



Australian Government

Department of Defence

# Australian Government Security Vetting Agency

## ANNUAL UPDATE 2020–21





## **Acknowledgement of Country**

*Defence acknowledges the Traditional Custodians of Country throughout Australia. Defence recognises their continuing connection to traditional lands and waters and would like to pay respect to their Elders past and present. Defence would also like to pay respect to the Aboriginal and Torres Strait Islander men and women who have contributed to the Defence of Australia in times of peace and war.*

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# AGSVA AT A GLANCE FY 2020–21

AGSVA plays a key role in supporting approximately 620 Federal, State and Territory Government agencies and industry partners to mitigate against insider threats, through the provision of a responsive and assured security vetting service.

AGSVA's mission is to deliver responsive and assured vetting services to enable security capability.

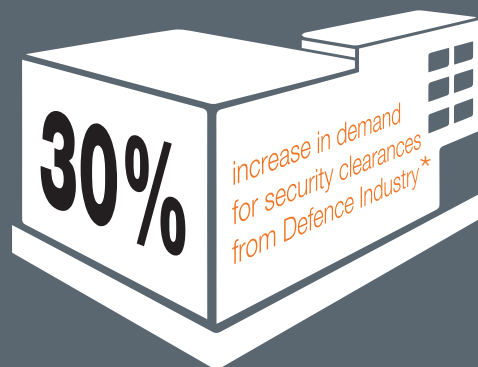
AGSVA's vision is to be recognised as a professional, trusted and valued provider of quality vetting services; and will achieve this by:

- Improving the timeliness and quality of vetting outcomes.
- Reforming vetting service delivery and customer experience.
- Strengthening our partnerships across the intelligence and security community.



**61,339**

security clearance  
completions



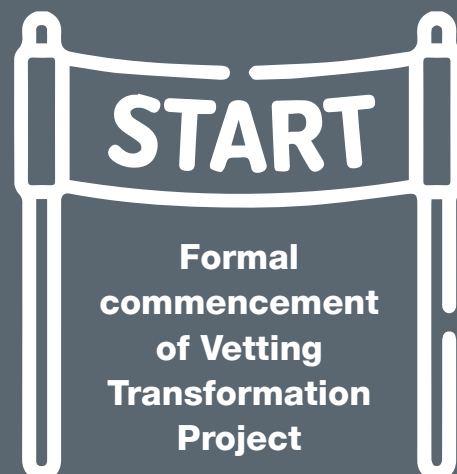
**14.5%**

increase in  
total demand  
for security  
clearances



**26,911**

ePacks requested  
by and issued to  
defence industry\*



**98%**

of enquiries from  
clearance subjects  
responded to  
within five business  
days



**344,014**

active security  
clearances managed as  
at 30 June 2021



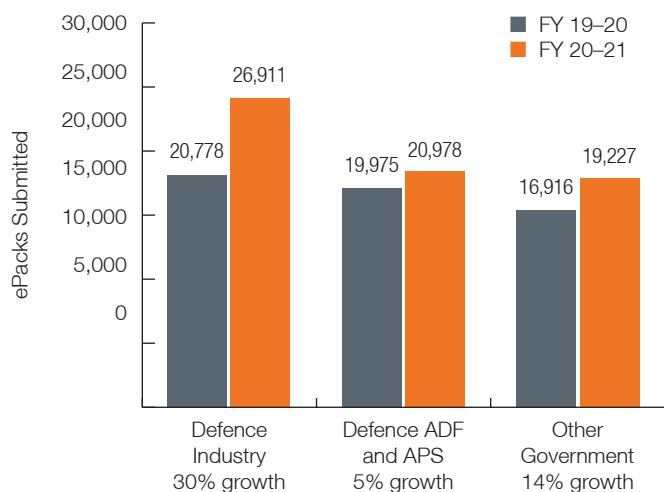
Median processing times **met** for  
Baseline, Negative Vetting Level 1,  
Negative Vetting Level 2, and  
Positive Vetting clearances

\*Initial and Upgrade.

## DEMAND FOR CLEARANCES

The demand from Defence, defence industry and other Government agencies for security clearances grew by a total of 14.5 per cent 2020–21.

