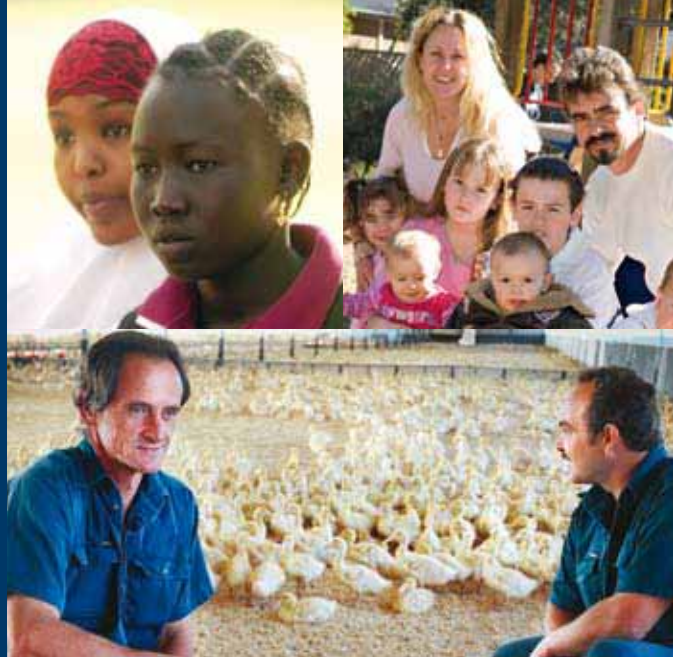


PART 3 Management and accountability

We are embedding a strong, values-driven, leadership and planning culture in the department, through the development and implementation of the *DIMA Plan 2006-07* and associated divisional and service delivery plans.



- Governance
- Performance against the client service charter
- External scrutiny
- Management of human resources
- Purchasing
- Purchaser/provider arrangements
- Asset management
- Consultants and competitive tendering and contracting
- Assessment against implementing the Commonwealth Disability Strategy

Governance

SENIOR MANAGEMENT COMMITTEES AND THEIR ROLES

During 2005-06, we underwent a comprehensive planning process, with appropriate performance reporting requirements, to identify strategic priorities, and manage effort appropriately.

We complemented this process with a comprehensive review of the key performance indicators set out in our Portfolio Budget Statements. The review aims to consolidate and simplify these into a more meaningful set of indicators as part of a commitment to continuous improvement and transparency, both of which underpin the *DIMA Plan 2006-07*. This will give the Executive a more strategic view of performance against measures related to people, business activity, client service, and finances.

Over the past year, we have significantly strengthened our governance arrangements to provide clearer lines of responsibility and accountability to create and maintain a culture that supports our strategic value statement: **people** our business.

We have created an element of the new governance arrangements - the governance committee framework - to reflect a changed understanding of the risks we face. This has guided us through the period of change following the Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau (the Palmer Inquiry) and the Inquiry into the Circumstances of the Vivian Alvarez Matter (the Comrie Inquiry).

The Secretary established the Executive Management Committee as the key senior advisory committee, supported by a Corporate Leadership Group and a Change Management Steering Committee.

Six other governance committees report to the Executive Management Committee:

- Departmental Audit and Evaluation Committee
- People Management Committee
- Systems Committee
- DIMA Performance Management Committee
- Values and Standards Committee
- Fraud, Integrity, and Security Committee.

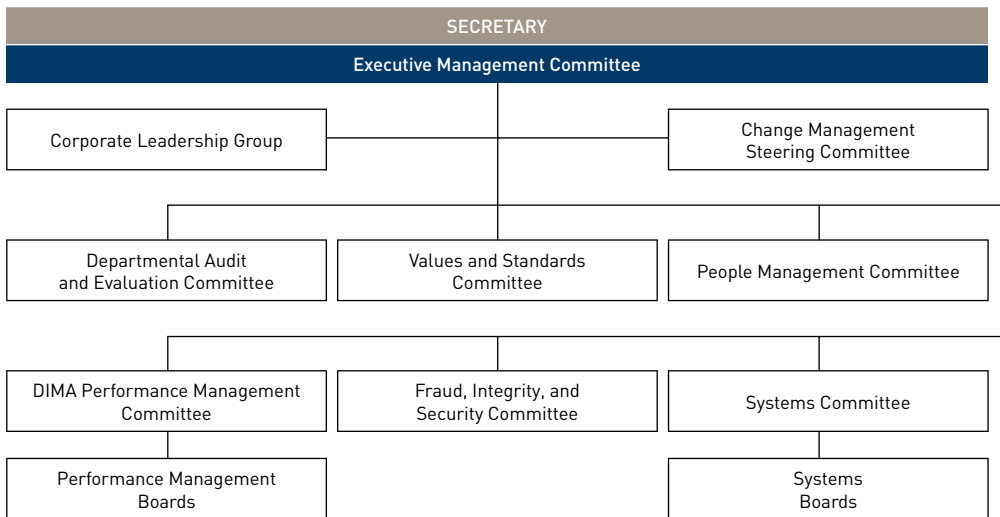
The governance committees are directly responsible for:

- monitoring the areas of risk of which they have ownership
- determining broad directions and providing support to the managers charged with dealing with those identified risks
- reporting to the Secretary, and any relevant management committee that assists him, on strategic issues of greatest significance.

We also convene cross-organisational strategic policy and steering committees from time to time to facilitate collaboration on key initiatives or areas of policy development.

Following is more detailed information about the role of each of our governance committees and at Figure 46 a diagram showing our governance committee framework.

Figure 46: Governance committee framework



Executive Management Committee

The Executive Management Committee (EMC) helps the Secretary to set corporate priorities, determine the standards by which success in achieving these priorities is measured, and appropriately resource these priorities. The EMC also considers key business issues and makes determinations on their future direction.

The EMC meets weekly and consists of the Secretary, Deputy Secretaries, the Chief Financial Officer, the Head of Strategic Policy, the Chief Legal Officer, and the National Communications Manager.

Corporate Leadership Group

To assist the EMC in its work, the Corporate Leadership Group (CLG) convenes monthly to share information about business risk and change, to discuss the broader strategic environment in which we operate, and to negotiate agreement on joint operational responsibilities. The CLG also provides a forum for considering policy submissions, research, and other studies commissioned by the CLG on topics approved or referred by the Secretary.

The CLG consists of the Secretary, Deputy Secretaries, Division Heads, State and Territory Directors, the Head of Strategic Policy, the National Communications Manager, and the National Training Manager.

Change Management Steering Committee

The Change Management Steering Committee (CMSC) advises the EMC on issues to do with our broad change agenda, helping the EMC make well informed decisions about priorities and change. The CMSC supports the EMC by monitoring the development of internal and external policy and major process change proposals, to ensure these are consistent with our business priorities and directions.

The CMSC also ensures there is an appropriate level of control and integration of the change agenda in relation to a range of factors. These include the commitment of resources, organisational priorities, impact on the workforce, service delivery, and geographic priorities.

Departmental Audit and Evaluation Committee

The Departmental Audit and Evaluation Committee (DAEC) is headed by an external Chair, and includes another external member. The DAEC ensures all key controls are adequate for the task of achieving our goals and objectives, and that they operate effectively.

The DAEC also provides independent assurance to the Secretary in relation to our risk, control and compliance framework, and our external accountability responsibilities, and helps the Secretary to meet his statutory and fiduciary duties.

The DAEC's key objectives are to strengthen our risk management and quality assurance frameworks, and to promote compliance and a culture of risk management awareness within the department.

People Management Committee

The People Management Committee (PMC) contributes to organisational effectiveness by strengthening our understanding of the impact of strategic human resource initiatives. The PMC ensures that planning and policies on human resource issues are consistent with government objectives and our business directions. It advises EMC on a wide range of people management issues, ensuring there is a considered corporate view on how these issues affect our performance.

Systems Committee

The Systems Committee is responsible for advising the Secretary and the EMC on the carriage of major technology and systems matters, such as the *Systems for People* programme. It also makes recommendations on strategic directions for technology and systems, consistent with government objectives and our business strategies. The Systems Committee is supported by six boards, four representing specific business areas and two that focus on broader corporate areas with systems and business information needs.

DIMA Performance Management Committee

The DIMA Performance Management Committee (DPMC) is responsible for improving and managing the quality and consistency of our performance. The DPMC oversees the translation of our strategic priorities into operational priorities for our staff and managers. It is responsible for establishing performance measures and targets that give our staff a focus in delivering strategic priorities. The DPMC is responsible for establishing service standards and strategies, monitoring service delivery performance, and ensuring best practice is identified and replicated.

