

PART 1 Overviews



Secretary's review



I commenced as Secretary to the Department of Immigration and Multicultural and Indigenous Affairs (the department) on 18 July 2005, after the end of the formal reporting period. The last year was a period of focused public scrutiny of the department. Some of our activities were the subject of intense debate in the Parliament, in the media and undoubtedly around kitchen tables and in workplaces around Australia.

The criticism came to a head in July 2005 with the public release of the report by Mr Mick Palmer AO APM of his Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau. That report also covered aspects of the department's handling of the case of Vivian Alvarez Solon, on which a full report will be made by Mr Neil Comrie AO APM under the auspices of the Ombudsman in October 2005.

Mr Palmer identified a number of areas where the department had made mistakes and where substantial improvement is necessary. Making those improvements is a large part of my job.

Along with the senior staff in the department, I have recognised that while the Palmer Report focused on detention and compliance activities, the recommendations have much broader implications for the department. Indeed, there are lessons for other public sector organisations and these have been considered by all Australian Government departmental Secretaries.

Leadership, governance, values and behaviour, client service, openness, training and instructions and support for staff have all come under the microscope. Changes to procedures and protocols are obvious solutions, as are a better focus on client service, record-keeping, integrated systems, training and staff support. But none of this will be sufficient without broader cultural change. I have made a commitment to make the changes necessary to ensure that the department becomes the kind of organisation that meets the expectations of the Government and the wider community.

On 8 August 2005, I briefed all departmental staff on the direction for change and the three major themes that will guide us in becoming the kind of organisation we need to be. We must become a more open and accountable organisation that deals reasonably and fairly with clients and has staff that are well trained and supported. These themes are summed up in the phrase we have adopted to underpin all that we do: **people—our business**. It reminds us that people are at the core of all our activities and that the decisions we take have a direct impact on their lives. That is why it is important to get our decisions right the first time. I have emphasised to

all staff that our approach is always to make common sense, reasonable and lawful decisions. Therein lies our key to open, accountable and supportable decision-making.

I believe this framework will allow the department to move forward to implement both the specific recommendations of the Palmer Report and to address the broader issues Mr Palmer raises in relation to the culture and performance of the department. Many changes have already been made and were well underway before Mr Palmer reported on 14 July 2005. We had established the National Identity Verification and Advice Unit as a direct response to concerns about the handling of identity issues. We introduced Detention Review Managers in each jurisdiction where people are detained to review cases where a person's identity and status are not quickly confirmed and to ensure that decisions to detain are soundly based and regularly reviewed. We made substantial improvements to health services provided in immigration detention centres, particularly in relation to mental health issues. More will be done.

Concerns about arrangements for long-term detainees, especially families with children, have been addressed through a range of measures announced by the Prime Minister on 17 June 2005. Further changes to legislation and the way we handle people in detention have been made to ensure that the current policy is administered with greater flexibility, fairness and in a more timely manner. Applications for protection visas must now be finalised within three months and the department is further committed to finalising the existing caseload of permanent protection visa applications from temporary protection visa holders by 31 October 2005. New non-compellable and non-delegable powers were provided to the Minister personally to specify alternative arrangements for a person's detention and to grant a visa to a person in detention. These new arrangements ensured that by 29 July 2005, all children and their families had been removed from immigration detention centres.

There is much more to do. Over the coming months I will be working with our portfolio ministers to ensure the department implements a suite of measures to address the specific concerns raised by Mr Palmer and the broader criticism directed at the department. Engaging with our critics is a key step, and I have sought the views of a broad range of individuals and organisations that have an interest in immigration issues or a role in external scrutiny. Not all of the feedback is negative; much of it is positive and constructive. I will develop and strengthen those relationships.

One of the department's other key tasks is to work closely with our Ministers to assist them in getting squarely before the public the facts on immigration matters. For example, some businessmen recently commented to me that they supposed there were still thousands of 'refugees' in detention. I suspect many people believe this to be the case. In fact, less than 30 per cent of the 675 people in immigration detention as at 2 September 2005 were in the process of seeking Australia's protection. The significant majority of detainees are visa overstayers, or persons found breaching visa conditions. It is also true that Australia has a very proud record of resettling refugees from overseas and the numbers have increased.

Deserved criticism in some areas should not mean that we do not recognise the very real and significant achievements of the department and its programs in other areas. We manage and provide advice on migration and humanitarian policy, border control, Australian citizenship, multicultural affairs, settlement services and Indigenous affairs. I will talk about some of those things to give an overall sense of the magnitude and complexity of the job we do.

