

Part 3 | Management and Accountability

CORPORATE GOVERNANCE

SENIOR MANAGEMENT COMMITTEES AND THEIR ROLES

The senior management responsibilities of the department are shown in the corporate structure chart on page 14.

The department’s executive arrangements include a Management Board, Finance Committee, People Management Committee, IT Governance Committee and Departmental Audit and Evaluation 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 committee oversees and monitors budget, performance improvement and corporate governance processes, ensuring consistency with government objectives and the department’s business directions.

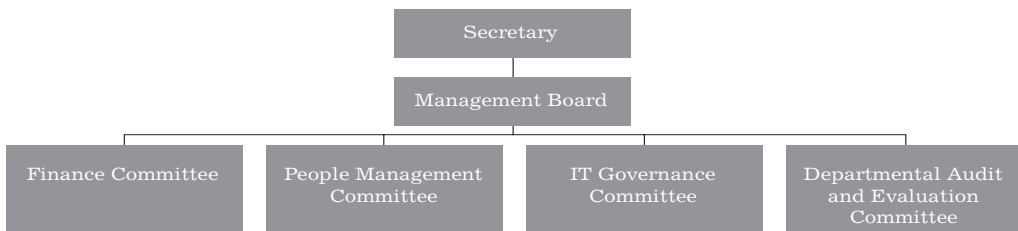
The People Management Committee was established to strengthen the department’s focus on strategic human resource management with a view to achieving high performance outcomes and becoming an employer of choice. The committee provides guidance to the Management Board on a wide range of people management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

The Management Board established the Information Technology Governance Committee in 2003. The role of this committee is to advise on the carriage of major technological matters and make recommendations on strategic directions for technology.

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

FIGURE 16

SENIOR MANAGEMENT COMMITTEES



In addition to the executive committees listed above, the department has established the following steering committees to assist with the management of particular issues:

- The Departmental Security Steering Committee provides the Management Board with advice on security within the department. This encompasses the security of people (staff and clients), information and assets
- The Client Access Steering Committee advises the Management Board on matters relating to client access and client service, and ensures that these are consistent with overall business directions
- The Identity Fraud Management Committee oversees and coordinates activities across DIMIA related to identity fraud and proof of identity
- The Biometrics Steering Committee oversees work within the department on biometrics to ensure that it meets DIMIA's corporate needs
- The MAL Review Steering Committee oversees the review of the Movement Alert List (MAL).

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 and the implications of organisational and other changes.

CORPORATE AND OPERATIONAL PLANNING AND PERFORMANCE REPORTING AND REVIEW

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.

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

The second companion document to the department's strategic plan, Investing in People, focuses on the objective to be an employer of choice and 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.

Planning commenced in late 2003-04 to develop a replacement strategic plan for the period 2005-08. As well as documenting major changes in the department's business directions, key objectives will be to identify future information needs, to integrate key business risks and to ensure alignment between all levels of DIMIA business planning and reporting.

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. The department's Business Planning Principles and planning framework are available on the Intranet to assist in planning processes.

During 2003-04 the links between the Business Directions 2002-2005, the PBS and the Annual Report were more clearly articulated as part of a strategy to more closely align planning and performance monitoring with internal and external reporting. To further tighten the link back to individual performance, the department improved its Performance and Learning (PAL) Scheme. The improved PAL Scheme provides greater clarity on performance expectations and ensures correlation between individual agreements and broader departmental business plans and objectives.

The department continued to improve its performance reporting framework and processes during 2003-04. Work continued on the identification and treatment of high level risks and on ensuring that the ongoing review of business operations is linked to risk at both the operational and strategic level. Projects also completed during the year included the development of DIMIA Reporting Principles (to provide policy guidance to staff who develop and use reports); a Chief Executive Instruction (CEI) on Reporting and Data that formalises these principles; and review of the performance indicators in the PBS.

The focus of the review of the PBS performance indicators was to ensure that DIMIA's performance measures enable well articulated reporting on outputs and outcomes and that they reflect changing

business needs. The review concluded that overall DIMIA has a sound performance indicator framework and system in place. It identified areas where improvements could be achieved, and a number of changes subsequently were made to the indicators in the 2004-05 PBS.

A Monthly Performance Report to the Management Board, introduced in 2002-03, is now firmly established. It provides timely reporting on key, emerging issues and trends across the agency and highlights significant exceptions to output targets. It is proving to be an effective vehicle for monitoring business performance and identifying emerging performance issues.