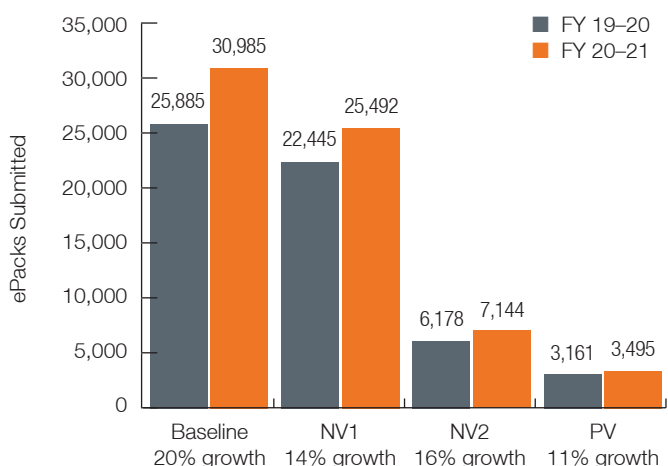
### Initial and Upgrade Demand Growth by Sponsor Type



**Note:** Demand is measured by the volume of ePacks issued for initial and upgrade clearances in the reporting period.

Demand increased across all levels of security clearance.

### Initial and Upgrade Demand Growth by Clearance Level

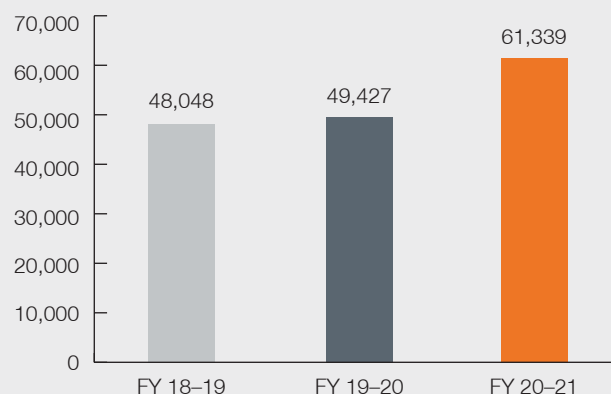


## SECURITY CLEARANCE COMPLETIONS

AGSVA completed 61,339 security clearance cases in 2020–21 — a 24 per cent increase from 2019–20.

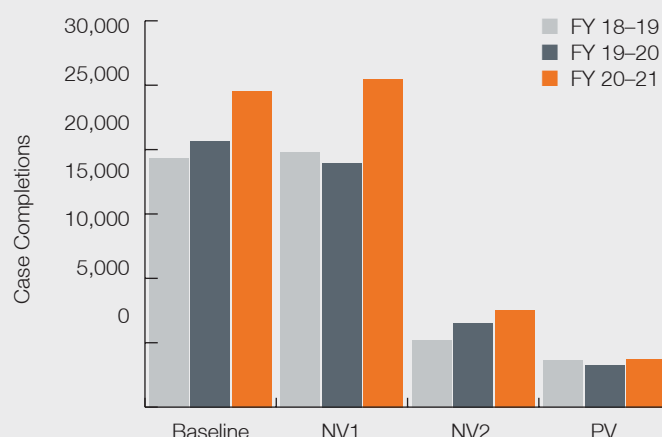
Security clearance completions are initial, upgrade and revalidation vetting cases that reach a conclusion, including grant and deny, in the financial year. Clearance completions exclude cancellations.

### Case Completions — FY 18–19 to FY 20–21



Security clearance completions have risen across all levels of clearance.

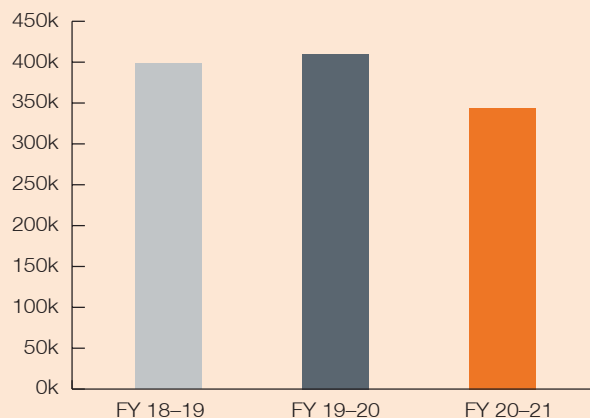
### Annual Case Completions by Clearance Level at 30 June



