

The Auditor-General
Audit Report No.4 2010–11
Performance Audit

National Security Hotline

Australian Security Intelligence Organisation

Attorney-General's Department

Australian Federal Police

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Canberra ACT
28 July 2010

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken an independent performance audit in the Australian Security Intelligence Organisation, the Attorney-General's Department and the Australian Federal Police in accordance with the authority contained in the *Auditor-General Act 1997*.

Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit and the accompanying brochure. The report is titled *National Security Hotline*.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee', is positioned above the printed name and title.

Ian McPhee
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits and financial statement audits of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Abbreviations

AFP	Australian Federal Police
AGD	Attorney-General's Department
ANAO	Australian National Audit Office
AOCC	AFP Operations Coordination Centre
ASIO	Australian Security Intelligence Organisation
ATO	Australian Taxation Office
CERT	Computer Emergency Response Team
CNE	Case Note Entry
PM&C	Department of the Prime Minister and Cabinet
EMA	Emergency Management Australia
ESU	Ethical Standards Unit
ISM	(Australian Government) Information Security Manual
IT	Information Technology
MCGC	Ministerial Committee on Government Communications
NSH	National Security Hotline
PROMIS	Police Real-time Online Management Information System
PSCC	Protective Security Coordination Centre
SOP	Standard Operating Procedure

Summary

Summary

Introduction

1. The terrorist attacks on the World Trade Centre and the Pentagon in the United States on 11 September 2001 killed almost 3000 people. Closer to home, a bomb attack on a nightclub in Bali on 12 October 2002 killed 202 people, 88 of them Australians. These events, coupled with world-wide increases in the number of suicide bombings and terrorist attacks caused governments around the world to significantly increase their anti-terrorism efforts. In Australia, the then Government announced in May 2003 that it had committed 'an extra \$1.4 billion to national security measures since the terrorist attacks on the United States...and the Bali bombings.'¹
2. One of the first of these national security measures was the Government's announcement of a National Security Campaign. The aim of the campaign was twofold. First, it aimed to provide advice and reassurance to the Australian community by putting the heightened level of alert into perspective and to promote the strength of our national Security systems. Secondly, the campaign encouraged Australians to be aware of their surroundings and encouraged members of the public to report any suspicious behaviour.
3. Focus group research suggested that members of the public would be willing to report suspicious behaviour to a single central contact point. The then Prime Minister indicated his preference for a national, dedicated call centre which could receive such calls and pass the information to the relevant stakeholder agencies: the Australian Federal Police (AFP), the Australian Security Intelligence Organisation (ASIO) and the eight state and territory police forces².
4. The resulting National Security Hotline was designed, planned and implemented in three weeks in December 2002. In one seven-day period, the following was achieved:

¹ *Strengthening Australia's counter-terrorism capability*, News Release by the Attorney-General, 13 May 2003.

² As state agencies, the eight state and territory police forces are not within the ANAO's jurisdiction. However, their assistance was sought by the ANAO to complete a survey about their views of the NSH's administration and its utility to their operations.

- construction of a 27 station call centre located within the Protective Security Coordination Centre in Barton, ACT;
- selection, recruitment, training and security vetting of almost 100 operators and supervisors;
- the development and construction of a database to capture information from callers; and
- establishment of arrangements with stakeholder agencies.

5. The NSH took its first call on 27 December 2002. As at 31 December 2009, it had taken almost 140 000 calls.³ This equates to an average of just over 50 calls per day⁴. NSH operators collect information from calls and transcribe it into a purpose-built database.

6. The cost of operating the NSH has varied from \$3.42 million in its first year of operation to \$1.636 million⁵ in 2009–10, with an average yearly cost of \$2.547 million.

7. Just under half of all the calls received by the NSH have been from people seeking to pass on information about suspicious behaviour or activity; it is only the information from these calls that is passed to stakeholder agencies electronically by email or use of a web portal. The balance of the calls received are from people seeking assurance regarding national security, information about the Government's counter-terrorism arrangements, making comment about government policy or are nuisance calls.

³ Approximately 85 per cent of contact with the NSH is by telephone, but 'calls' includes letters, facsimiles, emails, photographs and text messages.

⁴ The smallest number of calls in any one day has been eight, while the largest has exceeded 200.

⁵ Calculated based on a part-year cost of \$1.363 million for the period 1 July 2009 to 30 April 2010.

Audit objective

8. The objective of the audit was to assess whether:
- (a) the Attorney-General's Department (AGD) effectively manages the operation of the NSH; and
 - (b) the AFP and ASIO have effective procedures in place to deal with incoming referrals from the NSH.

Overall conclusion

9. The NSH is an important means by which members of the public can pass on information to the government or receive assurance about national security issues. Since its inception in 2002, the NSH has received more than 140 000 calls. About half of all calls received are from people reporting something that concerns them and these calls are passed to the NSH's stakeholder agencies (the Australian Federal Police, the Australian Security Intelligence Organisation and the eight state and territory police forces). These stakeholder agencies have informed the ANAO that they place significant value on the information that they receive via the NSH as it contributes to their operations, investigations and intelligence.

10. The ANAO concluded that the Attorney-General's Department effectively manages the operation of the NSH. The NSH was conceived, designed, constructed and implemented in a short period of time in 2002. Since then, the NSH has worked to improve the IT system, institute sound 'surge' and contingency arrangements and develop innovative and effective staff training. The ANAO identified some opportunities for administrative improvement which were adopted by the AGD.

11. The ANAO also concluded that both ASIO and the AFP have developed sound procedures to evaluate and assess incoming referrals from the NSH. However, there were opportunities for improvement in the practical application of the procedures. In relation to calls where a decision was made to take no further action, until recently ASIO did not document the reasons for such a decision but it commenced doing so in January 2010. While the AFP's procedures did call for the documentation of reasons for taking no further action on particular calls, the ANAO's testing of a random sample of 359 NSH calls showed that this was not generally done.

12. Based on its testing, the ANAO concluded that with respect to those calls which were identified as warranting further action or investigation, ASIO's documentation was robust, while the AFP's was poor.

13. Each of the three auditees responded promptly to issues that arose during the audit. Most significantly, the NSH quickly rectified a technical issue in the NSH database that was preventing ASIO from receiving all calls and ASIO instituted a daily reconciliation process to ensure that all calls received were assessed. The AFP also reviewed its processes and implemented a weekly quality control process to ensure officers properly document all calls received. The changes to administration that have been made by each agency will enhance the NSH's usefulness and contribute to making sure that no call is overlooked.

14. As a consequence of the auditees' responsiveness in resolving issues as raised during the course of the audit, it has not been necessary for the ANAO to make any recommendations in this report.

Key findings by chapter

Management of the National Security Hotline (Chapter 2)

15. The NSH has flexible staffing practices which allow it to vary the number of staff on duty according to call traffic and has explored ways in which it can use staff on other administrative duties in order to minimise unproductive downtime. Staff training is structured and relevant and, in particular, the NSH has made innovative use of electronic learning (or e-learning) to allow for the training of staff in locations other than Canberra.

16. The NSH database is well-designed and fit for purpose. It is mature and has well-developed, regularly tested, contingency arrangements to deal with both a disaster at its primary site and with a sudden influx of calls which would result from a major terrorist or other incident, especially one occurring in Australia. The NSH has also put in place effective arrangements for liaison with its stakeholders, who all advised the ANAO that they felt that their feedback and suggestions for improvements were taken seriously by the NSH.

17. The ANAO identified opportunities for improvement in the NSH's handling of calls involving allegations of unlawful or improper behaviour by officers of the stakeholder agencies, which the NSH terms 'ethical standards' calls. Given the sensitivity of calls including such allegations, they are not passed to the usual contact points in the stakeholder agencies, but are referred

to the relevant part of the stakeholder agency for investigation. Any other information contained in the call, which could be of security interest, is thus not available generally to the stakeholder agency. The ANAO found that the NSH did not have a routine process in place to follow up on such calls to ascertain whether they could be released. The NSH has moved promptly to rectify this shortcoming and has also developed a protocol with ASIO to ensure that 'ethical standards' calls are promptly passed to ASIO so that they can be assessed for any national security implications.

ASIO's and the AFP's handling of NSH calls (Chapter 3)

18. The stakeholder agencies who have the responsibility to assess and evaluate NSH calls should be able to demonstrate that they received every NSH call and also that every call was the subject of a decision about what action should be taken with respect to it (which includes taking no action) and the reason for that decision.

19. Both ASIO and the AFP initially advised that they both receive every NSH call. In fact, the ANAO's analysis showed that since 2002, there have been more than 3000 NSH calls that were not referred to ASIO. The reason for this was that for these calls, a particular 'incident type' box had been ticked by NSH operators, the unintended consequence of which was to prevent the calls in question being referred to ASIO. Once the ANAO identified this problem, the NSH moved quickly to rectify it and ASIO assessed and evaluated the 52 calls received in 2009 which were not forwarded to it and found that one was of sufficient security interest to warrant being classified as a 'Lead'.

20. Both ASIO and the AFP have documented procedures that provide direction for staff responsible for evaluating and assessing NSH calls. The ANAO assessed the extent to which staff of the two organisations complied with those procedures for a random sample of 359 calls received by the NSH in 2009. This substantive testing showed that:

- four calls were not assessed or evaluated by ASIO for reasons it was not able to explain, but was most likely due to human error;
- two calls were not received by ASIO (these were part of the more than 3000 calls that were not sent to ASIO by the NSH); and
- the AFP received all 359 calls, but its documentation of the assessment and evaluation of the calls did not comply with its stated procedures.

21. Both agencies acknowledged that there was scope for improvement in their handling of NSH calls and took prompt action in this regard.

Utility of the National Security Hotline (Chapter 4)

22. It is difficult to objectively assess the value of the NSH in a traditional cost-benefit sense. This is because the relationship between a particular call to the NSH and a firm outcome, such as an arrest or prosecution for terrorism or other criminal offence, is unlikely to be clear-cut. Rather, calls to the NSH would usually contribute to stakeholder agencies' operations, investigations or intelligence.

23. The testing program carried out by the ANAO showed that of the 359 NSH calls examined, the AFP considered 20 per cent of them to have sufficient value to warrant referral to other parts of the organisation for further evaluation or action. Of the same sample, ASIO classified 8.3 per cent as 'Leads', meaning that they were also referred to other parts of the organisation for further evaluation or action.

24. The clearest endorsement of the utility of the NSH comes from its stakeholder agencies. A highly classified joint 2009 paper prepared by ASIO and the AFP contains specific examples of how individual NSH calls have contributed to their investigations, intelligence and operations. The paper notes the work involved in assessing and evaluating NSH calls, but is strongly supportive of it.

25. Although the state and territory police forces were initially opposed to the establishment of the NSH, an ANAO survey of them in late 2009 showed that they all consider the NSH as being valuable, with four stating that it was 'extremely valuable'.

Summary of agency responses

26. The full text of the responses of ASIO, AGD and the AFP are at Appendix 1. A summary of the responses is as follows:

ASIO

ASIO welcomes the findings of the report; in particular the conclusion the National Security Hotline is an important measure by which members of the public can pass on information to the Government. As noted in the report, ASIO places significant value on the information we receive from the National Security Hotline as it contributes to our ability to identify and investigate threats to security and provide advice to Government to protect Australia's people and interests.

ASIO accepts the conclusions of the report and welcomes the assessment that ASIO has developed sound procedures for evaluating and assessing incoming referrals from the National Security Hotline and that our system of documentation is robust. As noted in the report, ASIO responded quickly to opportunities identified in the audit to improve our management of National Security Hotline referrals.

AGD

Overall the report provides a well researched assessment of the procedures in place between stakeholder agencies to deal with NSH calls. It also describes the effectiveness of the management of the NSH by the Attorney-General's Department.

AFP

The AFP welcomes the findings of the audit and confirms that several process improvements applying to the management of the NSH have been implemented. The most significant enhancements apply to the internal audit/quality assurance process as well as to new staff training regimes.

The AFP is of the view that the audit has contributed to improved process management of the National Security Hotline.

Audit Findings and Conclusions

1. Introduction

This chapter provides an overview of the establishment of the National Security Hotline and the background to the audit, including the audit objective and approach.

Background

1.1 The National Security Hotline (NSH) is a 24 hour, 365 days a year call centre located within Emergency Management Australia (EMA) which, in turn, is a division of the Attorney-General's Department (AGD).

1.2 The purpose of the NSH is stated as follows:⁶

The National Security Hotline is the single point of contact for the public to report possible signs of terrorism. It also provides information to callers on a wide range of national security matters.

Small pieces of information can help protect Australia from terrorism. Australia's national security agencies are working hard but members of the public can help them complete the picture.

Some of the best people to spot things that are out of the ordinary in a neighbourhood or workplace are those who are there everyday. As we go about our daily lives, we can keep an eye out for anything that may seem unusual or suspicious. Whether or not something is suspicious can depend on the circumstances. Look at the situation as a whole. If it doesn't add up, call the 24-hour National Security Hotline.

