



Australian Government

**Department of Immigration and
Multicultural and Indigenous Affairs**

2002-03

PART THREE

MANAGEMENT AND ACCOUNTABILITY

CORPORATE GOVERNANCE

Senior Management Committees and their roles

The senior management responsibilities of the department are presented in the corporate structure chart on page 12.

The department's executive arrangements include a Management Board, Finance Committee, Audit and Evaluation Committee, People Management Committee and IT Governance Committee. These bodies have reinforced the department's ability to deliver its outcomes and outputs cost effectively and to a high standard.

The Management Board is responsible for providing leadership and overall management of DIMIA through the development of strategies and plans. The board monitors the achievement of departmental outputs centrally, in state and territory offices and overseas through an established reporting framework. The Management Board is supported by a number of specialised committees.

The Finance Committee provides advice to the Management Board on strategic financial management issues, planning and performance monitoring, and reporting. The Finance Committee oversees and monitors budget, performance improvement and corporate governance processes, ensuring consistency with government objectives and the department's business directions.

The Departmental Audit and Evaluation Committee (DAEC) provides regular assurance to the Secretary and Management Board on the efficiency, effectiveness and probity of the department's activities.

The People Management Committee was established in 2001 to strengthen the department's focus on strategic human resource management with a view to achieving high performance outcomes and becoming an employer of choice. The committee provides guidance to the Management Board on a wide range of strategic people management issues.

During 2002-03 the Management Board reviewed the department's governance structures including the membership and terms of reference of the Finance Committee, the DAEC and the People Management Committee. The Management Board identified the need for, and established an Information Technology (IT) Governance Committee. The role of this committee is to advise on the carriage of major technological matters and make recommendations on strategic directions for technology that are consistent with government objectives and the department's business strategies.

The department has a National Staff Consultative Forum (NSCF) established under its Certified Agreement. The NSCF meets three times a year and provides an opportunity for senior management, employee representatives and representatives of employee organisations to consult on conditions of employment including the implications of legislative, funding, organisational, technological and procedural changes for employees.

The DIMIA Certified Agreement, which sets terms and conditions of employment, is a key expression of the partnership between management and staff. A new Certified Agreement will be developed in 2003-04, which will aim to underpin future directions in human resource management.

Corporate and Operational Planning and Performance Reporting

The department's strategic plan, Business Directions 2002-2005, outlines DIMIA's strategic directions. It provides high level guidance for DIMIA staff on the specific objectives relating to each of the three outcomes, on the provision of client service, and on issues of corporate governance. It was updated during 2002-03.

The companion document, Investing for 2005 and Beyond, is a more detailed picture of how the agency will work to achieve the objectives over the longer term. It contains a series of specific projects to enhance business processes and to improve service delivery arrangements. The plan is structured to emphasise the linkages between various activities and to promote integrated planning at all levels.

During 2002-03 DIMIA's people management strategy, Investing in People, was formally incorporated into the Corporate Planning Framework. Focussing on the objective to be an employer of choice, it is central to the achievement of DIMIA's business directions. It provides a framework for linking key people management initiatives to broader business direction setting.

The Portfolio Budget Statements (PBS) describe the department's principal business activities for the year ahead and the level of resources available. Business areas develop plans that support the delivery of the strategic priorities outlined in the Business Directions 2002-05 and the PBS.

In 2002-03 DIMIA's Business Planning Principles were adopted and published. They aim to promote high quality and integrated business planning while allowing flexibility in operational planning processes. The principles were used to assess high level business plans across the agency. This assessment identified some areas for improvement and also a noticeable improvement in the extent and quality of business planning across DIMIA in the past two years.

External performance reporting is prepared on an outcomes, outputs and output-components basis. The department's activities deliver 10 outputs:

- Output 1.1 Non-Humanitarian Entry and Stay
- Output 1.2 Refugee and Humanitarian Entry and Stay
- Output 1.3 Enforcement of Immigration Law
- Output 1.4 Safe Haven
- Output 1.5 Offshore Asylum Seeker Management
- Output 2.1 Settlement Services
- Output 2.2 Translating and Interpreting Services
- Output 2.3 Australian Citizenship
- Output 2.4 Appreciation of Cultural Diversity
- Output 3.1 Indigenous Policy.

In 2002-03 the department reviewed its performance reporting arrangements. A number of areas for improvement were identified and a strategy is in place to better focus reporting and to enhance data quality and accessibility during 2003-04.

A regime of exception reporting to the Management Board has been developed to assist in the identification of emerging performance issues. The department is working to better link its reporting to business planning processes with a specific focus on ensuring its performance measures enable well articulated reporting on outputs and outcomes.