A security clearance is a privilege, not an entitlement, and increasing demand for clearances can have implications for processing timeframes. It is Australian Government policy that the number of people requiring security clearances to perform their duties be kept to a minimum. Entities should give careful consideration to what level of security clearance is needed. This is highlighted in the AGSVA Service Level Charter 2021-22

## ACTIVE SECURITY CLEARANCES

As at 30 June 2021, AGSVA maintained 344,014 active security clearances. The number of active clearances has reduced from 414,070 in 2019–20 to 344,014 in 2020–21 from AGSVA data quality and remediation activities, which included the cancellation of clearances that were a part of legacy vetting caseloads.



## WHERE WE WORK

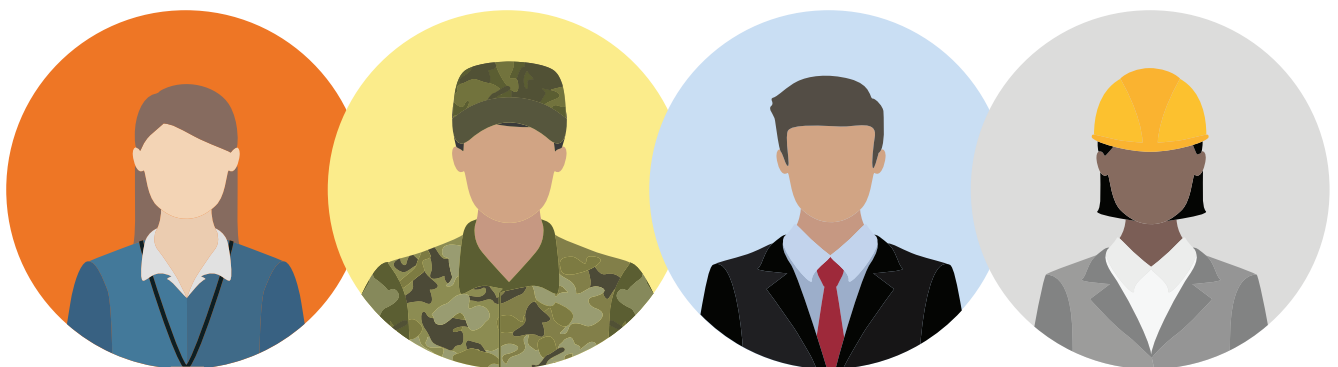
AGSVA operates at seven sites across Australia and our contracted security vetting workforce is also represented nationally, ensuring AGSVA services are available to sponsors and clearance subjects.

**AGSVA offices as at 30 September 2021**



## OUR CUSTOMERS

The largest sponsors of active security clearances include the Department of Defence, defence industry, including (Shipbuilding), Services Australia, the Australian Taxation Office and the Department of Home Affairs. AGSVA's customers also include more than 200 agencies and entities that sponsor fewer than five security clearances.



# MESSAGE FROM ASSISTANT SECRETARY VETTING

AGSVA's performance in 2020–21 stands out as an exceptional reporting year. Our staff responded to an unprecedented lift in the demand for clearances amid challenging COVID-19 circumstances impacting the operations of our Melbourne, Sydney and other AGSVA offices across Australia. This critical support enabled Government and industry to continue business in a time of great need. We maintained our focus on the future by delivering the first stage of the Government's transformation of AGSVA's personnel security vetting capability. These results are a testament to the dedication and flexibility of our entire AGSVA team. As I write this, Victoria, New South Wales and the ACT are in lockdown—the challenge of sustaining business as usual in unusual circumstances continues into the 2021–22 reporting year.

AGSVA focused on meeting customer expectations amid a 14.5 per cent rise in total demand for clearances in 2020–21. Our completion of 61,339 security clearances—an increase of almost 12,000 from the previous year—within or very close to median processing timeframes for all clearance levels, highlights the commitment of our AGSVA public service workforce, who processed and reviewed each clearance. The result was also made possible by our strong partnership with the Australian Security Intelligence Organisation, external security vetting services and contracted psychologists to deliver timely and quality vetting.