MIGRATION PROGRAM

The department celebrated its 60th anniversary in July 2005 and, since it was established, it has played an important part in building our nation. Last year we assisted over 120 000 migrants to settle in Australia and this included better than planned outcomes for employer sponsored migration and State specific migration. The skilled stream (77 880 places) made up 65 per cent of the total program (up from 62 per cent in 2003–04), reflecting levels of demand and the needs of a very strong Australian labour market. This program will deliver significant fiscal and economic benefits in the years ahead.

E-VISA DEVELOPMENTS

We have always been a world leader in developing 'e-commerce' tools to streamline activity. Four years ago the department released its new 'e-Visa' product. Clever technology, developed in-house, married the internet with the department's main visa processing system to create a convenient and efficient visa lodgement option for clients. It operates 24 hours a day, seven days a week, all around the world. Take-up rates for e-Visas have continued to grow. In any given hour we receive over 500 visa applications, most of them via electronic means. More than 60 per cent of long stay temporary business visitors and nearly 100 per cent of working holiday makers lodged their visa applications electronically. This is in addition to the almost three million tourists who arrived in Australia last year on an Electronic Travel Authority.

HUMANITARIAN PROGRAM

Australia takes its international humanitarian responsibilities very seriously. Our offshore humanitarian program continues to rank in the top three programs in the world dedicated to the resettlement of refugees from overseas. 2004–05 saw the full delivery of the Government's increased humanitarian program (up from 12 000 to 13 000 new places), including 6000 for offshore refugees (an increase of 50 per cent). Key source regions were again Africa, the Middle East and South West Asia.

I took the opportunity in the first weeks of my appointment to meet newly arrived refugees from Africa and Afghanistan and see first hand the impact our humanitarian program has on the lives of individuals, who have suffered terribly and to whom Australia offers the opportunity to rebuild lives.

SUPPORTING TOURISM AND INTERNATIONAL EDUCATION

Tourism and international education are major contributors to the Australian economy and both continue to grow. Our focus has been on facilitating the entry of tourists and students through streamlined visa processing while maintaining the integrity of our border. We facilitated visa delivery for around 600 major international events hosted in Australia in 2004–05, a 50 per cent increase over the previous year. Planning is well underway for the Commonwealth Games in March 2006 and we can now look forward to facilitating World Youth Day in Sydney in 2008.

INTERNATIONAL COOPERATION

International cooperation work by the department strengthened border security, migration and humanitarian program outcomes. Substantial bilateral activity, including in technical work on border control and migration management in some 20 countries, supported better operational cooperation to curb the potential for people smugglers and terrorists to circumvent border controls. The department also continued to lead on managed migration and border-related initiatives in the International Organization for Migration (IOM) and in regional forums such as Asia-Pacific Economic Cooperation (APEC), the Bali Process on People Smuggling and in the Pacific region. Our active role with the United Nations High Commissioner for Refugees encouraged a more practical, solutions oriented approach and greater commitment to resettlement as a durable solution.

RESPONDING TO INTERNATIONAL EMERGENCIES

The department also played an important role in the whole-of-government international response to the Boxing Day 2004 tsunami. Like thousands of other Australians, our staff made substantial personal contributions to assisting those affected by the disaster. Emergency travel documents for citizens and residents helped facilitate their speedy return to Australia. Our records assisted the Department of Foreign Affairs and Trade consular team track the movements of those travellers reported as missing by friends and family. Visa applications from those affected by the tsunami were given priority.

BORDER SECURITY

National security continues as one of the Government's top policy priorities. Border protection is a key layer in our national security arrangements and the government places a high degree of responsibility on the department to work with other agencies on ensuring the integrity of the border. The department continued its role in chairing the high-level People Smuggling Taskforce, whose work has been informed by a comprehensive strategic assessment on people smuggling prepared by law enforcement and intelligence agencies in November 2004. We are taking the lead in developing the Regional Movement Alert List (RMAL) as an APEC counter-terrorism initiative directed at strengthening border management systems and processes in the region.

CITIZENSHIP

More than 111 000 people became Australian citizens in 2004–05 and there were many significant citizenship ceremonies. On Citizenship Day, 17 September 2004, the Governor-General, His Excellency Major General Michael Jeffery AC CVO MC presided at a citizenship ceremony—the first time a Governor-General has done so. On Australia Day 2005, the Prime Minister—who had attended many citizenship ceremonies—formally presided at his first citizenship ceremony.

A number of changes were also announced to bring the 55 year old *Australian Citizenship Act 1948* into line with, and to reflect the needs of, contemporary Australia.

MULTICULTURAL AFFAIRS

A record number of Harmony Day events (more than 2700) were sponsored by governments, community organisations and educational institutions, and the 17 Harmony Day partners on 21 March 2005. Harmony Day has gained in public profile to become a permanent fixture on Australia's multicultural calendar. The Living in Harmony initiative partnerships program has strengthened relationships between major Australian institutions and our multicultural communities, with a particular focus this year on the court system and among law enforcement agencies.