1.3 Where a member of the public is providing information to the NSH⁷, the NSH's operators key the information gathered from the caller into a purpose-built database. These calls are passed to one or more of the NSH's ten 'stakeholder agencies', who are the AFP, ASIO and the eight state and territory police forces. Those agencies then assess and evaluate the calls and decide what action (if any) should be taken in response.

⁶ <www.nationalsecurity.gov.au> [accessed 12 May 2010].

⁷ Approximately 85 per cent of contacts with the NSH are by telephone (including TTY calls (for speech or hearing impaired people) and calls placed via the Telephone Interpreter Service. However, the NSH can accept information provided by means of letters, facsimiles, emails, images (such as photographs) and text messages. For convenience, 'calls' is used in this report to refer to all types of contacts.

Establishment of the National Security Hotline

1.4 The terrorist attacks on the World Trade Centre and the Pentagon in the United States on 11 September 2001 killed almost 3000 people. Closer to home, a bomb attack on a nightclub in Bali on 12 October 2002 killed 202 people, 88 of them Australians. These events, coupled with world-wide increases in the number of suicide bombings and terrorist attacks, caused governments around the world to significantly increase their anti-terrorism efforts. In Australia, the Government announced in May 2003 that it had committed 'an extra \$1.4 billion to national security measures since the terrorist attacks on the United States...and the Bali bombings.'⁸

1.5 One of the first of these national security measures was the Government's announcement of a National Security Campaign. The aim of the campaign was twofold. First, it aimed to provide advice and reassurance to the Australian community by putting the heightened level of alert into perspective and to promote the strength of our national security systems. Secondly, the campaign encouraged Australians to be aware of their surroundings and encouraged members of the public to report any suspicious behaviour. A Task Force was established within the Department of Prime Minister and Cabinet (PM&C) to oversee and co-ordinate the campaign.

1.6 The initial publicity campaign lasted for three months and included television, radio and print media advertisements. A booklet and 'Be alert, not alarmed' fridge magnets were also distributed to every Australian household with further information on what counter-terrorism measures are in place, what to look out for, how to be prepared in the event of an incident and advice for those travelling overseas.⁹

1.7 In November 2002, the Ministerial Committee on Government Communications (MCGC)¹⁰ approved concept testing for the public information campaign. From this testing, it was anticipated that the public information campaign would result in two types of approaches from the public. First, there would be people who would want more information about

⁸ *Strengthening Australia's counter-terrorism capability*, News Release by the Attorney-General, 13 May 2003.

⁹ Two further publicity campaigns have been run since the inception of the NSH, in September 2004 and August 2007.

¹⁰ The Ministerial Committee on Government Communications (MCGC) was established in 1997 by the then Prime Minister and was responsible for making all key decisions on government advertising.

Australia's national security arrangements. It was also anticipated that there would be a number of people wanting to report information.

1.8 The research suggested that it would be appropriate to direct members of the public to a website <www.nationalsecurity.gov.au> for further information. For people wanting to report information, the market research suggested that a dedicated response number should be established and that it be staffed by people who had expertise and authority to follow up the information being provided. On 3 December 2002, PM&C put two options to the Prime Minister for a response capability:

- provide supplementary funding to the existing Crime Stoppers¹¹ hotline; or
- ask members of the public to telephone their local police to report suspicious or unusual activity.

1.9 PM&C files show that the Prime Minister's office advised PM&C that the Prime Minister did not favour either of these options but that his preference was for 'a Commonwealth call centre which would receive calls, provide advice and pass on reported information'.

1.10 The MCGC stated some requirements for the hotline. These included:

- all calls were to be answered by a person rather than a machine;
- all calls were to be answered immediately, were not to be queued or receive a busy signal; and
- operators were to be mature and knowledgeable.

1.11 Using the number of calls received by the NSW Police as a guide, it was decided that the hotline needed to be able to handle between 1200 and 1500 calls per day initially, with an eventual capacity of 3500 calls per day. The Taskforce advised the Prime Minister on 12 December 2002 that in order to achieve these targets, the hotline would need a minimum of 86 operators on three shifts, 6 shift supervisors and 27 workstations. In fact, by this time, recruitment of operators was already underway.

¹¹ Crime Stoppers Australia operates a national hotline (1800 333 000) which allows callers to report (anonymously, if they wish) information 'that may help stop, solve or prevent criminal activity in the community'. As with the NSH, this information is passed to state and territory police forces.

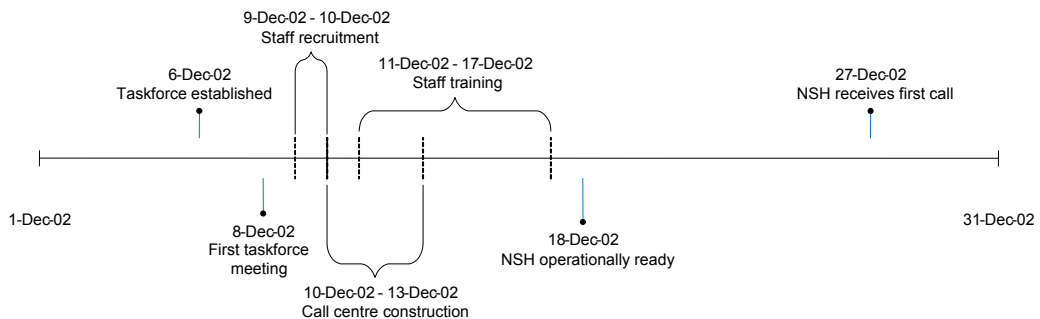
1.12 In order to meet the date of the proposed launch of the campaign on 19 December 2002, the following tasks were completed within a seven day period:

- construction of a 27 station call centre located within the Protective Security Coordination Centre in Barton, ACT;
- selection, recruitment, training and security vetting of almost 100 operators and supervisors;
- the development and construction of a database to capture information from callers; and
- establishment of arrangements with stakeholder agencies.

1.13 The timeline in Figure 1.1 shows that from the date of the establishment of the Taskforce on 6 December 2002 to the first call being received by the NSH on 27 December 2002 was three weeks.

Figure 1.1

Timeline showing development of the NSH



Source: ANAO from Attorney General's Department data.

Calls received by the NSH

1.14 Calls received by the NSH are categorised into three main types¹² which are described in its Standard Operating Procedures as follows:

- **Information calls** are where:
 - the caller is providing information on anything relevant to national security, criminal activity, ethical standards¹³, or potentially suspicious in nature. Calls may be reporting suspicious characters, residences, vehicles or other questionable activity. In all cases, Information calls require the operator to fill in free text detail in addition to populating the various information fields available through the database screens and tabs, as well as Operator/Supervisor comments.
- **Assurance calls** are where:
 - the caller is seeking reassurance regarding National Security or the Government's counter terrorism arrangements;
 - the caller is requesting information regarding security arrangements for specific events or reassurance to attend the events; or
 - the caller may seek current travel advice.
- **Campaign calls** are where:
 - the calls relate to any current National Security Hotline advertising campaign, in particular containing compliments or complaints; and
 - calls are received from nuisance callers, pranks, hang-ups and other 'enthusiasts'.

¹² The fourth type of call is emergency calls. This is where the caller is reporting an emergency which is more appropriately dealt with by the relevant emergency service (police, fire or ambulance). In these instances, the caller is advised to call 000 directly. There have been only 27 such calls since 2002 and they have not been included in this analysis.

¹³ Ethical standards calls is the term used by the NSH to refer to calls in which an allegation is made of unlawful or inappropriate behaviour by an officer of one of the stakeholder agencies. The NSH's handling of such calls is discussed further at paragraph 2.48.

1.15 In the period since its inception on 27 December 2002 and 31 December 2009, the NSH has received almost 140 000 calls in total. Table 1.1 shows the number of calls of each type.

Table 1.1

NSH calls received 27 December 2002 to 31 December 2009

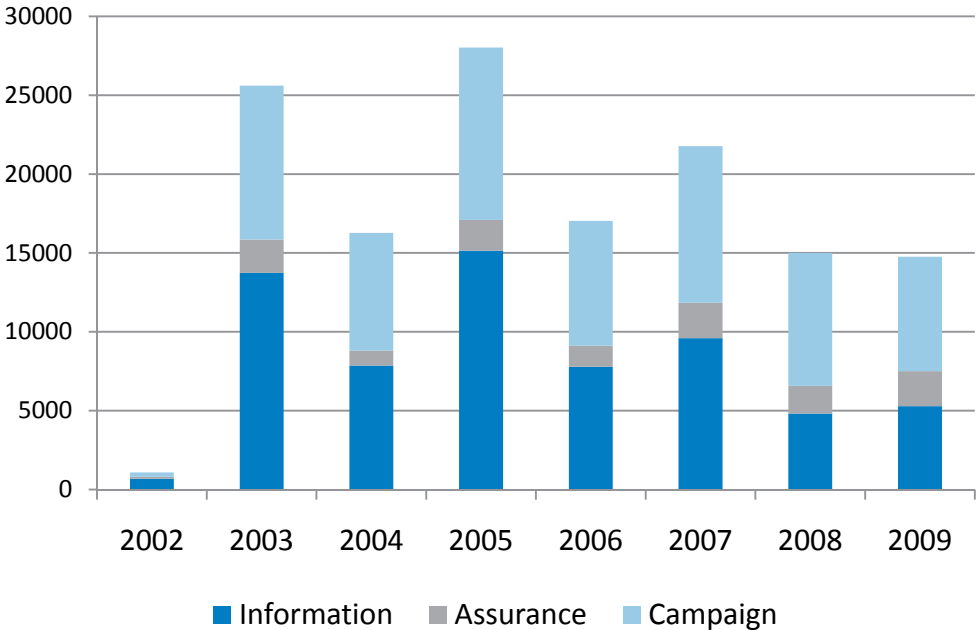
Call type	Number received
Information	64 898
Assurance	12 700
Campaign	61 943
TOTAL	139 541

Source: NSH database.

1.16 Figure 1.2 shows a graphic representation of the number of calls of each type between the commencement of the NSH and 31 December 2009.

Figure 1.2

NSH call types and number, 2002 to 2009



Source: NSH database.

1.17 Only Information calls are passed to stakeholder agencies. Records of Assurance calls are archived within the database. Details of campaign calls which are either complaints or compliments are forwarded to the AGD's Public Affairs Branch for their information but are otherwise also archived in the database. For the purpose of this audit, the remainder of this report focuses on the collection and handling of Information calls only.

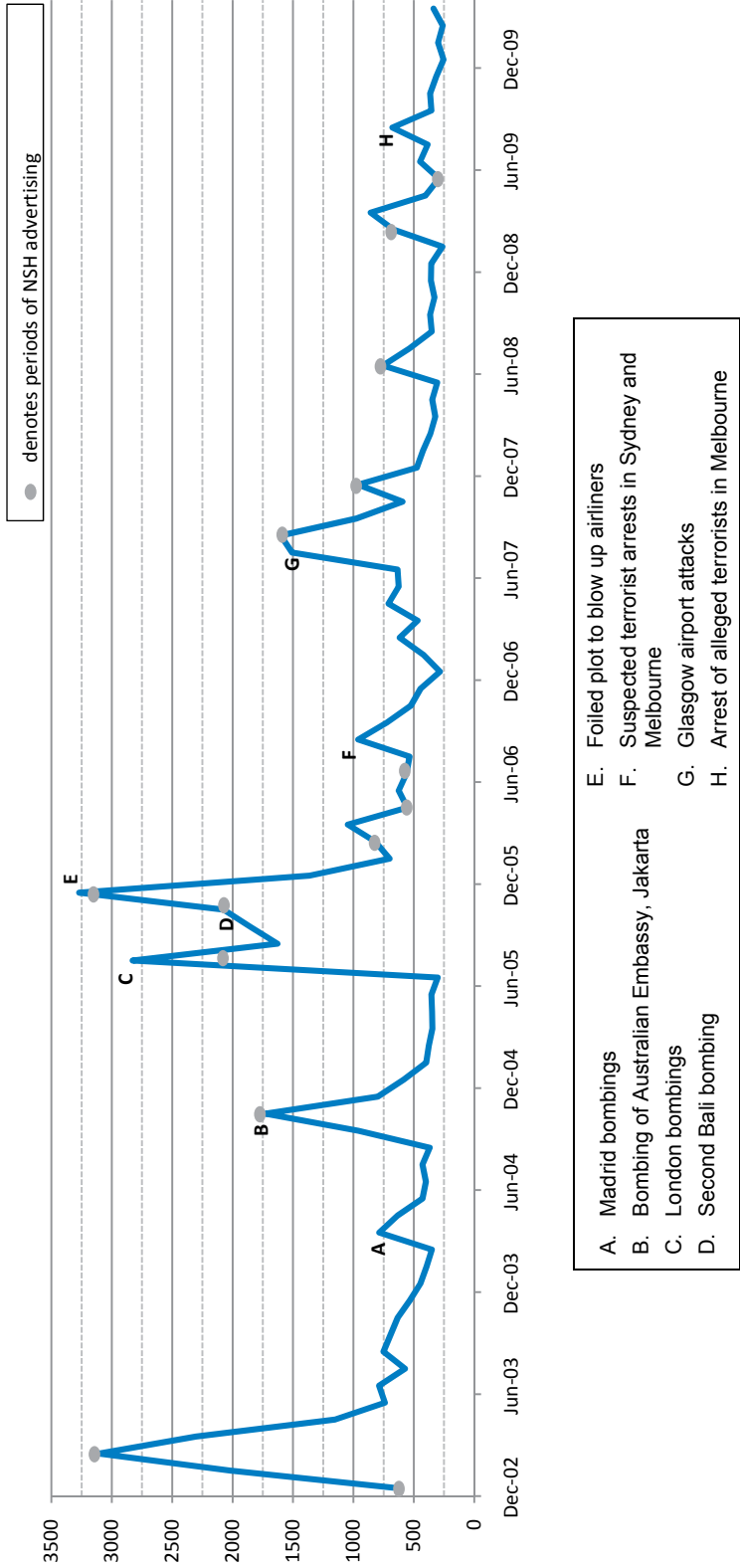
1.18 There have been significant fluctuations in the number of Information calls that the NSH has received. The largest number received in any one month was 3270 in November 2005 (an average of 109 per day), while the smallest was 254 in December 2009 (an average of eight per day).