The Finance Committee, People Management Committee, IT Governance Committee and DAEC meet regularly and 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, executive management at division, branch and state/territory level meet regularly to monitor and review performance. Each division and state/territory office reports to the Management Board biannually.

In order to further improve reporting and analysis capacity, an enterprise data warehouse is being planned. The department currently works from two data warehouses which cover financial data, human resource information and a wide range of program activity both onshore and offshore. A reporting strategy unit within the Corporate Governance Division oversees the prioritisation of reporting and analysis requirements sourced from the warehouse.

This ensures that reporting and analysis activity is closely aligned to current and future business priorities.

A wide range of statistical reports is currently available to line managers to enable continuous monitoring of operational performance. These reports enable monitoring at the line level in the context of overall agency performance. Reports are provided variously on-line and in hard copy at appropriate frequencies, including daily where required. The reporting framework is designed to support effective planning at both the operational and strategic level.

A continuing focus of reporting improvement initiatives in 2003-04 was to improve external reporting and to ensure a stronger alignment between internal and external performance reporting. DIMIA was one of five participating agencies in the Australian National Audit Office (ANAO) Audit Report No. 11 2003-04 on Annual Performance Reporting. The audit provided useful agency-specific comment, and the Report and the related better practice guide are being used to strengthen the Annual Report as an accountability document.

Future information needs and related reporting requirements and tools will be identified in the first half of 2004-05 in conjunction with the review of Business Directions.

In the 2003-04 Budget process, the Expenditure Review Committee (ERC) requested that a joint review of DIMIA's business processes and costs be undertaken by the Department of Finance and Administration and DIMIA, assisted by an independent efficiency expert.

This review, overseen by a steering committee comprising representatives from the Department of the Prime Minister and Cabinet; Treasury; Department of Finance and Administration; and DIMIA, was undertaken during 2003-04 and the outcomes taken back to the ERC in the 2004-05 Budget process for consideration. The review found that DIMIA is a highly efficient organisation, which continues to strive for process improvements in order to reduce costs and better place the organisation to deliver quality outcomes for government. As a result of the review, funds which had been held in the Contingency Reserve were released to DIMIA in recognition of the appropriateness of the proposed funding base for the organisation.

Some changes were recommended to streamline some corporate service functions and remove duplication. The savings from these were factored in to the agreed funding levels. A revised funding model was also adopted to replace the Purchasing Agreement approach which was used in the past. This funding model recognises that large areas of DIMIA's business are strongly influenced by factors beyond the agency's control (such as litigation) and funds for items such as these are therefore quarantined.

RISK MANAGEMENT AND INTERNAL AUDIT ARRANGEMENTS

Risk Management

DIMIA's risk management framework aims to provide a systematic way to make informed decisions and a visible assurance that risks have been recognised and managed. During 2003-04, effort was directed to improving the current risk management framework with a view to further integrating risk management into a

range of governance activities including resource planning, business planning, contract management, insurance, audit and assurance activities. The enhancements to the current framework build on risk management activities implemented over recent years and recognise the iterative nature of continuous improvement in this area. In addition to the moves to further integrate risk activity, the department will continue to seek to improve risk awareness amongst its staff.

The Internal Audit Program and other control self-assessment tools are important elements of the department's risk management strategy.

Audit Committee

The Departmental Audit and Evaluation Committee (DAEC) is a key element of the department's corporate governance and assurance arrangements. It provides regular ongoing assurance to the Secretary and the Management Board on the efficiency, effectiveness and probity of the department's operations, management, financial systems and internal controls. The DAEC also has responsibility for the development of risk management and fraud control processes and structures, and promoting a risk management and fraud awareness culture within the department. A particular focus during 2003-04 has been the development of a risk-based internal audit program.

Internal Audit

The internal audit function aims to provide the Secretary and the Management Board with independent assurance that departmental outputs and activities are operating effectively, efficiently and lawfully. The Internal Audit Section, operating under the authority of the Internal Audit Charter, is directly accountable to the DAEC.

Ernst & Young has delivered internal audit and related services on behalf of the department for the past six years. In accordance with Commonwealth procurement guidelines and better practice, DIMIA is in the process of retendering for these services, with a decision on the preferred service provider expected to be made in early 2004-05.

DIMIA cooperates with the Australian National Audit Office (ANAO) to coordinate overall audit activity within the department. The ANAO is invited to DAEC meetings and attends the Financial Statements Sub-Committee of DAEC.