SETTLEMENT

Over the past year, settlement services policy development has focussed primarily on the implementation of the core recommendations of the Review of Settlement Services for Migrants and Humanitarian Entrants (2003). This Review set the framework for the new Settlement Grants Program formulated around needs-based settlement planning. The new program commences on 1 July 2006, replacing the current Community Settlement Services Scheme program and ceasing core funding to Migrant Resource Centres and Migrant Service Agencies. Concurrently, the Integrated Humanitarian Settlement Strategy has been restructured and tender negotiations are being finalised on 20 new contracts for the delivery of settlement services to humanitarian entrants. The new contracts are due to commence in October 2005.

INDIGENOUS AFFAIRS

The Office of Indigenous Policy Coordination (OIPC) was created within the department on 1 July 2004 to coordinate and drive the Government's new arrangements in Indigenous affairs. Mr Wayne Gibbons, the Associate Secretary of OIPC, provides a more detailed review of the activities of OIPC later in this report. But I would like to comment that OIPC has met the considerable challenge of implementing the policy and legislative changes that followed the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the associated

service delivery agency, Aboriginal and Torres Strait Islander Services (ATSIS) and the transfer of ATSIC–ATSIS programs to other agencies. The staff of OIPC are to be commended for their effort.

IMPROVING OUR BUSINESS PROCESSES

There has been a sustained focus on measures to improve information technology (IT) processes and services and to plan for future demand, including business and workforce planning. Information management remains a priority. However, the Palmer Report raised a number of issues relating to systems design, information retrieval and record keeping that we must address as a matter of urgency. Support for integrated case management and decision-making will be key priorities for IT development in coming months.

THE YEAR AHEAD: BUILDING A COMPETENT AND CONFIDENT DEPARTMENT DELIVERING FOR AUSTRALIA

I have no doubt that 2005–06 will be a significant challenge for the department. I have asked all staff to do three things as we work through the changes that are necessary if we are to meet the expectations placed on us:

- to engage and commit to the change process
- to take a whole-of-government and whole-of-department approach to all of our work
- to keep the business running while we undertake this ambitious and essential change process.

The pressure to deliver to our clients and to deliver outcomes across our core business continues while we make the changes. Working with industry and state and territory governments to enhance the delivery of the skilled migration program and improve our competitive edge is a key priority for the department in 2005–06. Border security continues as a major focus and we will be redeveloping one of the key counter-terrorism tools, the Movement Alert List (MAL) to ensure its continued successful operation. Departmental staff will continue to make a positive contribution in administering world-class migration, humanitarian, settlement, multicultural, border and Indigenous programs.

Change does not come easily to large organisations—it takes time and commitment. And while under no illusions about the scale of the task, I am very confident that departmental staff have the capacity to deliver on the change agenda that I describe in detail above. We shall be judged on what we have achieved. I look forward to reporting next year and demonstrating the practical changes we have made on a range of levels.

Andrew Metcalfe
Secretary

Departmental overview

MISSION

The mission of the department is:

Australia, enriched through the entry and settlement of people; valuing its heritage, citizenship and cultural diversity recognising the special place of Indigenous people as its original inhabitants.

ROLE AND FUNCTIONS

The department manages the permanent and temporary entry of people to Australia, enforces immigration law, settles migrants and refugees, promotes the benefits of citizenship and cultural diversity and works with other portfolio agencies and departments to advance the social, economic and cultural interests and status of Indigenous people.

The tasks assigned to the portfolio are:

- entry, stay and departure arrangements for non-citizens
- arrangements for the settlement of migrants and humanitarian entrants, other than migrant child education
- border (immigration) control
- citizenship
- ethnic affairs
- Indigenous affairs and reconciliation
- multicultural affairs.

The services provided by the department overseas and in Australia include:

- assessing the character, health and bona fides of people applying for entry into Australia
- issuing visas for migrants and temporary entrants (for example, tourists, students and business visitors)
- processing people moving into and out of Australia
- meeting Australia's international protection obligations and contributing to the resettlement of refugees and those in humanitarian need through the delivery of the Humanitarian Program

- locating, detaining and removing unlawful non-citizens and deporting non-citizens found not to be of good character
- identifying and reducing irregular migration, people smuggling, trafficking in persons and other immigration malpractice and fraud
- increasing the ability of eligible settlers, particularly the recently arrived, to participate in Australian life, through settlement programs including English language tuition and translating and interpreting services
- promoting the value of Australian citizenship and making decisions on citizenship status
- contributing to maintaining and further enhancing an appreciation of Australia's cultural diversity within a framework of national unity
- providing policy advice on Indigenous issues and reconciliation
- coordinating whole-of-government innovative policy development and service delivery in Indigenous affairs across the Australian Government.