1.19 There are two factors which have a significant effect on the number of calls received. The first is that there is a perceptible increase whenever the NSH conducts any public advertising¹⁴. The second is a more pronounced increase when there is a major terrorist incident such as an attack overseas (particularly if there are Australian casualties or an Australian link) or when there are arrests of people in Australia for alleged terrorism offences. November 2005's largest monthly call total came after the arrest on 8 November 2005 of 17 people in Sydney and Melbourne. Figure 1.3 shows the correlation between increases in call numbers and both NSH advertising campaigns and terrorist incidents.

¹⁴ Between June 2008 and March 2010, the ANAO was responsible for reviewing all government advertising campaigns with expenditure of greater than \$250 000 and providing advice to the Government on their compliance with the *Guidelines on Campaign Advertising by Government Departments and Agencies*, issued by the Government in June 2008. During this time, the ANAO reviewed three national security advertising campaigns. The campaigns complied with the guidelines. For further details, see ANAO Audit Report No.2 2009-10 and ANAO Audit Report No.38 2009-10.

Figure 1.3

Information Calls: effect of advertising and terrorist incidents



Source: ANAO analysis of NSH data.

Cost of the NSH

1.20 Table 1.2 below shows the actual operating costs of the NSH since its inception and the amount spent on its advertising.

Table 1.2

NSH funding, 2002–03 to 2009–10

Financial year	Operating costs (\$ million)	Advertising costs (\$ million)
2002–03	3.420	18.500 ¹
2003–04	2.684	0.714
2004–05	2.434	7.640
2005–06	2.599	9.826
2006–07	2.374	4.909
2007–08	2.528	9.970
2008–09	2.707	10.016
2009–10	1.363 ²	0.951

Notes:

1. Amount allocated.
2. 2009–10 costs are to 30 April 2010.

Source: Attorney-General's Department.

1.21 The NSH's operating costs have varied from \$3.420 million in its first year of operation to \$1.636 million in 2009–10.¹⁵ The operating costs shown in Table 1.2 represent the NSH's costs only: they do not include the costs to ASIO and the AFP of evaluating and assessing NSH calls.

Audit objective and scope

Audit objective

1.22 The objective of the audit was to assess whether:

- (a) the AGD effectively manages the operation of the NSH; and
- (b) the AFP and ASIO have effective procedures in place to deal with incoming referrals from the NSH.

¹⁵ This is an annualised figure calculated based on costs from 1 July 2009 to 30 April 2010.

Audit scope and methodology

1.23 The audit scope focused on the AGD's management of the NSH and handling of Information calls that are referred to stakeholder agencies. ASIO and AFP handling of NSH Information call referrals were also within the audit scope.

1.24 The state and territory police forces, which also receive referrals from the NSH, are not within the Auditor-General's jurisdiction and were therefore not subject to audit. However, the ANAO surveyed each of the state and territory police forces to seek their views on a range of matters relating to the NSH.

1.25 The audit methodology included:

- interviews with relevant AGD, AFP and ASIO staff in Canberra;
- examining and reviewing AGD, AFP and ASIO documentation and files;
- an examination of the IT systems underpinning the NSH;
- observation of call centre operations;
- attendance at training provided for call centre operators; and
- interrogation of the NSH database for reconciliation and data integrity purposes.

1.26 The audit was conducted under Section 18 of the *Auditor-General Act 1997* in accordance with the ANAO Auditing Standards at a cost of \$264 000.

Structure of the report

1.27 The structure of this report reflects the organisational arrangements relating to the NSH. As well as this introductory chapter, there are three other chapters:

- Chapter 2 assesses AGD's management of the NSH;
- Chapter 3 examines ASIO's and the AFP's handling of NSH calls; and
- Chapter 4 examines the utility of the NSH and its value to its stakeholders.

2. Management of the National Security Hotline

This chapter assesses AGD's management of the NSH. It also assesses the AGD's handling of calls and its liaison arrangements with its stakeholders. Finally, it addresses a number of issues relating to the Hotline's operation.

Management of the Hotline operations

2.1 The National Security Hotline is a 24 hour per day, 365 days per year call centre, although it differs from normal call centres in that it has two sets of clients: the general public and its 10 stakeholder agencies. In many commercial call centres, the speed with which operators deal with callers is a key performance measure since it directly affects running costs. In contrast, the NSH's operators are trained to take time to seek to elicit as much information from each caller as they can in order to maximise the value of the information to the stakeholder agencies.

2.2 In December 1996, the ANAO released a Better Practice Guide entitled *Telephone Call Centres*¹⁶ which was intended to 'provide assistance to public sector administrators in the design, implementation and review of telephone call centres'. Despite the age of the guide, the key elements of a well-run call centre that the guide identified remain relevant today. These are:

- appropriate telephone networks and equipment;
- well-trained staff;
- well planned procedures;
- effective management practices; and
- well designed information and support systems.

2.3 In this chapter, the ANAO focuses on these elements of the Attorney-General's Department's management of the NSH. The ANAO subsequently examined the process for referring NSH calls to stakeholders, liaison arrangements with its stakeholders and a number of related issues.

¹⁶ ANAO *Better Practice Guide – Telephone Call Centres*, December 1996.

Telephone networks and equipment

2.4 When the NSH was established in 2002, calls to the NSH number (1800 1234 00) were routed to the NSH through the AGD's single PABX¹⁷ system. A PABX outage in May 2004 resulted in the NSH being unable to receive calls for eight hours and in 2006, this was identified as being a 'a single point of failure' since a hardware fault or power outage at the PABX would effectively render the NSH inoperative.

2.5 In 2007, the NSH entered into an agreement with Telstra to use its CustomNet service. The advantage of this service is that it allows calls to be forwarded to any one of a number of pre-determined sites, thus ensuring that the NSH number is always accessible. It also automatically diverts incoming calls to the next available operator and ensures that callers do not have to wait for their call to be answered. Telstra provides 24 hour per day technical support if required.

2.6 Operators are given training in the use of the telephone system and the NSH has well-documented Standard Operating Procedures (SOPs) which deal with detecting and rectifying any service faults. From the ANAO's observation of the NSH, the telephone equipment and system is appropriate.

Staff training

2.7 The success or failure of the NSH is dependent on the skills and abilities of the operators and the NSH invests a significant effort in training them. Initial training comprises five days and covers all the skills required of operators, including:

- high-level skills in questioning;
- information gathering and negotiation;
- high-level documentation skills including accuracy, completeness and spelling;
- use of telephone and IT systems;
- enhanced listening skills; and
- an ability to work under pressure.

¹⁷ A PABX is a telephone exchange that serves a particular business or office as opposed to one that a telephone company operates for many businesses or for the general public. Source: <<http://en.wikipedia.org/wiki/PABX>>[accessed 13 May 2010].

2.8 Since the introduction of ‘surge’ arrangements in 2007 (see paragraph 2.28), training is also provided to operators in Centrelink and the Australian Tax Office and other staff in EMA.

2.9 Following the initial induction training, new starters are paired up with a ‘buddy’ for their initial shifts. During their initial shifts, new starters are required to listen in on calls being taken by their colleagues to gain a greater appreciation of the nature of the calls received at the NSH and how they are handled. New starters are also required to read previous reports that have been written by their colleagues. When they commence taking NSH calls, new starters must always be monitored by an experienced Operator or the Duty Supervisor and they are not permitted to ‘finalise’ calls until they are deemed competent by a Supervisor through an Employee Competency Assessment.

2.10 Key reference documents are available online to staff via the NSHhub, a password-protected site on the AGD intranet. The NSHhub contains electronic copies of all training material, the NSH Standard Operating Procedures and operator scripts.

2.11 In 2009, the NSH entered into a contract with a company to develop a range of innovative ‘e-learning’ modules which would allow trainees to use self-paced learning. The modules allow interactive, online presentation of training material, including audio simulation of ‘live’ calls where the trainee uses a training version of the database to enter details of the call. These simulations are then ‘marked’ by a supervisor and feedback provided to the trainee.

2.12 Once trained, operators are subject to ongoing performance monitoring via an NSH-specific Employee Competency Assessment which was introduced in 2009. In addition, operators are also assessed using the AGD’s annual staff performance report framework. These assessments provide an objective basis to assess staff, identify any weaknesses and provide additional or remedial training if necessary.

2.13 The ANAO observed a number of NSH training sessions and considers that, overall, the training provided to staff is comprehensive and well designed.

Procedures

2.14 As noted at paragraph 2.10 above, the NSH has an extensive range of Standard Operating Procedures (SOPs) which cover general day-to-day operations and are grouped into seven main categories:

- the NSH telephone system;
- the NSH Database;
- procedures for NSH Operators;
- dealing with calls of a special nature;
- using the Telstra CustomNet facility;
- using the alternative and/or contingency sites; and
- managing the NSH email account.

2.15 On initial examination of the SOPs, the ANAO identified administrative deficiencies with regards to duplication, approval and numbering of many of the SOPs. In December 2009, AGD advised the ANAO that SOPs had been 'cleaned up' substantially and that duplication was no longer an issue. AGD also advised that they were in the process of updating content and allocating a more 'legible numbering system' to the SOPs. However, when the ANAO accessed the SOPs in March 2010, some of them were still incomplete. The NSH advised the ANAO that 'SOP maintenance is certainly an ongoing and at times complicated process with simultaneous efforts being focused on both creating new ones and repairing current ones'. The ANAO accepts that there is significant effort involved in keeping SOPs up to date but considers that it is important for staff to have access to instructions and procedures that are fundamental to how they do their work and further considers that this task should be accorded priority¹⁸.

2.16 The NSH aims for consistency in response and the advice given to callers. To this end, it has developed 32 'scripts' covering a range of frequently-raised issues or topics such as the current level of security alert and aviation security. The scripts are reviewed annually and can be added to or amended at any time (to respond to a specific incident, for example).

¹⁸ In July 2010, the NSH advised the ANAO that 'in light of the ANAO's comments regarding Standard Operating Procedures (SOP), the NSH has a rolling review and amendment process in place [to] ensure SOP development and currency is maintained'.

2.17 The ANAO considers that the use of ‘scripts’ assists NSH operators to deliver a consistent, thought-out message in response to common themes raised by callers.

Effective management practices

Shift management

2.18 In order to accommodate its 24 hour operation, the NSH operates three shifts, each of 8.5 hours (including a half-hour meal break). The shifts are:

- Morning 06.15 to 14.45
- Afternoon 14.15 to 22.45
- Evening 22.15 to 06.45

2.19 The shifts overlap by 30 minutes. This allows a handover from one shift to another and also ensures that there is no period where telephones are unattended.

2.20 At the time of the audit, the NSH was operating with staffing of 20 operators and four shift supervisors. When they are first employed, operators are guaranteed two shifts per week, with the possibility of more shifts in the event of an increase in the number of calls. Each shift operates with a minimum of two operators and a supervisor both for occupational health and safety reasons and because a single operator could clearly not deal with more than one call at a time¹⁹. This approach allows the NSH to limit its staffing costs with a view to balancing costs against the need to maintain its 24 hour operation.

Management of downtime

2.21 Given the unpredictable nature of calls to the NSH, it is relatively common for operators to experience periods where few calls are received, particularly during the evening shift. The NSH has recognised this and has explored options to make use of spare operator capacity. In particular, at the time of audit, it was exploring:

- expanding the range of issues that the call centre might address; and

¹⁹ Supervisors for NSH operators are available during morning and afternoon shifts. During the night shift, operators are supervised by supervisors from the adjacent Attorney-General Department's Co-ordination Centre, which is also a 24 hour per day operation.

- the possibility of providing operators with non-urgent administrative tasks for other areas of AGD.