The Finance Committee, People Management Committee, IT Governance Committee and DAEC undertake detailed performance monitoring in the areas of resource allocation and performance improvement, human resource management, technology, and audit, evaluation and risk management respectively. In addition, each division and state/territory office provides performance reports to the Management Board twice a year.

Statistical reports are routinely provided to line managers to enable continuous monitoring of operational performance.

The Performance and Learning (PAL) scheme, introduced in 1999-2000, continues to be a central mechanism to link individual performance to business priorities.

Internal Audit Arrangements and Risk Management

DIMIA is committed to a comprehensive and systematic approach to managing risk. A risk management framework has been developed with the aim of supporting better outcomes for the department. The framework provides a systematic way to make informed decisions and a visible assurance that risks have been recognised and managed.

A number of risk management initiatives were implemented in 2002-03, including:

- implementing and promoting risk management policies and guidelines
- providing training to assist staff in conducting risk assessments
- facilitating risk assessment exercises and contributing to the development of controls and strategies to manage and mitigate major risks
- assessing current risk activity in DIMIA and building a risk profile for the department.

The Internal Audit Program and a suite of control self-assessment tools are also important elements of the department's risk management strategy. The audits, quality assurance checklists and built-in controls which flow from these processes have been developed after extensive risk-based analysis.

Audit Committee

The DAEC is a key feature of the department's corporate governance structure. During the year changes were made to the composition of the Committee, including the appointment of the Director Evaluation and Audit, Aboriginal and Torres Straight Islander Commission as an external member.

The DAEC provides regular ongoing assurance to the Secretary and the Management Board on the efficiency,

effectiveness and probity of the department's activities. Mechanisms for delivering this assurance include the development and approval of a risk-based internal audit program and ensuring that the recommendations flowing from the audits are appropriate and implemented within agreed timeframes.

The DAEC's role also includes overseeing and monitoring the development of risk management processes and structures, and promoting a risk management culture within the department. To facilitate progress with risk management planning, a comprehensive framework has been developed, and a toolkit of formal systematic processes distributed throughout the department.

Internal Audit

The department's internal audit function undertakes the ongoing review of identified key risk areas throughout the department with the aim of providing the Secretary and the Management Board with independent assurance that departmental outputs and activities are operating effectively, efficiently and lawfully. The Internal Audit Unit, operating under the authority of the Internal Audit Charter, is directly accountable to the DAEC and retains independence by not being subject to line management control. Ernst & Young is contracted to conduct the delivery of internal audit and related services on behalf of the department.

DIMIA cooperates with the Australian National Audit Office (ANAO) to coordinate overall audit activity within the department. This is intended to contribute to better value for money auditing for both organisations and can lead to greater audit coverage with consequent risk reduction. The ANAO is invited to all DAEC meetings and sits on the Financial Statements Subcommittee of DAEC.

The Internal Audit Unit, the audit contractor and the DAEC collaborate in identifying the department's high level risks and developing an Annual Audit Plan (AAP) following extensive consultation with a wide cross-section of departmental senior executives and

managers. The development of the AAP also takes into consideration other reviews and evaluations, priority areas within the department, and other performance management tools in place to assist in delivering quality outputs. The AAP for 2002-03 had three themes:

- assessing the effectiveness and efficiency of the processes which deliver the department's business outcomes, particularly the extent to which integrity objectives are being met
- reviewing the implementation of business process reforms such as the implementation of electronic visa processing
- providing assurance in regard to systems, controls and results, for both financial and other key processes.

During 2002-03, 26 audits were completed, 17 of which were agreed as part of the 2001-02 AAP and continued into 2002-03. A further eight audits from the 2002-03 AAP are almost complete and will be issued early in 2003-04. Audit reports flowing from the AAP are approved by the DAEC, and recommendations are monitored until they have been implemented or the committee agrees that no further action is required.

Through the outsourced audit contractor, the Internal Audit Unit also provides line managers with services outside the AAP process. Such services range from full reviews to quick turnaround advice on specific accounting, procedural, operational or information technology issues.

Other Risk Mitigating Strategies

Control self-assessment tools allow management to actively monitor performance using checklists of significant financial and other business process requirements. These tools continue to be a feature of DIMIA's quality control and risk management regime. The financially based Financial Accountability and Control Tools have been in use for some years and are complemented with a suite of decision-making self assessment tools known as

Quality Control Codes which are progressively being expanded in appropriate areas. Both are onshore tools aimed at assuring compliance with procedures and the effectiveness of built-in controls. The Overseas Audit and Security Checklist serves similar purposes offshore. The DAEC receives regular reports on all the above quality assurance activities, particularly in regard to the completion of the checks and any emerging trends and issues that may arise.

Establishment and Maintenance of Ethical Standards

The department's conduct guidelines and other related instructions are currently under review. The revised versions are expected to be available in 2003-04.

