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Inspector General of
Intelligence and Security

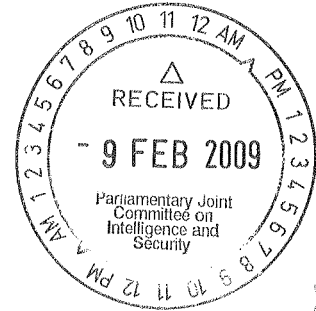
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The Hon. Arch Bevis MP
Chairman
Parliamentary Joint Committee
on Intelligence and Security
Parliament House
CANBERRA ACT 2600



Dear Mr Bevis

PJCIS Review of AIC finance and administration FY 2007/08

I am writing in response to your letter of 20 October 2008, concerning the current review by the Parliamentary Joint Committee on Intelligence and Security (PJCIS) of the administration and expenditure of the six intelligence and security agencies which comprise the Australian Intelligence Community (AIC), for the financial year 2007/08.

In your letter you invited me to submit to the Committee any specific concerns I may have had about the administrative functions of the AIC agencies during the period under review.

I am pleased to accept the Committee's invitation and to this end would like to offer some general background information about the role and focus of my office, as well as brief comments with respect to four of the six agencies which fall within my purview, which I hope will assist your review.

The following information is unclassified and I have no objection to this submission being published should you wish to do so.

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Role, functions and focus of IGIS

As members of the PJCIS will perhaps already be aware, the position of the Inspector-General of Intelligence and Security (IGIS) was established on 1 February 1987, with the coming into effect of the *Inspector-General of Intelligence and Security Act 1986* (the IGIS Act) on that date.

The objectives of the IGIS Act and the role and functions of the IGIS are variously set out under sections 4, 8, 9 and 9A of the IGIS Act.

Briefly summarised, it is the job of the IGIS to review the activities of the AIC agencies, to ensure that the agencies act in a proper and ethical manner, in compliance with Australian law, and consistent with human rights.

The objectives of the IGIS Act are achieved through the IGIS, amongst other things, undertaking regular inspection activities of, and conducting inquiries into, the AIC agencies.

My office has a rolling visits and inspection program which has been specifically tailored for each of the six AIC agencies.

My office also conducts inquiries on the basis of complaints which are received from members of the public and/or agency staff, referrals from Ministers with responsibilities for the six AIC agencies, and from time to time, on my 'own motion'.

The inspection and inquiry activities of the IGIS are focused on the operational activities of the AIC agencies rather than their administrative and financial activities *per se*. However, although my office does not set out to inspect or inquire into matters of AIC finance and administration, issues of this kind do from time to time inevitably come to our attention. It is against this background that the following comments are submitted.

ASIO

In the almost five years since I was first appointed as IGIS the one area where I have particularly noticed an increasing number of complaints from members of the public has been with respect to the timeliness with which ASIO processes security assessments in relation to visa applications.

In the year in which I was first appointed as IGIS (i.e. financial year 2003/04), my predecessor Mr W J (Bill) Blick AM PSM and I initiated a total of two preliminary inquiries into immigration related complaints about ASIO.¹

¹ IGIS Annual Report 2004-2005, Canberra 2005, p. 7.

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During 2004/05 this office received 31 new immigration related complaints (with 14 handled as preliminary or full inquiries and 17 processed administratively).²

In 2005/06 we received 34 such complaints (with six processed as preliminary inquiries, two processed as full inquiries and 26 handled administratively).³

In 2006/07 the figure increased to 76 new complaints of this kind (with two processed as preliminary inquiries and 74 handled administratively).⁴

In the period between 1 July 2007 and 30 June 2008, my office received a total of 193 new immigration related complaints, each of which were processed administratively.⁵

There are a number of causes for the increasing level of complaints made to my office. These reasons include (but are not necessarily limited to) the following factors:

- connectivity/communications issues affecting the passage of documents
- a greater awareness on the part of migration agents and migrant networks about the right to complain to my office about such cases, and
- a greater propensity for visa applicants who are located overseas to lodge a complaint via email (due to the relative speed, ease and availability of this means of communication compared to other methods of communication such as post).

Other significant contributory factors in the delays experienced by some of the complainants who have approached my office in recent times include the following:

- applicants in hostile or dangerous locations frequently do not have ready access to official records to support their applications, and
- misunderstandings arising from cultural and language barriers.

