identities and documents of concern has seen a proportional increase in match case assessments. In the 12 months to 30 September 2009, a total of just over 4.7 million potential matches between DIAC clients’ visas or citizenship and individuals of concern on MAL were resolved. Approximately 90,000 match notifications have been resolved as true matches. The rate of conversion—that is, true matches as a proportion of resolved match cases—is around two per cent. This does not mean that in these cases a visa or citizenship is not granted. It means that the decision maker had to consider information on MAL in reaching a decision. In response to these changes, DIAC has established a global centre to resolve MAL matches and increase name-matching competency with specially trained support staff by the central movement alert list, called CMAL.

ANAO commented favourably on DIAC's successful implementation of the central movement alert list project, which has fundamentally changed the business model for alert list operations within the department. CMAL has delivered stronger checking of visa applicants before visas are granted, specifically improving its contribution to overall border protection and national security concerns. CMAL is now fully integrated with all DIAC visa-processing and border entry systems. Since the release of the ANAO audit report in May 2009, the department has taken action and made substantial progress on all of the recommendations. Thank you for the opportunity today.

**CHAIR**—Thank you very much. I know committee members have many questions they want to ask. I just want to clarify one thing before we proceed with those questions. It is not mandatory that anyone checks the MAL; is that right?

**Mr Correll**—The MAL is a listing of both documents and individual identities. Where there is a match against that list an alert is sent to the visa or citizenship decision maker.

**CHAIR**—How is the match triggered?

**Mr Correll**—When there is data entered on a number of potential visa or citizenship processing systems—

**CHAIR**—It would automatically trigger?

**Mr Correll**—Yes.

**CHAIR**—So if I applied for something and I was on the MAL, it should trigger a match. Who would be alerted by that?

**Mr Correll**—The particular processing decision makers. The person who had entered the data and was processing that particular visa or citizenship application would then receive an alert through the system of a match. That is simply an alert so that the individual takes into consideration that match information. That is not definitive in terms of the decision at that point in relation to a visa or citizenship grant. It is so that information of a possible match is brought to the attention—

**CHAIR**—Audit office, did you find that alerts are treated very seriously and pursue it?

**Dr Rowlands**—Yes. There is no reason to suppose otherwise.

**Mr GEORGIU**—Can you find out whether they were pursued?

**Dr Rowlands**—Yes.

**CHAIR**—I know that everyone was intrigued by the number of Australian citizens on your list. Can you perhaps explain before everyone asks about it how an Australian citizen does get themselves on your list? What are the criteria?

**Mr Correll**—There are a range of different reasons that can result in an Australian citizen being listed on the personal alert list component. It can be associated with an individual who may have had a lost or stolen passport situation.

**CHAIR**—But it was not just the PAL; weren't there some on the MAL as well?

**Mr Correll**—Yes. The MAL contains two key components

**CHAIR**—Is the PAL a subset of MAL?

**Mr Correll**—Yes, that is right. You have a person component list and you have a document component list. Where there are lost or stolen passports, for example, an individual would be listed on MAL because that represents an identity that may be being used by someone attempting to enter Australia.

**CHAIR**—That is one example.

**Mr Correll**—Another example is that someone who has been involved in people-smuggling activities would be listed as well. Where people have been involved in areas of escort activities associated with people smugglers—

**CHAIR**—Sex slave traders?

**Mr Correll**—Yes.

**CHAIR**—People involved in organised immigration malpractice very much dominated the list.

**Mr Correll**—Yes. Basically immigration malpractice is the main factor. I should emphasise that, since the report, we have done a close examination of all listings, and we have reduced the listings down from a figure of 578 at the time of the audit report to 163 as at the end of September.

**Mr BRIGGS**—Ours says 772. There is an inconsistency. You said 578; the report says as of 18 July 2008 it was 772.

**Mr Correll**—I will just check the data with my colleagues, but we—

**Mr BRIGGS**—It is on page 85 of the report.

**Mr Frew**—There is a trail that I could comment on here. The figure that Mr Correll issued was, I think, a figure from post the audit report and post a discussion in estimates where we answered a range of questions.