The Annual Audit Program (AAP) has been developed following consultation with senior executives and managers. In 2003-04, consultation focussed on identification of the major risks facing the department. The identified risks were assessed as to the extent to which audit activity can contribute value in the management of the risk, and then compared with recent internal audit and ANAO review activity. The residual risks were prioritised and possible audit scopes developed. The resulting DAEC audit program consists of a mix of high priority cross-agency and specific area audits.

Thirteen audits were completed in 2003-04, nine of which were part of the 2002-03 AAP. Six audits from the 2003-04 AAP are almost complete and will be issued early in 2004-05. A further eight audits commenced in the last quarter of 2003-04 are expected to be completed during the first quarter of 2004-05. Audit report recommendations flowing from the AAP are monitored until they have been implemented.

Other Risk Mitigation Strategies

Control self-assessment tools allow active

monitoring of performance and compliance across a range of DIMIA's financial, administrative and decision-making activities, with managers making critical, objective assessments of their processes and controls using externally developed checklists. Reports are provided periodically to the DAEC on the level of conformance, quality of the relevant processes, status of controls and any remedial action undertaken or proposed. Such tools continue to be a feature of DIMIA's quality control and risk management regime.

The financially based Financial Accountability and Control Tools (FACTs) are applied in Central and State/Territory Offices. Quality Control Codes (QCCs) are self-assessment tools which DIMIA employs to review decision-making and decision-making processes. Both FACTs and QCCs are onshore tools aimed at assuring compliance with procedures and the effectiveness of built-in controls. The Overseas Audit and Security Checklist combines elements of FACTs and QCCs, as well as other administrative controls, and serves a similar purpose offshore. The DAEC receives regular reports on all the above quality assurance activities.

FRAUD MEASURES

The department has had a fraud risk assessment and control plan in place since 1999. The department continued to refine its fraud control plan throughout 2003-04 and a new plan will be adopted early in 2004-05.

The department has in place measures to prevent, detect, investigate and report fraud, including internal fraud. In accordance with the Commonwealth Fraud Control Guidelines, DIMIA reports annually on these fraud measures.

ESTABLISHMENT AND MAINTENANCE OF ETHICAL STANDARDS

Revised departmental guidelines on the Australian Public Service (APS) Values and Code of Conduct are in the final stage of consultation and will be formalised in early 2004-05.

In 2003-04 the department comprehensively revised its training in this area. Approximately 1,006 employees received training on the APS Values and Code of Conduct and its application to the work of the department. Additional material relating to values and conduct is now available to employees via the Intranet.

The department also revised its strategy for providing experienced staff with refresher training on the APS Values and Code of Conduct. This strategy will be implemented in 2004-05 through new training arrangements to ensure that staff maintain their awareness of the APS Values and Code of Conduct.

A network of some 84 Harassment Contact Officers was maintained and supported to provide advice and assistance to staff across the department.

The department investigates all reports alleging criminal conduct by employees and continues to operate an Internal Investigations Steering Committee, chaired by a Deputy Secretary, to oversee investigations.

The department received 193 allegations relating to the conduct of staff during 2003-04 (compared to 162 in 2002-03). One hundred and twenty six investigations were finalised, of which 86 per cent were unfounded. Three matters involved a serious

possibility of criminal behaviour and were referred to the Director of Public Prosecutions. In addition, two locally engaged employees in overseas posts had their employment terminated for serious misconduct.

In matters where a breach of the APS Code of Conduct was found, one employee in Australia had their employment terminated, two employees were demoted or transferred at level, and 20 employees were reprimanded. Eight employees resigned during investigations.

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).

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 at a high level during 2003-04. During 2003-04 there were 4,991 applications and appeals filed in the courts, compared to 6,351 during 2002-03 and 2,597 during 2001-02.

The most common type of application filed in the courts, by a significant margin, is a challenge to a decision of the Refugee Review Tribunal affirming the refusal of an application for a protection visa. Many of these applications are filed by self-represented applicants who have little understanding of the legal issues. Many of the applications have no merit. In some cases, applications appear to have been lodged for the purpose of delaying the time at which the non-citizen is required to leave Australia. In recognition of these factors, there was a strong trend, during 2003-04, towards having these applications dealt with by the Federal Magistrates Court, in preference to the Federal Court. The Federal Court can transfer matters to the Federal Magistrates Court and, increasingly, applicants are choosing to lodge applications in the Federal Magistrates Court. This has raised workload issues for the Federal Magistrates Court, which have been addressed by the government's announcement in June 2004 of the appointment of eight additional Federal Magistrates.