Our investigation of these complaints, over a number of years, has revealed that while ASIO is sometimes at fault (usually due to simple human errors, pressure of work and competing priorities), in some instances the visa applications in question have never actually been referred to ASIO, and in other instances security assessments have been completed and returned but not been actioned by the Department of Immigration and Citizenship (DIAC).

² Ibid., p.7

³ IGIS Annual Report 2005-2006, Canberra 2006, pp. 32-33

⁴ IGIS Annual Report 2006-2007, Canberra 2007, p.35

⁵ IGIS Annual Report 2007-2008, Canberra 2008, p.48

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In order to process the complaints this office receives in as timely manner as possible, my staff have established effective working relationships with the relevant areas in ASIO, and also in the Commonwealth Ombudsman's office.

ASIO, in turn, has reallocated some of its internal resources to better service requests from my office for information on these matters. This has resulted in improved responsiveness to my queries, and also provided a greater level of detail to me on the circumstances of each case.

ASIO has and continues to devote resources to improving its internal management of visa applications and its communications with external stake holders, to ensure the better tracking of immigration related cases, and to reduce the incidence of avoidable errors.

I should also advise that in the period 1 July to 31 December 2008 there was some lessening in the number of complaints being made to my office on immigration related matters. The total number of complaints of this kind received by my office in this six month period was 73, compared to 93 such complaints in the corresponding period in 2007.

DSD, DIGO and DIO

In the later part of 2006/07, my office received a small number of complaints about Organisational Suitability Assessment (OSA) processes within the Defence intelligence agencies (i.e. DSD, DIGO and DIO). I chose at the time not to conduct formal inquiries into any of these individual matters, but instead guided the complainants to other means of having their individual cases reconsidered.

I was, however, generally interested in inquiring into the OSA process, given that it had sprung from recommendations made by my predecessor as Inspector-General, Mr Blick, in a report he provided to the then Government in March 2000 following an inquiry which he had conducted into security arrangements within the AIC and the wider Australian Public Service.

One of the recommendations made by Mr Blick in his report was that each of the AIC agencies should undertake mandatory psychological assessments of all current and prospective employees if they were not already doing so.

Mr Blick's recommendation was accepted and the AIC agencies then took action, as necessary, to give it effect.

Given that approximately six and half years had passed since Mr Blick's recommendation had been accepted by the government, I thought it timely and appropriate to review what had occurred in the intervening period.

Following preliminary discussions with relevant stakeholders I commenced an inquiry into OSA processes within DSD, DIGO and DIO on 5 June 2007 and concluded this inquiry on 15 February 2008, when I presented my report to the Minister for Defence.

The above inquiry included consideration of documentation setting out each agency's OSA policies and procedures, an examination of the psychological testing instruments being used, and interviews with staff, human resource managers, psychologists and security experts.

The general picture which emerged from this inquiry into the management of OSA policies, procedures and practices within the Defence intelligence agencies is quite a positive one.

Despite this generally positive appraisal, I put forward 18 recommendations which I believe, if implemented, will bring about improvements to existing practices.

I have engaged in on-going discussions with senior level officers within the Department of Defence since finalising the above report and I am pleased to advise that all of my recommendations have been accepted and are currently in the process of being implemented.

ASIS and ONA

As mentioned elsewhere in this submission, the focus of the work of this office is very much on operational matters rather than on matters of administration and expenditure.

While my staff and I engaged in a significant number of inspection and inquiry related activities with respect to ASIS, and a less intensive regime with respect to ONA, during the financial year 2007/08, these activities did not identify any issues of particular concern which might be relevant to your current inquiry.

Administrative arrangements

I trust that the information provided in this submission will prove to be of benefit to the Committee with respect to your current deliberations.

Should you require clarification or additional information with respect to any of the above, I would be delighted to provide it.

I am also more than happy to appear before the PJCIS if it will assist your current inquiry, or at any subsequent meeting of the Committee, should you require a wider and more detailed briefing on the activities of this office.

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If you have queries on any of the above, please do not hesitate to contact me via ph.
(02) 6271 5692.

Yours sincerely



Ian Carnell

Inspector-General of
Intelligence and Security
6 February 2009