**Mr BRIGGS**—So is that number that is 772 in our report now 163?

**Mr Frew**—Correct.

**Mr BRIGGS**—Who enters information on the database?

**Mr Correll**—Data is entered by departmental officers with access. ASIO also has the capacity to make a remote entry.

**Mr BRIGGS**—How many people are authorised to enter and therefore see the database?

**Mr Correll**—I will just check.

**Mr Frew**—I am not sure that I could answer with a precise number within the department but it would be thousands. It is a processing arrangement where people who are coming across information are able to put it into the system.

**Mr BRIGGS**—And they can also see the information?

**Senator BARNETT**—The report says 4,026.

**Mr BRIGGS**—So there are over 4,000 people within your department who can enter data plus ASIO which I presume is not covered in the report. Is that right?

**Mr Frew**—That would be correct.

**CHAIR**—So there are people who are excluded from entering data?

**Mr Frew**—It is on a need to use basis.

**CHAIR**—So it can be people at all different levels through the system.

**Mr Frew**—Correct.

**Mr BRIGGS**—They need to be authorised to enter information. If you can enter information, can you see what is on the database?

**Mr Frew**—You can see information on the database in a selected methodology in terms of again need to deal with. Many people may not see the high-end narrative in particular cases.

**Mr BRIGGS**—What is the quality control about entry?

**Mr Frew**—One of the issues that was commented on in the audit was the lack of quality control in the inputting of data. Shortly before the audit was tabled we introduced—not because of, it was work that was being done in advance of—a new remote input functionality which essentially requires a quality control check by a central area in Canberra. When somebody wants to put something on MAL it is examined and there is QA and there is a discussion if necessary between the inputter and the broader operation centre as to whether or not it meets the minimum—

**Mr BRIGGS**—There is a decision made on whether a file is created. How many people are there in the decision-making group?

**Mr Frew**—I am sorry, I do not know. I will have to take that on notice. It is not a very large number.

**CHAIR**—Could you explain the process for other agencies which enter data onto this database, so there would be the Federal Police, ASIO or Customs. I think you said Customs have a different system. What is the interface between say PACE and MAL and what is the process for other agencies that enter or present data to this database?

**Mr Frew**—The issue around ASIO is one where the processes for data entry have changed over time as they have had to just by sheer volume. There was a situation previously where they would give us, if you like, a disk and we would insert it into the system. That was delivering a lot of poor quality data and a lot of multiple records. The situation has now improved to the extent that we are getting a QA process. When they give us the data it is matched against the system and reported back when it finds unsatisfactory records.

**Mr ADAMS**—Is that being done through software?

**Mr Frew**—Yes.

**Mr BRIGGS**—A large amount of people can enter data, there is a restricted amount who make the decision on whether a new record can be created. Mr Correll said in his opening statement that it did not matter if the information on there is not perfect, it is better that it is there because it does not ultimately affect the decision. It must affect the decision. Why else would you have it?

**Mr Correll**—It is not the key to a decision by a decision maker.

**Mr BRIGGS**—I accept that, but your statement that it does not matter if the information is not perfect is what concerns me.

**Mr GEORGIU**—Can I pick you up there. What you said was ‘sparse is better than nothing’. Can you just explain what the difference is between sparse and inaccurate?

**Mr Correll**—I was quoting from the audit report itself there. The reason I would strongly support that line is that if one considers that one on occasions has limited information—particularly from a national security agency—of a matter of concern then it would be better to have at least that limited information, which may not be all of the fields able to be completed in the data record, remembering that what that will create is an alert to a decision maker which tells the decision maker there may be an issue that requires further investigation.

**Mr BRIGGS**—Sure—and that is the concern when Australians are on the database. I understand about the lost passports and so forth, but in the report you have people who have breached visa conditions. How can you breach a visa condition if you are an Australian citizen? How can you be an overstayer? There were 10 people who were Australian citizens who were overstayers. You cannot possibly be both?

**Mr Correll**—Yes, but people are often operating on multiple passports, and it is possible that there are those cases.

**Mr BRIGGS**—It is possible to be an overstayer even though you are a citizen?

**Mr Frew**—It is conceivable that because of the masses of data that we deal with there are errors beyond MAL, if you will. For example, from time to time it occurs that records may not match up in a system when we are dealing with a person or when put together. There are some entries that over time are fixed. The merging of identifying information within systems is something on which we expend a great deal of effort.