The DPMC is supported by Performance Management Boards in each of the policy and programme divisions and these boards participate in the development of performance management processes. These include the effective use of management information to monitor and assess quantitative and qualitative performance measures across the service delivery network. They also address any service gaps and ensure business unit performance remains aligned with our priorities.

Values and Standards Committee

The role of the Values and Standards Committee (VSC) is to provide advice and to influence the leadership role consistent with the *APS Values* and the *Code of Conduct*. The VSC also helps us to develop a positive and client-focussed culture which supports our strategic value statement. It ensures training activities are aligned with the *APS Values* and that these values underpin our strong client focus.

Fraud, Integrity, and Security Committee

The Fraud, Integrity, and Security Committee (FISC) provides assurance to the Secretary and direction to managers on risks relating to the integrity and security of our business operations - particularly programme integrity and security of our staff and property.

Key outcomes from the FISC include an assessment of risks to our output integrity and delivery of a report identifying key risks that need to be managed. The report is being used by programme managers, to address any risks to programme integrity in their business plans, and to ensure risks are being appropriately managed. The report will also guide the future work programme of the FISC.

Strategic Policy Committees and Steering Committees

Strategic Policy Committees and Steering Committees are cross-organisational groups whose purpose is to facilitate collaboration on key initiatives or areas of policy. These committees afford opportunities for work priorities and responsibilities to be negotiated by the areas directly charged with their delivery.

Steering Committees oversee the management and achievement of the outcomes of a project. They normally represent all the stakeholder interests (business, user, and supplier) for a project and provide direction and advice and a point of escalation and reporting for the project manager.

CORPORATE AND OPERATIONAL PLANNING, AND PERFORMANCE REPORTING, AND REVIEW

We are implementing a significant process of organisational change which must be progressed at the same time as we conduct our everyday business. Appropriate strategic corporate planning was identified as critical for our success and has resulted in the development of the *DIMA Plan 2006-07*, that will be officially launched on 18 July 2006. The plan is the result of a significant amount of consultation between our Executive, staff, key stakeholders, and clients.

The plan is a high level document which provides strategic direction as we move into the future. It is also the basis for a cascading series of plans that will define work at the division, branch, and service delivery level. In essence, the plan provides a service focus for integrating policy, programmes, and delivery.

The plan clearly defines our purpose, strategic themes, core business processes, outcomes and outputs, and strategic priorities. It establishes a set of key actions designed to advance those strategic priorities, and also provides measures to enable us to assess progress in relation to these actions. Overarching the plan and associated plans are a defined set of leadership behaviours and organisational values that our staff understand and will put into practice.

In addition to the plan, we have been developing a strategic planning framework to integrate planning, budgeting, reporting, and risk assessment to ensure a cohesive, measurable approach to the way we do business.

To ensure line managers are provided with relevant information to monitor operational performance, we provide access to a large range of statistical reports. These reports are produced on request, and are also provided online and in hard copy at regular intervals.

External performance reporting is developed on an outcomes, outputs, and output component basis. Our activities deliver the following outputs:

- Output 1.1 Migration and temporary entry
- 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 service
- Output 2.3 Australian citizenship
- Output 2.4 Promoting the benefits of cultural diversity.

As of 27 January 2006, responsibility for our former Outcome 3 – Innovative whole-of-government policy on Indigenous Affairs was transferred to the Department Families, Community Services and Indigenous Affairs (FaCSIA) and is reported under their Portfolio Outcome 6.

INTERNAL AUDIT ARRANGEMENTS AND RISK MANAGEMENT

Strengthened governance and assurance initiatives

We now have governance initiatives in place to drive a more capable, open, and accountable organisation. An integral part of these initiatives is a new Governance and Assurance Branch which was established in December 2005. The branch's principal responsibilities include the management of a significantly enhanced Internal Audit Programme (IAP) and the building of a more robust governance and assurance capability.

The branch managed a strengthened IAP, expanded from \$1.375 million in 2004-05 to \$2.266 million in 2005-06, focussing on compliance and addressing other high risk activities.

The branch has developed a principles-based National Quality Assurance Framework to facilitate the development of strategic and activity-based assurance processes, through *Systems for People*.

In addition, the branch has established the Governance and Leadership Prominent Speaker Programme for senior executives, in which prominent public and private sector speakers with current knowledge of significant themes in governance address our SES staff on a regular basis. The inaugural speaker was Dr. Peter Shergold AM, the Secretary of the Department of Prime Minister and Cabinet, who spoke on the government's expectations in relation to good governance in the Australian Public Service, and in particular, on the nexus between leadership and good governance.

Internal audit

Internal audit is a fundamental element of our governance structure. It gives the Secretary independent assurance that a robust internal control structure is in place and our outputs and activities are operating effectively, efficiently, and lawfully.

The internal audit function is managed by the Governance and Assurance Branch (which reports directly to the Secretary) and operates under the authority of the Internal Audit Charter. The IAP is primarily delivered by an external provider, Ernst & Young. During 2005–06, a supplementary panel of external providers was appointed to provide audit, risk management, fraud control, and business continuity management services. The panel will assist in situations where there are capacity concerns or possible conflict of interest issues with the primary provider.

We work cooperatively with the Australian National Audit Office (ANAO) to coordinate overall audit activity within the department, and to ensure there is no duplication of effort. The ANAO is invited to Departmental Audit and Evaluation Committee (DAEC) meetings and is regularly offered the opportunity to meet privately with the DAEC to discuss issues of mutual interest. The ANAO also attends the DAEC's Financial Statements Sub-Committee meetings.

The annual IAP is one of our principal risk mitigation tools and an integral element of our assurance and risk management arrangements. The IAP is designed to closely align internal audit activity with the key risks we face.

The IAP for 2005–06 was developed following a rigorous analysis of our risk profile, which was created after extensive consultation with our senior managers. The initial IAP was approved by the DAEC and endorsed by the Executive Management Committee. It comprised 19 audits.

Following the adverse findings of the Palmer and Comrie Inquiries, additional funding was allocated to the IAP as part of our strategy to strengthen the overall assurance framework. Consequently, the IAP was reprioritised and enhanced to provide a greater focus on compliance auditing.

Quality assurance

In the post-Palmer and Comrie Inquiries environment, we have made a priority of addressing quality assurance.

In broad consultation with a wide range of stakeholders, the Governance and Assurance Branch developed a principles-based National Quality Assurance Framework. This promoted the basic principles of quality assurance, and provided guidance on the design and review of quality assurance processes. The framework ensures that quality assurance methods and principles are applied consistently, enabling programme managers and the DAEC to identify trends and emerging portfolio-wide risks.

We have had targeted quality assurance processes in place for some time in a number of different areas of the department. These 'control self-assessment' tools aim to monitor performance and compliance using internally-developed checklists. Periodic reports are made to the DAEC on the level of compliance with controls, and on remedial action proposed or undertaken to address identified shortcomings.

We apply financially-based financial accountability and control tools in national and state and territory offices, and we use quality control codes, to review decision-making and decision-making processes onshore. We use another quality assurance tool – the office audit and security checklist – to ensure compliance with controls at overseas posts.

Risk management

During 2005-06, we continued to integrate formal risk management practices into a range of governance activities, including resource and business planning, contract management, and internal audit planning.

Our internal auditors conducted a rolling programme of internal audits examining the implementation of risk management across the portfolio. Audit findings and recommendations included the need for a more formal approach to the management of risk. In response to this, we developed a Chief Executive Instruction (CEI) on risk management.

We also implemented a communications strategy to help raise awareness among staff of risk management principles and to promote an understanding and knowledge of our Risk Management Framework. This strategy involved the development of risk management promotional material and risk management training modules. It also promoted the establishment of a network of risk management contacts throughout the department, and wider promotion of the in-house Risk Management Helpdesk.

In 2005-06, in addition to the Risk Management Helpdesk, a panel of external risk management consultants was established to help ensure that risk management expertise was accessible by all business areas.

ESTABLISHMENT AND MAINTENANCE OF ETHICAL STANDARDS

The Values and Standards Committee, established in December 2005, provides advice to the department concerning the revised *DIMA Code of Conduct Guidelines* and the *Conflict of Interest and Gift Instruction*. The guidelines and instruction are being published on DIMAnet and will be accompanied by an official booklet.

The committee has contributed to the enhancement of our client focussed culture by providing advice on the way in which *APS Values* intersect with client issues, making suggestions in relation to client feedback mechanisms, and noting the issues being raised at the Value Creation Workshops.