During 2002-03 the department delivered Code of Conduct training to approximately 985 staff. This included training on minimising harassment in the workplace, and strategies for employees and managers in dealing with such behaviour. The training also included segments on the appropriate use of the internet and e-mail. Training was also provided to middle and senior management on workplace communication, conduct issues and effective management techniques.

Work commenced to develop Code of Conduct refresher training. The intent of this training will be to remind employees of their responsibilities and to bring them up to date on developments in conduct policy.

The department investigates all reports alleging criminal conduct by employees. These investigations are overseen by an Internal Investigations Steering Committee, chaired by a Deputy Secretary.

A total of 162 allegations relating to the conduct of departmental staff were received during 2002-03 (compared to 187 in 2001-02). One hundred and four investigations were finalised, of which 81 per cent were unfounded. Two matters were found to involve a serious possibility of criminal behaviour and were

referred to the Director of Public Prosecutions for criminal prosecution. In addition, two locally engaged employees in overseas posts had their employment terminated for serious misconduct and two resigned while under investigation.

In relation to allegations that were found to involve a breach of the Code of Conduct, four employees in Australia had their employment terminated, two employees were either demoted or transferred at level, and two employees were reprimanded. Two employees resigned during the investigation process.

Two former employees lodged appeals at the Australian Industrial Relations Commission against unfair dismissal. Both appeals were resolved at the conciliation stage to the satisfaction of the department.

There was one application for a review of actions in relation to a decision on a conduct matter. The decision involved a sanction of demotion.

Senior Executive Service Remuneration

Members of the Senior Executive Service in the department are remunerated through Australian Workplace Agreements (AWAs), which provide for a base salary, a limited range of fringe benefits and performance pay (see Appendix 2).

Fraud Measures

In October 2002, the department participated in the ANAO survey of fraud control arrangements within Australian Public Service (APS) agencies. The purpose of the survey was to assess key aspects of fraud control arrangements in place across the APS against the Commonwealth Fraud Control Guidelines (2002), in order to provide assurance to parliament on the preparedness of agencies to effectively prevent and deal with fraud.

The Commonwealth Fraud Control Guidelines require that from the 2002-03 reporting year, agency heads are to certify that they are

satisfied that:

- fraud risk assessments and fraud control plans have been prepared that comply with the Commonwealth Fraud Control Guidelines
- appropriate fraud prevention, detection, investigation and reporting procedures and processes are in place
- annual fraud data has been collected and reported that complies with the Commonwealth Fraud Control Guidelines.

The department has had a fraud risk assessment and control plan in place since 1999. In late 2002, the department commissioned the preparation of a new fraud risk assessment and fraud control plan. It is expected that the new plan will be in operation early in 2003-04.

The department has in place appropriate measures to prevent, detect, investigate and report on both internal and external fraud.

Annual fraud data that complies with the Commonwealth Fraud Control Guidelines has been collected and reported to the Attorney-General's Department.

EXTERNAL SCRUTINY

Judicial Decisions and Decisions of Administrative Tribunals

Decision-making under the *Migration Act 1958* is subject to a high level of external scrutiny, by Tribunals (the Refugee Review Tribunal, the Migration Review Tribunal, and the Administrative Appeals Tribunal) and by the courts. The number of challenges to departmental and tribunal decisions in the courts continued to grow during 2002-03. During 2002-03 there were 6,351 applications and appeals filed in the courts (this includes 2,114 cases remitted from the High Court to the Federal Court), up from 2,597 during 2001-02 and 1,646 during 2000-01. At year's end there were approximately 3,165 cases pending in the Federal Magistrates Court, Federal Court and High Court.

The most significant developments during 2002-03 involved litigation in the Federal Court and High Court challenging legislation which sought to limit judicial review to exceptional cases.

In September 2001 the parliament passed the *Migration Legislation Amendment (Judicial Review) Act 2001*, which inserted a 'privative clause' into the Migration Act (as Section 474). Historically, such clauses have been effective to limit judicial review. In accordance with the 1945 decision of the High Court in *R v Hickman; Ex parte Fox and Clinton*, it was assumed that a privative clause would protect decisions unless the decision-maker acted in bad faith or the decision did not relate to the subject matter of the legislation or the power given to the decision-maker.

The effect of the privative clause at Section 474 became a matter of dispute in the Federal Court. On 15 August 2002 a specially constituted bench of five judges of the Full Federal Court held, in *NAAV v MIMIA*, that the privative clause was effective to protect most decisions made under the Migration Act. The court also held that the privative clause was constitutionally valid. Simultaneous with these developments, two test cases were pending in the High Court. The decisions in those matters, *S157/2002 v the Commonwealth* and

Re MIMIA; Ex parte S134/2002, were published on 4 February 2003. The High Court held that the privative clause was constitutionally valid. However, it appears that this conclusion rested on the basis that the privative clause could be "read down". In effect, the High Court held that the privative clause only protects decisions which comply with all important substantive and procedural requirements in the Migration Act.