2.22 For example, in December 2009, the Government launched a national campaign relating to chemical security²⁰. The campaign was aimed at educating the public and businesses about industrial, agricultural and veterinary chemicals that have legitimate uses but which have been used to facilitate terrorist attacks. The campaign uses the same number as the NSH and encourages people to call the Hotline if they have information about chemical security. The NSH also advised the ANAO that it was discussing with a number of AGD business areas and other Australian Government agencies with a view to providing Hotline response on their behalf. As a result, in April 2010, the NSH commenced taking out-of-hours calls made to CERT Australia.²¹

2.23 In December 2009, the NSH advised the ANAO that it was in discussions with the Human Resources area of AGD to identify whether NSH operators might provide administrative assistance during times of lower call volumes. Some of the options being explored are using operators to put together recruitment packs and/or assisting in routine administrative activities associated with the security vetting process. Additional activities such as these are ideal since they are not time critical, can be done within the call centre area and can be 'dropped' as soon as calls to the NSH come in.

2.24 The ANAO supports the continued work of AGD to explore options for the use of spare NSH operator capacity.

Contingency arrangements

2.25 The NSH has a number of contingency arrangements in place. Key among these are arrangements to deal with the failure or unavailability of the primary NSH call centre in Barton, ACT and to deal with a sudden surge in calls.

2.26 In the event that the primary site becomes unavailable (for example, due to a fire or other disaster), the NSH has backup facilities available at an alternate site in Canberra. The NSH's CustomNET system allows either a proportion of calls or all calls to be seamlessly 'splayed' to the backup site. The

²⁰ See <www.chemicalsecurity.gov.au>.

²¹ CERT Australia is the Computer Emergency Response Team. It is a unit within the AGD and is the initial point of contact for the reporting of cyber security incidents by small to medium enterprises and large organisations.

alternate site has sufficient infrastructure to accommodate twelve NSH operators and a supervisor and is set up to allow for full access to NSH facilities, including the NSH database. The NSH tests these contingency arrangements every month both to ensure that they can be relied upon to work in an emergency and to ensure that operators are familiar with the backup site. A specific SOP deals with the necessary procedures. As a further contingency, there is also a procedure (and related SOP) for redirection of the NSH number to a mobile handset in the unlikely event that both the primary and backup sites are unavailable.

2.27 As outlined in paragraph 1.18, the number of calls to the NSH has fluctuated considerably over time: while at the time of the audit, the number of calls was averaging about eight per day, it has been as high as 200 on one day. While the original maximum planned capacity in 2002 of 3500 calls per day has never been reached, the NSH needs to be able to deal with the level of increased workload that might be generated in the event of a major terrorist incident occurring in Australia.

2.28 The NSH also has well-developed escalation procedures and contingency arrangements to cover an unexpected surge in calls. These procedures can be described in an ascending number of levels:

- Level 1: escalation procedures within EMA;
- Level 2: activation of Bilateral Arrangement with Centrelink; and
- Level 3: activation of Bilateral Arrangement with Centrelink and the Australian Taxation Office.

2.29 As noted at paragraph 2.20, at the time of audit, the total staffing complement of the NSH was 20 operators and four shift supervisors. In the event of a sudden surge in calls, the first response would be to seek to contact all operators who were not on duty and require them to attend for duty. In addition, the AGD has made it mandatory for all junior staff within EMA (numbering approximately twenty) to be trained and available for duty as required. Thus, within a Level 1 escalation, this would be the next step.

2.30 Under a Level 2 escalation, the NSH would formally activate the bilateral agreement that it has in place with Centrelink. This arrangement is the subject of a draft Memorandum of Understanding (MOU) between the AGD and Centrelink which was negotiated in May 2007 but has yet to be formally signed. Under the terms of the draft MOU, the NSH would divert or 'splay' a proportion of NSH calls (25, 50, 75 or 100 per cent of calls) to Centrelink's

Geelong call centre. Staff at the Geelong call centre have been provided with training by the NSH as described above, both by face-to-face training conducted by NSH staff in Geelong and by the use of e-learning and are provided with 'refresher' training every two months to ensure that their skills remain current. Activation of the Centrelink bilateral agreement would provide an additional 40²² operators to receive NSH calls.

2.31 The final level of escalation would involve the activation of a similar bilateral agreement with the Australian Taxation Office's (ATO's) call centre at Upper Mount Gravatt in Queensland. At the time of the audit, the MOU with the ATO had also not been finalised, although operators had been provided with training by NSH staff. As with the arrangement with Centrelink, a Level 3 activation would provide up to a further 40 operators. At a Level 3 activation, calls can be 'splayed' between the NSH, Centrelink and the ATO. The NSH advised that it anticipated having the formal MOU with the ATO in place by the end of 2010.

2.32 At the time of audit, the NSH has only needed to use a Level 1 activation. This occurred on 4 August 2009, when the NSH received more than 200 calls following the arrest of four men alleged to have been plotting an attack on Holsworthy Army Base in New South Wales. The NSH was able to deal with this surge by calling in off-duty operators as well as a number of the trained staff within EMA. However, there is always the potential for a significant incident which would require activation of the Level 2 and Level 3 'surge' contingency arrangements.

2.33 The ANAO considered that the NSH has adequate, well-documented and regularly tested procedures for contingencies both in the event of failure of the primary NSH site and for dealing with unexpected sudden increases in the number of calls received. Finalising the MOUs with Centrelink and the ATO would provide formal completion of these arrangements.

Information and support systems

2.34 The heart of the NSH's operation is its database. The database was constructed in-house by the AGD's own IT staff and has been in use since the NSH's commencement in 2002. However, it has been substantially upgraded and amended since then. The NSH database is a purpose-built interactive

²² The 40 operators who have been trained to handle NSH calls are spread across four shifts.

application which allows operators to compile information about every call received. When an operator ‘opens’ a new call on the database, he or she is prompted to identify whether the call is an ‘Information’ call, an ‘Assurance’ call or a ‘Campaign’ call²³. Only ‘Information’ calls are forwarded to the NSH stakeholder agencies (AFP, ASIO or relevant state or territory police). The operator is not required to select which specific stakeholder receives each call. The ‘relevant’ state or territory police force is determined by the state that an operator selects during compilation of the call. It is common for an operator to select more than one state: for example, if a caller is from Queensland and is reporting suspicious activity he or she saw during a visit to NSW and the ‘person of interest’ was driving a car with Victorian number plates, the operator is able to select all three states.

2.35 However, since the category of the call may not become apparent until some way into it, the operator can move to other screens in the database and enter information as it is provided by the caller. For ‘Information’ calls, the database contains the following screens:

- Call details: this is the operator’s account of the information contained in the call. Operators are trained to ‘stick to the facts’.
- Attachments: occasionally, the caller may wish to provide some type of information in a physical form, such as a photograph. The database enables such information to be sent to the NSH by fax, post, email or SMS and to be attached to the call record.
- Caller details: while callers may elect to remain anonymous, operators are trained to encourage them to identify themselves. This is partly because anonymous calls are by their nature less credible and partly so that a stakeholder agency can contact the caller if necessary. However, callers may also specify that they do not wish for such contact to occur. The details include the caller’s name, address and contact telephone numbers.
- Person of interest (POI): this is the person or persons whom the call is about. Often, the caller will not know the POI’s name or details, which clearly makes the call more difficult for stakeholder agencies to assess and take action on.

²³ The different types of call are explained at paragraph 1.14 of Chapter 1.

- Vehicle of interest (VOI): this is any details relating to a vehicle. Clearly, the information is of more use to stakeholder agencies if the details include a number plate.
- Threat: where the caller makes a real or implied threat (such as a bomb threat), this screen allows the operator to input information such as what any 'device' looks like, where it is, when it will explode and so on. The screen also contains an instruction to the operator to attract the attention of the shift supervisor who can 'jack in' to listen to the call and assess whether it is necessary to make immediate contact with the police.
- Advice: this summarises the advice provided by the operator to the caller. This is generally to the effect that the information that the caller has provided will be passed to the relevant authorities. The caller is also offered a unique reference number that he or she can use if they wish to contact the NSH in the future: approximately 20 per cent of callers contact the NSH on two or more occasions (although not necessarily about the same matter).
- Incident type and advice given check boxes: operators may tick one or more of 24 incident type boxes and three advice given boxes. Examples of incident types include the operator's assessment of what the call related to (such as suspicious activity, transport or public buildings). Advice given includes to whom the caller was told that their call would be referred and whether the caller was provided with a reference number.
- Comments: this screen is only available to the supervisor and allows him or her to add any further details he or she may think is relevant, such as details of actions taken with respect to calls requiring special handling (see paragraph 2.45).
- Number obtained: the operators are instructed to ask the caller where he or she obtained the NSH telephone number and this is useful background information for future publicity campaigns.

2.36 Depending on the content and duration of the call, it may take some time to complete the information listed above. Generally, an operator will take notes during the conversation and complete the pro-forma screens after the call has ended. When the operator has finalised documenting the call, he or she is required to submit it for approval. The 'submit for approval' facility will refer

the call electronically to the shift supervisor on duty who will quality assure the call. Once this is done, the supervisor will 'save and finalise' the call.

2.37 Once a call has been finalised, it is automatically uploaded to the database. When this has happened, the information cannot subsequently be amended by operators or shift supervisors in any way. This was a conscious decision made in the original design of the database in order to eliminate any possibility of information being later altered, either accidentally or deliberately. However, as noted above, it is quite common for a caller to call back with further information. In such cases, the NSH uses a 'copy and amend' facility. The later call will be allocated a new number, but the database will place into the new record the details of any previous call from the same person, including its reference number. The disadvantage of this is that a single 'matter' may involve several calls (especially in the case of 'serial callers'), but this is offset by the advantage of maintaining the integrity of the database.

2.38 Overall, the ANAO considers that the AGD's management of the NSH system is effective and has evolved over time in response to changing circumstances such as the advent of new technologies.

Examination of IT systems

2.39 The ANAO examined the IT systems underpinning the NSH and, in particular, assessed the degree to which the NSH's IT systems and practices comply with the Australian Government Information Security Manual (ISM)²⁴.

2.40 The ANAO found that generally, the management of the NSH IT application was satisfactory. However, a number of minor issues were identified:

- IT Security and security management practices are not fully consistent with the ISM and in a number of respects, the NSH was not able to demonstrate compliance with the protective security framework. For example, the IT system has not been 'certified' which is a process that increases the agency's ability to identify and manage security vulnerabilities;

²⁴ The ISM is published by the Defence Signals Directorate (DSD). It is intended to 'provide policies and standards for Australian Government agencies to assist in the protection of official government information that is processed, stored or communicated by Australian Government systems'.

- administrators and system developers have a high level of access to the application and are able to make changes into the production version of the database. This increases the risk of an unauthorised change being implemented without testing or review; and
- system change management practices were not fully documented and were inconsistent (for example, in relation to who has authority to approve system changes). System test documentation was not fully up to date.

2.41 In May 2010, AGD advised the ANAO that it had moved to strengthen the administrator controls and had reviewed its system change management procedures.

Referral of calls to stakeholders

2.42 Stakeholder agencies receive NSH call details in one of two ways: either via an email sent automatically to a specific nominated email address (usually the intelligence or counter-terrorism group of the relevant police force) or by accessing a secure web-based 'portal'. The advantage of the portal is that stakeholder agencies have online access to every call ever received by the NSH. Stakeholder agencies can also interrogate that database using a search facility.

2.43 When the portal was introduced in February 2008, it was intended that the use of email would be phased out. However, at the time of the audit, eight of the 10 stakeholder agencies continue to use the email option. For example, the AFP uses the email option because it had constructed internal systems designed to accommodate calls received in this fashion. The AFP advised the ANAO that it intends to eventually amend its systems to accommodate use of the portal as the means to capture calls into its PROMIS system, but that there was currently no target date for this. Even for those agencies that continue to use the email option as the means by which calls are captured, individual officers can still access the portal via a secure website and thus search the database.

2.44 Chapter 3 examines the handling of calls received by the AFP and ASIO. Some calls, however, require special handling by NSH operators and supervisors and these are discussed below.

Calls requiring special handling

2.45 Within the category of ‘Information’ calls, the NSH receives a number of calls of particular types which are subject to special handling arrangements. These are outlined below.

Serial or nuisance callers

2.46 Serial or nuisance callers comprise, on the one hand, mischievous or prank callers and on the other, people who may be suffering from some medical condition who may genuinely believe the information they are supplying. There is no reliable way to assess the number of such calls, but they represent a diversion of resources, both for the NSH and stakeholder agencies. However, the NSH does not refuse to take such calls, since it is possible that these persons may possess information that is of use.

