
The Parliament of the Commonwealth of Australia

Private Review of Agency Security Arrangements

Parliamentary Joint Committee on ASIO, ASIS and DSD

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Foreword

This is the third report of the Parliamentary Joint Committee on ASIO, ASIS and DSD, and the first that looks at broader issues of agency administration. The Committee initiated the review of agency security arrangements under Section 29 (1) (a) of the *Intelligence Services Act 2001*, which provides for the Committee to review all aspects of the administration and expenditure of ASIO, ASIS and DSD.

The Committee's decision to address protective security within the agencies was motivated by a number of factors, including interest in the Commonwealth's response to a number of high-profile espionage cases involving employees of one of Australia's intelligence agencies in 1999 and 2000. This response included the report and recommendations of the Inspector-General of Intelligence and Security, *Inquiry into Security Issues* (the IGIS Inquiry), and changes to the Commonwealth's Protective Security Manual (PSM). The Committee was also interested in how security practice and procedures within the agencies had changed in light of the terrorist attacks of 11 September 2001 in the United States and 12 October 2002 in Bali, Indonesia.

In conducting the review, the Committee sought and received submissions from ASIO, ASIS and DSD, and from three other Commonwealth agencies who were invited to give evidence for comparative purposes. In addition to these submissions, the Committee took evidence from the three agencies, and a number of other organisations, in private hearings held in December 2002 and February and March 2003 in Canberra.

The Committee was also granted access to the IGIS Inquiry report to assist it in assessing changes to the protective security regimes of the three agencies. However, due to the security-classified nature of the document, the Committee was not able to adopt the IGIS Inquiry report as a formal exhibit to the inquiry.

In general, the Committee found that protective security arrangements within the three agencies were sound, and in most respects, exceeded the standards required by the PSM. The Committee found further that each of the agencies had made impressive progress in implementing the recommendations of the IGIS Inquiry. Completion of this process, with the exception of a few measures requiring new technologies, is expected by the end of this year.

The Committee noted that each of the agencies has placed emphasis on improving security planning, documentation, and staff security awareness and training in the past two years. This has led to a greater degree of accountability at all levels within the agencies, and an improved understanding of the rationale and need for robust protective security practice and procedures.

The report makes four recommendations. First, that agencies take necessary steps to ensure that initial vetting and security clearance re-evaluation processes for personnel are completed within the timeframes set by the PSM, and that any remaining backlogs are completed by the end of this year. Second, that the Inter-Agency Security Forum (IASF), develop and submit proposals to the Attorney-General on improving the capacity of agencies to access information about staff from credit reference and other financial institutions. Third, that DSD conduct random bag searches of people entering and exiting secure facilities at all locations in Australia. Fourth, that the agencies implement electronic article surveillance systems for all secure premises.

In conclusion, I would like to thank my fellow members for their active interest in the work of the Committee and the Secretariat Staff, Ms Margaret Swieringa, Mr Jon Merrill, and Mr Daniel Miletic, who assisted in the organisation and conduct of the private review and the drafting of papers for the Committee.

Mr David Jull, MP
Chair



Membership of the Committee

Chair Hon David Jull MP

Members Hon Kim Beazley MP

Mr Stewart McArthur MP

Hon Leo McLeay MP

Senator Paul Calvert
(discharged on 29.08.02)

Senator Alan Ferguson
(appointed on 29.08.02)

Senator Sandy Macdonald

Senator the Hon Robert Ray

Committee Secretariat

Secretary Ms Margaret Swieringa

Inquiry Secretary Mr Jon Merrill

Administrative Officers Mr Daniel Miletic



Terms of reference

On 27 June 2002, the Parliamentary Joint Committee on ASIO, ASIS and DSD resolved, under paragraph 29(1)(a) of the *Intelligence Services Act 2001*, to conduct a private review of the security arrangements of ASIO, ASIS and DSD. The review gave particular reference to:

- personnel security including implementation of recommendations arising from the *Inquiry into Security Issues* (the Blick Report);
- physical security;
- information technology (IT) security; and
- the adequacy of legislation dealing with espionage crime including the provisions in the Criminal Code Amendment (Espionage and Related Offences) Bill 2002.



List of abbreviations

AIC	Australian Intelligence Community
ANAO	Australian National Audit Office
ASIO	Australian Security Intelligence Organisation
ASIS	Australian Secret Intelligence Service
DFAT	Department of Foreign Affairs and Trade
DIGO	Defence Imagery and Geospatial Organisation
DIO	Defence Intelligence Organisation
DSD	Defence Signals Directorate
IGIS	Inspector-General of Intelligence and Security
IS Act	<i>Intelligence Services Act 2001</i>
SCNS	Secretaries Committee on National Security
ONA	Office of National Assessment
PASWG	Physical and Administrative Security Working Group
PBS	Portfolio Budget Statements
PJCA	Parliamentary Joint Committee on ASIO
PSM	Protective Security Manual
RCIS	Royal Commission on Intelligence and Security



List of recommendations

2 Personnel Security

Recommendation 1

That, as a first priority, the agencies address any existing or anticipated backlog in initial vetting and re-evaluation of TSPV security clearances to ensure that these processes meet PSM standards by 2003-2004 at the latest. Further, that the agencies include statistics on the number of outstanding TSPV re-evaluation cases and the times taken to process clearances in the reports made to this Committee as part of the annual review of administration and expenditure.

Recommendation 2

That the IASF review urgently areas where agencies are experiencing difficulties obtaining security-related information about personnel, such as the refusal by credit reference agencies to provide information direct to the Commonwealth, and develop proposals for appropriate legislative or policy action by the Commonwealth Attorney-General

3 Physical Security

Recommendation 3

That, as a priority, DSD implement random bag inspection procedures at all its headquarters facilities and all other installations in Australia.

Recommendation 4

The Committee recommends that, subject to the outcomes of the IASF working group findings, ASIO, ASIS and DSD allocate funding for the development and implementation of electronic article surveillance systems for all Australian offices and installations.