MINISTERS

The department is responsible to two ministers:

- the Minister for Immigration and Multicultural and Indigenous Affairs, Senator the Hon. Amanda Vanstone
- the Minister for Citizenship and Multicultural Affairs, the Hon. Gary Hardgrave MP (to 26 October 2004) and the Hon. Peter McGauran MP (26 October 2004 to 30 June 2005).

PORTFOLIO STRUCTURE

The portfolio consists of:

- The Department of Immigration and Multicultural and Indigenous Affairs (the department), including the Office of Indigenous Policy Coordination (OIPC).
- Aboriginal and Torres Strait Islander Commission (ATSIC)—to 24 March 2005
ATSIC was established by the *Aboriginal and Torres Strait Islander Commission Act 1989* (ATSIC Act) to develop policies and manage programs to overcome disadvantage and improve the economic status and social wellbeing of Aboriginal people and Torres Strait Islanders living outside the Torres Strait region. ATSIC ceased on 24 March 2005 on the proclamation of the *Aboriginal and Torres Strait Islander Act 2005*.
- Aboriginal and Torres Strait Islander Services (ATSIS)—to 30 June 2005
In 2003–04, all individual funding decisions about programs formerly delivered by ATSIC were made by ATSIS, an executive agency. ATSIS acted as ATSIC's agent in the year under review and ceased on 30 June 2005.

- Indigenous Land Corporation (ILC)
The ILC aims to provide economic, environmental, social and cultural benefits for Aboriginal and Torres Strait Islander peoples by assisting in the acquisition and management of an Indigenous land base.
- Migration Review Tribunal (MRT)
The MRT is an independent merits review tribunal established to provide fair, just, economical, informal and quick merits review of decisions of the department to refuse or cancel certain visas.
- Office of the Registrar of Aboriginal Corporations (ORAC)
The Registrar of Aboriginal Corporations is an independent statutory officer appointed by the Minister. The Registrar administers the *Aboriginal Councils and Associations Act 1976*, which provides Aboriginal and Torres Strait Islander communities, groups and organisations with a means of incorporation including the flexibility to take account of Indigenous customs and traditions.
- Refugee Review Tribunal (RRT)
The RRT is an independent merits review tribunal established to provide fair, just, economical, informal and quick merits review of decisions of the department to refuse or cancel protection visas to non-citizens in Australia.
- Regional Councils—to 30 June 2005
The Regional Councils established under the ATSIC Act ceased on 30 June 2005.
- Torres Strait Regional Authority (TSRA)
The TSRA formulates, implements and monitors the effectiveness of programs for Torres Strait Islanders and Aboriginal persons living in the Torres Strait area and provides advice to the Minister about Torres Strait Islander regional issues.
- Northern Land Council
- Central Land Council
- Anindilyakwa Land Council
- Tiwi Land Council

The four Northern Territory Land Councils are each independent statutory bodies established pursuant to section 21 of the *Aboriginal Land Rights (Northern Territory) Act 1976* (the ALR Act). Their functions are to ascertain and express the wishes and the opinion of traditional Aboriginal owners as to the management of Aboriginal land in respective areas; protect their interests; assist Aboriginals claiming to have a traditional land claim in pursuing those claims; consult with traditional Aboriginal owners of, and other Aboriginals interested, with respect to any proposal relating to the use of that land; and assist with carrying out commercial activities on that land (including resource development, the provision of tourist facilities and agricultural activities).

- **Aboriginal Land Commissioner**

The Aboriginal Land Commissioner is an independent statutory officer appointed by the Governor-General under the ALR Act. The principal functions of the Aboriginal Land Commissioner are to consider applications being made by or on behalf of Aboriginals claiming to have a traditional land claim to an area of land to ascertain whether those Aboriginals or any other Aboriginals are the traditional Aboriginal owners of the land; and to report his findings to the Minister and to the Administrator of the Northern Territory, and where he finds that there are Aboriginals who are the traditional Aboriginal owners of the land make recommendations to the Minister for the granting of the land or any part of the land.