**Mr BRIGGS**—So you are saying that would be a data matching error.

**Mr Frew**—Yes.

**Mr NEUMANN**—On page 85, section 4.22, it says:

There are several features worth noting in this analysis:

- First, the number of records has grown by nearly 25 per cent over the intervening 22 months. Could you explain why there was an increase of over 25 per cent in records?

**Mr Correll**—The first comment I make is that over a number of years, particularly since increasing security concerns across the world following the 9-11 tragedy, there has been from national security agencies a much greater listing of identities of concern on the MAL database. I am not sure if the growth over the last two years has been greater than the usual trend, but it would have—

**Mr NEUMANN**—Could you get us that information? That is a long time ago.

**Mr Correll**—Yes. But certainly this is a reflection of what has been quite dramatic growth in the listings on the MAL database over the last, let us say, 10 years.

**Mr NEUMANN**—Where does this fit in with the Australian Federal Police, The Hague Convention on the Civil Aspects of International Child Abduction and prohibition orders in relation to child support? Do you interface with the Australian Federal Police? There is a correlation. I practised in this area for a long time and had dozens of those sorts of cases, and I know there was contact with your department. Where does this fit in?

**Mr Correll**—I cannot claim to be an expert in linkages with the family law area, but in terms of connections with the Australian Federal Police perhaps—

**Mr Frew**—In this area both the Movement Alert List with immigration and the Customs PACE system are material, because Australian citizens routinely travelling are picked up by PACE, not by MAL. The Federal Police provide us with information on a wide range of matters. The information is put into MAL where it is relevant. I cannot answer specifically about the stream of data that you are asking about, but they put information into MAL as they put information into PACE.

**Mr NEUMANN**—Can you expand on ‘information’? It seems to me that there are silos here. It was my experience when I was practising as a family lawyer in Brisbane that there was not a lot of contact. We had people coming and going, and it was eternally frustrating to Australian clients who were dealing with Australian citizens and people from other countries who were not paying child support and who were taking children out of the jurisdiction of the Commonwealth of Australia. It seemed to me there could be some relationship. Could you get back to me about where that is?

**Mr Correll**—Yes.

**Mr GEORGIU**—I follow up on child custody concerns. You have people listed under child custody concerns. How do they get there and what does it matter? How is it used? I should preface that these are Australian citizens. You have Australian citizens listed under child custody concerns. How did they get on the database under child custody concerns and what are the consequences of that?

**Mr Frew**—I could not give you a broad answer encompassing all matters.

**Mr GEORGIU**—Just give me a specific answer encompassing how people are there under child custody concerns.

**Mr Frew**—If they are registered under child custody concerns it would be information that would be put in, I imagine, by the Federal Police. It may also be that an Australian citizen has a child who is not a citizen. This goes back to a point that Mr Correll made earlier. It is an alert list. It enables us and other agencies to see if people are moving. It is not a stop list. It just gives rise to information.

**Mr GEORGIU**—So what do you do with it?

**Mr Frew**—If it was put on by the Federal Police, the information would be to pass to the Federal Police.

**Mr GEORGIU**—So this is used as a mechanism whereby Immigration advise the Federal Police about the movements of Australian citizens.

**Mr Frew**—In certain cases, yes.

**Mr GEORGIU**—What is the connection between that and the Immigration function?

**Mr Frew**—Well—

**CHAIR**—Did you say there is a private MAL?

**Mr Frew**—There is a private MAL, which is not a thing of secrecy. I am sure our colleagues came across it.

**CHAIR**—Did you come across it, Audit Office?

**Dr Rowlands**—Yes. We specifically did not look at private MALs on this occasion.

**Mr Frew**—It is a methodology whereby, for example, the Federal Police could put something in there and, when a movement occurs, a notification is generated.

**Mr NEUMANN**—The way the Australian Federal Police would do a PACE alert is that the Family Court or the Federal Magistrates Court would make an order directed specifically in relation to that, and then the Australian Federal Police would put it on the PACE. In your experience, do they then put it on the MAL as a rule?