The High Court made it plain, in 'Plaintiff S157/2002 v the Commonwealth' (4.02.03), that there is limited scope for direct legislative restriction of judicial review. Following that decision, it has been accepted that a decision made under the *Migration Act 1958* can be set aside by the Courts if there is 'jurisdictional error' by the decision-maker. Jurisdictional error occurs where, among other things, the decision-making process does not comply with the requirements of the legislation (including the implied requirement for procedural fairness). There was extensive judicial discussion of these issues during 2003-04, and a number of cases were appealed to the High Court.

As in 2002-03, challenges to mandatory immigration detention were prominent during 2003-04. The High Court handed down an important decision ('MIMIA v B' (29.04.04)) which held that the Family Court does not have jurisdiction in relation to children in immigration detention. As at 30 June 2004, the High Court had not delivered judgment in three other immigration detention test cases. Those decisions will address the length of detention permitted under the *Migration Act 1958* and the constitutional validity of the relevant provisions of the Act.

The powers in the *Migration Act 1958*, which apply to non-citizens, derive primarily from the 'aliens and naturalisation' power in placitum 51(xix) of the Constitution. An important High Court decision during 2003-04 resolved doubts about whether former British subjects living in Australia were to be regarded as aliens. On 9 December 2003 the High Court delivered

judgment in *Shaw v MIMA*. That case determined that the ‘aliens’ power has reached all those persons who (a) entered Australia after the commencement of the Australian Citizenship Act on 26 January 1949 and (b) who were born out of Australia of parents who were not Australian citizens and (c) who had not been naturalised. In practical terms, this decision means that anyone who is not an Australian citizen is an ‘alien’ and is liable to the visa cancellation powers in the *Migration Act 1958*.

REPORTS BY AUDITOR-GENERAL

The Australian National Audit Office (ANAO) completed the following performance audits in the department during 2003-04.

Audit Report No 54: Management of the Detention Centre Contracts – Part A

The objective of the audit was to assess the effectiveness of DIMIA’s management of its detention agreements with the previous detention services provider, Australasian Correctional Management Pty Ltd (ACM). The audit report focussed on DIMIA’s definition of services to be delivered, the systems in place to monitor and report against contract performance, the effectiveness of controls over contract payment arrangements and DIMIA’s management of infrastructure through the detention agreements.

The ANAO chose to split the audit into two stages, separately auditing the previous and current detention services contract arrangements. As a result, this audit report did not analyse the extent to which recommendations and improvements have been built into the current arrangements. The audit report acknowledged that the

contract with ACM was developed at a time when there was limited experience in large scale contracting and that, over the course of the contract, significant pressures on the delivery of detention services occurred with unprecedented numbers of unauthorised arrivals in 1999-2001.

The audit report found that the contract with ACM did not sufficiently identify requirements and that DIMIA’s ability to assess service delivery was affected. Concerns regarding documented risk management strategies and detention infrastructure were also identified. The report commented that DIMIA did not vary or amend the contract, but DIMIA noted that it chose to drive changes into the new contract.

DIMIA accepted in full the six recommendations made in the areas of risk management, planning, research, financial controls, asset management and detention infrastructure standards. DIMIA noted that, in many of these areas, action had already been identified and work progressed. The second audit, focussed on the tender process and the current detention services contract, commenced in late June 2004.

Audit Report No. 56: Management of the Processing of Asylum Seekers

Overall the report found that processing of asylum seekers in Australia is managed well and uses experienced officers supported by appropriate training and guidelines.

The report identified two areas where it was considered that opportunities existed for DIMIA to refine existing management activity:

- expanding the quality indicators for DIMIA’s work to include a measure that assesses the key indicators of a

quality decision against the results of its quality assurance program

- enhancing DIMIA's current monitoring of that part of the caseload where processing times are affected by factors beyond its control, with a view to identifying any common causes and any actions which could be taken.

DIMIA accepted these ANAO recommendations. Some other issues of an administrative nature were commented on in the body of the report, and will be addressed as appropriate.

The ANAO substantially completed the following performance audit in the department during 2003-04.

Onshore Compliance – Visa Overstayers and Non-Citizens Working Illegally

The objective of this performance audit was to assess whether DIMIA has implemented appropriate onshore compliance strategies in regard to people who enter Australia lawfully but whose presence becomes unlawful. This can happen through expiry of the non-citizen's visa or a breach of visa conditions and cancellation of their visa.