With the demand for vetting services expected to again exceed 60,000 clearances in 2021–22, AGSVA will continue the comprehensive transformation of personnel security vetting capability to deliver greater assurance and timeliness of security vetting services for Government and industry. The transformation promised through project ICT 2270 will produce a new organisational design for AGSVA, positioning the organisation to meet the future demands of security vetting, and a new ICT system with the agility to address emerging and future threats. AGSVA staff, security officers and clearance subjects will work within a considerably changed environment from the second half of 2022.

AGSVA's achievements are made possible by the hard work and resilience of our people and partners and I thank all those people for your efforts over the past year. I look forward to continuing our mission together to provide a trusted and assured workforce, and a contemporary vetting capability for the years ahead.

**Kim Arthur**  
**Assistant Secretary Vetting**  
**AGSVA**

# HIGHLIGHTS

## IMPROVING CUSTOMER EXPERIENCE

AGSVA performed significant updates to the eVetting System in 2020–21 to create a better user experience for clearance subjects, referees and security advisors. The changes include: 100 improved system-generated email templates that are sent to clearance subjects, referees and security advisors; and improved ePack customer access and log on experience.

AGSVA also released new information resources for clearance subjects and a redesigned Security Package Checklist. These resources highlight the most common missing items and errors to assist clearance applicants in filling out their ePacks.



## SUPPORTING DEFENCE INDUSTRY

Defence industry are **key** partners for Defence and AGSVA plays an important role in facilitating growth of the industry through the provision of timely clearances and with support for managing their clearance holder workforce.

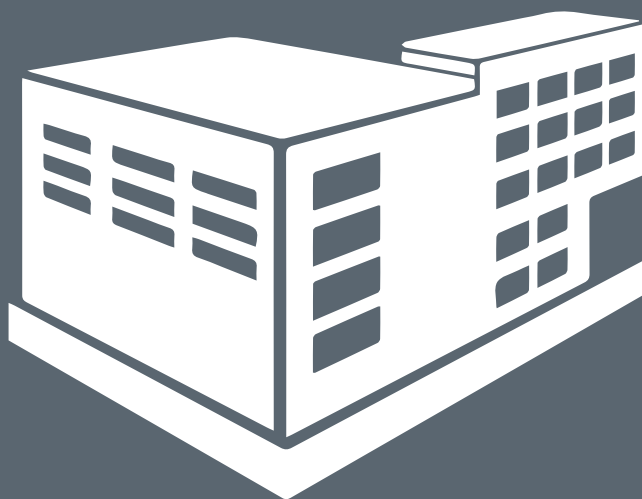
Overall demand for security clearances continues to increase, but with significant growth in defence industry, AGSVA has identified an opportunity to further support this growing customer group.

To support the needs of defence industry, in June 2021, a new Industry Strategy and Liaison Team was established which will focus on the specific issues affecting defence industry from a personnel security vetting perspective. The team will work across AGSVA to identify opportunities to better engage, partner and support Industry.

An initial focus of the Industry Strategy and Liaison Team is to develop a strong understanding of defence industry future demand. Working directly with defence industry, the team will analyse forecast versus actual clearance data to help strengthen forecasting. AGSVA strives to process all security clearances within benchmark timeframes, and having a more accurate demand forecast will support this.

Understanding surge periods for defence industry when new contracts are won or revalidations are required means AGSVA will adequately posture our workforce to meet this increased demand.

Through the Industry Strategy and Liaison Team, collaboration and engagement with defence industry will increase, and the requirements and challenges defence industry face will be front of mind in all AGSVA business.





## VETTING TRANSFORMATION PROJECT

AGSVA has delivered significant reform over the last four years to reduce clearance timeframes and backlogs and improve customer experiences. The Vetting Transformation Project is the next critical component in AGSVA's continuous improvement.

In alignment with the *Defence Transformation Strategy*, we must continue to transform our security business processes to deliver greater assurance and timeliness of security vetting services for Defence, defence industry and the whole of government workforce.

The Vetting Transformation Project will deliver a transformed personnel security vetting capability through the delivery of a new security vetting ICT system and operating model uplift.