Another development of significance during 2002-03 involves the operation of the legislation (Section 196 of the Migration Act) requiring that unlawful non-citizens be detained until they are granted a visa or removed/deported from Australia. The mandatory detention policy came under challenge in the courts in relation to unauthorised arrivals who had failed in their applications for protection visas (refugee status) and who were awaiting removal from Australia. It was argued that removal was taking too long, particularly to destinations in the Middle East, and that the length of detention had exceeded implied limits in the Migration Act. The existence of implied limits on the detention power became a matter of dispute amongst single judges of the Federal Court. On 15 April 2003, the Full Federal Court held, in *Al Masri v MIMIA*, that detention only remains lawful if there is a real likelihood or prospect of removal in the reasonably foreseeable future. At the end of the financial year an appeal against this decision was pending in the High Court.

Reports by Auditor General

The ANAO completed the following performance audit in the department during 2002-03.

Audit Report No. 62: Management of Selected Aspects of the Family Migration Program

The report overall made positive findings on the effectiveness and efficiency of the decision-making processes and management systems for delivering the parent and partner aspects of the migration program. It acknowledged a number of initiatives that are new or in train that will further improve the delivery of the family program, including enhancements to IT systems to assist with case management, training enhancements, and new guidelines on interviewing procedures and delegation processes.

The audit team found there were a few matters of an administrative nature that should be addressed and made some suggestions for improvements which the department supports and has taken steps to achieve. Improvements include devising clearer guidelines and procedures for documenting the processing of a visa application, improving queue management mechanisms and formalising protocols with the Department of Health and Ageing and the Department of Family and Community Services.

Of the five recommendations made, DIMIA accepted four and partially agreed with one. Action is already in hand to implement these recommendations and in some cases is well advanced.

The ANAO has also commenced the following performance audits in the department during 2002-03.

Detection and Prevention of Unlawful Non-citizens (Overstayers and/or Illegal Workers)

The objective of the audit is to assess whether DIMIA has implemented appropriate onshore compliance strategies to prevent non-citizens

becoming unlawful and to detect them if they do. The audit commenced in May 2003 and the report is expected to be tabled in the Autumn 2004 Parliamentary Sitzings. Key areas of interest in the audit are compliance research, the administrative framework, client education, compliance enablers (such as ensuring DIMIA has a whole-of-government perspective) and compliance enforcement.

Management of the Processing of Asylum Seekers

The objective of the audit is to assess the extent to which PV applications in Australia are processed in accordance with relevant laws and policies, and whether DIMIA employs appropriate mechanisms to ensure compliance with those laws and policies. Key areas of interest in the audit include risk management in the decision-making process, the management of files and information transfer, and the effectiveness of arrangements to monitor and draw value from RRT decisions. The audit has commenced and the report is expected to be tabled in April 2004.

The ANAO also commenced in June 2003 preparatory work including identifying the scope and criteria for the following performance audit.

Management of the Detention Centre Contracts

The audit will assess the effectiveness of DIMIA's management of the detention centre contracts. The audit will include an examination of the procedures, guidelines and policies that govern the management of the Australasian Correctional Services detention centre contracts, of relevant documentation and information systems associated with the management of the centres and a compliance check of invoice payments checked against contract deliverables.

The audit will commence in July 2003.

Other ANAO Audit Activity

DIMIA was also involved in a number of ANAO

cross-agency audits and benchmarking studies during the year.

- Management of Risk and Insurance
- Agency Management of Parliamentary Workflow – Better Practice Guide Update
- Management of Learning and Development in the Australian Public Service
- Physical Security Arrangements in Commonwealth Agencies
- Annual Performance Reporting
- Compliance with Senate Order, Audit of the Senate Order of 20 June 2001 – Third Audit
- Survey of Fraud Control Arrangements in APS Agencies
- Performance Audit of Referrals, Assessments and approvals under the *Environment Protection and Biodiversity Conservation Act 1999*
- Acts of Grace and Defective Administration Payments.

Reports by Parliamentary Committees

Joint Committee of Public Accounts and Audit (JCPAA) Report 393 reports (inter-alia) on ANAO Audit Report No. 57, Management Framework for Preventing Unlawful Entry to Australian Territory derived from public hearings conducted on 23 August 2002.