The committee has been involved with several initiatives to help with the creation and maintenance of a culture that supports 'people our business'. These include feedback on the *DIMA Plan 2006-07* and commencement of a project called *Immigration Dilemmas: Ethics, APS Values and Leadership* (IDEAL), to support leaders at all levels to engage more effectively with their staff on values related issues.

The committee has taken a strong interest in the material being developed for use by the DIMA College of Immigration and has provided detailed feedback in relation to the *APS Values* for each of the compliance training modules that have been developed.

In addition, the Values and Conduct Section in People Service Branch delivered code of conduct training to approximately 2800 staff during 2005-06. The training was given to employees participating in the Induction, Refresher, Airport Liaison Officer, Overseas Staff Training, and the Fundamentals of Supervision courses. These courses were designed to engage participants and enhance our professional integrity and reputation through the practical application of the *APS Values* and the *Code of Conduct*.

A network of 97 Harassment Contact Officers is maintained and supported. The Network provides advice and assistance to our staff.

In accordance with the *Commonwealth Fraud Control Guidelines*, we continue to investigate all reports alleging criminal conduct by our employees. We continue to work collaboratively with the Australian Federal Police who have lead status in the investigation of fraud against the Commonwealth.

During 2005-06, we received 229 allegations relating to the conduct of employees compared to 205 in 2004-05. This resulted in termination of employment for one employee, and eight other employees resigning before their cases could be finalised. In total 16 cases were substantiated resulting in various sanctions pursuant to the *APS Code of Conduct*. One employee was prosecuted in open court for unlawful access to a Commonwealth database.

Performance against the Client Service Charter

Review of the Client Service Charter

In 2000, the government announced that all agencies delivering services directly to the public are required to have a Client Service Charter in line with the government's *Client Service Charter Principles*. We introduced the *Client Service Charter* in 1998, and it has been reviewed twice since then in 1999 and in 2005–06.

The Secretary launched the revised draft *Client Service Charter* and *Client Service Strategy for Visa & Citizenship Services* on 8 August 2005. There was a two month period of staff and public consultation, which involved direct invitations to key stakeholders and requests for public input published in capital city and community newspapers.

Extensive discussions were undertaken to ensure we were aware of clients' and stakeholders' needs and opinions. The broad public consultation has produced an informed practical charter developed through true consultation. It also emphasises publicly the commitment we have made to change and increase client focus, and ensures we are supported by 'live' strategies and service standards.

The new *Client Service Charter* was launched by the Minister on 2 June 2006 as part of our Client Service Improvement Programme.

DEVELOPING A CULTURE OF CLIENT SERVICE EXCELLENCE

In 2005–06 we made significant progress in entrenching a culture of client service excellence. It is a key objective of the change programme implemented following the release of the Palmer and Comrie Reports.

Overview

We recognised that we need to better understand client expectations and needs. During the year we actively sought client feedback through:

- Value Creation Workshops and other focus groups, where staff were able to hear the views and concerns of clients directly
- the establishment of a Global Feedback Unit to record, track, and refer all client feedback received by post, email, and the Client Service Feedback Line
- senior staff visits to state and territory offices to observe client interactions first hand

- consultation with over 700 external stakeholders on a new *Client Service Charter*
- the establishment of Client Reference Groups in lead state and territories.

The feedback from these processes is an important element of our approach to improving our delivery of services to clients. For example, the Value Creation Workshops highlighted that clients want to:

- be informed of what to expect
- know where their application is in the process
- be treated with respect
- receive consistent information
- have easy-to-understand forms and letters
- primarily interact with us face-to-face or by telephone, with some people citing the Internet as their channel of choice.

We are drawing on this feedback as we move to improve our services through better training, systems, and implementation of government programmes.

Client Service Improvement Programme

A new *Client Service Charter* and an increased emphasis on 'listening to' and 'acting on' client feedback are just two elements of the comprehensive Client Service Improvement Programme launched by the Minister at Parliament House on 2 June 2006. The programme develops the themes of 'our commitment', 'our presentation', 'helping you', and 'hearing you'.

We acknowledge that in recent years we occasionally lost sight of clients as individuals with individual needs and we were rightly criticised for this. This is why our reform agenda centres around improving our client service focus. Some of the other initiatives under the Client Service Improvement Programme are outlined below:

- We are establishing a panel of client research service providers that all of us can draw on. Client surveys, focus groups, and workshops will be conducted routinely over coming years to make sure we stay in touch with client expectations.

- Work has begun on analysing and understanding how we interact with clients through different communication channels – telephone, facsimile, email, and Internet – and better understanding client needs and preferences to create more meaningful and targeted service.
- We are upgrading our public contact areas to ensure we have a professional, comfortable, and client-friendly environment.
- A dress policy has been drafted to promote a professional and consistent image across the department.
- We have adopted a Stakeholder Engagement Model that, whilst recognising that in recent years we have undertaken a range of formal and informal stakeholder consultations, aims to ensure we engage with stakeholders in a more effective and consistent manner across all of our programmes.
- We have introduced the monthly Secretary's Award for Client Service Excellence to recognise best practice in client service. Winners are profiled in our internal publication, DIMApeople, providing clear examples to staff about what management is seeking from client service delivery staff.
- We are upgrading our www.immi.gov.au website to make it easier to use and give clients useful, specific, accurate information in plain language.

QUEENSLAND LEADERSHIP TALK ETHICS

The St James Ethics Centre has commenced sessions with compliance officers on ethics. This important new initiative recently commenced as part of the Compliance Officer Pilot Training Programme - DIMA College of Immigration. The sessions will assist our officers gain a broader understanding of how to apply ethics in the workplace and to ensure that ethics is involved in all decision making.

These sessions were adapted by the Immigration College due to the success of the Values and Behaviours Workshop, facilitated by the St James Ethics Centre, in early 2006 with members of the Queensland Leadership Group.

The workshop was held as part of the DIMA Queensland Project work to address organisational culture through promoting a dialogue around values and behaviours within DIMA Queensland.

The Leadership Group went offsite to attend the workshop, which comprised practical exercises, discussions and information sessions, and workshopped the differences between ethics, law, and values.

The workshop was also used to introduce the group to the St James Ethics Centre's Ethical Decision Making Model, used to ensure that decisions made are ethical and justifiable.

Following the workshop the Leadership Group also attended a dinner with keynote speaker, Mr Brendan Butler SC, who spoke of his experience in leading an organisation through change.

Staff who attended praised the day and said it gave them the confidence to continue the discussion with their staff. Attendees also noted the need for continued education and discussion on the topic.

Profile

The Miller family

Moving house is widely recognised as a significant source of stress. This stress is compounded when the move involves migrating to a new country.



Simon Miller, his wife, Tracy, and six children were already feeling the strain when a few days before they moved from New Zealand in June 2006 they discovered that, contrary to local advice, they needed a visa to enable them to live and work in Australia. 'The panic we were thrown into was unbelievable,' said Mr Miller.

They turned to us for assistance. In line with our commitment to have fair and reasonable dealings with clients, our New Zealand staff treated the Miller family the way they would wish to be treated in the same circumstances.

'Staff not only kept us informed every step of the way regarding procedures and legalities but did it all with a smile, patience, humour, and understanding,' said Mr Miller.

Staff advised the family that as long as their documentation was in order they would grant them residency as soon as possible. Soon after, they received a phone call from the Miller family's case officer advising them that their residency applications had been granted. The family of eight boarded their flight a few days later thankful that 'what could have been a proverbial nightmare' had been a 'smooth transaction,' noted Mr Miller.

Performance against the charter service standards

A key element of our approach to improving client service will be the introduction of improvements in the articulation, measurement, and reporting of client service standards in 2006-07.

In recent years we have measured 13 client service standards outlined in our *Client Service Charter* developed in 1998. These included officers:

- identifying themselves in client dealings
- issuing receipts
- explaining decisions
- sending information within three days of request
- seeing clients with an appointment within 10 minutes of their arrival and those without an appointment within 30 minutes
- acknowledging applications or additional documents within seven days.

In 2005-06, eight of the 13 service standards were met.

We have made significant progress in improving the service we provide to our clients. Projects demonstrating this improvement include:

- the redesign of our website to make it easier to navigate and find relevant, accurate, up-to-date information
- establishment of a new call centre in London, in addition to the existing centre in Ottawa. These centres service clients in the UK, Northern Ireland, and the North America region, giving our clients access to a responsive inquiry service
- implementation of a staff identification policy in May 2005 that will help us meet the commitment in our *Client Service Charter* to 'identify ourselves'. An integral part of this policy was the introduction of name badges for staff working in public contact areas. The staff identification policy has now been extended to include all staff - name-badges have been created and all staff are required to wear them.