- **Wreck Bay Aboriginal Community Council**

The Wreck Bay Aboriginal Community Council is an independent statutory body established under section 4 of the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986*. In summary, the functions of the Council are to hold title to Aboriginal land; exercise, for the benefit of the members of the Community, the Council's powers as owner of Aboriginal land and of any other land owned by the Council; to make representations to the Minister in relation to land that the Council considers should become Aboriginal land and in relation to other relevant matters; in consultation with the Minister, to consider and, where practicable, take action for the benefit of the Community in relation to the housing, social welfare, education, training or health needs of the members of the Community; provide community services to members of the Community; protect and conserve natural and cultural sites on Aboriginal land; engage in land use planning in relation to Aboriginal land; manage and maintain Aboriginal land; and conduct business enterprises for the economic and social benefit of the Community.

Non-statutory bodies

The following non-statutory bodies advise the portfolio: the Council for Multicultural Australia, the Refugee Resettlement Advisory Council, the Immigration Detention Advisory Group and the National Indigenous Council. There is also extensive consultation with the Migration Agents Registration Authority (MARA). Membership of these bodies at 30 June 2005 can be found in Appendix 1. The portfolio represents the Commonwealth interest in one company limited by guarantee—the National Accreditation Authority for Translators and Interpreters (NAATI) Limited.

Figure 1: ORGANISATIONAL STRUCTURE as at 30 June 2005

Minister for Immigration and Multicultural and Indigenous Affairs: Sen the Hon Amanda Vanstone
Minister for Citizenship and Multicultural Affairs: The Hon Peter McGauran MP



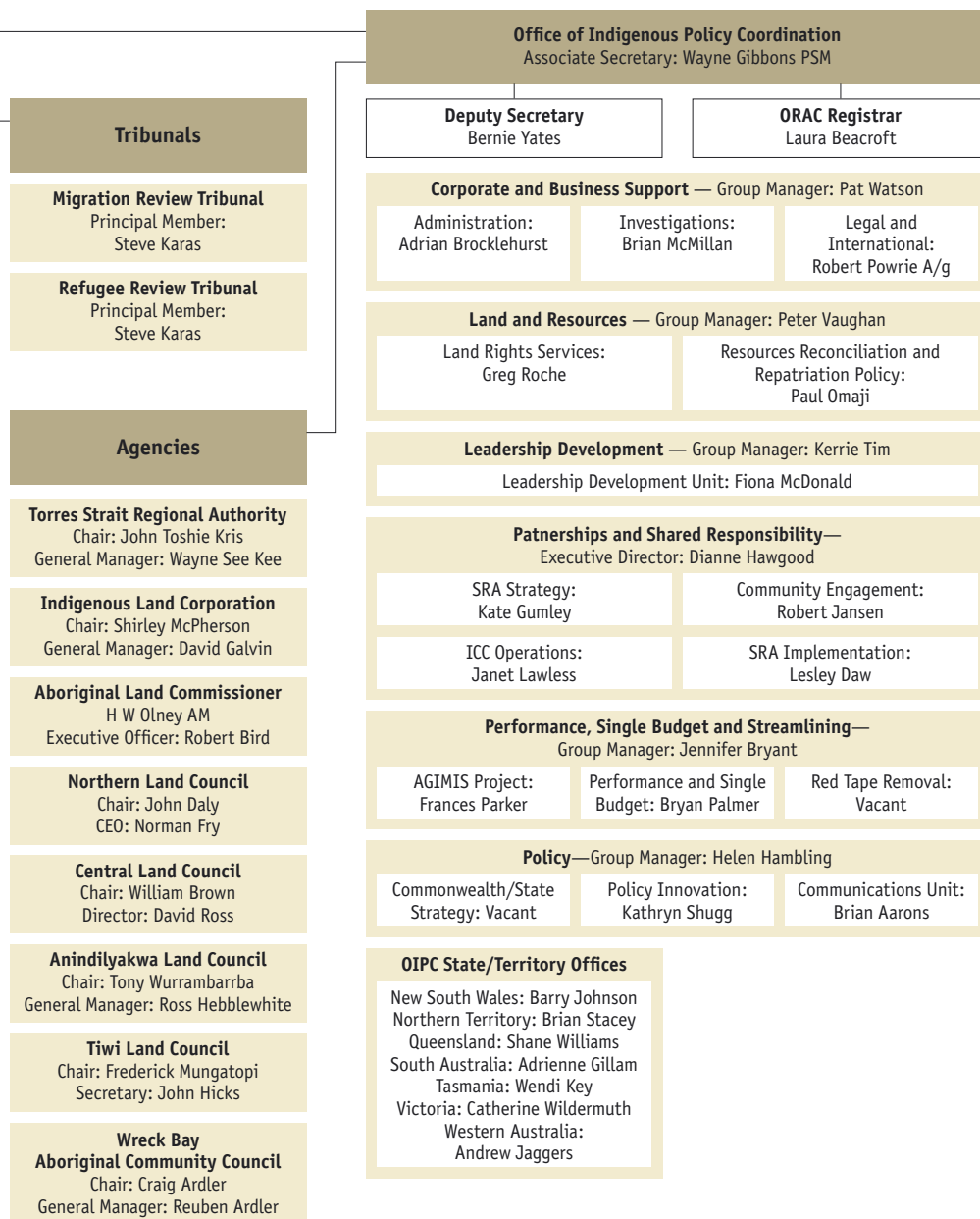


Figure 2: OUTCOME AND OUTPUT STRUCTURE as at 30 June 2005

WHOLE OF GOVERNMENT OUTCOME (DIMIA MISSION STATEMENT)