**Mr Frew**—As a rule, I should not think so.

**Mr NEUMANN**—If not, why not?

**Mr Frew**—Because if it is about Australian citizens then PACE is the appropriate housing for that material.

**Mr NEUMANN**—What is the point of having child custody concerns on there if you are going to do nothing but just be alert about it?

**Mr Frew**—Pointing out that it is a very small number—

**Mr NEUMANN**—That is the point!

**Mr Frew**—It may be children of Australian citizens or an Australian citizen travelling with a child not who is not an Australian citizen.

**Mr Correll**—Before jumping to too many conclusions about that number, we would want to check exactly what that was recording against that particular category and whether it was because of child custody concerns or whether it was associated with the nature of a data record.

**Mr GEORGIU**—You have a category there. Somehow it got there. You indicated it could be Commonwealth police. What do you do with it? You say it is not an exclusion list but an alert system. What do you do when up comes a record that falls under the category of child custody concerns?

**Mr Frew**—Sorry, I cannot answer the question without looking at specific cases.

**CHAIR**—Does the alert list go to all the agencies as well or just to DIAC?

**Mr Frew**—The alert only comes up in our systems, unless there is a private MAL arrangement where it notifies the AFP.

**Mr GEORGIU**—Let me take you to ‘other criminals’. On the table on page 85 you have a number of other criminals there who presumably are not those involved in serious or high-profile crime. How do they get there and what happens when they come up?

**Mr Correll**—Again, to be precise about this group you would need to look at the particular cases. But I expect that they would be areas of concern being raised by particular agencies, quite possibly the Federal Police. We would just need to see specific cases to be able to comment with precision on this.

**CHAIR**—If the list is valuable and has outstanding outcomes, what would they be and how would we know?

**Mr Correll**—One of the issues that is difficult to measure is the specific outcomes from MAL matches, because, when there is a match against MAL, that is one piece of information that is looked at by a decision maker together with a whole lot of other information.

**CHAIR**—Say they stop someone getting a visa or the Australian Federal Police apprehend an organised immigration malpractice criminal. Would that show anywhere?

**Mr Correll**—I do not believe we record that in any of our systems, but I will ask Mr Frew to confirm.

**Mr Frew**—To repeat Mr Correll's comment, MAL is one of a number of things that are factors of decision making in a range of areas. If a person is identified as being on MAL, that does not of itself make the decision. Further action takes place.

**CHAIR**—It is hard for us to see where it interfaces with anything, actually.

**Mr ROBERT**—You have indicated that between 2006 and 2008 it grew by 25 per cent. Then we had the audit and suddenly, by goodness, it has gone down 500 per cent. It has gone down from 772 to 163 Australians. Can you explain the rapid reduction? I note that there were 242 aliases, which brings it down to 529, but why the sudden drop-off of Australians?

**Mr Correll**—There are two factors at play there. The first is that the number of Australian citizen identities listed on the MAL database has as a proportion dramatically reduced over the last decade. It has been coming down substantially and it now represents a very tiny figure.

**Mr ROBERT**—But we are not talking proportions; we are talking hard numbers.

**Mr Correll**—The second reason is that certainly since the audit was undertaken we have paid special attention to the recommendation in that area and gone in there and reviewed all of the records to do a major clean-up—so it is part of the implementation against the recommendation as well.

**Mr ROBERT**—So you are suggesting that the reduction from 529—let's call it 529 when you combine the aliases and do a match—to 163 was all just old data?

**Mr Frew**—Every case was assessed to have a look at its value and validity and whether or not it needed to remain on the list.

**Mr ROBERT**—So that means, if someone who was previously involved in weapons of mass destruction or organised immigration malpractice had been bad and, two or three or four years later, has not been bad since, we have removed them from the list.

**Mr Frew**—It was not a case of not being bad for two or three or four years. I am not sure how to answer the question other than to say: after the audit, when a problem was identified, we did everything that we could to go through the matters in detail. The cases that were expunged would have been no longer current in some way or the data was questionable et cetera. We would not have taken off anything that we thought continued to present a risk.

**Mr ROBERT**—So you are confident that this is not a knee-jerk to the audit report. You have gone through patiently and carefully—

**Mr Frew**—It is not a knee-jerk; it was a prudent response to the problem identified by the auditors.

**Mr ADAMS**—I am interested in the link between PACE and MAL—how that works and how it connects.

**Mr Frew**—When people come through the border, the data is entered into PACE—in fact, as Mr Correll said, there are MAL checks all the way through the process. The MAL check undertaken as a part of border arrival is another one in the process.