Client feedback

This year we actively encouraged clients to use defined feedback mechanisms through the Global Feedback Unit (GFU) in Melbourne such as our Client Feedback Line (ph 133 177), our web feedback form, and GFU mailing and fax addresses. This is the first step in establishing a centralised client feedback system that enables tracking and management of client feedback. Feedback is received in the form of complaints, compliments, and suggestions.

In terms of performance, 2005-06 saw a slight increase of three per cent in the total contacts to the GFU. With an organisation going through such a high level of change we were not surprised to see a decrease in positive feedback from clients.

Over the course of the year we have put more effort into resolving issues at first point of contact, and where issues are more complex, ensuring on-forwarding and follow-up with the relevant business unit.

We will undertake further work in 2006-07 to develop the reporting and analysis functionality required to identify trends and systemic issues. We will use client feedback to ensure our services better meet clients' needs and expectations. Systems development combined with the development of protocols, staff education, and client communication will result in more consistent handling of client feedback.

Developing well trained staff

Having well trained and supported staff is one of our strategic themes and in 2005-06 we developed a comprehensive departmental training strategy.

We have now established a College of Immigration and its pilot course will start on 3 July 2006 in Canberra. Meanwhile, our staff attended a number of specialist courses that will ultimately be part of the college curriculum. These included courses in decision-making on the basis of reasonable suspicion, using all available methods to identify people, issuing search warrants, and case management.

The quality of leadership across the department was one of the key concerns raised in the Palmer Report and also by staff in the 2005 staff survey. Steps taken to address this include:

- developing our leadership model which outlines expected leadership behaviours
- publicising the model in regular communications with staff and in planning documents
- running the Executive Leadership Programme for all executive level (EL) staff with over 495 attending during 2005-06
- running our Development Programme for emerging leaders and staff in key service delivery roles.

Police liaison and training

A police liaison and training initiative got under way in December 2005. This initiative aims to further strengthen our already strong and long-standing working relationships with state and territory police in relation to compliance activities under the Migration Act by providing police with new and improved information and services.

In 2006 we established the Immigration Status Service (ISS), a 24 hours-a-day, seven days-a-week support service to help police establish the identity and status of certain individuals. By 30 June 2006, ISS operators had answered over 1500 calls from police Australia-wide.

A new, nationally consistent compliance awareness package was also developed for police information on the ISS services and is a key component of that package. In June 2006, a successful trial of the package was conducted with a focus group of police in Canberra. The first version of the package should be available for delivery to police by our officers in August/September 2006.

Compliance Policy and Case Coordination Division has had an important role in the DIMA-wide response to the Palmer Report. State and territory police can now pursue immigration inquiries through a dedicated 24 hour-a-day hotline, which provides rapid resolution of issues in the majority of cases and the capacity to escalate complex issues should that be necessary. The hotline facility also operates for consular officials seeking information regarding people in immigration detention. State and territory police are further supported through the delivery of nationally consistent information awareness activities.

Over the last year, enhanced training for compliance staff has focussed on the application of 'reasonable suspicion', emerging legal issues, identity investigations, and search warrant training. Key compliance Migration Series Instructions (MSIs) have been reviewed and reissued with work continuing on the remaining MSIs. These are supported by a newly improved Compliance Policy Helpdesk. Rural and remote compliance activities in NSW are trialing a purpose-built trailer to facilitate field operations in those areas and to ensure that clients are dealt with in a fair and efficient manner. In conjunction with the NSW and Victorian State Offices, work continues on the analysis of Bridging Visa E holders and overstayers.

External scrutiny

JUDICIAL DECISIONS AND DECISIONS OF ADMINISTRATIVE TRIBUNALS

Decision-making under the *Migration Act 1958* and the *Australian Citizenship Act 1948* is subject to a high level of external scrutiny by courts and tribunals. Most adverse visa decisions made in Australia are subject to independent review by the Migration Review Tribunal (MRT). Decisions about protection visa applications are reviewable by the Refugee Review Tribunal (RRT), while decisions about citizenship are reviewable by the Administrative Appeals Tribunal (AAT). These tribunals review decisions on the basis of merits; that is, they consider all of the relevant facts, including any new material, and make a completely new decision.

In addition to review by tribunals, judicial review of decisions is available from the courts. Courts can only review the 'legality' of decisions (as opposed to the 'merits'). The question for a court is whether the decision-maker has followed necessary procedures, understood the applicable law, and applied the law correctly to the facts as they found them.

The legislative scheme providing for tribunal review is based on an assumption that primary decisions (that is decisions made by delegates of the Minister) should be reviewed by the relevant tribunal, rather than challenged in the courts. Applicants can then seek review of the tribunal's decision in the courts if they want to. This means it is not necessary (or appropriate) for primary decisions, which are subject to merits review, to be challenged in the courts. This position was formalised, in relation to visa decision-making, by the *Migration Litigation Reform Act 2005*, which provides that the courts do not have jurisdiction to review primary decisions. The reform does not affect the 'original jurisdiction' of the High Court which cannot be taken away by legislation.

The *Migration Litigation Reform Act 2005* also established a number of other measures aimed at streamlining litigation. In particular,

it re-established effective time limits on the commencement of litigation. The previous time limits were rendered practically ineffective by a High Court decision in February 2003 (*Plaintiff S157 v the Commonwealth*). The current position is that an application for judicial review of a tribunal decision must be lodged with the relevant court (usually the Federal Magistrates Court) within 28 days of actual notification, although that period may be extended by up to 56 days at the court's discretion. This is an important reform that will end the abuse of the litigation processes that had become more prevalent since the decision in *Plaintiff S157*. Many non-citizens have sought to prolong their stay in Australia, when they have no other right to do so, by challenging decisions (typically RRT decisions) made several years earlier. In many cases, these decisions have already been challenged unsuccessfully in the courts on one or more occasions.

We are responsible for managing all litigation in the courts relating to migration and citizenship decisions, including challenges to decisions made by the tribunals. The numbers are significant, with close to 2400 matters before the courts at the end of 2005-06. The bulk of these applications (around 80 per cent) are applications for judicial review of RRT decisions. The most significant court decision, in relation to the RRT, during 2005-06, was *SZEEU v MIMIA* (24.2.06), a decision of a Full Court of the Federal Court. The effect of the decision is that the RRT must do more than was previously understood to be required, in relation to advising applicants about information which may lead to an adverse decision. This is a technical area of law which has presented significant challenges throughout 2005-06. A large number of RRT decisions, made before the decision in *SZEEU*, did not comply with the law as set out in that judgment, so those matters need to be reconsidered by the RRT. The decision in *SZEEU* also had implications for the MRT which has equivalent statutory obligations.

Judicial review of the lawfulness of decision-making sometimes involves consideration of constitutional issues. In recent years there have been several cases where it has been argued that *Migration Act 1958* decisions are unlawful because the non-citizen is not an 'alien' under the Constitution [s51[xix]].

Generally speaking, the *Migration Act 1958* powers to detain and remove unlawful non-citizens only apply to 'aliens' and 'immigrants' (s51[xxvii] of the Constitution). A notable decision during 2005-06 was *Re MIMIA; Ex Parte Ame* (24.8.05), which confirmed the validity of the legislative changes associated with Papua New Guinea's independence in 1975. The High Court confirmed that most persons born in PNG, who had been Australian citizens, lost that citizenship, and therefore became aliens when PNG gained independence. Another constitutional case was *Koroitmana v Commonwealth of Australia* (14.6.06), in which the High Court reaffirmed that birth in Australia does not necessarily take a person outside the scope of the aliens power. In that case the High Court confirmed the alien status of two children born in Australia to Fijian parents who were not Australian citizens or permanent residents.

In addition to judicial review of decisions, another situation in which courts scrutinise our actions occurs when actions for damages are instituted by people claiming that they have been harmed by unlawful or negligent acts. These matters are mostly resolved without the need for a court hearing. In 2005-06, seven claims for damages were resolved.

REPORTS BY THE AUDITOR-GENERAL

The Australian National Audit Office (ANAO) conducted a number of performance audits in the department during 2005-06:

Completed audits

Audit Report No 32 2005-2006: Management of the Tender Process for the Detention Services Contract

The objective of this audit was to assess our management, evaluation, and contract negotiation processes for the Detention Services Contract tender. Specifically, the audit considered the processes we used to determine value for money based on our:

- evaluation of the request for tender, including the announcement of the preferred tenderer
- negotiations with the successful and unsuccessful tenderers
- management of liability, indemnity, and insurance.