Australia, enriched through the entry and settlement of people; valuing its heritage, citizenship and cultural diversity; and recognising the special place of Indigenous people as its original inhabitants

OUTCOME 1. Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people

OUTPUT 1.1
Non-humanitarian entry and stay

- 1.1.1 Economic entry (permanent)
- 1.1.2 Family entry (permanent)
- 1.1.3 Special eligibility
- 1.1.4 Visitors and Working Holiday Makers
- 1.1.5 Students
- 1.1.6 Temporary residents
- 1.1.7 Resident Return Visas, Australian Declaratory Visas and Certificates of Evidence of Resident Status

OUTPUT 1.2
Refugee and humanitarian entry and stay

- 1.2.1 Offshore humanitarian program
- 1.2.2 Protection visa (onshore)

OUTPUT 1.3
Enforcement of immigration law

- 1.3.1 Regulate entry and departure
- 1.3.2 Prevent unlawful entry
- 1.3.3 Detection onshore
- 1.3.4 Removals
- 1.3.5 Detention
- 1.3.6 Litigation

OUTPUT 1.4
Safe Haven

OUTPUT 1.5
Offshore asylum seeker management

- 1.5.1 Other countries
- 1.5.2 Offshore territories

OUTCOME 2. A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably

OUTPUT 2.1
Settlement services

- 2.1.1 Settlement Planning and Information Delivery
- 2.1.2 Humanitarian Settlement Services
- 2.1.3 Support for community services
- 2.1.4 AMEP administration
- 2.1.5 Fee-free Translating and Interpreting Services

OUTPUT 2.2
Translating and interpreting services

- 2.2.1 Document translating
- 2.2.2 Telephone interpreting
- 2.2.3 On-site interpreting

OUTPUT 2.3
Australian citizenship

- 2.3.1 Decisions on citizenship status
- 2.3.2 Promotion of the value of Australian citizenship

OUTPUT 2.4
Promoting the benefits of cultural diversity

OUTCOME 3: Sound and well-coordinated policies, programs and decision-making processes in relation to Indigenous affairs and reconciliation

OUTPUT 3.1
Indigenous policy

OUTCOME 4: The economic, social and cultural empowerment of Aboriginal and Torres Strait Islander peoples in order that they may freely exercise their rights equitably with other Australians

OUTPUT 4.1
Policy and advocacy

OUTPUT 4.2
Evaluation and audit

OUTPUT 4.3
Home loans

OUTCOME 5: Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander peoples

OUTPUT 5.1
Promotion of cultural authority

5.1.1 Advocacy support
5.1.2 Ministerial services
5.1.3 Broadcasting services
5.1.4 Maintenance & promotion of Indigenous arts and cultures
5.1.5 Maintenance & promotion of Indigenous language & records
5.1.6 Maintenance & protection of Indigenous heritage & the environment
5.1.7 Access to effective family tracing & reunion services
5.1.8 Authority—CDEP activities
5.1.9 Repatriation

OUTPUT 5.2
Advancement of Indigenous rights and equity

5.2.1 Advocacy support
5.2.2 Ministerial services
5.2.3 Professional services to native title claimants
5.2.4 Advancement of rights to land & sea
5.2.5 Rights of Indigenous Australians
5.2.6 Aboriginal & Torres Strait Islander Women
5.2.7 Public information
5.2.8 Torres Strait Islanders on the mainland
5.2.9 International issues

OUTPUT 5.3
Improvement to social and physical wellbeing

5.3.1 Advocacy support
5.3.2 Ministerial services
5.3.3 Community housing & infrastructure
5.3.4 Municipal services
5.3.5 Sporting opportunities for Indigenous people
5.3.6 Legal aid
5.3.7 Law & justice advocacy
5.3.8 Family violence
5.3.9 Prevention, diversion and rehabilitation
5.3.10 Improvement to social & physical wellbeing—CDEP activities

OUTPUT 5.4
Economic development

5.4.1 Advocacy support
5.4.2 Ministerial services
5.4.3 Business development and assistance
5.4.4 Employment and training
5.4.5 Economic development—CDEP activities

Note: Underlining indicates departmental outputs that are associated with administered functions that were transferred to other agencies via the Administrative Arrangements Orders dated 24 June 2004.