Key areas of interest for the audit are reporting on onshore compliance, compliance risk assessment, education, inter-agency arrangements and compliance operations. The audit commenced in May 2003 and a draft report was provided to the department in early May 2004. The final report is expected to be tabled during July 2004. Late in 2003-04, the ANAO also commenced preparatory work, including developing the scope and work program for the following performance audits.

Promotion and Management of Australian Citizenship

The objective of the audit is to examine DIMIA's management and promotion of Australian Citizenship and determine the extent to which applications are processed in accordance with relevant laws and policies. The issues to be examined include whether:

- citizenship services are delivered in a timely and cost effective manner and are supported by sound management systems
- decisions to grant or revoke citizenship are accurate, consistent and in line with relevant laws and policies
- promotion strategies are effective and have been evaluated appropriately
- identified fraud is controlled through the work of the Citizenship Quality Assurance and Integrity Unit.

Advance Passenger Processing

The audit will assess the effectiveness of Advance Passenger Processing operations, which are designed to provide an appropriate level of security while facilitating efficient clearance at the border.

Other ANAO Audit Activity

DIMIA was also involved in a number of ANAO cross-agency audits and benchmarking studies during the year. Those marked '*' were reported in the 2002-03 Annual Report, however, work continued into 2003-04.

- Acts of Grace and Defective Administration Payments*
- Annual Performance Reporting*
- Survey of Fraud Control Arrangements in APS Agencies*
- Compliance with Senate Order, Audit of the Senate Order of 20 June 2001 –

Number 5 (Business Support Process Audit)

- Compliance with Senate Order, Audit of the Senate Order of 20 June 2001 – Number 6 (Business Support Process Audit)
- Performance Management in the APS
- Management of Intellectual Property in Commonwealth Agencies
- Superannuation Guarantee Payments for Contractors.

REPORTS BY PARLIAMENTARY COMMITTEES

On 19 June 2003 the Senate agreed to establish a Select Committee to inquire into Ministerial discretion in migration matters. The department provided a comprehensive submission to the committee and departmental officers gave evidence at the committee's hearings. On 31 March 2004 the committee tabled its report which contained 21 recommendations. The government is currently considering the report.

On 25 June 2003, the Senate referred the Migration Legislation Amendment (Sponsorship Measures) Bill to the Senate Legal and Constitutional Legislation Committee for inquiry and report by 12 August 2003. The department made a submission to the committee outlining the purpose and context of the Bill. Four witnesses also appeared before the committee on behalf of the department on Wednesday 23 July 2003. In its report tabled on 12 August 2003, the committee made two recommendations in relation to the regulatory framework that would be established by the Bill. Subject to these recommendations, the committee recommended that the Bill proceed. The government amended the Bill to address the committee's concerns that the Bill might

result in sponsors becoming liable to pay location and detention costs.

The Senate Legal and Constitutional References Committee Report on Progress with National Reconciliation, tabled on 9 October 2003, contained 20 recommendations regarding the process of achieving reconciliation between Indigenous and non-Indigenous Australians. DIMIA is coordinating the preparation of a whole-of-government response.

The Review of Skilled Migration was tabled on 29 March 2004. The report endorses Australia's permanent and temporary skilled migration policy settings. The report makes a range of recommendations to enhance these policy settings. The recommendations are being reviewed.

The Department of Finance and Administration lodged a submission on the proposed respecified Christmas Island Immigration Reception and Processing Centre (IRPC) with the Public Works Committee (PWC) and DIMIA appeared before the committee on 31 October 2003. The PWC Report was tabled on 2 December 2003 and recommended that the proposed respecified Christmas Island IRPC proceed, at an estimated cost of \$197.7 million.

The Senate Legal and Constitutional Legislation Committee tabled a report in September 2003 on the provisions of the Migration Legislation Amendment (Identification and Authentication) Bill 2003. The report recommended that the Bill be agreed subject to six recommendations. The matters raised in the report were addressed and the government introduced amendments to the Bill in the Senate. The Bill was assented to on 27 February 2004.

The Legal and Constitutional Legislation Committee's Report on the Migration Legislation Amendment (Migration Agents Integrity Measures) Bill 2003 and Migration Agents Registration Application Charge Amendment Bill 2003 was handed down on 25 November 2003. The Bills had been referred to the committee on 8 October 2003. The committee received 31 submissions and held a hearing on 27 October 2003. The committee made four recommendations in relation to the Integrity Measures Bill and agreed to the Charge Bill.

The government responded on the floor of the House to the committee's report by sponsoring a number of amendments to the Integrity Measures Bill. The amendments included introducing professional indemnity insurance, improving the vexatious activity sanctions scheme and strengthening the Code of Conduct, as recommended by the committee. The amended Integrity Measures Bill was subsequently passed on 24 March 2004. These two Bills, and related supporting regulations, commenced on 1 July 2004.