The audit report found that our processes and documentation of the tender evaluation did not clearly identify whether the provisions of the general agreement were considered in the management of the tender process, and how the agreement was to be taken into account during the tender, evaluation, and contract negotiation stages.

We agree with the ANAO recommendations in full and we have already introduced initiatives to address these recommendations including:

- tightening our probity controls
- monitoring by the Detention Service Steering Committee of issues relating to conflict of interest
- making record management auditable through improved systems
- securing advice from the Chief Legal Officer for the Steering Committee about procurement guidelines
- developing a framework document to guide the conduct and documentation of the procurement process, including contract negotiations.

The Auditor-General has acknowledged our planned improvements to our tender administration and our positive response to the matters raised by the audit.

Audit Report No 34 2005-2006: Advance Passenger Processing (APP)

The objective of this performance audit was to assess whether our information systems and business processes are effective in supporting APP to meet its border security and streamlined clearance objectives. In particular, the audit focused on the following:

- Mandatory APP Stage 1 (MAPP1) project management
- MAPP1 information technology development and system performance
- APP performance reporting
- contract management
- financial management.

The audit started in August 2004 and was tabled in the Parliament in March 2006.

The ANAO noted in its report that the 'APP is the most recent technological evolutionary stage of Australia's border processing. It is designed to prevent people from boarding who do not have authority to enter or who are adversely recorded by the department. The system also allows authorised agencies to examine passenger information before passengers arrive in Australia. The overall effect is to extend the border to the last point of embarkation - the airline check-in point overseas'.

APP has operated successfully since 1998 and now has about 99 per cent coverage of airline transactions. It operates in a real-time environment and has proven to be a robust application with an availability factor of above 99.7 per cent.

The ANAO was critical of our contract management and some aspects of financial management going back to 1997- 98. These issues are being addressed through a range of measures announced by the government in October 2005 to improve our administration as part of the government's response to the Palmer and Comrie Reports. These measures included significant organisational changes for contract and procurement processes.

The ANAO made six recommendations, all of which we agreed to. A number of recommendations have been implemented and work on others is nearing completion. The recommendations concerning contract and financial management are being addressed as part of contract negotiations with the service provider.

Audits in progress

The following performance audits were in progress but not completed during 2005-06.

Visa Management: the working holiday maker visa

The objective of this audit is to assess whether the working holiday maker visa programme is managed effectively, and in accordance with relevant laws and policies. The audit examined our management of this visa, including the authority for the programme, performance information, and the quality of management decision-making. We commented on a related series of issues papers provided during May 2006. An exit interview was held in mid-June 2006 and we expect the Auditor-General to table the audit report during the Spring 2006 Parliamentary Sittings.

DIMA's administration of the health provisions of the Migration Act 1958

The objective of this audit is to assess the effectiveness of our administration of the health provisions of the *Migration Act 1958* and Migration Regulations 1994.

The audit is examining our administration of the 'entry and stay' of non-citizens under the Migration Act, and will complement the current performance audit of our management of the working holiday maker visa programme. It is reviewing whether our assessment of the health of people seeking to enter Australia reflects the public health requirement. It is also reviewing our health examination, health assessments, and health undertakings, for consistency with legislation, regulation and policy, and how it evaluates and reports on our effectiveness in administering the health provisions.

The ANAO has begun preliminary work, and we expect the ANAO will table the audit report during the Autumn 2007 Parliamentary Sittings.

Other ANAO Audit Activity

We participated in a number of ANAO cross-agency audits during the year. They were reported on in our 2004-05 Annual Report, but work continued into 2005-06.

These audits were:

- Compliance with Senate Order, audit of the Senate Order of 20 June 2001 - number 7
- Management of net appropriation agreements
- Counter-terrorism co-ordination arrangements
- Green Office procurement
- Management and reporting of expenditure on consultants
- IT security management
- Management of infrastructure, plant, and assets.

Joint Committee of Public Accounts and Audit

The Joint Committee of Public Accounts and Audit (JCPAA) is required by the *Public Accounts and Audit Act 1951* to examine all reports of the Auditor-General tabled in Parliament. The JCPAA's review procedures are built around a series of public hearings held each quarter. During 2005-06, there were no JCPAA reports related to our operations.

JCPAA Inquiries Underway

We appeared before the JCPAA on 2 June 2006 during the committee's Review of Auditor-General's Reports numbered 7 to 34 (in 2005-06). This was in relation to the ANAO's *Audit Reports No 32 2005-2006: Management of the Tender Process for the Detention Services Contract* and *No 34 2005-2006: Advance Passenger Processing*.

Fraud Measures

We have a number of measures in place to prevent, detect, investigate, and report internal and external fraud. In accordance with the *Commonwealth Fraud Control Guidelines*, we report annually on these fraud measures. A Chief Executive Instruction on fraud control and a fraud control framework document was issued in 2005-06. Our fraud risk assessment and fraud control plan will be reviewed in 2006-07.

EXTERNAL SCRUTINY

Table 76: Statistical information

STATISTICAL MATERIAL	2003-04	2004-05	2005-06
Ministerial correspondence, submissions, and briefs			
Ministerial correspondence	49 413	52 753	38 049
Submissions	3 412	3 009	3 150
Function and meeting briefs	1 172	486	464
TOTAL	53 997	56 248	41 663
Parliamentary			
Possible Minister's questions	501	744	988
Estimates questions on notice	390	651	722
Parliamentary questions on notice	201	184	149
Cabinet documents			
Exposure drafts	63	60	90
Drafts for coordination comment	67	61	63
Corrigenda to drafts	23	14	16
Final submissions/memoranda (non-DIMA)	48	36	57
Minutes	133	123	138
DIMA submissions	13	12	11
Total Cabinet documents	347	306	375

REPORTS BY PARLIAMENTARY COMMITTEES

There have been a number of reports by parliamentary committees relating to us during 2005–06.

Foreign Affairs, Defence, and Trade References Committee – September 2005:

Mr Chen Yonglin's request for political asylum

On 12 September 2005, the Senate Foreign Affairs, Defence, and Trade References Committee tabled a report in Parliament on their inquiry dealing with Mr Chen Yonglin's request for political asylum.

The report made two recommendations:

- Recommendation 1: the department was to formulate a protocol for dealing with foreign diplomats and officials
- Recommendation 2: our officers were to be made aware of their confidentiality obligations and the need for sensitivity when dealing with foreign diplomats and officials.

A government response is under consideration.

As an interim measure, on 17 October 2005, all our staff in Australia were advised of the process for dealing with people claiming to be foreign diplomats/officials seeking asylum in Australia. They were also reminded of their confidentiality obligations in relation to protection visa applications.

Foreign Affairs, Defence, and Trade References Committee – September 2005:

The removal, search for, and discovery of Ms Vivian Alvarez

We appeared before this committee in July, August and September 2005. The committee's preliminary report was tabled in September 2005 and its final report was tabled on 8 December 2005 following the publication of the Ombudsman's report on Ms Alvarez's case. The final report contains 12 committee recommendations, (11 of which relate to us) and seven additional recommendations by Senator Kerry Nettle.

Joint Standing Committee on Migration - Detention centre contracts: review of audit report no 1 2005-06 December 2005:

On 6 December 2005, the Joint Standing Committee on Migration tabled its report entitled *Detention centre contracts: review of audit report no.1, 2005-2006, Management of the detention centre contracts – part B* which included two recommendations.

We provided input into the government's response to the recommendation on the insurance, liability, and indemnity regime associated with the detention function. We responded to the committee's recommendation that the progress report on the Palmer Implementation Plan be referred to the Joint Standing Committee on Migration. We also provided input noting the government's commitment to table the report in September 2006.

Legal and Constitutional References Committee – March 2006:

Report into the administration and operation of the Migration Act 1958

The report of this committee tabled in March 2006 made 62 recommendations and has been referred to the government for its consideration.

We provided extensive material to the committee during its deliberations, including a submission in August 2005 and a response in December 2005 to the committee's subsequent request to address specific witness allegations arising out of its inquiry. In providing this material, we extensively covered the broad range of issues raised by the committee and provided clarification about our processes and operations.

Senate Select Committee on Mental Health – April 2006: A national approach to mental health – from crisis to community

On the 8 March 2005, the Senate created the Select Committee on Mental Health to conduct a wide-ranging inquiry into issues relating to mental health.

We provided a submission to the committee outlining procedures on detention and our officers appeared before the committee to provide information about mental health matters and immigration detention.

Following the Palmer Report, we were already making a significant investment in the mental health of people in immigration detention.

