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Governance

During 2007–08, the department continued to invest in good governance at all levels. Following an independent review of the department's governance arrangements in 2006–07, improvements have been made to the governance framework, including the functioning and strategic focus of the key governance committees. Information and education about values, standards and accountabilities have been expanded and there are robust frameworks in place for better managing stakeholder and client relationships, and departmental performance generally.

The department's governance system emphasises the core elements of holistic governance in the department—leadership, strategic direction, accountability, performance, controls and assurance. Together these elements work to support the department's strategic themes of being an open and accountable organisation, having fair and reasonable dealings with clients and having well trained and supported staff.

The department aims to ensure staff have a good understanding of the department's governance system. People in leadership roles have the further responsibility of ensuring that those in their teams are clear about the policies, procedures and business rules that govern their work and that all staff should participate fully in departmental performance management, planning, accountability and assurance processes.

Key governance committees

The key governance committee framework is an important element of the department's arrangements for managing its business, strategic priorities and risks. The framework works with the department's organisational

structure to ensure effective decision making, management and oversight of the department's operations and performance.

Following the review of governance undertaken in 2006–07, a number of adjustments were made to the department's governance committees to streamline their operation and improve their focus on strategic issues.

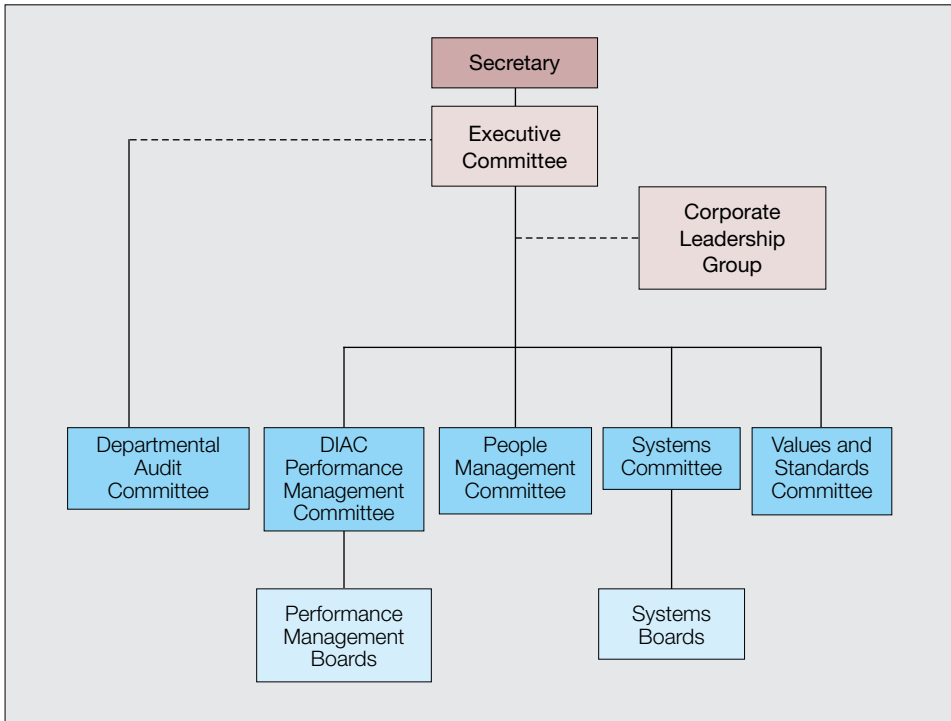
The Executive Committee is the most senior governance committee in the department. The key issues considered by the committee include matters of strategic or operational significance, setting organisational directions, priorities and plans, policy and strategy, financial management, change management, organisational performance, corporate management issues and strategic evaluations.

The Corporate Leadership Group (CLG) provides a forum for key senior officers covering the range of departmental operations to focus on strategic policy and operational matters; promote collaboration and coordinated activity across the department; and share information focusing on business delivery, innovation and improvements. The CLG provides a key source of considered advice to the secretary to enable effective and informed decision making.

The remaining key governance committees are the:

- Departmental Audit Committee
- Values and Standards Committee
- Systems Committee
- DIAC Performance Management Committee
- People Management Committee.