**CHAIR**—So Customs have access to it as well as Immigration at the border?

**Mr Frew**—The Customs system bounces off MAL at the time of that check-in—yes, that is correct. There was a problem identified in the audit report where there was a broken link, if you will, for a period of time in a particular set of circumstances, and we have now instituted a situation where there is a daily check on the health of the system, which includes that interaction with PACE.

**Mr GEORGIU**—Is this the one that nobody noticed for months and months?

**Mr Frew**—Correct.

**Mr ADAMS**—The committee is trying to establish whether MAL plays a role in immigration. Your narrative of what it is about and how it interfaces is not that clear. We have seen the clean-up since the report, so I guess there is now somebody monitoring the information that is put on it or before it goes in so that, as an audit committee, we will be able to say, ‘It does work; it’s doing a job.’ But we need to be able to assess that, and we are finding it difficult to do that.

**CHAIR**—If the list is there and people are put on it for national security reasons, I guess we would love to know whether national security has been strengthened by it. If there were suspect documents—and one of the other reasons you have is suspect documents—I guess we would like to know how many suspect documents it has helped to pick up, with organised immigration malpractice being the other main area.

**Senator BARNETT**—Exactly.

**Mr Frew**—You would have to take advice from ASIO on national security records.

**CHAIR**—Are you saying that MAL is just a list and value adding to it is up to everyone else?

**Mr Frew**—No, I am saying that MAL is a list that a number of agencies subscribe to and put information into. It comes to a crystallised point when we are interacting with a client and we determine whether or not the person is a true match.

**CHAIR**—Do you think there is great confidence in this list?

**Mr Frew**—I think there is confidence in the list. The fact that ASIO use it, have continued to refine their operations of it and they rely heavily on it leads me to believe that they have confidence in it as well, but ASIO would have to answer that question.

**CHAIR**—Did the Auditor find that there was great confidence in this list?

**Dr Rowlands**—It is not a question we directly asked of anybody.

**CHAIR**—Consistent reference to it, application to it and implementation from it?

**Dr Rowlands**—It is certainly being used on a regular basis.

**Senator BARNETT**—I suppose that leads into questions either on notice or now. There has been considerable inquiry at Senate estimates on the Movement Alert List and one of the inquiries related to who is not on the list, including a range of criminals and people with backgrounds accordingly, so I think that is part of the issue we have in terms of confidence about who is on it and who is not on it. Can you update the figures for the Person Alert List and the Document Alert List in terms of numbers? Mr Correll, you indicated in your opening statement—

**CHAIR**—Would you be happy to take it on notice?

**Senator BARNETT**—Yes, I do not need it now. Please identify on notice who the 4,000-plus people are who have access to the Movement Alert List and what level and type of people they are and from what agencies. I presume it is DIAC, ASIO and the AFP. Are there other law enforcement agencies? Who has the ability to change the data? I think they are separate questions.

**Mr Correll**—We will take it on notice.

**CHAIR**—We have to conclude the hearing on this report and move on to the settlement grants report but we have several other questions that we would like to forward to you for formal answer. I expect that will be acceptable.

**Mr Correll**—We will take those.

**CHAIR**—We will move on to Audit Report No. 36 of 2008-09: *Settlement Grants Program*. Do you wish to make an opening statement?

**Mr Fox**—No, thank you.

**Mr White**—I just note that we have tabled one. For clarification, there are two team members, Dr Tom Clarke and Ms Deborah Jackson.

**CHAIR**—Thank you. Is it the wish of the committee that the submission be admitted into the *Hansard* record? There being no objection, it is so ordered. We will proceed to questions. With the Settlement Grants Program, there were some major changes in 2005. There has been a focus on achieving some sort of early independence. We have had four years to watch that in our own electorates, and I think we could say to you that in some cases that has not been entirely successful. I cite a recent meeting with the newly formed Hunter African Communities Council. That is a sign that they are starting to exercise their independence, but they are now giving very good feedback on what they would have liked the system to be. So I ask you: how are you getting feedback on communities such as African humanitarian settlers who have now been here for sufficient time to really want to improve a system for the people coming through.