OUTPUT 5.5
Capacity building and quality assurance

5.5.1 Advocacy support
5.5.2 Ministerial services
5.5.3 Planning & partnership development
5.5.4 Incorporation, regulation and building capacity of Indigenous corporations
5.5.5 Welfare reform—participation

Major internal products Human Resource Services, Financial Services, Parliamentary and Legal Services, Information Technology, Internal Investigations, Property, Office Services

SUMMARY OF FINANCIAL PERFORMANCE

In 2003–04, a review of the department's business processes and costs was undertaken jointly by the department and the Department of Finance and Administration, assisted by an independent efficiency expert. This review determined an appropriate funding model and level for the department and was implemented in 2004–05. Previously the department was largely funded on the basis of a Purchasing Agreement, under which actual funding requirements varied depending upon performance and delivery of outputs.

The end-of-year results for the department in 2004–05 show an operating surplus of \$11.4 million, against a budgeted loss of \$2.4 million. The factors contributing to this profit include a \$17.2 million profit against Aboriginal and Torres Strait Islander Services (ATSIS)/Aboriginal and Torres Strait Islander Commission (ATSIC) activities and a \$7.1 million profit relating to non-quarantined funding in respect of Outcomes 1, 2 and 3. These are offset by a \$12.9 million loss relating to quarantined funding, which is essentially those areas of immigration and multicultural affairs operations which are volatile and difficult to predict.

There were two significant factors impacting on the department's financial outcome for 2004–05:

- There were no unauthorised boat arrivals in 2004–05. This has resulted in a \$64 million net reduction to expenses relative to budget (\$45 million against Outcome 1 Administered Expenses and \$19 million against departmental outputs—Output 1.5).
- The proclamation of the *ATSIC Amendment Act 2005* on 24 March 2005 transferred the operations of ATSIC to a range of Commonwealth government agencies including the department. The items that the department received included the following: the Land Fund and Aboriginal Benefits account; ATSIC cash, fixed assets and trust accounts; and any residual assets and liabilities not otherwise specified in the *ATSIC Amendment Act 2005*. At the time of budget, it was anticipated that the department would be responsible for this outcome with the abolition of ATSIC by legislation effective 1 July 2004 rather than the actual date of 24 March 2005. As a consequence, Outcome 4 is significantly below budget for 2004–05.

Going forward, Outcomes 3, 4 and 5 will be combined into Outcome 3 from 2005–06.

Developments since the end of the financial year

From 1 July 2004 to 23 March 2005, the Aboriginal and Torres Strait Islander Services (ATSIS) continued as an executive agency and provided support to ATSIC. The continuation of ATSIS enabled the ongoing use of ATSIC assets by the Commonwealth pending the passing of the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004, into legislation.

With the commencement of the *ATSIC Amendment Act 2005*, ongoing support for ATSIC was no longer required. In addition, the assets of ATSIC were transferred to other agencies of the Commonwealth. All remaining staff of ATSIS were transferred to other Commonwealth agencies. Therefore, there was no ongoing need to retain ATSIS as an executive agency. ATSIS was therefore abolished and de-prescribed under the *Financial Management and Accountability Act 1997* on 1 July 2005.

In the same way the residual assets and liabilities of ATSIC were vested in the department on behalf of the Commonwealth, the residual assets and liabilities of ATSIS were transferred to the department. Arrangements are in place for the department to meet the residual financial obligations of ATSIS.

No contingent matters arose as a consequence of the abolition of ATSIS.

Figure 3: Resource summary

	Budget ^(a) 2004–05 \$'000s	Actual 2004–05 \$'000s	Budget 2005–06 \$'000s
Outcome 1—Lawful and orderly entry and stay of people			
Administered Expenses— (including third party outputs) ^(b)	146 824	96 378	116 718
Total Administered Expenses	146 824	96 378	116 718
Departmental Expenses ^(c)			
Output 1.1: Non-humanitarian entry and stay	308 834	321 112	333 594
Output 1.2: Refugee and humanitarian entry and stay	64 722	60 025	61 434
Output 1.3: Enforcement of immigration law	318 622	340 619	376 021
Output 1.4: Safe Haven	300	388	307
Output 1.5: Offshore asylum seeker management	45 330	26 655	53 456
Total Outcome 1	737 808	748 799	824 812
Revenue from Government (Appropriation) for Departmental Outputs	715 200	714 431	795 734
Revenue from Other Sources	22 608	32 076	29 078
Total Price of Outputs	737 808	746 507	824 812
Total for Outcome 1 (Total Price of Outputs & Administered Expenses)	884 632	842 885	941 530
		2004–05	2005–06
Average Staffing Levels		4 348	4 483