In November 2003, the government provided its response to the Senate Standing Committee for the Scrutiny of Bills, Fourth Report of 2000, Entry and Search Provisions in Commonwealth Legislation. In March 2004 the Senate referred a further inquiry to the Senate Standing Committee asking it to report by the first day of March 2005. The department provided comment in June on the terms of reference of the new inquiry which include:

- the government's response to the Fourth Report of 2000 and the impact on the practices and drafting of entry and search provisions
- a review of the fairness, purpose, effectiveness and consistency of entry

and search provisions in Commonwealth legislation made since the committee tabled the Fourth Report of 2000

- a review of the provisions in Commonwealth legislation that authorise the seizure of material.

MANAGEMENT OF HUMAN RESOURCES

The department has 4,718 employees, 60 per cent of whom are women (this does not include locally engaged staff overseas administered by DFAT on behalf of DIMIA). Details of the department's staffing profile are at Appendices 3 to 5.

In 2003-04, the key factor influencing the department's workforce was the department's key business delivery strategy, Global Working. The number of staff in the department working in Australia grew in response to a growing workload resulting from both the repatriation of work from overseas posts and a growth in demand for departmental visa and citizenship services, including online services.

The department managed this growth through a deliberate increase in both ongoing and non-ongoing recruitment. Given the trial nature of global processing initiatives in some offices and the need to quickly increase the number of staff, the level of non-ongoing staff increased. Many non-ongoing staff have subsequently competed successfully for ongoing entry level vacancies.

The increased recruitment activity has been supported by the development of an Internet-based recruitment system with on-line processing and assessment of applicants. This has reduced the resources required to support the routine components of the recruitment process.

The growth in staffing in some regional offices has substantially changed the structure and nature of work in those offices. Regional offices are examining work processes, with a view to combining job

elements to achieve a more varied workload and to facilitate career progression. These changes are being supported in some offices by the development of entry level training and development programs.

These developments are occurring in the context of a National Training Framework that was finalised in March 2004. The National Training Framework establishes a set of national principles to guide training activity in the department and an annual planning cycle to identify national training priorities. Its focus is to ensure that the department's investment in training aligns with its business priorities. An evaluation strategy has been developed under the auspices of the National Training Framework which focuses on the transfer of learning on the job and the links between training investment and business outcomes. This work is being managed by the department's People Management Committee.

The national training priorities for the department in 2003-04 are:

- Induction
- Client Contact
- Quality Decision-Making
- Contract Management
- Supervision and Management.

The department commenced work on systems support for the management of training with a focus on improving capacity to report on the investment in training and to support the evaluation of its effectiveness. The system is structured to report on training investment against the department's human resource capability framework. The department's new Certified Agreement supports the department's business agenda

by including a provision to recruit small numbers of staff to work patterns of hours that vary from the department's standard hours. This will support changes to the delivery of the department's business linked to the global working strategy, in particular in the telephone contact centres and e-visa processing units. The agreement also includes pay rises at the Australian Public Service average and some enhancements to conditions that assist staff in balancing their work and personal lives.

The department uses Australian Workplace Agreements (AWAs) for the Senior Executive Service (SES) staff and in a targeted way for other staff to address identified business needs. AWAs are used to attract and retain employees especially those with specialist skills or those performing their duties in remote locations or with additional responsibilities.

Fifty-one SES staff and 208 non-SES staff are covered by AWAs (see Appendix 2).

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.

Productivity gains in the department are being driven by the department's program of business process improvement, in particular the global working strategy. Global working is now the core mechanism for delivering a

large percentage of the department's work and includes:

- the repatriation of visa processing work from departmental offices offshore to designated visa processing centres in Australia enabling more targeted use of the department's overseas resources, particularly for integrity checking
- the establishment of client contact centres in Sydney and Melbourne which centralise the handling of client inquiries
- electronic lodgement and automated checking/visa decision making where possible.

Global Working initiatives should allow the department to deliver a growing workload in both permanent and temporary entry without the same degree of growth in pressure on the Commonwealth Budget while maintaining or improving integrity and service level standards. Centralised processing has led to improved client service including greater consistency of decision-making and improved processing times. Processing applications in Australia has produced a number of benefits including better communication between the department and Australian sponsors and stakeholders.

The introduction of electronic lodgement of visas has enabled faster processing of applications and improvements in integrity, through the use of electronic checks to support the decision-making process.