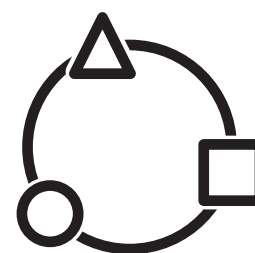
The enhanced capability will:

- support mitigation of the insider threat through better detection of personnel security risks and continuous assessment for all AGSVA managed clearances;
- deliver an improved customer and user experience; and
- enable a better response to Government and defence industry demand for security clearances.

The Vetting Transformation Project formally commenced in February 2021 after receiving Government approval.

As at 30 June 2021, the Vetting Transformation Project was nearing completion of the service design and change research phase (Blueprinting).

This is a significant milestone, representing five months of significant effort and collaboration between AGSVA, our Project delivery partners (CLOG, Accenture and KPMG), and key stakeholders (representatives from Defence, defence industry and whole of government).



Blueprinting has focused on eliciting the necessary insights that will inform how the Vetting Transformation Solution will be fit for people and not just fit for purpose, through:

- The adoption of a human-centred design approach, putting the customer at the centre of security vetting;
- Mapping the current journey of key participants in the process, including the identification of over 140 pain points and improvement opportunities; and
- Setting the foundation level for the new vetting solution and confirming the future we want to see, including the testing and refinement or validation of over 800 business and technical requirements.

AGSVA's Service Design Blueprint will provide the foundation for detailed design decisions and subsequent build activities in the next phase of the Project.

## Vetting Operations Structure Goes Live

In May 2021, the Vetting Operations team restructured its workforce and reporting lines to further enhance the delivery of contemporary security vetting services in an increasingly complex operating environment.

To guide our planning, we were able to draw on the insight and expertise from the Vetting Transformation team, strengthened workforce and resourcing data, access to new ICT and collaboration technologies, and an unprecedented increase in productivity during the implementation of flexible working arrangements at the onset of COVID-19. With these measures, we were able to reshape and restructure our workforce and reporting lines to deliver personnel security vetting services in a way that is no longer limited by geographical locations and regional team sizes.

We also took this opportunity to refresh the role expectations, workloads and accountabilities for all teams. This increased clarity and consistency allows us to operate as one agile, national team that shares and retains corporate knowledge and positive cultural attributes.

Under these new arrangements, our staff also have greater access to professionalisation and development opportunities, flexibility in their physical work arrangements, and greater opportunities to connect, share and learn with people in other locations.

These changes leave us well prepared for the implementation of Vetting Transformation – but like all dynamic organisations, we will continue to learn and evolve our service delivery approach to prepare us for an increasing security clearance demand in 2021–22.

## BUSINESS PROCESS IMPROVEMENTS

AGSVA's business improvement initiatives continued to increase efficiency while ensuring the uninterrupted delivery of services. In 2020–21 in particular, this involved adapting AGSVA's business methods to efficiently deliver vetting products and services during the COVID-19 pandemic.

The deployment of secure virtual communication methods meant that psychological assessments, and vetting interviews with clearance subjects could continue unabated. This, combined with the implementation of secure electronic document handling processes and initiating an on-line platform for psychometric testing resulted in an increased output for the Psychological Assessment Services Panel. Similarly, improved contractual arrangements in the ESVS panel enabled AGSVA and its partners to accommodate a surge in demand for clearances.

During this period, AGSVA continued to deliver quality decisions within benchmark timeframes thereby enhancing its capability without compromising quality. Building on this success, many of the initiatives have been integrated into business-as-usual practice and the utility of teleconferencing for vetting outcomes continues to be evaluated.

AGSVA's skilling and professionalisation has continue to evolve to be able to adapt to the current and future environmental demands placed on all of AGSVA workforce including Australian Public Service staff, contractors and embedded staff, and the external service providers. The AGSVA Skilling and Professionalisation Framework outlines the

skills, qualification and experience requirements for roles within AGSVA, and the AGSVA workforce planning functions which operationalise and build a fit-for-purpose AGSVA workforce based on the workforce requirements.

As workforce requirements evolve through the Vetting Transformation project and continued AGSVA Transformation activities, the foundational elements that enable a fit-for-purpose workforce will be reviewed and updated at designated time periods through the course of the Vetting Transformation Project.