Figure 32: Structure of the department's key governance committees 2007–08



Leadership and governance

During 2007–08, the Prominent Speaker Program continued. This program invites prominent individuals from the public, private, academic and community sectors to present to the senior leadership group on a range of topics on a two-monthly basis.

The objective of the current series—on governance and leadership—is to develop and strengthen the leadership group's appreciation of its central role in promoting good governance throughout the organisation. Together with other development initiatives, the series strongly promotes governance as 'core business' for the leadership group and the importance of having a strong and contemporary appreciation of policy issues.

Participation in the program by the senior leadership group has been strong and reflects the high value placed on providing

strong leadership and support to staff, through developing a better understanding of our governance responsibilities and the attitudes and behaviours that underpin them.

The program in 2007–08 included presentations by:

- Mr Brian Pink—Australian Statistician, Australian Bureau of Statistics
- Professor Ken Wiltshire—JD Story Professor of Public Administration, University of Queensland
- Ms Elizabeth Proust—company director and consultant
- Professor John McMillan—Commonwealth and Immigration Ombudsman
- Mr Richard Towle—Regional Representative, United Nations High Commissioner for Refugees

- Mr Terry Moran AO—Secretary, Department of the Prime Minister and Cabinet
- Professor Raimond Gaita—Professor of Moral Philosophy at King's College, University of London and Professor of Philosophy at the Australian Catholic University.

Risk management

During 2007–08, the department continued to integrate risk management practices into a range of governance activities, including business planning, contract management and internal audit planning. All divisions, state and territory offices and overseas regions had risk management plans in place in 2007–08 and reported every six months on any new risks, realised risks and on the status of planned controls. From this information, a departmental risk register has been developed.

A corporate risk profile was compiled and reviewed by the Departmental Audit Committee and endorsed by the Executive Committee. The corporate profile provided a high level view of the department's risks and a tool for prioritising and managing risks. The profile provides an opportunity for senior executives to review key risks and to inform the development of the planning and audit program.

The department provides training and distributes promotional material to raise awareness among staff of risk management principles and to promote an understanding and knowledge of the risk management framework. A network of risk management contacts in the department meet monthly to discuss risk management issues. A help desk is also available to assist staff in developing risk management plans.

In late 2007, as part of the commitment to ongoing improvement, a working group was established to conduct a review of the

risk management framework. This review identified opportunities to strengthen risk management.

Quality assurance

The Governance and Assurance Branch continued to provide quality assurance training, advice and guidance on consistent standards in the design and review of quality assurance processes, enabling program managers and the Departmental Audit Committee to identify trends and emerging portfolio-wide risks.

The department has continued to increase the number of quality assurance processes in place across different business areas. Periodic reports are made to the Departmental Audit Committee on the level of compliance with controls and on remedial action proposed or undertaken to address identified issues.

An internal network group was established in 2007–08 to draw together departmental staff responsible for the development of quality assurance processes in their respective business areas. The group provides a forum for staff to share information and to gain an insight into issues, ideas and success stories on quality assurance activities on a regular basis.

Fraud control measures

During the year, oversight of the department's obligations under the Commonwealth Fraud Control Guidelines 2002, was passed from the Fraud, Integrity and Security Committee to the Departmental Audit Committee (DAC).

The objective of the DAC is to provide independent assurance and assistance to the secretary and the Executive Committee on the department's risk profile, fraud control plan, control and compliance framework, and its external accountability responsibilities.

The role of the DAC is outlined in more detail overleaf. However, with regard to fraud matters, the DAC is responsible for:

- ascertaining whether an effective fraud control plan is in place
- reviewing the plan and satisfying itself that the department has appropriate processes and systems in place to capture and effectively investigate fraud related information.

The department also established the Fraud Management Section with overarching responsibility for developing the framework and governance for fraud prevention, detection and investigation within the department, and to improve links with business planning, risk management and financial management. The section has responsibility for:

- strategic planning
- policy advice and support
- fraud training
- enhancing fraud analysis and reporting
- stakeholder relationship management.

The key actions of the section include:

- developing the overall governance and fraud management framework
- establishing a rolling program of fraud risk assessments to inform the Fraud Control Plan
- developing and implementing fraud performance measures
- establishing a centralised fraud risk register and implementing a suitable reporting framework
- developing and delivering an education and training program.