The department has also achieved productivity gains as a result of a number of Human Resource (HR) initiatives, including the increased use of bulk recruitment rounds and the introduction of our online

recruitment system. The implementation of an integrated HR and Financial Management Information System has also allowed some savings in the area of financial management in recent years.

PURCHASING

Assessment of Purchasing Against Core Policies and Principles

Significant resources are engaged in procurement activities for the department, in particular those associated with Competitive Tendering and Contracting (CTC). DIMIA has a devolved procurement framework, which places responsibility for procurement activity with the appropriate line manager. The department recognises that provision of services by third parties presents a significant risk, given the resources involved and the issues associated with the management of contracts.

The department manages its exposure to the risk involved in procurement activity by ensuring that staff comply with the Commonwealth Procurement Guidelines and the department's Chief Executive Instructions. The department also supports those involved in procurement and CTC processes through tendering and contract advice provided by a Contract Management Advisory Unit (CMAU). The CMAU maintains a help desk and ensures that regularly updated guidance material and standard tender and contract templates are readily available through the department's Intranet.

There was a 15 per cent increase in oral advice and a 67 per cent increase in written advice provided to DIMIA staff by the CMAU from last financial year. This resulted in 1,695 pieces of advice being given to 456 clients during 2003-04. The increase in requests for advice reflected a heightened awareness of the availability and value of service provided by the CMAU.

The department is committed to continuous improvement with respect to procurement

activity. It has a number of measures in place that assist in achieving best practice through the development and improvement of staff skills. These include:

- contract management forums for staff which are held on a regular basis. The forums address a range of topical CTC issues with both public and private sector representatives sharing their knowledge, experience and expertise
- the DIMIA CTC Intranet site, which has been updated following a high level review
- the appointment of three panels of specialist external advisers to provide assistance on probity, financial and business aspects of the department's tendering and contracting activities
- the development of an accredited training package, Certificate IV in Government (Tendering and Contracting), to enhance the knowledge and skills of DIMIA staff involved in procurement activity. Two courses were conducted in 2003-04 and further courses are planned.

ASSETS MANAGEMENT

Assessment of effectiveness of assets management

DIMIA manages over 5,790 assets with a gross value of \$384 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 stocktake, 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 Australian National Audit Office (ANAO). An independent valuation of all assets, with the exception of software was conducted during the year, 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

Consultants, Contracts and Costs

During the 2003-04 financial year, DIMIA entered into 82 formal written contracts with individuals or companies for consultancy services.

The total expenditure on all consultancies, irrespective of when the contract was entered into, was \$48 million.

There has been a significant reduction in the number and value of consultancies identified in the 2003-04 financial year due to a change in the definition of consultancy as provided by the Department of the Prime Minister and Cabinet.

More detailed information on consultancy services is available on request.

The table below (Table 14) identifies the total costs of all consultancy services paid by the department during 2003-04 (including consultancy services that were engaged prior to 2003-04).

The following table (Table 15) identifies the number of new consultancy contracts entered into by the department during 2003-04.

TABLE 14

Purpose	Total Consultancy Costs paid during the 2003-04 financial year (irrespective of when the contract was let)
Involves specialist professional knowledge and/or expertise that may not be maintained in-house.	\$42.29 million
Involves development of an intellectual output – eg research, evaluation, advice and recommendations – to assist with agency decision-making.	\$2.67 million
Involves a one-off task, a set of tasks or irregular tasks (making employment of permanent staff impractical or undesirable).	\$2.97 million
Total	\$47.93 million

TABLE 15

Purpose	Number of Consultants
Involves specialist professional knowledge and/or expertise that may not be maintained in-house.	56
Involves development of an intellectual output – eg research, evaluation, advice and recommendations – to assist with agency decision-making.	25
Involves a one-off task, a set of tasks or irregular tasks (making employment of permanent staff impractical or undesirable).	1
Total	82

COMPETITIVE TENDERING AND CONTRACTING (CTC) OUTCOMES

DIMIA engaged in a number of Competitive Tendering exercises during 2003-04. Some of the more noteworthy are as follows:

- during May 2003, a tender process was conducted to select three panels to provide advice and guidance on financial, business and probity issues related to CTC processes. Contracts were signed with seven companies for these three panels in October 2003
- a contract was awarded to the Commonwealth Bank of Australia on 28 October 2003 for the provision of transactional banking services to the department
- in December 2003, Major Training Services was engaged by the department to conduct courses for DIMIA staff on procurement and contracting processes
- new contracts were signed for the delivery of the Adult Migrant English Program (AMEP) and related services in all regions. The contracts have a combined estimated value of \$514 million over five years
- a tender process was released in February 2004 for the provision of an Employee Assistance Program for DIMIA, with a contract being signed with the successful tenderer, Davidson Trahaire Corpsych Pty Ltd on 16 June 2004.