The objective of the ANAO audit was to assess DIMIA's management of offshore measures to prevent and detect unlawful entry to Australia, and to identify opportunities for improvement. JCPAA Report 393 noted a number of issues regarding DIMIA's approaches to framework issues, including strategic and business planning, and risk management. DIMIA addressed these issues and completed an integrated strategic and business planning, and risk management framework through a developing and evolving process with provision for review. As a part of the development and expansion of DIMIA's intelligence capability, a strategic intelligence function was established within DIMIA. DIMIA also developed a framework for the information collection process, which will form a revised collection priorities plan.

The Select Committee on A Certain Maritime Incident report tabled in October 2002 contained three recommendations regarding

asylum seekers in the offshore protection arrangements. DIMIA is contributing to a whole-of-government response.

The Joint Standing Committee on Migration tabled a report in April 2003 reviewing Migration Regulation 4.31B which imposes a \$1,000 fee on those whose claim for refugee status has been refused on appeal to the RRT. The committee recommended that the regulation remain in operation for a further two years until 1 July 2005 and that its operation be reviewed by the committee in 2005. DIMIA is developing a response to the committee.

Human Rights and Equal Opportunity Commission (HREOC)

The HREOC tabled five reports in parliament:

- HREOC Report No. 21 – Report of an inquiry into a complaint by six asylum seekers concerning their transfer from immigration detention centres to state prisons and their detention in those prisons
- HREOC Report No. 22 – Report of an inquiry into a complaint by Mr XY concerning his continuing detention despite having completed his criminal sentence
- HREOC Report No. 23 – Report of an inquiry into a complaint by Mr Hassan Ghomwari concerning his immigration detention and the adequacy of the medical treatment he received while detained
- HREOC Report No. 24 - Report of an inquiry into a complaint by five asylum seekers concerning their detention in the separation and management block at the Port Hedland Immigration Reception and Processing Centre
- HREOC Report No. 25 - Report of an inquiry into a complaint by Mr Mohammed Badraie on behalf of his son Shayan regarding acts or practices of the Commonwealth of Australia.

The department addressed all matters raised.

HREOC-referred matters received for the year totalled 64 formal and 69 informal, with 59 formal and 65 informal matters finalised.

Commonwealth Ombudsman Reports

Ombudsman-referred matters for the year totalled 41 formal and 914 informal, with 36 formal and 873 informal matters finalised.

MANAGEMENT OF HUMAN RESOURCES

The department has 4,150 employees, 59 per cent of whom are women. Details of the department's staffing profile are at Appendixes 3 to 5.

During the year, consistent with the human resource management strategy *Investing in People*, the focus of the department's human resource activity was on:

- implementing systems changes as part of the Human Resource Improvement project
- developing a capabilities framework
- implementing the findings of the review of the PAL scheme, including systems enhancements.

The department committed to a Human Resource Improvement project in 2001. In 2002-03, a major element of this project came to fruition with the implementation of a new Human Resource Management Information System (HRMIS), the first phase of which went live in October 2002.

During the year, the department developed a set of Core Capabilities which define the skills the department requires of its staff in order to deliver its business. Consistent with workforce planning principles and the findings of the ANAO audit of workforce planning in DIMIA, the capabilities are a key building block for the Performance and Learning (PAL) scheme and for work that commenced during the year on prioritising the department's investment in learning and development.

The department conducted a review of its PAL scheme in 2002. The review was conducted by a consultant under the guidance of a working party composed of staff from the Human Resource Management Branch and staff representatives. The review drew on best practice performance management principles and surveyed staff and managers' views of the effectiveness of the scheme. The review found a high level of acceptance of the principles of effective performance management within the department.

The review identified and made recommendations for improvements to the existing PAL scheme in the following areas:

- the need for greater clarity around performance expectations, including the linkage between individual agreements and broader departmental business plans and objectives
- clearer linkages between the identification of individual training needs and the delivery of training to meet those needs
- the need for effective management of under-performance
- improved IT system functionality, including reporting.

In response to the review, the department developed capacity within the HRMIS to support its PAL scheme. This tool will enable line managers and staff to assess individual staff member's capabilities and identify learning needs against the Core Capabilities. The improved reporting functionality will provide the department with the capacity to report on capabilities, and related learning priorities, on a work unit and department-wide basis. It will also support early intervention in the management of under-performance and ensure that performance feedback is properly documented.

The department has a three year Certified Agreement that expires in March 2004. The 2001-04 Certified Agreement introduced significant change and has continued to serve the department well. The Certified Agreement contains a commitment that staff and the department will work together to deliver productivity improvements.

The department uses AWAs for the Senior Executive Service (SES) staff and in a targeted way for other staff to address identified business needs.

Forty-six SES staff and 147 non-SES staff are covered by AWAs. Non-salary benefits are provided to staff under AWAs who have particular managerial responsibilities. The benefits may include private plated

government vehicles (usually for senior staff in regional offices with significant representational responsibilities), mobile phones, access to a personal computer and assistance with accommodation (for staff who are relocating for work purposes).