**Mr BRIGGS**—I will add an additional question on the same theme: Mr Fox, how—in particular with this program—are you getting information back on the effectiveness of the delivery?

**Mr Fox**—I can answer both questions. The two questions are in fact related, which is obviously why Mr Briggs made that comment. The first answer, in the broad, is that we do not only look at this program in terms of the consultation. We have a range of services and programs through which we provide support to new arrivals in the country. We have, for example, the Integrated Humanitarian Settlement Strategy, which is designed to provide services to refugees. We are about to go out to market for our new providers for that service, and as part of the process to develop the tender for that program we did some extensive consultation with community groups and clients from around the country. We went to every capital city and a number of regional locations. We conducted open sessions. We also did focus groups with clients. So that is one mechanism through which we have received a lot of feedback in terms of designing our services.

**CHAIR**—So there will be change?

**Mr Fox**—Yes. Mr Ferguson made a speech on 25 September that referred to a new client-centric focus that we will have for the provision of settlement services. That sets the framework for how we will do that tender. The reason I mention that is that we look at the provision of settlement services as a continuum across a range of programs. We do not look only at the Settlement Grants Program or the Integrated Humanitarian Settlement Strategy or, indeed, the Adult Migrant English Program, which is another one of the programs that have a settlement focus. We are certainly starting to look more and more at the outcomes across that whole settlement framework. As well as that consultation for IHSS that I just mentioned, we have a network of community liaison officers. They are attached to each of our state and territory offices and we ask them to work closely with community groups across the country, whether they be new and emerging communities or others. We also get advice through formal advisory bodies like the Refugee Resettlement Advisory Council.

Turning to the specific question of the outcomes of this program that Mr Briggs was asking about, that is something where the audit report that we are faced with rightly suggested that the performance framework that we had in place was not adequate, was not up to scratch and was not able to give us enough information on the outcomes of the program as a whole. We are now working closely with colleagues from around our network in the department and are also looking to get some expert advice on a much better performance framework for the particular program. In other words, we have taken the advice of the audit—with which we agreed—and we are working towards an improved performance framework.

**CHAIR**—The Audit Office also pointed out that getting better outcomes also depends on a better analysis of the needs.

**Mr Fox**—Yes.

**CHAIR**—Are you confident? Can you explain to us that you are confident that you have a better analysis of the needs of people who will benefit from the settlement grants system?

**Mr Templeton**—It is always an ongoing process. It needs analysis. We have just commissioned some research into outcomes that people who have recently arrived in Australia have experienced. It is under some broad frameworks—economic participation, social participation, health and wellbeing—to help guide us on some of the impacts of services they might have received over the little while. With the Settlement Grants Program, we fund several hundred grants to do all sorts of things for people to deal with things like social isolation, assisting-with-homework clubs, drivers' licences and other things that are fairly wide and varied. The pulling together of a performance framework for those sorts of individual projects needs to have a much clearer picture of what it is we are trying to achieve with settlement, going back to those things like economic and social participation drivers. They are key drivers, and the research that we are doing is going to help assist in the development of that framework.

We have been talking with all of our providers and talking with our state and territory offices, who closely manage these projects, and continue to get feedback from service deliverers, service providers and clients about what is and is not being achieved. All that gets fed back into a settlement planning unit that I run in Canberra, and they work very closely with both my settlement policy group and my grants group to try to make sure that the link between policy planning and funding is as close to contemporary as possible, that we are not the funding things that were an issue two years ago. It is an ongoing and iterative process, and we do reasonably well. We work very closely with groups like the Refugee Council of Australia and the Settlement Council of Australia, who continue to advise us on issues they see out in the community, remembering that the Settlement Grants Program goes to not only refugee and humanitarian entrances issues, but also across other streams of migration. So there is a broad catchment that we need to do. Last year, for instance, there were about 150,000 people who we considered to be eligible clients for potential funding under the project base of the SGP. So I cannot say to you, hand on heart, that we have a perfect system, but we are in there trying to make sure that we are as contemporary and up-to-date with what is going on across the country, and that variety across the country is possible.