Reflected in the AGSVA Transformation Strategy, and AGSVA Business Plan FY2021–22, AGSVA focuses on six streams of effort to transform the way in which AGSVA does business for the impending Vetting Transformation Project, and to respond to Government policy. The six streams include Strategy Initiatives for continued focus on 1) Culture; 2) Professionalism and Skilling; 3) Business Management; 4) Customer Engagement; 5) Assurance and; 6) Policy. AGSVA has also embedded a new function to be able to better align Government priorities and the AGSVA mission 'to deliver responsive and assured vetting services to enable security capability'. The AGSVA Industry Strategy and Liaison function works to identify opportunities to better engage, partner and support Industry for Government priorities.



## RISK SHARING FRAMEWORK

Under the Personnel Security Risk Information Sharing Framework, AGSVA provides sponsoring entities with specific information of security concern, in accordance with Protective Security Policy Framework.

The Risk Sharing Framework was implemented in January 2020 and comprised 34 entities including, Defence, defence industry and other Government departments.

As at 30 June 2021, AGSVA shared 61 pieces of risk information with participating entities which enabled sponsors to have a better understanding of the risk profile of their security cleared workforce. The framework and subsequent risk information has been well received by the participating agencies and AGSVA continues to collaborate with the participants to further refine the framework.



## EXTERNAL SECURITY VETTING SERVICES

AGSVA partners with a panel of vetting companies – External Security Vetting Services (ESVS) – to complete parts of the clearance assessment. A panel of over 100 security psychologists – Psychological Assessment Services (PAS) – conducts psychological assessments for organisational and security suitability purposes.

AGSVA's partners through the ESVS panel are Barrington Corporate Risk Pty Ltd; Cogent Business Solutions Pty Ltd; Omni Executive Pty Ltd/Key Vetting Services Pty Ltd; Mitchell Personnel Solutions Pty Ltd; Sirras Consultants Pty Ltd; and Staff Check Pty Ltd.

In 2020–21, AGSVA continued to develop a business relationship with our contracted partners, with key business improvement initiatives including:

- improving service delivery and customer satisfaction;

- refreshing Defence's PAS panel through a comprehensive, open tender process;
- enhancements to quality assurance processes;
- assisting ESVS and PAS companies to uplift their security requirements to align with the Defence Security Principles Framework and Protective Security Policy Framework;
- streamlining manual processes through greater use of electronic case allocations and partnering with additional third-party providers to collate vetting information.

AGSVA and contracted partners implemented these business improvements while managing increased vetting demand and maintaining key performance indicators under the relevant contractual arrangements.



## AGSVA RESULTS AGAINST KEY PERFORMANCE INDICATORS (KPIs) – 2020–21

KPI TARGET		OUTCOME
<b>1 Timeliness Category</b>		
<b>1.1 Shared KPI with clearance sponsors:</b> 85 per cent of ePacks issued will be returned by the clearance subject and verified by AGSVA to achieve full compliance within 30 business days. (Shared KPI)		<b>Not Met</b>
<p><i>This KPI measures the timeliness in which ePacks and documents are submitted and verified as complete and accurate before vetting begins. The KPI is shared, with clearance sponsors responsible for ensuring clearance subjects submit complete and accurate information and AGSVA responsible for assessing and verifying completeness within the 30 day timeframe.</i></p> <p><b>Results context:</b> In 2020–21, shared KPI performance was 59 per cent within the 30 business day benchmark. AGSVA and sponsors continue to work together on improving processes, including reducing the submission of incomplete or incorrect information. AGSVA is being more active with non-compliance, including through the cancellation of clearances where individuals had not provided documents in the 42 days after the pack has been commenced. The implementation of the Vetting Transformation in 2022 is expected to simplify the submission of ePack and documents and accuracy and timeliness figures should improve as a result.</p>		
<b>1.2 Baseline clearances:</b> Achieve median processing time of 20 business days or less* / 80 per cent of routine, non-complex Baseline cases (excluding cancellations) will be processed within 20 business days or less		<b>Partially met</b>
<b>Results</b>		
Median processing time of 20 days or less		<i>Met</i>
80 per cent of Baseline cases processed in 20 days or less		<i>Not met</i>
<p><b>Results context:</b> Demand** for Baseline clearances was 20 per cent higher than in 2019–20. In this environment, AGSVA processed baseline clearances in a median timeframe of 18 days. More than 70 per cent of cases were processed within 20 days.</p>		
<b>1.3 Negative Vetting Level 1 clearances:</b> Achieve median processing time of 70 business days or less* / 85 per cent of routine, non-complex Negative Vetting Level 1 cases (excluding cancellations) will be processed within 70 business days or less.		<b>Partially met</b>
<b>Results</b>		
Median processing time of 70 days or less		<i>Met</i>
85 per cent of cases processed in 70 days or less		<i>Not met</i>
<p><b>Results context:</b> Demand** for Negative Vetting Level 1 clearances was 14 per cent higher than in 2019–20. In this environment, AGSVA processed Negative Vetting Level 1 clearances in a median timeframe of 64 days. Almost 70 per cent of cases were processed within 70 days.</p>		
<b>1.4 Negative Vetting Level 2 clearances:</b> Achieve median processing time of 100 business days or less / 85 per cent of routine, non-complex Negative Vetting Level 2 cases (excluding cancellations) will be processed within 100 business days or less.		<b>Partially met</b>
<b>Results</b>		
Median processing time of 100 days or less		<i>Met</i>
85 per cent of cases processed in 100 days or less		<i>Not met</i>
<p><b>Results context:</b> Demand** for Negative Vetting Level 2 clearances was 16 per cent higher than in 2019–20. In this environment, AGSVA processed Negative Vetting Level 2 clearances in a median timeframe of 97 days. More than 50 per cent of cases were processed within 100 days.</p>		