Details of the salaries paid to staff by classification are in Appendix 6.

Responsibility for identifying and planning training and development relevant to departmental outputs rests with division heads in central office and state and territory directors. National training programs are run in a variety of output areas. An example of a national initiative is the training program developed for staff in the Compliance program which provides certificate level qualifications. It is administered by a registered training organisation and delivered in partnership with the department.

Corporate training priorities are addressed through nationally delivered training in decision-making in an administrative law context, conduct and ethics, resource management and information technology.

The department is currently classifying training initiatives nationally against the Core Capabilities and will be entering this data into the HRMIS. This will enable the department to identify training delivered against the Capabilities framework. Work has commenced on a National Learning Strategy with a view to further coordinating program and corporate training priorities.

PURCHASING

Assessment of Purchasing against Key Objectives

Significant departmental resources are committed to procurement activities, particularly to conducting Competitive Tendering and Contracting (CTC) processes.

The magnitude of resources involved and the issues associated with the management of third party service provision makes this a key source of risk to the department.

The department continues to manage and monitor procurement on a devolved basis. The function is supported by a central advisory unit which provides advice and assistance to staff on all tendering and contracting issues through a number of support services, including a help desk and guidance material posted to the department's intranet site. Standard tender and contract templates are accessible from the site, and are regularly reviewed and updated.

The unit also maintains a national tender and contracts database to enable the department to respond accurately to a range of accountability requirements. During 2002-03, enhancements were made to the database. This ensures greater efficiency in meeting increased reporting requirements occasioned by the Senate Order for twice yearly publication on the department's web site of lists of departmental and agency contracts.

The department has an ongoing commitment to continuous improvement in relation to tendering and contracting, with a view to ensuring the implementation of best practice and the maintenance of staff skills. Some of the specific activity in 2002-03 is described below.

- Contract management forums were held on a regular basis and were well attended by staff. Industry experts shared knowledge and experiences on a range of topical CTC issues. These forums have been specifically targeted to current needs.
- Material was made available on the DIMIA intranet site to assist staff, including guidelines on the department's contracting policy.
- The Chief Executive Instructions and related mandatory requirements on CTC were reviewed and updated in 2002-03.
- Processes were well advanced to establish three advisory panels that will provide assistance in relation to probity, costing and financial matters, and business aspects of the department's tendering and contracting activities.

- Tendering was commenced for the external provision of a training package to provide staff with an accredited Certificate IV in Tendering and Contracting.
- Guidance was provided to all delegates on their responsibilities in relation to tendering and contracting.

The devolved procurement framework places responsibility for procurement activity with the appropriate line manager. This includes ensuring that all procurement is consistent with the core policies and principles as set out in the *Commonwealth Procurement Guidelines* and the department's Chief Executive Instructions. While assessment of the outcome of tendering and contracting activity is conducted by line managers, the department has a range of procedures to ensure optimal performance against the core purchasing policies.

Value for Money

Value for money is recognised by the department as the core principle governing Commonwealth procurement. To ensure value for money is achieved, the department continues to encourage competition through open and select tender processes, depending on specific market maturity and the value of the procurement. Individual contract managers are responsible for assessing whether value for money has been achieved. Advice is provided as needed by the central advisory unit.

Efficiency and Effectiveness

The department recognises that the procurement function can contribute to agency efficiency and effectiveness and that procurement methods should not place unnecessary burdens on buyers and suppliers. Where appropriate, Common Use Arrangements, such as the Finance Endorsed Supplier Arrangement, are utilised.

Accountability and Transparency

The department has published guidance material on a range of topics to assist staff to meet accountability requirements. This

includes how to identify confidential information, changes to the Privacy Act and mandatory security requirements.

Tender and contract templates are routinely updated to ensure that they reflect current government policy. Guidance material has been provided to staff on public disclosure requirements for mandatory reporting purposes.

To ensure transparency, managers of procurement processes are required to maintain appropriate documentation about procurement methods and outcomes achieved from the process. A procurement plan template guides staff on the issues to be considered in developing a procurement strategy and provides a mechanism for formally recording procurement decisions agreed by the delegate. During 2002-03 special guidance was developed to assist delegates in the execution of their responsibilities in relation to tendering and contracting.

Ethics

It is a requirement that procurement is conducted ethically. Staff are encouraged to deal with suppliers even handedly, to consider probity issues and to seek probity advice where appropriate. An external Probity Panel will soon be established to ensure more efficient access by staff to appropriate and timely advice.

Industry Development

The department's standard tender templates include guidance to staff on using model industry development criteria where appropriate and to consider the Commonwealth's policy on Australian New Zealand/Small to Medium Enterprises providers in evaluating and selecting the preferred provider.