2.47 In conjunction with stakeholder agencies, the NSH has developed a protocol for dealing with serial or nuisance calls. Where a stakeholder agency forms a view that a person is a serial or nuisance caller, it can request the NSH to put the person on a ‘problem caller’ list. This list, comprising approximately 100 callers, is available electronically to every NSH operator. Where an operator receives a call from a person who can be identified as being a ‘problem’ caller, the caller will be asked whether he or she has any information relevant to national security. Operators are instructed to provide the caller with two opportunities to provide such information before terminating the call. The operator will still record the call in the database, noting that the caller did not provide any information relating to national security. However, the call will be categorised as being a ‘Campaign’ call, which means that it is not forwarded to stakeholder agencies. Operators are given specific training in dealing with problem callers (including ‘role play’ training) and the ANAO considers that the NSH has a sensible and well-documented process for dealing with them.

Ethical standards calls

2.48 Some callers allege corruption or other unlawful or inappropriate behaviour by officers of the stakeholder agencies. The NSH refers to such calls as ethical standards (ES) calls. It was recognised that it was not appropriate for such allegations to be provided to the ‘normal’ contact points in the stakeholder agencies: if the allegation were untrue, it could prejudice the reputation of the named officer and if the allegation was true, the disclosure could prejudice any subsequent investigation.

2.49 In conjunction with stakeholder agencies, the NSH has developed a protocol whereby the call record is quarantined within the database and the call details are provided urgently (usually via fax or scanned and sent as an email) to the specific unit within each stakeholder agency which has responsibility for investigating such matters²⁵. In many ES calls, the allegation of unlawful or inappropriate behaviour by an officer is incidental to the main topic of the call. Under the terms of the protocol, each ethical standards unit is requested to advise the NSH when it has completed its investigations and gives approval for the call to be released to the 'normal' contact points (or released to the portal). If such approval is delayed or not forthcoming, this means that the call is not released and other matters that may have been included in the call may not be addressed. In particular, any terrorism-related matters would not be passed to ASIO for its assessment.

2.50 There have been 240 calls between December 2002 and 31 December 2009 that were classified as being ethical standards calls. The ANAO sought to establish how many of these calls had been referred to ethical standards units and how many had subsequently been released to the 'normal' stakeholder agency contact point. This analysis covered two different periods. The reason for this is that on 9 August 2007, the NSH database was modified to allow the system to automatically record when calls have been released to 'normal' contact points or released to the portal. Prior to that date, the responsibility rested with the operator or the supervisor to add text to the 'comments' field relating to when the call was referred to an ethical standards unit. Table 2.1 below summarises the result of this analysis.

²⁵ These units have differing names in each stakeholder agency. For the purposes of this report, they are referred to generically as ethical standards units.

Table 2.1**Ethical standards calls: result of analysis of handling by NSH**

	ES calls prior to 9 August 2007		ES calls on or after 9 August 2007	
	Number	Per cent	Number	Per cent
Evidence of referral to ethical standards units	75	48	60	72
No evidence of referral to ethical standards units	82	52	23	28
TOTAL	157	100	83	100
Evidence of release to normal stakeholders	68	43	66	80
No evidence of release to normal stakeholders	89	57	17	20
TOTAL	157	100	83	100
Finalised and released following audit inquiries	42	27	36	43
Remaining outstanding after audit inquiries as at 31 March 2010	4	3	11	13

Source: ANAO analysis of ethical standards calls.

2.51 As Table 2.1 shows, the proportion of ES calls where the ANAO was able to locate evidence of the calls being referred to ethical standards units increased significantly after 9 August 2007. From discussions with the NSH, this was a result of more effective training of operators and increased use of the ‘comments’ facility for this purpose. Similarly, the proportion of cases where the ANAO was able to find evidence that calls were released to normal stakeholders was greater after 9 August 2007 due to the fact that the system automatically logs the release of calls.

2.52 Ethical standards calls are a challenge for the NSH. When an ES call is referred to an ethical standards unit, the NSH has little or no ability to influence how long the ethical standards unit takes to consider the matter. The NSH advised the ANAO that various ethical standards units have told the NSH that they have heavy workloads and that calls referred to them by the NSH are prioritised against all other matters that ethical standards units are examining. For example, the ANAO observed that in relation to one call, the relevant ethical standards unit advised the NSH that there was a ‘180 day turn-around’ period for dealing with ES matters. It is also clear that in some cases,

the ethical standards unit does not notify the NSH when it has completed its investigation and the call could, in fact, be released to the normal stakeholders.

2.53 While the ANAO saw some evidence that the NSH follows up with ethical standards units, it did not have a procedure in place to do this routinely. In some instances, the NSH had followed up with ethical standards units on two or three occasions but in many cases, there had been no follow up (or if there had been, it was not recorded). Evidence of this is also shown in Table 2.1: in 78 instances, it was not until the ANAO commenced its examination of ES calls that the NSH followed up with ethical standards units and established that the calls could, in fact, be released to normal stakeholders. As at 31 March 2010, there were 15 ES calls where the ethical standards units advised the NSH that inquiries were still underway and the calls could not yet be released.

2.54 The NSH acknowledged that even though it has little influence on the time taken by ethical standards units to investigate ES calls, there was scope for improvement in the procedures to follow up such calls. On 25 March 2010, the NSH advised the ANAO that it had created a single spreadsheet, to be held by the shift supervisor, in which every ES call would be logged, together with relevant details of when the call was referred to an ethical standards unit. It also instituted a procedure whereby the shift supervisor will contact each ethical standards unit about outstanding calls every month.

2.55 As noted at paragraph 2.48, where an ES call includes both an allegation of unlawful or inappropriate behaviour by officers and another matter, there is a risk that the non-ethical standards matter may not be dealt with for quite some time until the ES issue is resolved and the call released. This is of particular significance where the non-ES matter raises issues of national security and is hence of special interest to ASIO. After the ANAO raised this issue in February 2010, the NSH discussed it with ASIO and a protocol was agreed whereby all calls which are referred to ethical standards units will also be forwarded to ASIO as a matter of course so that it may assess any national security related issues in the calls. On 22 February 2010, the Director-General of EMA wrote to all eight State and Territory Commissioners of Police and to the Commissioner of the AFP to advise them that it was proposed that this procedure be adopted with effect from 1 March 2010. On 30 March 2010, ASIO advised the ANAO that it had begun receiving calls from the NSH in accordance with this new protocol.

2.56 Once the ANAO had identified the deficiencies in the handling of ethical standards calls, the NSH acted promptly to rectify them and to amend its procedures to ensure better handling in the future.

Time-critical calls

2.57 Time-critical calls are those which appear to require some sort of immediate response: the best example of such a call is a call reporting an apparently unattended bag or case in a public place. There were 21 such calls in 2009.

2.58 While the NSH operates 24 hours per day, the areas of the stakeholder agencies to whom calls are routinely sent generally operate on normal business hours. However, every stakeholder agency has a 24 hour per day response capability. The NSH has arrangements in place with all stakeholder agencies to be able to telephone a 24 hour response area or duty officer so that stakeholders can assess the call and immediately organise a response if necessary. This is a sound arrangement, in the circumstances.

2.59 One category of time-critical calls is callers who are threatening self-harm. One of the NSH's Standard Operating Procedures (SOPs) provides instructions to operators and the shift supervisor on how to deal with such callers. However, the SOP does not deal with callers who are threatening harm to others. In one instance, a frequent caller was alleging that various people were part of a conspiracy to poison him. During one call, the caller told the operator that his father had a shotgun and that if the authorities would not 'listen and support him', the caller would 'start killing people'. In another call, the caller said that he would kill his sister-in-law. Despite these specific threats, the calls were not dealt with under the time-critical call protocol. In relation to bomb threats, the relevant SOP states that '...staff members are not trained to establish the difference between hoax and legitimate threats. The determination will be made by investigating authorities'. The ANAO considers that there would be benefit in applying the same rationale to threats to kill other people, no matter how unlikely the threat seems to be, and that there would be merit in the SOP dealing with threats of self-harm being amended to include threats to other people.

Liaison arrangements with stakeholder agencies

2.60 In its role as the collector of information contained in calls to the Hotline, the NSH is providing a service to its stakeholder agencies. As such, there needs to be effective working relationships.

2.61 In the course of the audit, the ANAO observed effective day-to-day liaison between the NSH and stakeholder agencies. For example, an officer of a stakeholder agency may ring the NSH in relation to a particular call and seek further information or clarification of some aspect of the call.

2.62 The NSH holds a one day stakeholder forum in Canberra every six months, to which representatives of every stakeholder agency is invited. The NSH meets the travel expenses of one person from each agency, although most agencies also send a second representative. Stakeholder agencies are invited to submit items for the agenda for these meetings which will usually address issues such as recent technical amendments to the database (which are often enhancements or improvements suggested by stakeholder agencies) and advice from AGD about any forthcoming NSH advertising. Generally, one or two stakeholder agencies are invited to give a short presentation, such as an example of a recent investigation in which an NSH call provided useful information²⁶. There is also an 'open' session that allows for a general discussion.

2.63 During the audit, the ANAO requested state and territory police forces to complete a survey seeking their views on the NSH. The survey addressed the issue of liaison and feedback and, specifically, sought answers to the following questions:

- Do you have the opportunity to provide feedback to the NSH on the quality and usefulness of the information?
- Have you provided feedback?
- In your view, has the NSH been responsive to feedback?

2.64 All eight state and territory police forces answered 'yes' to each of the three questions.

2.65 Overall, the ANAO considers that the NSH has established and maintains effective feedback and liaison mechanisms with its stakeholder agencies.

²⁶ NSH operators are invited to sit in on these presentations which provides them with insight into the end results of their work.

Call recording

2.66 When the NSH was established in 2002, it was decided that one of the 'selling points' for the public campaign would be to emphasise that callers could remain anonymous if they wished. There does not appear to have been any consideration at that time as to whether calls should be recorded, whether or not the caller chose not to give his or her name.

2.67 Over the intervening years, the issue of call recording has been raised from time to time. The benefits of call recording include:

- an accurate record of what the caller actually said rather than relying solely on the details that the operator records;
- allowing the operator to refresh his or her memory while 'writing up' the call; and
- background noise, voice tone, inflection and accents would be available to officers of stakeholder agencies and could assist in evaluating the credibility of the caller.

2.68 The main disadvantage of recording calls is the possibility that it might deter people from calling the NSH.

2.69 Documents on NSH files suggest that on each occasion that the issue has been raised, all stakeholder agencies have supported the introduction of call recording, however no progress has been made. For example, on 26 February 2007, the AFP's Manager, Counter Terrorism (Domestic) wrote to the Assistant Secretary in the Attorney-General's Department with responsibility for the NSH formally requesting that call recording be introduced.

2.70 In August 2007, AGD drafted a submission to the Attorney-General recommending that he agree to the introduction of call recording. The draft submission stated that:

- ASIO, the AFP Commissioner and the State/Territory Police Commissioners have all requested in writing²⁷ that Hotline calls be recorded to 'improve new lead development and the collection of evidentiary quality records of calls.';

²⁷ The ANAO asked the NSH to provide it with copies of these letters. In April 2010, the NSH advised that it was unable to locate them.

- legal advice from the Telecommunications and Surveillance Branch and Information Law Branch is that call recording is permissible, provided the caller is made aware of the fact;
- a public survey by AGD Public Affairs found that ‘in excess of 94 per cent’ of callers would continue to contact the Hotline if they knew that calls were recorded; and
- the cost of call recording would be \$3.8 million over four years.

2.71 The submission was apparently not finalised²⁸. The most recent reference to the issue that the ANAO could find was in June 2008 when the NSH advised participants of an NSH Workshop that call recording ‘was on hold due to the New Policy Proposal not being progressed through the AGD’.

2.72 Whether call recording is introduced is ultimately a decision for Government, taking into accounts the benefits of such a proposal and priorities for funding.

Advertising the NSH and its effect on call numbers

2.73 As noted at paragraph 1.19, there is a perceptible increase in calls to the NSH each time that an advertising campaign is launched. While many of these calls do not contain information that is useful to stakeholder agencies, ASIO has observed²⁹:

The success of the NSH advertising campaign is most easily measured by its breadth of appeal, and the volume of responses it elicits. Yet approximately 70% of the calls made to the NSH do not contain actionable information that is of actual security relevance. **These proportions do not alter when there is an increase in the overall volume of leads as a result of a campaign or security incident** [emphasis added].

2.74 In this light, advertising of the NSH leads directly both to an increase in the total number of calls received and also to an increase in the number of calls that are useful to stakeholder agencies.

2.75 The first National Security Public Information Campaign coincided with the launch of the NSH by the then Prime Minister in December 2002. It was themed ‘Let’s look out for Australia’ and cost in the order of \$18.5 million.

²⁸ The NSH could not locate a final copy of the submission on the NSH’s files.

²⁹ ASIO/AFP internal paper, *The Utility of the National Security Hotline*, 2009.

Since then, there have been two further phases: Phase 2 'Every piece of information helps', launched in September 2004 (and 'relaunched' at various times in 2005 and 2006) at a cost of \$8.3 million and Phase 3 'Every detail helps', launched in August 2007 at a cost of \$20 million over two years.³⁰

2.76 In February 2010, AGD provided the ANAO with a draft of its 'National Security public information campaign 2009–10'. The draft noted that the funding allocation for 2009–10 was \$0.99 million. The draft proposed that the campaign:

- use existing creative material already developed for earlier phases;
- concentrate the advertising spend primarily on radio advertising at a cost of \$0.6 million;
- involve development of an information kit for industry and associations.