**Mr BRIGGS**—I just want to follow up on this. It is fair to say, you do not know out of the audit report how effective the program is or what the results are. It might have been very effective, but you do not test it.

**Mr Templeton**—I can take you through it.

**Mr GEORGIU**—It cannot be both inadequate and then not quite perfect; it cannot be both inadequate and adequate.

**Mr Templeton**—I can take you to individual projects and show you all sorts of really good outcomes.

**CHAIR**—But are we going to have better performance indicators and better assessment of performance management?

**Mr Templeton**—Yes, that is where we are going.

**Mr GEORGIU**—The five-year focus: was that complied with?

**Ms Jackson**—As we discussed in the report, when we spoke to several recipients—we actually went out and spoke to a number of recipients of grants—we found that the general approach is that if they had someone coming in the door who required services that did not exactly fit within the parameters of the program and who might be at the five-year limit, then they would provide those services. We did not do an extensive survey about how often that is happening.

**Mr GEORGIU**—How timely is this kind of work?

**Mr Templeton**—In terms of identifying the groups that are eligible to the settlement services—

**Mr GEORGIU**—No, time of arrival.

**Mr Templeton**—Yes, the 150,000 people I talked about sort of fit within that five-year frame. The seven-year, the eight year, the aged migrants—there are lots of newly-arrived aged migrants, but when we are allocating and distributing funding, it is based on demographics over the last five years. If someone walks through service providers' doors, whether they turn them away or do not turn them away, service providers I think, as Deborah was saying, take that on a case-by-case basis. The parliamentary secretary's concept of clientcentric service delivery is something quite relevant to that.

**Mr Fox**—By way of one small example, and the chair referred to one in her community, I had a meeting very recently with some people from the Settlement Council of Australia. Two of the providers there were talking exactly as Mr Templeton was saying: it people come in desperate for help, if they happen to have been here for five years and two months, they are not going to turn them away. And that is appropriate.

**Mr GEORGIU**—Given your experience with this program, which has been narrowed over a period of time, do you think that the arbitrary attachment of a five-year focus, even if it is not exclusive, is appropriate?

**Mr Templeton**—It is a matter of debate between practitioners and the government, there is no doubt about that.

**Mr GEORGIU**—Give us your views.

**Mr Templeton**—To say it is appropriate and longer, other agencies have responsibilities they need to pick up as well.

**Mr Fox**—Yes, the question of when is someone settled, there is no finite point on that.

**Mr GEORGIU**—Presumably they are settled when the program achieves its objectives, which we do not know.

**Mr Fox**—Not as applies to individuals and that someone might take 10 years to settle comfortably in Australia and another person might take a month. So there is no hard and fast definition on that.

**Mr GEORGIU**—You do have a hard and fast definition—that is, that it should extinguish after five years.

**Mr Fox**—We think that is a reasonable point at which mainstream services ought to take over those responsibilities rather than immigration specifically.

**Mr GEORGIU**—On what basis have you come to that conclusion?

**Mr Fox**—Experience over a number of years that the majority of clients have sought to move into mainstream service providers at that point rather than rely exclusively on their community. That is not always the case, and there are exceptions to that as a generalisation.

**Mr GEORGIU**—I would be surprised they did not try to move into mainstream organisations since they were precluded by policy from attending these sorts of things after five years. Let me ask again: what sort of evidence do you have that five years is an appropriate cut-off point.

**Mr Fox**—I do not know that I have the answer to that.

**Mr Templeton**—The only answer I can give you to that is that it was a decision taken by government in about 2005 which said we do not want to fund under our migrant services program. We want to make sure that people have access, and we want to make sure that people have equity, but our migrant services program, the government policy was adopted which said five years, following a fairly extensive period of consultation with community.

**Mr Fox**—I also recall a review of settlement services that was conducted in 2003, which also focused on that period.

**CHAIR**—I want to go back to settlement needs. If it is based on the right information, we should get better outcomes. Can you take on notice that I would like to see some evidence of how you reviewed settlement needs information and how you are going to be responding to that? To me, if the right needs are identified and if the sources of those have been inclusive and not exclusive—or not just on an inside view—I will be pleased. I would really like to see that information if possible.

**Mr Templeton**—Chair, with your indulgence, there is one other program, a new one, that we had not mentioned, which is called the complex case service.