ASSET MANAGEMENT

Assessment of Effectiveness of Asset Management

DIMIA manages over 5,600 assets with a gross value of \$379 million. Major asset categories are infrastructure, plant and equipment, land and buildings and intangible assets (software). These assets are managed by line areas to meet their business needs. Under accrual budgeting and accounting requirements, capital purchases are made in line with departmental capital plans. All assets are subject to an annual stock take, which is used to update and verify the accuracy of asset records. Assets are depreciated at rates applicable for each asset class, as verified by the ANAO. An independent valuation of assets is conducted on a three year rolling basis, consistent with accounting standards.

Accrual-based monthly reports on progress of purchases against capital plans and depreciation against budget allow line managers to make informed asset replacement decisions and ensure ongoing capital budget management and accuracy of reporting.

Assets are maintained through specified maintenance programs, including contracted services

CONSULTANTS AND COMPETITIVE TENDERING AND CONTRACTING

Consultancy Contracts Let and Total Expenditure

During the 2002-03 financial year, DIMIA entered into 99 formal written contracts with individuals or companies for consultancy services. The total expenditure on all consultancies, irrespective of when the contract was let, was \$213.47 million.

More detailed information on consultancy services is available on request.

Amounts paid by category were:

Purpose	Consultancy Costs paid during the year (irrespective of when the contract was let)	Number of Consultants (contracts let during the year)
Investigate a defined issue or problem, carry out defined research, reviews or evaluations	\$4.53 million	23
Provide independent advice, specialised services, information or creative solutions to assist the agency in making decisions, or deliver outcomes.	\$179.12 million	48
Manage property, fitout, relocation, design, upgrades and facility related services	\$29.81 million	28
Total	\$213.47 million	99

Contracts Let and Outcomes

The department continued to seek performance improvement through market testing with a number of activities being completed during 2002-03 (all values reported are GST inclusive).

A Request for Tender (RFT) for translation services for newly arrived migrants and refugees was released in March 2002. The contract commenced on 7 August 2002 and has a value estimated at \$835,000 per annum over a period of three years.

A RFT for the provision of DIMIA's onshore property services closed on 31 May 2002. The tender evaluation process was completed and resulted in a decision on 27 August 2002 not to outsource further DIMIA's onshore property based on value for money considerations.

Following a thorough review and evaluation process, a Deed of Extension and Amendment to the Cluster 3 IT infrastructure outsourcing contract was signed on 20 August 2002 (DIMIA is the largest agency in the cluster). The Deed of Extension is for an additional four years to commence on 1 July 2003. The contract value to DIMIA is expected to be \$173.6 million over four years.

A select tender process was undertaken on 9 July 2002 for the provision of records storage. A contract with Recall Total Information commenced on 3 February 2003. The value to DIMIA is expected to be \$6.6 million over three years.

A select tender process was undertaken on 27 November 2002 for the provision of stationery and office requisites to the department. A contract with Corporate Express Australia Limited will commence on 1 July 2003. The value to DIMIA is expected to be \$3.3 million over three years.

Through an open tender process, DIMIA appointed International Social Services (ISS) in November 2002 as the administrator of the Former Child Migrants Travel Fund. In accordance with the recommendations from the Senate Community Affairs References Committee Report on Child Migration, the fund was established to provide financial assistance to Former Child Migrants wishing to undertake reunion visits with family in Britain or Malta. ISS liaises with former child migrants to assess their eligibility to access the fund, makes all travel arrangements, and provides counselling services if required.

Further activities commenced in 2002-03 and are yet to be completed.

A RFT for transactional banking closed on 22 July 2002. Negotiations are underway with the preferred tenderer.

A RFT for the provision of detention services at immigration detention facilities across Australia closed in August 2002. On 22 December 2002, Group 4 Falck Global Solutions was announced as the preferred tenderer. Contract negotiations between Group 4 and DIMIA commenced in January 2003 and proceeded over the second half of the financial year.

Contract negotiations for the provision of the Adult Migration English Program (AMEP) and related services for the next five years were completed and service delivery will commence on 1 July 2003 in all regions. The AMEP will

be delivered through 18 tuition contracts. The total value of all contracts is \$500 million over five years.

A tender was issued for the provision of accommodation for refugee entrants in Brisbane. This was the last component of the Integrated Humanitarian Settlement Strategy (IHSS) to be implemented. The contract was signed in March 2003. The next tender round for the provision of IHSS services will be in 2004.

The contract for the provision of travel services with Carlson Wagonlit Travel will expire on 31 December 2003. A review of the current arrangements commenced in June 2003. This will include assessment of the current arrangements, consideration of new developments in the travel industry and identification of potential advantages from market testing.

Work has commenced on a RFT to consolidate and renew the current panel of solicitors providing litigation and legal services to the department. The RFT will be released in the first half of 2003-04 with a new legal panel expected to be in place by the end of 2003-04.