2.77 The Public Affairs Branch of AGD involved both ASIO and the AFP in the development of the first three campaign phases³¹, although the final decision on the form and content of the campaigns was ultimately decided by the MCGC. ASIO has previously expressed concerns to the AGD that the central message of the campaigns — that people should report suspicious things that they see or hear — contributed to poor quality calls. For example, an anonymous caller who reports seeing an unidentified man taking pictures of aeroplanes, with no other checkable information, is of little use to any stakeholder agency.

2.78 On 29 March 2007, the Acting Director-General of Security wrote to the Deputy Secretary of AGD expressing some concern with a number of 'scenarios' that had been developed for the next phase of the campaign. He said:

Our view is that the new set of scenarios does not meet the advertising brief and may increase the number of poor-quality calls or even cause a drop-off in calls. This assessment is solidly based on ASIO's experience of handling calls

³⁰ Examples of the television, radio and newspaper advertising for each of the three campaigns can be seen at http://www.nationalsecurity.gov.au/agd/www/nationalsecurity.nsf/Page/Information_for_IndividualsNational_Security_Public_Information_Campaign.

³¹ It also consulted the Office of the Commonwealth Director of Public Prosecutions (CDPP) in relation to possible legal implications.

on a daily basis for the last five years. We have found that callers are highly influenced by images in the advertising campaign and that these calls do not often contain information of security relevance. None of the campaigns has so far specifically encouraged people to report what they know as well as what they have observed.

2.79 The AGD's Public Affairs Branch advised the ANAO that while ASIO's feedback was taken into account, advice from the Office of the Commonwealth Director of Public Prosecutions was that 'there were constraints in terms of how specific the campaign content could be due to ongoing and pending terrorism trials'.

2.80 From its assessment of NSH calls viewed during the course of this audit, the ANAO found that many calls do not report any information that was 'checkable' such as names, addresses or vehicle registration numbers. Other stakeholder agencies have also expressed similar concerns: the minutes of the NSH stakeholder forum of 20 June 2006 (at which all 10 stakeholder agencies were represented) records:

Consensus was that future advertising campaigns should educate callers to report not only what they see but what they know and to report details such as registration numbers.

2.81 While the 2009–2010 campaign will use pre-existing creative material, the ANAO considers that in any future campaigns, should funds be available, there would be value in the AGD consulting with NSH stakeholder agencies with a view to developing creative material which addresses these concerns. In May 2010, AGD's Public Affairs Branch advised the ANAO that 'in developing creative concepts for the campaign, the Public Affairs Branch always consult with key stakeholder groups'.

2.82 The AGD's Public Affairs Branch advised the ANAO that while the 2009–10 campaign will use pre-existing creative materials, it will also include a new brochure which encourages people to report details such as vehicle registration numbers.

Administrative record keeping

2.83 Although the ANAO concluded that the NSH's record keeping with respect to calls received and the database in which the information is stored was satisfactory, there were deficiencies in its general administrative record keeping. While these files contained part of the administrative record that the ANAO was seeking, it was incomplete in terms of providing a chronological

record of the history of the NSH. For example, there were numerous instances of multiple versions of documents being on files (both electronic and hard copy) with no indication of which version was the final or definitive one. There were also examples of key documents, such as submissions to the Minister, where the NSH could not locate a signed version of the document submitted, nor any response that the Minister might have made. In November 2009, the NSH acknowledged that its administrative record keeping practices were inadequate. The ANAO considers that the NSH needs to improve its administrative record keeping.

3. ASIO's and the AFP's handling of NSH calls

This chapter examines the procedures for evaluation of calls by the NSH's two Australian Government stakeholders, the Australian Federal Police and the Australian Security Intelligence Organisation and the liaison arrangements that are in place with state and territory police forces.

Importance of correct handling of calls

3.1 Every call to the NSH has the potential to provide stakeholder agencies with information which may add to its knowledge of criminal or terrorism activity or may provide a new lead in an existing operation or investigation. Shortly after the NSH commenced operation, the then Prime Minister said:

It really is a question of a million calls over a period of time producing one or two nuggets of gold that actually end up preventing something terrible happening³².

3.2 There have been a number of instances overseas where a failure to pass on crucial information or failing to 'join the dots' have been said to have contributed to terrorist incidents, most notably the 11 September 2001 terrorist attacks in the United States³³ and, more recently, the case of Umar Farouk Abdulmutallab (the so-called 'underpants bomber') in Detroit on 25 December 2009³⁴. While the likelihood of an NSH call providing a crucial piece of information is low, the consequence of a failure to pass on such a piece of information is potentially catastrophic. Consequently, it is important that all NSH calls are passed to its stakeholders and that all calls received are appropriately assessed by the stakeholders. Assessment and evaluation of NSH calls by both ASIO and the AFP involves checking details contained in calls against a variety of databases and then the exercise of considered judgement by analysts. Both organisations should be able to demonstrate that these checks were made and that every call was the subject of a decision on

³² Quoted in the Sydney Morning Herald, December 31 2002
<<http://www.smh.com.au/articles/2002/12/30/1041196595073.html>> [accessed 4 April 2010].

³³ *Final Report of the National Commission on Terrorist Attacks upon the United States*, July 2004.

³⁴ *White House Review Summary Regarding 12/25/2009 Attempted Terrorist Attack*.
<<http://www.whitehouse.gov/the-press-office/white-house-review-summary-regarding-12252009-attempted-terrorist-attack#1>> [accessed 21 April 2010].

what action should be taken with respect to the call (which may include no further action). Both organisations have clearly documented procedures on how NSH calls are to be handled and thus, the ANAO's objective was to ascertain:

- whether the AFP and ASIO received all NSH calls; and
- whether established procedures were being followed.

3.3 In addition to examining these matters, this chapter also considers the handling of NSH calls that relate to areas of Commonwealth government activity as well as the AFP's and ASIO's liaison arrangements with other State and Territory police forces.

Receipt of calls by AFP and ASIO

3.4 In preliminary discussions with the ANAO, both the NSH and ASIO advised that like the AFP, ASIO receives all calls that the NSH receives. As a first step, the ANAO sought to confirm this view by comparing NSH records with records sent to the AFP and ASIO. The ANAO found that the AFP was receiving all calls, however, contrary to its expectations and understanding, ASIO was not. Table 3.1 shows the number of calls that ASIO did not receive in each year of the NSH's operation.

Table 3.1**NSH information calls not received by ASIO 2002 - 2009**

YEAR	No. OF CALLS NOT RECEIVED ³⁵
2002	101
2003	2 431
2004	292
2005	162
2006	82
2007	171
2008	34
2009	52
TOTAL	3 325

Source: ANAO analysis of NSH database.

3.5 The ANAO was able to establish that the reason for the calls not being referred to ASIO was that the database had been programmed such that if an operator ticked Incident Type boxes (see paragraph 2.35) entitled ‘Criminal Information – non terrorism based’ and ‘Non criminal information – non terrorism based’, then those calls would not be referred to ASIO. Upon reviewing its records, ASIO advised the ANAO that when the NSH was being established, ASIO’s view had been that only those calls which apparently related to national security would be referred to ASIO. However, with the passage of time, both ASIO and the NSH came to believe that ASIO was receiving all calls.

3.6 ASIO advised the ANAO that notwithstanding its view in 2002, its strong preference now is that it receive all calls: it considers that it is better placed than NSH operators to assess whether any particular call contains information of national security relevance. It also has access to databases, which the NSH does not, which allows it to check whether, for example, individuals have previously come to notice even though the call may not clearly be related to national security.

³⁵ The NSH was not able to explain why such a large proportion (73 per cent) of calls not forwarded to ASIO related to 2003.

3.7 In February 2010, in response to audit findings, the NSH made an urgent amendment to the database to ensure that in future, ASIO would receive all calls received by the NSH. The NSH also reviewed the relevant settings in the database to ensure that no similar problem was occurring with other stakeholder agencies.

3.8 In relation to the calls that it had not received, ASIO advised the ANAO that after examining the 52 calls that it did not receive in 2009, one was of sufficient security interest to warrant being classified as a 'Lead' (see paragraph 3.14 below). However, ASIO did not examine the calls it did not receive in earlier years for two reasons. First, it assumed that other stakeholders – particularly the AFP – would have received the calls and would have contacted ASIO if it felt that there were matters requiring ASIO's attention. Second, given that 3 239 (97 per cent) of the calls it did not receive were from 2007 or earlier, it was very likely that any contemporary usefulness the calls might have had at the time that they were made would have passed. The ANAO further interrogated the NSH database in order to ascertain whether any of the calls not received by ASIO were also not received by the AFP. There were ten calls which were not ethical standards calls³⁶ which were received by neither ASIO nor the AFP. Two of these calls were resent on the same day under different numbers apparently because of operator error. The remainder which were not sent were received by the NSH within a fifteen day period in August 2007. The NSH has not been able to ascertain whether the reason for this was operator error or some transient technical problem but the ANAO was able to confirm that since 2007, the AFP has received every call that was received by the NSH.

3.9 In May 2010, ASIO advised the ANAO that after the ANAO identified these ten 'missing' calls, it obtained them from the NSH and evaluated them in the usual way. None of the ten were of security interest.

ASIO's handling of NSH calls

3.10 The general term that ASIO and the AFP use for assessing information contained in NSH calls is triage. Responsibility for the triage of NSH calls passed to ASIO rests with ASIO's Leads Branch which assesses not only NSH calls but other information received from a variety of other sources such as

³⁶ See paragraphs 1.8 to 1.14 above for a description of the problems with ethical standards calls and the steps that the NSH has taken to rectify them.

ASIO's own public call line and other government departments and agencies. ASIO advised the ANAO in May 2010 that its 'best estimate' of its resources devoted to evaluating and assessing NSH referrals was five to six people in full-time equivalent terms, although it noted that 'after any kind of publicity like a major arrest or a terrorist attack overseas, the number of NSH referrals, and thus the workload, can rise dramatically'.

3.11 In late 2008, ASIO and the AFP agreed that there would be value in forming a joint team to evaluate NSH calls. This would allow the AFP and ASIO to reach a joint assessment of counter-terrorism related NSH calls, drawing upon each agency's databases. In December 2008, an AFP officer was 'embedded' into the Leads branch. Full connectivity to the AFP's databases was established in February 2009.

3.12 In April 2009, ASIO sent a submission to the Attorney-General to inform him of the joint leads initiative. The submission identified the benefit of the joint team as follows:

The establishment of the joint ASIO-AFP team has improved communication and collaboration between the two agencies, ensures a coordinated investigative response, reduces resource duplication and provides opportunities to share methodology. The team has also improved the timeliness and quality of information available to ASIO by providing early access to the AFP's extensive holdings. Access to AFP resources and the joint assessment process has helped to more readily identify matters such as criminality or mental health issues that do not fall within ASIO's investigative remit.

3.13 In practice, ASIO uses the NSH portal to receive NSH calls. The portal is checked each work day morning for new calls³⁷. An Intelligence Support Officer (ISO) downloads the call from the portal and transfers it into ASIO's secure IT network. It is then attached to a standard Leads Assessment proforma. The ISO conducts a preliminary check to identify any checkable information in the call (such as names, addresses and vehicle details) and checks these against ASIO's own records, recording any 'hits' in the

³⁷ If a call that is received outside normal working hours requires ASIO's urgent attention, the NSH will contact ASIO's 24 hour Monitoring, Analysis and Response Centre (MARC). The MARC will, in turn, contact a Leads branch duty officer. ASIO advised the ANAO that this process occurs within minutes of an urgent matter being referred to ASIO and that MARC staff routinely check the NSH portal out of hours.

proforma³⁸. The ISO then electronically forwards the proforma to the AFP officer embedded in the Leads branch. The AFP officer conducts similar checks against the AFP's records and a number of other databases to which he has access, adds the results of these checks to the proforma and returns it to the ISO.

3.14 The ISO then assess the totality of the available information and provides a recommended course of action:

- 'Not of interest' (NOI): there is no information of security³⁹ interest contained in the call;
- 'Reference': the call does not contain sufficient information to allow investigation, but does contain information of security relevance, or is linked to entities already recorded in ASIO indices; or
- 'Lead': the call contains information of specific security interest and further investigation is required.

3.15 The ISO passes his or her recommendation to a more senior analyst in the branch. For 'Reference' or 'Leads' calls, the analyst reviews the information and meets with the embedded AFP officer (usually on a daily basis). The analyst then makes a final formal assessment of what action should occur with the call. If the 'Not of interest' recommendation is confirmed, the call is transferred to an internal archival database. If the 'Reference' recommendation is confirmed, the call is transferred to ASIO's primary internal database, where it can subsequently be accessed by any ASIO officer with a 'need to know'. If the 'Lead' recommendation is confirmed, the analyst will ascertain whether the call is particularly relevant to another area of ASIO. If so, the analyst refers the matter to the relevant area and the involvement of Leads branch ceases at that point. If the call is not the subject of investigation or operational activity by another area of ASIO, the call will be formally assigned to another analyst within the Leads branch for further work.