Figure 3: Resource summary *continued*

	Budget ^(a) 2004–05 \$'000s	Actual 2004–05 \$'000s	Budget 2005–06 \$'000s
Outcome 2—A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably			
Administered Expenses—(including third party outputs)	172 836	152 175	180 896
Total Administered Expenses	172 836	152 175	180 896
Departmental Expenses			
Output 2.1: Settlement services	82 170	78 162	89 501
Output 2.2: Translating and interpreting services	12 886	11 240	13 991
Output 2.3: Australian citizenship	26 515	29 499	27 516
Output 2.4: Promoting the benefits of cultural diversity	10 590	16 285	10 407
Total Outcome 2	132 161	135 186	141 415
Revenue from Government (Appropriation) for Departmental Outputs	116 899	117 691	126 743
Revenue from Other Sources	15 262	13 100	14 672
Total Price of Outputs	132 161	130 791	141 415
Total for Outcome 2 (Total Price of Outputs & Administered Expenses)	304 997	282 966	322 311
		2004–05	2005–06
Average Staffing Levels		876	747
Outcome 3—Sound and well-coordinated policies, programs and decision-making processes in relation to indigenous affairs and reconciliation^(d)			
Administered Expenses—(including third party outputs)	5 615	4 320	440 423
Total Administered Expenses	5 615	4 320	440 423
Departmental Expenses			
Output 3.1: Sound and well-coordinated policies, programs and decision-making processes in relation to indigenous affairs and reconciliation	5 934	5 359	–
Output 3.1: Whole-of-government coordination and collaboration in policy development and service delivery for Indigenous people	–	–	78 219
Output 3.2: Services to Indigenous Australians	–	–	19 202
Total Outcome 3	5 934	5 359	97 421
Revenue from Government (Appropriation) for Departmental Outputs	5 815	5 792	82 713
Revenue from Other Sources	119	439	14 708
Total Price of Outputs	5 934	6 231	97 421
Total for Outcome 3 (Total Price of Outputs & Administered Expenses)	11 549	10 551	537 844
		2004–05	2005–06
Average Staffing Levels		43	517

Figure 3: Resource summary *continued*

	Budget ^(a) 2004–05 \$'000s	Actual 2004–05 \$'000s	Budget 2005–06 \$'000s
Outcome 4—The economic, social and cultural empowerment of Aboriginal and Torres Strait Islander peoples in order that they may freely exercise their rights equitably with other Australians^(d)			
Administered Expenses—(including third party outputs)	523 837	328 954	–
Total Administered Expenses	523 837	328 954	–
Departmental Expenses			
Output 4.1: Policy and Advocacy	19 509	4 333	–
Output 4.2: Evaluation & Audit	293	–	–
Output 4.3: Home Loans	17 368	–	–
Total Outcome 4	37 170	4 333	–
Revenue from Government (Appropriation) for Departmental Outputs	9 490	9 490	–
Revenue from Other Sources	27 680	–	–
Total Price of Outputs	37 170	9 490	–
Total for Outcome 4 (Total Price of Outputs & Administered Expenses)	561 007	338 444	–
		2004–05	2005–06
Average Staffing Levels		8	–
Outcome 5—Effective delivery of policy advocacy support and program services to Aboriginal and Torres Strait Islander peoples^(d)			
Administered Expenses—(including third party outputs)	368 861	358 979	–
Total Administered Expenses	368 861	358 979	–
Departmental Expenses			
Output 5.1: Promotion of Cultural Authority	11 846	9 493	–
Output 5.2: Advancement of Indigenous Rights & Equity	12 067	12 759	–
Output 5.3: Improvement to Social & Physical Wellbeing	29 411	25 049	–
Output 5.4: Economic Development	33 994	30 443	–
Output 5.5: Capacity Building & Quality Assurance	15 225	17 172	–
Total Outcome 5	102 544	94 916	–
Revenue from Government (Appropriation) for Departmental Outputs	99 598	99 598	–
Revenue from Other Sources	2 946	7 423	–
Total Price of Outputs	102 544	107 021	–
Total for Outcome 5 (Total Price of Outputs & Administered Expenses)	471 405	466 000	–
		2004–05	2005–06
Average Staffing Levels		531	–

(a) Full year budget including additional estimates, and section 32 adjustments.

(b) Includes bad debts write-off of \$38.6m in 2004–05 budget (actual \$30.6m).

(c) Total revenue from government and other sources represents budget amounts for departmental expenses.

(d) Outcomes 3,4 & 5 in 2005–06 have been combined into Outcome 3.