A number of activities were commenced in 2003-04 and are yet to be finalised:

- a tender evaluation team is currently evaluating four tenders received for the provision of DIMIA guarding and cash handling services
- a Request for Tender (RFT) for legal services closed in January 2004. An

evaluation process has been conducted and contract negotiations are nearing completion. It is expected that the legal services panel will commence service delivery under the new contractual arrangements in the 2004-05 financial year

- DIMIA extended the Carlson Wagonlit Travel contract through until the end of July 2004, enabling the department to undertake a tender process for travel management services. The RFT was released in April 2004 and a tender evaluation team is currently engaged in the process of evaluating the six tenders received.

Competitive Tendering and Contracting Outcomes

Following a rigorous evaluation process, the Cluster 3 Telecommunications contract with Optus has been extended for an additional two years to commence on 1 July 2005. The Cluster will achieve substantial reduction in pricing for this extension while maintaining existing quality of service. The total estimated value to DIMIA for the two year extension period, based on current usage, is \$25.3 million (inclusive of GST).

The Cluster 3 contract extension with Computer Science Corporation (CSC) Australia Pty Ltd for the provision and support of IT infrastructure commenced on 1 July 2003. The contract extension resulted in enhancements to, and standardisation of, DIMIA's IT infrastructure. This extension provides greater predictability, improved service reliability and flexibility in DIMIA's IT environment.

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 Australian National Audit Office (ANAO) access clause. There are, however, a limited number of circumstances where due to supplier insistence, specific industry based standard contracts have been used in preference to the department's standard contract template.

It remains the department's preference that contracts include the ANAO clause.

In the cases shown in the table below, departmental standard contracts were not used.

TABLE 16

Name of Contractor	Purpose of Contract	Value of Contract
Bellala Pty Ltd	Accommodation Lease	\$724,588
JLLS Perth	Lease of Office Space	\$221,490
Commonwealth Funds Management	Lease of Office Space	\$776,160
CPS Systems Pty Ltd	Disaster Recovery Site and Maintenance	\$410,960
Cromwell Planned Investment	Lease of Office Space	\$4,188,171
International Organization for Migration	Agreement concerning services provided by the International Organization for Migration for an assessment of the major elements of the migration management and control systems of the Government of Papua New Guinea	\$272,651

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 commenced work on developing a Disability Action Plan in 2003, covering the period 2004–2006, 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 as part of the Living in Harmony Community Grants, successfully developed an anti-racism training and awareness package which addresses the vulnerability of people with disabilities to simplistic and stereotypical messages about race and ethnicity. The package, launched in January 2004, has been made available to community groups and disability service providers nationwide and is available through the Multicultural Disability Awareness Association.

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.

The Client Service Charter is currently under review. In developing the revised charter, the review will consider access issues, including the best means for publishing the charter for clients with a visual impairment.

The department, in consultation with the Royal Blind Society (RBS), continues to distribute a 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.

Detention services contracts in operation during 2003–04 required the Detention Services Provider to ensure appropriately qualified personnel identify, respond to and address the special needs of detainees with a disability. Initial health screening facilitates early detection of detainees with a disability and appropriate support. All detainees with a disability have an individual detainee care plan and access to equipment and facilities which meet statutory requirements.

Detainees with a disability are provided with accommodation to suit their needs. The development plans for new detention centres, and upgrades and improvements to existing centres, incorporate these considerations.

Alternative detention arrangements are considered for detainees with a special need

on a case-by-case basis. Where the department receives professional advice that the detainee is unable to be adequately cared for within detention, the option of release from detention on a bridging visa is considered.

Employer Role

No requests have been made for a review of action this year in matters linked to disability. There have been no complaints received by departmental Harassment Contact Officers related to disability.

In 2001, the department entered into a 15-year lease in Belconnen to accommodate its central office functions. Building One was completed in 2003 and is now fully functional. Development of Building Two is nearing completion.

In signing the lease, the department required that the buildings meet maximum standards under the Building Code of Australia and relevant legislation relating to disabled services. This included exceeding code requirements for car parking, showers and toilets and certification for ramps, gradients, tearoom 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.