³⁸ If the results of these checks show, for example, that a person named in the call is the subject of a current investigation or operation, the call details will be passed directly to the officer responsible and Leads Branch will take no further action.

³⁹ The meaning of 'Security' is specifically defined in guidelines given by the Attorney-General to the Director-General of Security on 10 December 2007 under the authority of sections 8A(1) and 8A(2) of the *Australian Security Intelligence Organisation Act 1979*. It includes espionage, sabotage, politically motivated violence, promotion of communal violence and acts of foreign interference.

The Reasoned Assessment Model

3.16 In addition to the formal training that ASIO's analysts receive, they are required to use a 'Reasoned Assessment Model' when evaluating NSH calls and determining the action to be taken. The model, which was developed and adopted in 2006, essentially requires the analyst to generate one or more hypotheses which could fit all of the facts contained in the call, termed 'Indicated Activity' (IA). Typically, there may be a hypothesis which suggests that the IA was entirely innocent, another that indicates criminal activity and a third which indicates activity of security interest. Factors that the analyst will take into account in generating and then evaluating hypotheses include:

- Quality of reasoning: does the information 'prove' that the IA is taking place?
- Level of information: does ASIO have any information, independently of the call, about any of the details contained in the call?
- Strength of support: how strongly is the IA supported by any information ASIO has?
- Feasible: how feasible is the IA?
- Plausibility: how plausible is the IA in the context of all available information?
- Source credibility: how credible is the caller?
- Objectivity: how objective is the caller (for example, is there any evidence of ulterior motives in making the call)?
- Likelihood: how likely is the IA to have consequences?

3.17 It is only if the analyst is satisfied that there is at least one plausible security-relevant hypothesis that the call will be classified as a 'Lead'. The analyst is required to document in writing his or her reason for reaching this conclusion. Prior to 2010, analysts were not required to document their reason for concluding that a call was 'Not of interest'. However, during the course of the audit, ASIO advised the ANAO that it considered that this represented a weakness in accountability and that from January 2010, all NOI calls which are transferred to the internal archival database are required to contain reasons why no further action is considered necessary. As noted at paragraph 3.2, the ANAO considers that that stakeholder agencies should record reasons for taking no further action on a particular call. Aside from the accountability and audit trail this provides, it also demonstrates that an assessment took place.

3.18 The ANAO concluded that ASIO's guidance for its staff involved in assessing and evaluating NSH calls is well documented and well thought out.

ANAO testing

3.19 In order to assess the adequacy of ASIO and the AFP's handling of NSH calls, the ANAO developed a testing program. From a population of 5285 information calls received in 2009, the ANAO took a random sample of 359⁴⁰ calls. For each call in the sample, ASIO was asked to provide evidence:

- that the call had been received by ASIO; and
- that the call had been assessed in accordance with ASIO's documented processes.

Results of testing

3.20 Of the 359 calls in the sample:

- 323 (90.0 per cent) were classified after evaluation as 'Not of Interest' and transferred to the internal archival database;
- 30 (8.3 per cent) were classified as Leads;
- four (1.1 per cent) had been received by ASIO but had not been actioned; and
- two (0.6 per cent) were not received by ASIO.

3.21 The two calls that were not received by ASIO were calls of the type described at paragraph 3.5. As noted, the NSH has taken corrective action to ensure that this will not occur in the future.

3.22 ASIO was not able to explain why four calls had been received but not actioned, apart from the fact that it appeared to have been human error. On examination of the four calls, none were found to be of sufficient security interest to warrant being classified as a lead, but one was classified as a reference.

⁴⁰ The sample size was determined by using the Australian Bureau of Statistics' Sample Size Calculator. In order to achieve a confidence level of 95 per cent and a confidence interval of 0.05, a sample size of 359 calls was required. The sample was then chosen randomly from the entire population of 5 285 calls using a random number generator tool.

3.23 ASIO advised the ANAO that it had recognised a weakness in its processes for ensuring that all calls received are accounted for: in August 2009, it had commenced development of a project to automate a number of the manual processes involved in handling NSH calls which would mitigate the risk of calls being 'missed' for whatever reason. Approval for this project to proceed was given in April 2010 and should be completed by June 2011. In the meantime, ASIO advised the ANAO that it had implemented a process whereby every NSH call received is entered into a spreadsheet and tracked through the evaluation and assessment process, with a daily reconciliation.

3.24 The ANAO examined the 30 calls that had been classified as Leads and was satisfied that they had been subjected to a thorough and robust assessment in accordance with ASIO's procedures.

The AFP's handling of NSH calls

3.25 The AFP's handling of NSH calls is broadly similar to ASIO's. The initial triage of calls by the AFP is carried out within the AFP Operations Coordination Centre (AOCC). The AFP's website describes the role of the AOCC as being to provide 'national and international AFP teams with a centralised monitoring, initial response, coordination and communications support service'. Although the AOCC is a 24 hour operation, the Information Processing team, which assesses NSH calls, operates from 7.00 am to 11.00 pm. As with all stakeholders, the NSH has a contact point with the AOCC to allow urgent matters which arise outside these times to be dealt with.

3.26 Dealing with NSH referrals forms only a part of the AOCC's responsibilities. An undated document entitled *The AFP Operations Coordination Centre mandate* lists some of its other functions as:

- receiving, recording and facilitating the evaluation of the Australian Crime Commission, Customs and Border Protection Command referrals for investigations, requests for assistance or requests for AFP information;
- evaluation of all sensitive referrals from Government, Commonwealth agencies and other law enforcement agencies; and
- primary contact for members of the public, Australian Government and State/Territory agencies and other law enforcement agencies to request assistance from the AFP or provide information and or intelligence to the AFP.

3.27 In April 2010, the AFP advised the ANAO that it estimated that the amount of its resources (in full-time equivalent terms) devoted to dealing with NSH referrals was 1.5 people.

3.28 The AFP receives NSH call reports via email. When an NSH call arrives in the AOCC email inbox, the AOCC officer opens it and 'cuts and pastes' the call details into a purpose-designed proforma called a Case Note Entry (CNE) which is contained within the AFP's central case management system, known as PROMIS. The CNE contains a number of free text fields which the officer completes as the assessment progresses.

3.29 The procedures to be followed by AOCC officers in conducting the evaluation of NSH calls is contained in a document entitled *AFP Practical Guide on National Security Hotline reports* (the PG). The PG is expressed as having been created pursuant to s37(1) of the *Australian Federal Police Act 1979* which states that 'the Commissioner has the general administration of, and the control of the operations of, the Australian Federal Police'.

3.30 The first check to be carried out is to check details such as names, addresses and vehicle details against PROMIS to see whether any have been previously recorded. Depending on the details contained within the NSH call, the officer can then attempt to obtain further relevant information from a number of other databases including the National Police Reference System (NPRS⁴¹), the electoral roll and the various State and Territory vehicle licensing databases.

3.31 Once the AOCC officer has made the checks that he or she feels are necessary, there are three options (quotes are from the PG):

- if the NSH call 'contains insufficient information to warrant any further checks to be conducted or the information relates to any criminality or matter that does not fall within the interests or jurisdiction of the AFP', then the CNE is archived within PROMIS;
 - if the NSH call contains information possibly relating to terrorism or counter terrorism then the call is referred via secure email to the AFP officer embedded in the Leads branch of ASIO for further assessment;
- or

⁴¹ The NPRS is a national database, hosted by CrimTrac, which 'enables Australian police and law enforcement agencies to exchange information about persons of interest'.

- if the NSH call contains information possibly relating to ‘criminality or a matter that falls within the interests, jurisdiction or responsibilities of the AFP’ but does not appear to be terrorism related, it is to be referred to the relevant team elsewhere in the AFP.

ANAO testing

3.32 The ANAO carried out the same testing as described at paragraph 3.19 with respect to the same random selection of 359 NSH calls.

Completeness and timeliness

3.33 The ANAO was able to ascertain that all of the 359 calls in the substantive testing sample were received by the AFP.

3.34 Because the time of creation of the CNE is recorded, the ANAO was able to compare this with the time that the particular call to the NSH was completed. In 90.5 per cent of the calls in the sample, a CNE was created within four hours of it having been received by the AFP. Given that the Information Processing area is not a 24 hour operation, the ANAO considers that based on the sample, the AFP actions NSH calls in a timely manner.

Information recording

3.35 The ANAO assessed the AFP’s processing of the 359 calls with the procedures mandated in the PG by examining the information recorded in the CNE.

3.36 The PG specifies that if a call contains ‘information regarding an immediate threat or if immediate action is required’, it is to be actioned immediately (in the first instance, by notifying the senior AOCC duty officer). It goes on to say that:

All other NSH referrals, whether containing useful information or not, must be evaluated and actioned, including non-CT related content NSH reports.

3.37 The CNE template contains a number of fields which are intended to describe what action was taken with respect to each call, what checks were carried out, the results of those checks and, in the case of calls where no further assessment or action is to be taken, the reasons for that decision. The ANAO noted that in many cases, the fields recording this information were blank. Specifically:

- where the AOCC officer decides to archive the NSH call (for example, because it contains insufficient information to allow checks to be

conducted), the PG states that the officer must record both the *reason* that the matter is not to be progressed and the *considerations/decisions* that were taken into account. Of the 140 archived items in the sample, the *reason* field was blank in 102 cases (73 per cent) and the *considerations/decisions* field was blank in 134 cases (96 per cent);

- where a call is referred to the joint ASIO/AFP team, the CNE provides a field to record the 'Evaluation results – AFP/ASIO'. Of 152 calls in the sample that were referred to the joint team, the evaluation results field was blank in 24 cases (16 per cent); and
- in relation to database checks, the CNE contains a field entitled *Results of database checks – provide reason/s why checks not conducted*. Of 140 calls where no checks were conducted, no reason was stated in 81 instances (58 per cent).

3.38 The procedures mandated in the PG were clearly designed to ensure that the principles described at paragraph 3.2 were met: that is, that the AFP's records are sufficient to demonstrate that every call was assessed and evaluated and reasons for the action taken are recorded. The ANAO's analysis, based on its substantive testing, shows that with the present level of non-compliance with established procedures as contained in the PG, the AFP is not able to do this and as a consequence, assurance that NSH referrals are being appropriately assessed is substantially reduced.

3.39 The AFP accepted the evidence that procedures were not being followed and during the course of the audit, commenced a review of the CNE 'to make the CNE less confusing and more informative'. The review was also to include consequential amendment to the Practical Guide and development of a training program for staff in use of the new CNE.

3.40 The *AFP Operations Coordination Centre mandate* referred to at paragraph 3.26 above also states that one of the AOCC's responsibilities is:

Co-ordinating the audit requirements for operational databases to ensure information is maintained, accessed and used in line with legislation requirements, Government and AFP standards.

3.41 The ANAO did not find any evidence in the AFP's records of any audit activity aimed at checking staff compliance with the procedures in the PG. In response to this finding, the AFP advised the ANAO in May 2010 that it had immediately implemented an internal audit process whereby 10 per cent of

NSH reports received each week would be examined to identify any instances of non-compliance with the PG and take corrective action.

AFP's handling of NSH calls relating to other Australian Government agencies.

3.42 From time to time, the NSH receives calls which relate in some way to areas which are the responsibility of a Australian Government agency. Examples include:

- Centrelink: allegations of social security fraud (such as people working while receiving welfare payments);
- Medicare: people allegedly in possession of fake Medicare cards;
- Australian Taxation Office: people allegedly working without paying tax;
- Department of Immigration and Citizenship: alleged illegal immigrants or overstayers;
- Pharmaceutical Benefits Scheme (PBS): allegations of pharmaceuticals purchased in Australia under the PBS being exported; and
- various agencies: alleged fraud or corruption by staff.

3.43 In accordance with usual procedures, the NSH sends such calls to ASIO, the AFP and the police force in the relevant state. Some of the agencies listed above have their own hotlines to allow members of the public to report fraud or illegal activity such as Immigration (1800 009 623), the ATO (1800 060 062) and Centrelink, Medicare, the PBS and the Child Support Agency (131 524). NSH operators are provided with a list of such numbers and may provide them to callers. As the body with responsibility for investigating offences against Commonwealth legislation, the AFP also has a role to play in dealing with calls containing allegations of this type.

3.44 The AFP has formal liaison arrangements with a wide range of Australian Government agencies. In order to ascertain whether the AFP is making use of these arrangements, the ANAO identified 25 cases in 2009 where people had made specific allegations of Centrelink fraud by named individuals and asked the AFP to provide evidence of what action had been taken with respect to them. Table 3.2 shows the summary of the AFP's response.