KPI TARGET		OUTCOME
<b>1 Timeliness Category continued</b>		
<b>1.5 Positive Vetting clearances:</b> Achieve median processing time of 180 business days or less* / 80 per cent of routine, non-complex Positive Vetting cases (excluding cancellations) will be processed within 180 business days or less.		<b>Partially met</b>
<b>Results</b>		
Median processing time of 180 days or less		<i>Met</i>
80 per cent of cases processed in 180 days or less		<i>Not met</i>
<b>Results context:</b> Demand** for Positive Vetting clearances was 11 per cent higher than in 2019–20. In this environment, AGSVA processed Positive Vetting clearances in a median timeframe of 154 days. More than 60 per cent of cases were processed within 180 days.		
<b>1.6 Priority Positive Vetting clearances:</b> Achieve median processing time of 90 business days or less* / 80 per cent of routine, non-complex priority Positive Vetting cases will be processed within 90 business days or less.		<b>Not Met</b>
<b>Results</b>		
Median processing time of 90 days or less		<i>Not met</i>
80 per cent processed in 90 days or less		<i>Not met</i>
<b>Results context:</b> Demand** for Priority Positive Vetting clearances was seven per cent lower than in 2019–20. AGSVA processed Priority Positive Vetting clearances in a median timeframe of 93 days—three per cent above the KPI timeframe. Almost 50 per cent of cases were processed within 90 days.		
<b>1.7</b> 75 per cent of all phone and email enquiries to AGSVA will be resolved at first contact.		<b>Met</b>
<b>Result context:</b> 93 per cent of phone and email enquiries were resolved at first contact.		
<b>1.8</b> 85 per cent of all phone and email enquiries to AGSVA will be resolved within five business days.		<b>Met</b>
<b>Result context:</b> 98 per cent of phone and email enquiries to AGSVA were resolved within five business days.		
<b>2 Satisfaction Category</b>		
<b>2.1</b> 85 per cent of sponsors indicate an overall satisfied or better approval rating of AGSVA's performance in regular customer surveys.		<b>Met</b>
<b>Result context:</b> Customer survey result provided an 85 per cent satisfaction rate.		
<b>2.2</b> 85 per cent of clearance subjects are satisfied with the vetting process.		<b>Met</b>
<b>Result context:</b> Result of customer survey indicated an 85 per cent satisfaction rate.		
<b>3 Quality Category</b>		
<b>3.1</b> AGSVA will maintain quality management accreditation (such as ISO 9001 certification).		<b>Met</b>
<b>Result context:</b> AGSVA's Quality Management System remained compliant with and accredited to ISO 9001:2015 standards.		