Specifications have been documented to allow the department to approach the market for the provision of travel services for refugees. Medical screening services and the distribution of pre-embarkation information may also be included in the process. The release date has not yet been determined, but is expected to be during the first half of 2003-04.

A RFT closed in May 2003 for an educational assessment service to persons with generalist occupations who hold Australian and/or overseas qualifications. The service will cover persons intending to apply to enter Australia under the General Skilled Migration program. The preferred tenderer will be announced in early 2003-04. People applying for a qualification assessment pay a fee for this service directly to the service provider. There is no payment to or by DIMIA.

Contracts Let in Excess of \$100,000 that Do Not Provide the Auditor General with Access to Contractor's Premises

The department's standard contract templates include an ANAO access clause. In the cases shown in the table below, non-departmental standard contracts were used. These contracts are based on industry and supplier adapted contracts that do not include specific ANAO access clauses. This practice is under review.

Name of Contractor	Purpose of Contract	Value of Contract (\$)
O'Donnell Griffen	Perimeter Lighting and Minor Works	\$290,000
Kalymnian Building Groups	Building/Civil Works Package	\$227,000
International Organization for Migration	Assist in the voluntary return of Afghan Temporary Protection Visa holders	\$1,680,000
P&O Berkeley Challenge Pty Ltd	General Cleaning Services	\$426,361
Dell Financial Services	Leasing of Dell Flat Screen monitors	\$133,269
Interiors Australia	Fit-out	\$410,600

Contracts in Excess of \$2,000 Exempt from being published in the Purchasing and Disposal Gazette

No contract in excess of \$2,000 (inclusive of GST) or a standing offer has been exempted by the Chief Executive from being published in the Purchasing and Disposal Gazette on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

COMMONWEALTH DISABILITY STRATEGY

Assessment of Performance in Implementing the Commonwealth Disability Strategy

In the context of the reporting framework for the Commonwealth Disability Strategy, the department undertakes the roles of policy adviser, purchaser, provider and employer. Those of policy adviser, provider and employer have been examined for the purposes of this report.

Policy Adviser Role

The department has commenced work on developing a Disability Action Plan as provided for in the Commonwealth Disability Strategy.

The Living in Harmony initiative encourages all Australians to celebrate diversity and promotes respect for our individual differences. One project, funded in the 2002 Living in Harmony grants round, is to develop an anti-racism training and awareness package which aims to address the vulnerability of people with cognitive disabilities to simplistic and stereotypical messages about race and ethnicity. The package will be made available to community groups and disability service providers nationwide.

Provider Role

The department's Client Service Charter addresses the broad principles of the revised Commonwealth Disability Strategy by informing clients that we will take into account any special needs they identify.

Following on from the general 'Contact Us Here First' card, the department, in consultation with the Royal Blind Society (RBS), developed a second contact card to assist clients who are visually impaired. The card is printed mainly in black and white using larger font sizes, and is overlaid with braille type. In addition to distribution to offices around Australia, the visually impaired contact card has been distributed by the RBS to Migrant Resource Centres (MRC), RBS branches, blindness organisations and libraries Australia-wide.

Immigration detention facilities provide special care and assistance to detainees with disabilities. Individual case management plans are developed as required.

Services in detention facilities are tailored to suit the individual's health, educational and recreational needs. Detainees with a disability are provided with accommodation to suit their needs. The development plans for new detention centres and upgrading work in existing centres incorporate these considerations.

The recently constructed Baxter Immigration Detention Centre (IDC) meets the community standards for access, accommodation and facilities for people with physical disabilities. The redevelopment of Villawood IDC Stage 1, and the proposed new Christmas Island Immigration Reception and Processing Centre and South East Queensland IDC, will also meet community standards. The facilities will incorporate wheelchair access to appropriate areas, some proportionally larger accommodation rooms, and appropriate ablutions in compliance with the Building Code of Australia.

One formal complaint was lodged with HREOC against the department in relation to an allegation of discrimination on the basis of disability. After considering the department's response, HREOC did not investigate the matter further.

Employer Role

No requests have been made for a review of action this year in matters linked to disability.

Only one complaint received by departmental Harassment Contact Officers related to disability. This complaint was resolved after being referred to senior management.

DIMIA entered into a 15 year lease in Belconnen to accommodate its central office functions. In signing the lease, DIMIA required that the building meet maximum standards under the Building Code of Australia and relevant legislation relating to disabled services. This included exceeding code requirements for carparking, showers and toilets and certification for ramps, gradients, tea room facilities, passageways and doors. Sight and hearing impaired features are

provided in elevators and signage and hearing loops have been included in conference facilities. All provisions have passed independent evaluation and certification.