Table 3.2**Calls alleging Centrelink fraud: AFP action taken**

Action taken	Number of calls
No further action/archived	11
Referred to DIAC ¹	1
Referred to ATO ²	1
Referred to Centrelink	8
Known vexatious complainant	1
Referred to AFP Intelligence	3
TOTAL	25
NOTES	
1 Call also alleged immigration offences.	
2 Call also alleged taxation offences.	

Source: AFP response to ANAO request for information.

3.45 While some form of action was taken in relation to the majority of the calls, no action was taken with respect to 11 of them. In two cases, the matter was noted as being 'Not AFP jurisdiction'. The AFP advised the ANAO in May 2010 that as part of its review of the CNE (see paragraph 3.39), it would also review its procedures for dealing with calls relating to alleged offences of these types.

AFP and ASIO liaison with States and Territories

3.46 Many calls to the NSH will require some form of response from a law enforcement agency. The procedures for dealing with urgent matters is discussed in paragraphs 2.57 to 2.59 above. Less time-critical matters may be assessed to require a police response, including surveillance or interview of the caller (where he or she has identified himself or herself and has indicated a willingness to speak to authorities) or a person of interest. Where possible offences may have been alleged by a caller, they may involve breaches of either State or Commonwealth criminal law, or in the case of terrorism, Commonwealth law or any combination of the above. Consequently, where some sort of response is considered necessary, there needs to be effective consultation between Australian Government and State and Territory authorities to avoid duplication or possible operational difficulties. This process is known as deconfliction.

3.47 The AFP, ASIO and each State and Territory police force have arrangements in place where the agencies meet jointly in each State and Territory to discuss NSH calls assessed as requiring action, what that action might be and who will carry it out. This also provides the opportunity for the State and Territory police forces to augment information held by the AFP and ASIO with information that they may hold. The frequency of these meetings varies according to need: in larger states, meetings are held on a weekly basis, while in smaller states, meetings are held fortnightly. However, such liaison may also occur outside the usual meeting schedule if an urgent response is needed. The ANAO examined examples of records of these meetings and was satisfied that both Australian Government and State/Territory stakeholder agencies have in place effective liaison arrangements to co-ordinate necessary response to NSH calls.

Administrative record keeping in the AFP and ASIO

AFP

3.48 Paragraph 2.83 refers to deficiencies that the ANAO found in the NSH's administrative record keeping. Similar issues were identified in the AFP.

3.49 It is the ANAO's usual practice to request auditees to provide a list of its files from which it will select those that it wishes to inspect. The AFP were requested to provide a list of files on 30 September 2009. A reminder was sent on 22 October 2009. On 29 October 2009, the AFP provided approximately 100 loose papers that were said to have been left by the previous manager of the relevant work area. A further request for administrative records was made on the same day. On 25 November 2009, the AFP advised the ANAO that it could locate no further documentation.

3.50 After intervention at a more senior level in the AFP, a small number of additional records were provided, as well as four hard-copy files, one of which was empty.

3.51 The types of administrative records that the ANAO expected to see but was not able to locate included documents relating to general administrative matters such as:

- the establishment of the NSH in 2002;
- records relating to staffing of the NSH function;

- records relating to funding of the NSH over the period from its inception to the present day;
- copies of management reports;
- correspondence and submissions (to Ministers, for example); and
- records of meetings and decisions relating to administrative matters.

3.52 The AFP advised the ANAO in May 2010 that it had corporately 'already recognised opportunities for enhancement' in relation to administrative record keeping and provided a draft Plan for Implementation of an AFP Information Management Strategy⁴² which sets out to address these known shortcomings. The Plan forms a part of the AFP's Spectrum Program, a \$109 million four-year program intended to 'deliver business and information technology projects to the AFP.'⁴³

ASIO

3.53 Like the AFP and the Attorney-General's Department, ASIO uses an electronic records management system, supplemented by hard-copy files, such as signed final versions of documents such as submissions and correspondence. ASIO promptly provided a list of almost 7 000 documents relating to the NSH. The records addressed the types of issues that the ANAO expected and appeared to be complete.

3.54 In respect of recordkeeping in the context of this audit, the ANAO considered that ASIO demonstrated good practice.

⁴² The Plan referred to a consultant's report in 2009 which stated that there was no overarching vision for information governance /management, poor standardisation of information classification, sharing, and record management across the organisation and inconsistent access to timely, current information.

⁴³ AFP Annual Report 2008–09, p. 159.

4. The utility of the National Security Hotline

This chapter considers the utility of the NSH, particularly with reference to its stakeholders' assessment of its value to their operations.

Assessment of the value of the NSH

4.1 It is sound practice in the public sector to periodically evaluate the effectiveness of programs and functions, including the extent to which they meet evolving government policy priorities. In the case of the NSH, it is difficult to objectively assess the value of the NSH in a traditional cost:benefit sense. This is because the relationship between a particular call to the NSH and a firm outcome such as an arrest or prosecution for terrorism or other criminal offence is unlikely to be clear-cut. Rather, calls to the NSH would usually contribute to stakeholder agencies' operations or investigations.

4.2 In the absence of objective performance measures, a key indicator of the value of the NSH is the value placed on it by its stakeholders. In 2007, the then Commissioner of the AFP, Mick Keelty, said⁴⁴:

On the domestic front, it is important that community trust be maintained. The community delivers intelligence which is imperative for police to prevent and solve crime. The National Security Hotline, despite criticisms at the time of its creation, is one of the most important tools that we've been using to achieve this and it has been a resounding success.

There is not one terrorism investigation that we've conducted in this country that hasn't at one stage or another been reported through the hotline.

ASIO/AFP internal paper

4.3 In 2009, ASIO and the AFP jointly prepared a draft report entitled *The utility of the National Security Hotline*. The report is highly classified because it contains details of specific calls to the NSH and how they have contributed to ASIO and AFP operations, investigations and intelligence. However, it also contains some general observations which can be reproduced here. Following is a selection of quotations from the report:

⁴⁴ Commissioner Mick Keelty APM, 2007 Inaugural Ray Whitrod Oration, Australia and New Zealand Society of Criminology Annual Conference, Adelaide, 24 September 2007.

- Information provided to the National Security Hotline (NSH) represents valuable lead information for ASIO's investigations, and provides information which may not otherwise come to attention.
- The most useful calls are made by members of the public who have knowledge about matters of potential security relevance (rather than reporting something that is simply 'suspicious'), and who provide detailed, actionable information.
- The NSH has contributed to the commencement of AFP investigations, provided intelligence in relation to ongoing enquiries and changed the direction of current AFP operations. The NSH has increased AFP intelligence holdings significantly.
- The NSH has also provided the AFP with intelligence in relation to crime types and operational matters that don't necessarily relate to national security. In particular, NSH reports have provided information in relation to People Smuggling, Child Sex Tourism, Aviation and Protection Intelligence.
- After major events NSH callers have also reported their previous contact with, or knowledge of, individuals named in the media in the context of those events. These reports can contribute usefully to ASIO's investigations, either by confirming or challenging existing information.
- Assurances of anonymity should continue to be given to callers to the NSH as this protects personal information, and may encourage reports from persons who may be concerned their identity could otherwise be revealed. However, audio-recording of calls to the hotline will enable a more accurate and comprehensive assessment of the information to be made.
- It is important that the NSH remains the point of contact for the public to report security matters as it allows the rapid dissemination of the information to relevant authorities and ensures that decisions about a response will be made by police and intelligence agencies collaborating and sharing information.

4.4 Consistent with the ANAO's analysis, the report also states that approximately 30 per cent of NSH calls are assessed by ASIO as containing sufficient indicators to warrant further investigation and that of those, approximately 4 per cent are 'considered to be 'significant' leads', containing specific and apparently credible threats or links to existing ASIO investigations or containing strong indicators of potential security-related activity.

State and Territory stakeholder agencies

4.5 As noted in Chapter 1, the State and Territory police forces are not within the ANAO's jurisdiction and were consequently not auditees. However, the ANAO sought their co-operation in completing a survey to obtain their views on the NSH⁴⁵. All eight police forces responded. In summary:

- in response to the question 'how valuable to your police force's investigations is the information received from the NSH?', four said that it was 'extremely valuable', three said that it was 'moderately valuable' and one said that it was 'somewhat valuable'. None of the State and Territory police forces considered that the information from the NSH was 'not at all valuable'.
- seven of the eight State and Territory police forces considered that information from the NSH was as valuable as, or more valuable than, the information they received from the Crime Stoppers hotline.
- all eight of the State and Territory police forces said that there were examples from their jurisdiction where an NSH call had led them to initiate investigations which would not otherwise have been initiated.

4.6 Two State and Territory police forces took the opportunity to elaborate on their responses about the value of the NSH. The two responses are as follows:

It is crucial that the NSH continues to operate. There have been a number of successful crime operations which have been generated from the NSH... Whilst the processing of the NSH is very labour-intensive for sometimes little reward, it has proven to be a very useful resource for law enforcement.

The NSH continues to be an important avenue for information relating to National Security issues for [name of police force]. The NSH is an invaluable tool that provides law enforcement with information of a security and/or terrorism nature.

4.7 As noted above, there is significant variation in the percentage of calls which are regarded as being 'of interest', 'significant' or 'useful' (which are inexact terms). However, if the true percentage of calls which have been of assistance to the NSH's stakeholder agencies in terms of contribution to their

⁴⁵ It should be noted that on 18 December 2002, in a briefing note to the then Prime Minister, the Assistant Secretary of the National Security Campaign Taskforce noted that 'The state and territory police forces have already put on record that they do not support the Hotline...'

investigations is only five per cent, this means that since its inception, the NSH has produced more than 3 000 such calls.

Evidence from ANAO testing program

4.8 Another indicator of the value of the NSH is the proportion of calls it receives which its stakeholders assess as being of assistance. As outlined in Chapter 3, the ANAO conducted testing on a random sample of 359 NSH calls from 2009 in order to assess ASIO's and the AFP's handling of them. Seventy-two NSH calls (20 per cent) were assessed by the AFP as having sufficient value to warrant being referred to other parts of the organisation for further evaluation or action. Thirty of the NSH calls (8.3 per cent) were formally classified by ASIO as 'Leads', meaning that they were referred to other parts of the organisation for further evaluation or action.

Conclusion

4.9 The comments and observations from stakeholders quoted above show clearly that all of the NSH's stakeholders consider the NSH and the information it produces of considerable value both with respect to information relating to national security and to information relating to other criminal offences. While many calls to the NSH are assessed by stakeholders as being of little or no value, the ANAO's testing program of a sample of 359 NSH calls showed that between 8.3 per cent and twenty per cent are assessed as having some value.

4.10 As previously noted, the ANAO concluded that the NSH has, over time, introduced improvements in its administration in areas such as documentation of call content, staff training and contingency arrangements. While its operating costs (\$1.636 million in annualised terms in 2009-10) are influenced by the number of calls it receives, it is exploring ways in which it can optimally use the resources available to it, such as using operator down-time for other administrative tasks. The ANAO considers that the NSH should continue to look for cost efficiencies and improvements in its administration to provide confidence that the program continues to effectively meet government policy objectives.



Ian McPhee
Auditor-General

Canberra ACT
28 July 2010

Appendices

Appendix 1: Agency responses

ASIO response

ASIO welcomes the findings of the report; in particular the conclusion the National Security Hotline is an important measure by which members of the public can pass on information to the Government. As noted in the report, ASIO places significant value on the information we receive from the National Security Hotline as it contributes to our ability to identify and investigate threats to security and provide advice to Government to protect Australia's people and interests.

ASIO accepts the conclusions of the report and welcomes the assessment that ASIO has developed sound procedures for evaluating and assessing incoming referrals from the National Security Hotline and that our system of documentation is robust. As noted in the report, ASIO responded quickly to opportunities identified in the audit to improve our management of National Security Hotline referrals.

We also welcome the positive approach in which the audit was conducted and the willingness to engage with ASIO on issues arising in a cooperative manner.

Attorney-General's Department's response

Overall the report provides a well researched assessment of the procedures in place between stakeholder agencies to deal with NSH calls. It also describes the effectiveness of the management of the NSH by the Attorney-General's Department.

Finally, I wish to express my appreciation for the ANAO's willingness to engage with officers in my Department on issues arising during the audit in such a cooperative and positive manner.

AFP response

The AFP notes that the ANAO did not make any recommendations in the audit report as a consequence of respective auditee responsiveness to resolve issues raised in the course of the audit. The AFP appreciated the opportunity to address issues as they were identified and confirms that the following new measures have been implemented.

A revised internal audit/quality assurance process was established on 9 May 2010 to assess incoming NSH reports. A review of the Practical Guide relating to the handling and processing of NSH reports has also been completed and updates have been incorporated into the document.

A review of the current template for NSH Case Note Entry (CNE) has been completed and several recommendations have been circulated to stakeholders for comment, review and subsequent implementation.

The AFP has also implemented an updated training regime to provide AFP Operations Coordination Centre staff with NSH revision/refresher training during rostered training days.

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