\*Shared KPI with ASIO. Both AGSVA and ASIO contribute to performance against the KPI.

\*\*Demand is based on volumes of ePacks issued for initial and upgrade clearances.



## FINANCIAL RESULTS

AGSVA recorded expenditure of \$89.316 million against a budget of \$75.802 million (not including salary costs for Australian Public Service personnel) in 2020–21. This result reflects the increased demand for security clearances in 2020–21.

AGSVA's contracted partners provide vetting, psychological and administrative services.

Contract	Budget (\$m)	Actual (\$m)
External Security Vetting Service	64.135	73.018
Psychological	5.496	9.218
Others (administrative)	6.121	7.080
Total	75.802	89.316

### AGSVA Revenue

AGSVA charges fees to Government agencies and defence industry sponsors for security clearance assessments. AGSVA applies a partial cost recovery model and charges only for the initial clearance, upgrade or revalidation process. AGSVA does not charge fees to maintain a clearance between revalidation. AGSVA's vetting fees do not include costs relating to the Australian Security Intelligence Organisation's personnel security assessments.

Charging fees helps to ensure adequate resourcing is provided to keep clearance processing times within benchmark timeframes and to efficiently recover the cost of providing security vetting services within an environment of growing demand for security clearances.

AGSVA's revenue from fees in 2020–21 totalled \$39.601 million.

Description	Amount (\$m)
Revenue from Government entities	22.297
Revenue from Industry	17.304
Total Revenue (GST Exclusive)	39.601

## Clearance Fees Charges 2018 to 2022

### Clearance Fees FY 2018–19 and FY 2019–20

Fees are inclusive of Goods and Services Tax.

Initial / Upgrade / Revalidation			
Clearance Level	FY 2018–19 Fee	FY 2019–20 Fee	Fee Variation (%)
Baseline	\$637.67	\$703.00	10
Negative Vetting 1 (NV1)	\$1,327.37	\$1,105.00	-17
Negative Vetting 2 (NV2)	\$2,267.54	\$2,163.00	-5
Positive Vetting (PV)	\$10,713.95	\$10,380.00	-3
Cancellation			
Clearance Level	FY 2018–19 Fee	FY 2019–20 Fee	Fee Variation (%)
Baseline	\$318.84	\$351.00	10
NV1	\$663.69	\$552.00	-17
NV2	\$1,133.77	\$1,082.00	-5
PV Cancellation			
Clearance Level	FY 2018–19 Fee	FY 2019–20 Fee	Fee Variation (%)
Coordination	\$1,799.57	\$1,539.00	-14
Vetting Assessment	\$10,351.85	\$10,253.00	-1
Psychological Assessment	\$7,606.67	\$8,087.00	6
Delegation	\$10,713.95	\$10,380.00	-3

### Clearance Fees FY 2020–21 and FY 2021–22

Fees are inclusive of Goods and Services Tax.

Initial / Upgrade / Revalidation			
Clearance Level	FY 2020–21 <sup>1</sup> Fee	FY 2021–22 Fee	Fee Variation (%)
Baseline	\$703.00	\$884.00	26
Negative Vetting 1 (NV1)	\$1,105.00	\$1,355.00	23
Negative Vetting 2 (NV2)	\$2,163.00	\$2,486.00	15
Positive Vetting (PV)	\$10,380.00	\$15,280.00	47
Cancellation			
Clearance Level	FY 2020–21 Fee	FY 2021–22 Fee	Fee Variation (%)
Baseline	\$351.00	\$442.00	26
NV1	\$552.00	\$678.00	23
NV2	\$1,082.00	\$1,234.00	1
PV Cancellation*			
Clearance Level	FY 2020–21 Fee	FY 2021–22 Fee	Fee Variation (%)
Coordination	\$1,539.00	\$1,560.00	1
Psychological Assessment <sup>#</sup>		\$5,346.00	
Vetting Assessment*	\$8,087.00	\$14,729.00	
Psychological Assessment <sup>#</sup>	\$10,253.00		
Delegation	\$10,380.00	\$15,280.00	47

\* The cancellation fee represents the work done to that point in time.

<sup>#</sup> AGSVA has updated the sequence of the Positive Vetting (PV) cancellation fee schedule to align to current business processes.



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