On 30 March 2006 the committee tabled the first part of its report entitled *A national approach to mental health – from crisis to community* and the committee concluded its inquiry when it tabled its second and final report on 28 April 2006. We are introducing strategies to address recommendation 81 on mental health care for people in immigration detention.

REPORTS BY EXTERNAL BODIES

The Palmer and Comrie Inquiries

The independent inquiries into the circumstances of the detention of Ms Cornelia Rau and the detention and removal of Ms Vivian Alvarez have been the catalyst for a range of initiatives to address the recommendations made.

The Palmer Implementation Plan, which also incorporated the government's response to the Comrie Report, was tabled in Parliament on 6 October 2005. The programme of work set out by this plan focuses on staff training, health, and wellbeing initiatives for people in immigration detention, improvements in information management and technology, more accountable decision-making and quality assurance, and enhanced client service delivery.

Commonwealth Ombudsman

The Commonwealth Ombudsman received 1300 approaches and complaints during 2005-06 about administrative actions and decisions by us.

In the same period, the Ombudsman finalised 1177 approaches and complaints, although not all were investigated and some spanned more than one financial year. Of these, 1300 separate issues were identified, of which 1202 were considered to fall within the Ombudsman's jurisdiction and 554 were investigated. This demonstrates an investigation rate of 46 per cent of the total number of issues considered under the *Ombudsman Act 1976*.

Of the 554 investigations, administrative deficiency was identified in 32 cases. This is equivalent to 5.8 per cent of the total number of investigations for 2005-06.

This information is not directly comparable with previous financial years due to changes to the Ombudsman's work practices and complaint management systems.

Referred immigration cases

Following the release of the Palmer Report in July 2005 into the circumstances of Ms Rau's detention, the Ombudsman has accepted the government's referral of cases in which individuals released from detention have a system descriptor of being released 'not unlawful'. We will continue to address systemic issues raised by these cases to ensure they do not continue or recur.

During 2005-06 the Ombudsman investigated the circumstances of one of the referred immigration cases, Mr T. The report of this investigation was released by the Ombudsman on 23 March 2006 and highlighted the sensitivities and complexities agencies face in managing people with a serious mental illness. Most of the issues raised by the report have either been dealt with or are being addressed under the change process we have implemented in response to the recommendations resulting from the Palmer and Comrie Inquiries.

Human Rights and Equal Opportunity Commission

During 2005-06, the Human Rights and Equal Opportunity Commission (HREOC) investigated 24 complaints about our actions. Two reports in which we were a respondent were tabled in parliament by HREOC in 2005-06:

- HREOC report no 31 - Report of an inquiry into a complaint by Mr Zacharias Manongga, Consul of the Republic of Indonesia for the Northern Territory, that the human rights of Indonesian Fishers detained on vessels in Darwin Harbour were breached by the Commonwealth of Australia (2005)
- HREOC report no. 35 - Report of an inquiry into a complaint by Mr AV of a breach of his human rights while in immigration detention (2006).

Management of human resources

CERTIFIED AGREEMENT

Our *Certified Agreement 2004-07* expires on 29 January 2007. The new Collective Agreement will be negotiated in the second half of 2006.

The next agreement will support the implementation of the *DIMA Plan 2006-07*, reflecting our strategic priorities, supporting the change process, and helping staff balance their work and personal lives.

National Staff Consultative Forum

A National Staff Consultative Forum (NSCF) was established under the *Certified Agreement 2004-07*. The NSCF is the national consultative body for matters involving our employees' conditions of employment. It also provides an opportunity for senior management, employees, and their representatives to consult on the implications of legislative, funding, organisational, technological, and procedural changes for employees. The NSCF meets at least three times per year with additional meetings convened when necessary.

WORKFORCE PLANNING AND COMPOSITION STATISTICS

Workforce Composition

At 30 June 2006, we had 6345 employees (not including locally engaged staff overseas who are administered by the Department of Foreign Affairs and Trade on our behalf), representing an increase of 10 per cent over 2004-05. Details of our staffing profile are at Appendices 5 and 6.

Of our ongoing workforce 91.2 per cent of staff are full-time and 8.8 per cent are part-time employees. The ongoing, full-time rate for employees has increased by 2 per cent from 2004-05 (based on full-time equivalent employees). Non-ongoing staff as at 30 June 2006 comprised 8 per cent of our workforce. This figure represents a decrease of 2 per cent in the number of non-ongoing employees employed by us in 2004-05.

Workforce planning

During the year we developed a Workforce Planning Strategy for 2006-08 with the aim of establishing an integrated and systemic strategy that would help us effectively manage our needs now and into the future. This aim will be achieved by:

- developing regular and consistent reporting

- aligning planning cycles
- identifying workforce priorities and initiatives in line with the annual workforce planning report and human resource strategy
- enhancing existing governing and reporting frameworks
- redeveloping workforce planning systems and sub-systems to support the planning process.

Several new workforce planning initiatives are being implemented between 2006 and 2008 to help us effectively plan our workforce needs, including the implementation of diagnostic tools, and a new monitoring and reporting capability.

Employee separation

Our voluntary separations (for ongoing employees) increased to 7.0 per cent in 2005-06 from 6.53 per cent during 2004-05.

Of the 412 ongoing employees who voluntarily separated from us during the 2005-06 period, there were 33 EL2s, 89 EL1s, 88 APS6s, 78 APS5s and 124 APS4s. A large proportion of the voluntary separations were due to transfers/promotions to other government agencies (41 per cent) - an increase from 33 per cent in 2004-05.

Australian Workplace Agreements (AWAs)

We have a number of Australian Workplace Agreements (AWAs) in place for both our SES and non-SES staff. We use our AWAs to attract and retain employees, especially those with specialist skills, or those performing their duties in remote locations, or with additional responsibilities.

Non-salary benefits are provided to staff under AWAs who have particular managerial responsibilities. The benefits may include private-plated government vehicles, mobile phones, access to a personal computer, or assistance with accommodation (for staff relocating for work purposes).

As shown in Table 78 all 85 of our SES officers are now on AWAs, 315 of our executive level officers (28 per cent), and 23 APS-level officers (1 per cent).

Table 77 – Number of staff on AWAs in 2005-06

Quarterly Department of Employment and Workplace Relations Report

	Active	Under Offer	Total
SES AWAs:	51	34	85
Non-SES AWAs			
EL2 AWAs:	75	105	180
EL1 AWAs:	97	38	135
APS6 AWAs:	14	6	20
APS5 AWAs:	1	1	2
APS4 AWAs:	0	1	1
Total AWAs:	238	185	423

Note: Above numbers under column 'Active' are based on AWAs that have been lodged with the Office of Employment Advocate.

Table 78: DIMA staff on AWAs

DIMA Staff on AWAs

Classification	No. in DIMA	On an AWA	Percentage on AWA
SES	85	85	100 per cent
Non-SES			
EL2	279	180	64.52 per cent
EL1	838	135	16.11 per cent
APS6	1108	20	1.81 per cent
APS5	1116	2	0.18 per cent
APS4	1157	1	0.09 per cent

Note: The numbers in the above table include people acting in other positions on 30 June 2006.

Senior Executive Service remuneration

All Senior Executive Service (SES) staff are remunerated through an AWA. The SES remuneration package includes base pay, the provision of a government motor vehicle (or cash in lieu), superannuation, and performance pay. The AWA also includes a range of leave provisions and other benefits. An important part of the AWA is that SES staff will uphold and promote our and the *APS Values* and *Code of Conduct* and foster a supportive organisational culture.

Employee Opinion Survey

In December 2005 we conducted an employee opinion survey to seek the views of all ongoing, non-ongoing, identified contractor staff, and Australian-based staff overseas. Supporting our strategic theme of well trained and supported staff, the survey enabled staff to express their opinions and provide input on their work environment.

Two major aims of the employee opinion survey were to:

- identify and report staff views on topics including leadership, line management, performance evaluation, training and development, communication, client focus, and image
- establish an internal baseline from which to compare future employee opinion surveys as well as employee opinion survey data from other Australian organisations.

The survey received a strong response from staff with 69 per cent completing the survey online. Overall, staff responded most positively to survey questions about goals and objectives, employee involvement and innovation, and employee engagement. Staff responded least positively to survey questions about image, leadership, and values and ethics. The survey results were communicated to managers and staff in March and April 2006 and the issues raised in the survey are being addressed through our business planning and other initiatives.