**CHAIR**—We know that one.

**Mr Templeton**—That one has been developed in the past 18 months and is delivering services to many who once upon a time were left behind.

**CHAIR**—And thank goodness that was developed. It was developed because so many people were falling through the system through very poor service delivery, and basically most of the complex cases got picked up by established providers who had missed out on contracts and were the ones who could do the job better. That was the experience in my region, and I was very grateful to see complex case service created.

**Mr Templeton**—And from that we are learning lots of lessons to help policy growth in the Settlement Grants Program, and the IHSS and the AMEP, as well as in Centrelink and DEEWR—across the board of government services.

**CHAIR**—I assume that we will continue to receive waves of people with very high need, and I just would love to—from this audit report we have seen progress, but we really need a responsive department that is going to be proactive, that is going to have good links with the community and have very good measurement systems in place.

**Mr GEORGIU**—The measurement systems are important. I appreciate the difficulty of some of these intangible things, but at least there should be something there.

**CHAIR**—I want to go to the future of GMS. What is going to happen to the grant management system?

**Mr Fox**—We have put in a project proposal—I think the formal title is a project initiation brief—within our internal structures. That has been approved to develop our own grants management system, basically to address the concerns that were identified within the audit here.

**CHAIR**—That is a submission for new money?

**Mr Fox**—Internal to our department, yes.

**CHAIR**—And what would the outcome be from that?

**Mr Fox**—It will be a grants management system that addresses the concerns that the audit office rightly raised with us on the shortfalls of the system that we have in place at the moment.

**CHAIR**—I am sure the audit office know exactly what those shortfalls were. Do you want to comment on what is needed and what your recommendations were aiming at?

**Ms Jackson**—There is a chapter that discusses GMS.

**Mr Fox**—Chapter 7 I think.

**Ms Jackson**—That is right. Certainly the problems with GMS are no surprise to DIAC; there were internal frustrations there as well. It is not an external system and they are a very familiar with what those issues are. Basically a system that works would be helpful.

**Mr Templeton**—They are also looking for something that is amicable with good settlement outcome reporting and also helpful to the settlement providers themselves, so they have a uniform platform for them all to be contributing on.

**Ms Jackson**—And one that is reliable and stable.

**Mr Templeton**—Yes.

**CHAIR**—I raised with you my anecdotal evidence about the African community in the Hunter region becoming more organised and wanting to be more participatory. That is fraught with all sorts of risks. We know that new communities often find it very difficult to take on that responsibility effectively, but I am wondering if you are aware of that sort of quest for autonomy and how you will be responding to that.

**Mr Templeton**—The Refugee Resettlement Advisory Council was addressed by a young Somali who has finished a Master of Business Administration here in the country who took them through lots of the issues that the communities are facing, not the least of which was the fact that they have so many organisations purporting to represent them—several hundred organisations for not too many thousand clients. They recognise the difficulties of attracting government support when they are not quite—

**CHAIR**—It is a situation that needs sensitive handling as we develop new communities.

**Mr GEORGIU**—Mr Templeton, usually what would happen when they do develop adequate community networks is that immigration thinks they do not need any assistance and so it is a catch 22.

**CHAIR**—And I emphasise that English language is just seen as absolutely critical and that there is a general complaint that the service is not sufficient: it is neither ongoing nor intense enough in the early stages. I understand the difficulties; it is not just this program that we are talking about.

**Mr Fox**—Chair, I would make, in passing, another comment related to the African community, the one that you observed, as well as the discussion that Mr Templeton referred to. We have been encouraging the Federation of Ethnic Communities Councils of Australia to look at new and emerging communities such as the African ones in Australia. They have set up a subcommittee that we participate in as a department which is working very closely with the

African communities. In fact, they met just before FECCA's annual conference that was on at the end of last month. That is something that we are encouraging them to continue to take an interest in.

**CHAIR**—We are certainly a diverse people, aren't we? As there are no further questions, I thank you for your time. We will have questions on notice that we will give you to answer for us. We have not been able to deal with them today because of time constraints and the other matters before us. So on behalf of the committee I thank all of the witnesses who have given evidence today, and again notify you that we will pull questions on notice.

Resolved (on motion by **Mr Adams**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 10.47 am**