Purchasing

ASSESSMENT OF PURCHASING AGAINST KEY OBJECTIVES

Our procurement policy conforms with the core principles of the Commonwealth Procurement Guidelines (CPGs). Those officers who are responsible for the procurement of goods and services are provided with support through the services of the Contracts and Procurement Advice Section (CPAS) in the Legal Division. This section seeks to ensure that procurement activity reflects best value for money, is an efficient, effective, and ethical use of public resources, and complies (where required) with mandatory aspects of the CPGs.

The CPAS provides support through:

- a dedicated Helpdesk for all procurement and contracting enquiries
- in-house legal advice
- the management of a panel for Competitive Tendering and Contracting advice
- the development and maintenance of policy documentation including procurement and contracting templates
- the coordination of our procurement reporting responsibilities
- the provision of procurement and contracting training.

CPAS delivered a series of procurement and contract management education and training courses during 2005-06. These ranged from fundamentals, aimed at the induction and graduate level, to more advanced topics for officers who are regularly engaged in procurement or contract management. In addition, CPAS has coordinated the delivery of accredited training with 93 of our staff attending the Certificate IV in Government (Procurement) and 44 attending the Diploma in Government (Contract Management).

As a result of the new procurement environment, 2005-06 has seen a 35 per cent increase in the number of tenders advertised and a 58 per cent increase in the number of advices (4433) provided by the CPAS Helpdesk.

PURCHASER PROVIDER ARRANGEMENTS – DIMA AND DFAT/AUSTRADE SERVICE LEVEL AGREEMENTS

We have purchaser arrangements in place with the Department of Foreign Affairs and Trade (DFAT) and Austrade for the purchase of management services at overseas posts.

Responsibility

The service level agreements (SLAs) remove duplication of administrative services supporting an efficient, whole-of-government use of resources overseas. They detail the provision of management services, agency responsibilities, performance indicators, and cost recovery arrangements for the term of each agreement. Management services include personnel, office, property, and financial services. Each SLA also includes a dispute resolution mechanism and a provision for reduced fees if services are not provided to the agreed standard, based on the performance indicators.

Control arrangements

The DFAT service level agreement applies from 1 September 2004 to 31 August 2007 and can be extended for up to two years. We signed a new purchaser agreement with Austrade, effective from 1 April 2006 to 30 June 2009, which may be extended annually.

Resourcing

We pay global service fees to cover the costs to DFAT and Austrade for delivering the services. The fees are calculated on the basis of locally engaged staff salaries, the time spent by those staff delivering management services, and the number of our A-based and locally engaged employees at post. The total SLA fees for 2005-06 were \$5 063 028.

Performance against outcomes and outputs

The SLAs contribute to our outcomes by contributing to the efficient delivery of management services at overseas posts.

Purchaser/provider arrangements

PURCHASER ARRANGEMENTS – DIMA AND DFAT MEMORANDUM OF UNDERSTANDING

We have a purchaser arrangement with the Department of Foreign Affairs and Trade (DFAT) for the provision of Information and Communication Technology (ICT) services at overseas posts.

Responsibility

The Information and Communication Technology Memorandum of Understanding (ICT MOU) is an agreement between our two agencies whereby DFAT facilitates communications and business processing by our overseas posts. This ICT MOU continues a cooperative arrangement that has been in place since 1997.

Control arrangements

The ICT MOU covers the period 1 July 2004 to 30 June 2007 and spells out cost recovery arrangements for the term of the agreement. The MOU also details the services covered by the agreement including SATIN Low, SATIN High, PABX services, Internet access, and telecommunication services. Efficiencies are gained by bringing these services under one arrangement, through clarity of scope of work, certainty of terms and conditions, and improved administration.

Resourcing

An agreed fee is charged for these services. In 2005-06 the fee we paid to DFAT under the ICT MOU totalled \$4 792 600 (inclusive of GST) plus the fee paid by posts on a per-user basis for Internet access to SATIN.

Performance against outcomes and outputs

The ICT MOU reflects the government's requirement for DFAT to take the lead agency role where agencies require services at overseas posts. It helps deliver on our outcomes by contributing to the efficient delivery of ICT services at overseas posts.

PROVIDER ARRANGEMENTS – CLUSTER 3 CONTRACT MANAGEMENT

We obtain our IT and telecommunications services as part of Cluster 3 (the Cluster was formed under a government directive requiring agencies to outsource IT and telecommunication infrastructure by grouping together in clusters). IT services are provided by Computer Science Corporation Australia Pty Ltd (CSC). Telecommunications services are provided by Optus Networks Pty Ltd. Our Cluster Support Unit (CSU) provides a coordination function for the cluster contract management.

The contract with Optus is in place until 30 June 2008. The CSC contract is in place until 30 June 2007, although we and the Australian Electoral Commission (AEC) have extended this contract for a further period for limited services only.

The services received by each of the cluster agencies are set out below:

- DIMA (CSC and Optus)
- Australian Electoral Commission (CSC and Optus)
- Department of Finance and Administration Electorate Offices System (Optus)
- National Mapping Division Geoscience Australia (Optus)
- IP Australia (CSC and Optus)
- IPS Radio and Space Services (Optus).

Some agencies that were former Department of Finance bureau customers also receive services under the contracts.

Responsibility

The contracts are managed by the CSU which is responsible for:

- providing high-level support to the Cluster Management Committee
- maintaining the integrity and currency of the service agreements through variations
- meeting other contract management requirements, as requested by the Cluster Management Committee
- providing agencies with ad-hoc advice about the cluster's contracts.

Control arrangements

Cluster 3 agencies are parties to a MOU that establishes:

- protocols of operation for dealing with the contractors
- the Cluster 3 Management Committee
- the CSU.

Resourcing

The MOU provides for the cluster contract management resources and funding. Agencies contribute towards the management and administrative costs on an agreed basis.

Performance against outcomes and outputs

The CSU contributes to cluster agencies' and Australian Government objectives of IT and telecommunications infrastructure outsourcing by providing a central point of reference and coordination for the cluster contract management.

Asset management

ASSESSMENT OF EFFECTIVENESS OF ASSETS MANAGEMENT

We manage more than 9300 assets with a gross book value of \$370 million. During the year, as a result of the Administrative Arrangement Order of 27 January 2006, all assets relating to Indigenous activities were transferred to the Families, Community Services, and Indigenous Affairs Portfolio.

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

All assets owned by us 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 Australian National Audit Office.

Assets are maintained through specified maintenance programmes, including contracted services.

Consultants and competitive tendering and contracting

CONSULTANTS, CONTRACTS AND COSTS

During 2005-06, we entered into 119 new consultancy contracts, involving total actual expenditure of \$11 million. In total, 199 ongoing consultancy contracts were active during 2005-06 involving total actual expenditure of \$61 million.

A full list of consultancies let during 2005-06 can be found at Appendix 12 to this Annual Report.

Consultancy costs have risen compared to 2004-05, as shown in Table 79. Table 80 shows the nature of the consultancy contracts for 2005-06.

Table 79: Consultancy costs for 2003-04, 2004-05, and 2005-06

Year	Total consultancy costs
2003-04	\$47.93 million
2004-05	\$48.26 million
2005-06	\$60.62 million

Table 80: Consultancy expenditure and number of consultants for 2005-06

Purpose	Total consultancy costs paid during the 2005-06 financial year (irrespective of when the contract was let)	Total number of consultants for 2005-06
Involves specialist professional knowledge and/or expertise that may not be maintained in-house	\$12 437 340	106
Involves development of an intellectual output – eg research, evaluation, advice, and recommendations – to assist with agency decision making	\$47 300 093	83
Involves a one-off task, a set of tasks, or irregular tasks (making employment of permanent staff impractical or undesirable)	\$882 056	10
Total	\$60 619 489	199

COMPETITIVE TENDERING AND CONTRACTING (CTC) OUTCOMES

We engaged in and concluded a number of competitive tendering processes during 2005-06. The more significant of these are listed below:

- An IT financial advisor panel arrangement was put in place so that providers could be engaged to provide expert IT financial analysis, advice, and assistance.
 - An IT architectural panel has been established to provide analysis and advice in relation to IT architecture, including architectural directions, design, integration, review, planning, and implementation.
 - A people services panel was set up to provide IT contractors for us, including business analysts, project/solution architects, programmers, and a range of other skill sets.
 - A project management panel was established to provide teams to undertake specific IT and non-IT projects. These include application development, design, testing, and implementation for IT projects, feasibility studies, and business analysts for non-IT projects.
 - A project management services panel was established to provide project management support through methodologies, monitoring, and frameworks.
 - A tender was released in March 2006 for the Indonesian Border Systems Project. The contract was awarded to CPS Systems in June 2006.
 - A tender process was undertaken for the production of our Annual Report with the contract being awarded to MA@D Communication.
 - A request for expression of interest for selected IT Services (including end-user computing services, service desk services, and secure gateway services) was issued in November 2005. This resulted in a select tender process for these IT services.
 - An extension of existing arrangements with CSC for border critical infrastructure (including mainframe and mid-range services) was completed in May 2006 by benchmarking and re-negotiating existing arrangements.
- Listed below are a number of tendering activities that started in 2005-06 and had not been completed at 30 June 2006:
- Contract negotiations were underway for the provision of a departmental uniform and optional items of apparel for staff, with a contract expected to be signed in early 2006-07.
 - A request for tender (RFT) was issued in May 2006 for the appointment of expert advisers for the detention services tender project. The appointments should be finalised by mid-2006-07.
 - A RFT was issued in May 2006 to undertake a review of our Chief Executive Instructions. The submissions were being evaluated with a contract expected to be signed in early 2006-07.
 - A RFT was issued in April 2006 to undertake services under the Immigration Advice and Application Assistance Scheme. The process is almost complete and contracts are expected to be signed in early 2006-07.
 - We are currently undertaking contract negotiations for inclusion on the Australian Cultural Orientation (AUSCO) panel for the provision of offshore AUSCO services to Australia's humanitarian entrants from 2006-09. We expect the outcome to be announced in early 2006-07.
 - A procurement process is currently underway to establish a panel of learning and development service providers. This process should be finalised in early 2006-07.
 - Contract negotiations are currently underway following a select tender process for a preferred strategic partner for the *Systems for People* initiative which will re-engineer ICT systems to enable major business transformation.
 - A select tender process is currently underway for selected IT services (including end user computing services, service desk services, and secure gateway services). The RFT was issued on 30 May 2006 and current arrangements will expire on 30 June 2007.

CONTRACTS OVER \$100 000 WITH NO AUDITOR-GENERAL ACCESS TO CONTRACTOR'S PREMISES

Our standard contract templates include a clause allowing the Australian National Audit Office (ANAO) to access a contractor's premises. We aim to include this access clause into any contracts which we enter. However, there are a limited number of circumstances where ANAO access clauses have not been included. Instances where this may occur include where:

- the supplier has insisted that we use specific industry-based standard contracts rather than our standard contract template
- there is an international contract
- purchase orders are used without the access clause.

Table 81 lists the 2005-06 contracts that did not include the ANAO access clause.

Table 81: Contracts from which the ANAO access clause was omitted.

Name of contractor	Purpose of contract	Value of contract
American Express Travel	Provision of American Express merchant services	\$142 615
AMP Asset Management	Lease of office space	\$9 333 000
Arrow International Pty Ltd	Project management and design services	\$551 227
Australand	Lease of office space	\$39 890 920
Australian Postal Corporation	Agency services for citizenship interviews and related citizenship services	\$1 347 274
B & S Card Service	Provision of credit card facilities	\$763 510
Barclays Bank Plc (UK)	Provision of merchant services for Visa cards	\$998 479
Bellala Pty Ltd	Lease of office space	\$724 588
Bellandy Pty Ltd (KFPW)	Lease of office space	\$3 734 000
CDK Commercial Constructions Pty Ltd	Gate house - Maribyrnong Detention Centre	\$544 838
Challenger Property Nominees Pty Ltd	Deed of agreement to lease	\$148 710 300
Citibank, NA (Hong Kong)	Provision of merchant services for Visa cards and Mastercards	\$595 102
CPS Systems Pty Ltd	Electronic Travel Authority system	\$85 000 000
Dell Financial Services	Leasing of Dell flat screen computer monitors	\$500 000
FA Pidgeon and Son	Lease of office space	\$10 564 788
Hermes Precisa Pty Ltd	Laser over-printing of Australian citizenship materials	\$202 500
International Centre for Migration Policy Development	Comparative and analytical study of Australia's asylum system	\$116 795
International Organization for Migration (IOM)	Cultural orientation for Australian-bound entrants from South East Asia	\$127 305
ISPT Pty Ltd	Lease of office space	\$7 601 182

Table 82: Contracts from which the ANAO access clause was omitted *continued*

Name of contractor	Purpose of contract	Value of contract
JLLS Perth	Lease of office space	\$221 490
Lachlan Reit Limited	Lease of office space	\$776 160
Leaseplan Australia	Leasing of motor vehicles	\$8 817 717
LH Building Services Pty Ltd	Project contract for Villawood Detention Centre - accommodation buildings upgrade	\$2 805 427
Limex International Ltd	Lease of office space	\$709 335
Mercury Interactive (Australia) Pty Limited	Winrunner - additional licences (including 12 months maintenance)	\$117 209
Northern Contract Cleaning Pty Ltd	Provision of cleaning services	\$170 900
Saracen Properties Pty Ltd	Lease of office space	\$10 998 385
Schiavello Systems (Qld) Pty Ltd	Supply and installation of workstations	\$122 815
Shanghai Centre	Lease of office space	\$2 465 000
Siemens Building Technologies	Building technologies maintenance agreement	\$125 631
Software Spectrum Inc (Microsoft)	Microsoft Enterprise Agreement	\$9 700 000
The Riggs National Bank (USA)	Provision of merchant services for Visa card, Mastercard, Bankcard and debit cards, provision of terminals, and of internet payment facilities	\$837 301
Tubarao Investment Pty Ltd	Lease of office space	\$179 810
WT Partnership	Christmas Island: independent certifier to ensure buildings comply with the building code of Australia	\$1 300 000

CONTRACTS OVER \$10 000 EXEMPT FROM PUBLISHING IN THE GAZETTE

No contracts fell into this category during 2005-06.

Details of all contracts that have a value of \$10 000 or more have been published in AusTender in accordance with the reporting requirements of the Commonwealth Procurement Guidelines.

ASSESSMENT AGAINST IMPLEMENTING THE COMMONWEALTH DISABILITY STRATEGY

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

Policy adviser role

Work on our Disability Action Plan is progressing in accordance with the *Disability Discrimination Act 1992*. As well as demonstrating our commitment to the elimination of disability discrimination, the completed plan will ensure the inclusion and participation of people with disabilities in our policies, programmes, and services.

Provider role

Our *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.

A review of our *Client Service Charter* was undertaken in 2005. The revised charter will be published in a number of formats to cater for a diverse range of clients, including clients with a print disability.

Our websites are specifically designed for accessibility by vision and motor impaired clients. These websites are more than 95 per cent compliant with Braille text readers.

Detention services contracts in operation during 2005-06 required the detention services provider to ensure appropriately qualified personnel identified, responded to, and addressed the special needs of people in immigration detention with a disability. Initial health screening assists in the early detection of people with a disability so we can provide them with appropriate support.

All people in immigration detention with a disability have an individual care plan and access to appropriate equipment and facilities. They are also provided with accommodation to suit their needs. The development plans for new detention centres - and upgrades and improvements to existing centres - incorporate these considerations in line with relevant national building codes.

We consider alternative detention arrangements for people in immigration detention with special needs on a case-by-case basis. If we receive professional advice that the person cannot be adequately cared for within detention facilities, we consider the option of release from detention on a bridging visa. The *Migration Amendment (Detention Arrangements) Act 2005*, which came into effect on 29 June 2005, provides for more flexible detention arrangements for people in immigration detention, including for minors, families and those with special needs (such as a disability).

Employer role

We ensure our workplace environment complies with occupational health and safety (OH&S) legislation and provides for additional services beyond those requirements. Following are some of the specific OH&S initiatives that accommodate people with disabilities:

- all buildings are wheelchair-accessible
- disabled toilets are available in every office
- disabled shower facilities are also available at our National Office
- adjustments to the workplace include custom made height-adjustable workstations
- emergency procedures specifically address requirements of people with mobility impairments
- we maintain a register of technologies available to assist staff with disabilities or injuries. These technologies currently in use include voice-activated software, Zoomtext vision assistance software, specialised phones for hearing-impaired people or for use with hearing aids, and a variety of adapted keyboards

- we can put staff members with intellectual and/or psychological disabilities in contact with a workplace support person through an appropriate agency
- any staff member who is experiencing health issues that impact on their ability to function at optimal capacity in the work environment has access to an injury management adviser. The adviser works with the staff member, the manager, and appropriate support agencies to aid the officer's ongoing participation in the workplace
- our National Office building includes features designed to assist sight and hearing-impaired people in elevators as well as facilities for hearing-impaired people in conference rooms. All services have passed independent evaluation and certification.