The current *Fraud Control Plan 2006–08* identifies fraud prevention, detection, investigation, reporting and data collection processes that meet the needs of the department and comply with the guidelines.

Work commenced during the year on preparing the *Fraud Control Plan 2008–10* as part of the department's obligations under the guidelines.

Preparation of the plan is one of the department's obligations in complying with the Commonwealth Fraud Control Guidelines which are issued under regulation 19 of the Financial Management and Accountability Regulations 1997. The ultimate authority for the plan is the *Financial Management and Accountability Act 1997*.

The plan categorises fraud into three broad types, namely, visa and citizenship, financial, and administrative fraud, based on the supporting legislation of each category and identifies a number of action items to address specific risks.

A fraud risk workshop was also undertaken which identified, at a high level, a range of fraud risk exposures which will be subject to more detailed examination during the life of the *Fraud Control Plan 2008–10*.

A draft framework was developed by the Fraud Management Section for clearance by the DAC. The framework will provide a roadmap for the implementation of an effective fraud control regime.

The department also consolidated governance, planning and assurance responsibilities, including fraud control, into one branch.

Departmental Audit Committee

The secretary established the Departmental Audit Committee in compliance with section 46 of the Financial Management and Accountability Act.

The committee provides independent assurance and assistance to the secretary and the Executive Committee on the department's risk profile, fraud control plan, control and compliance framework, and its external accountability responsibilities.

The Departmental Audit Committee Financial Statements Sub-Committee is appointed by, and reports to, the Departmental Audit Committee. The sub-committee is responsible for the oversight of the preparation of the annual financial statements, including facilitating resolution of any identified issues in a timely manner. The Departmental Audit Committee reviews and clears the annual financial statements before submission to the secretary.

The department works cooperatively with the Australian National Audit Office (ANAO) to coordinate overall audit activity within the department, and to ensure there is no duplication of the audit effort. The ANAO is invited to attend Departmental Audit Committee and Departmental Audit Committee Financial Statements Sub-Committee meetings.

Internal audit

The internal audit function is managed by the Governance, Planning and Assurance Branch which reports directly to the secretary and operates under the authority of the Internal Audit Charter. The internal audit program is primarily delivered by the department's strategic partner, Ernst & Young. However, the department also manages a supplementary panel of external providers who undertake selected audits.

In April 2008, the department engaged the Institute of Internal Auditors to undertake an independent quality assessment of the internal audit function. The review examined the efficiency and effectiveness of internal auditing, opportunities for improvement and conformance to the International Standards for the Professional Practice of Internal Auditing.

The review found that 'internal audit within the department is operating satisfactorily, and in most respects could be considered as representative of better practice in internal auditing; it is a well run internal audit activity'. The general perception was that the internal audit section was well respected, seen as competent and professional in delivering its services and the work was described as being of good quality. The department fully complied with 44 of the 46 standards against which it was measured and there was partial compliance with the other two standards. This was seen as an excellent result.

Reports by the Auditor-General

The Australian National Audit Office (ANAO) conducted a number of performance audits in the department during 2007–08.

Audit Report No. 2 2007–08: Electronic Travel Authority (ETA)—follow-up audit

The objective of the audit was to examine the department's implementation of the nine recommendations made in an audit conducted in 1999. It also took into account changed circumstances since the original audit. These include a heightened security environment after 11 September 2001 and the results of other relevant ANAO performance audits and financial statement work.

The ANAO concluded that the department had implemented the recommendations from the 1999 audit report, while noting that some further work was required in relation to certain recommendations.

In their report, the ANAO made two recommendations. The first was that passenger processing performance measures be included in the Memorandum of Understanding (MOU) between the department and the Australian Customs Service. A new MOU was signed with Customs in June 2008 which includes performance measures.

The second recommendation was that the department undertakes a quality assurance program which tests the completeness and accuracy of the immigration data entered into the Movement Alert List (MAL). This recommendation has also been implemented.

The ANAO noted that in implementing the recommendations, the department had improved the administration of the ETA system which continues to be a robust and efficient platform. It is a key component of the department's layered approach to border management.

Audit Report No. 24 2007–08: DIAC's management of the introduction of biometric technologies

The objective of the audit was to determine whether the department's biometrics program had appropriate:

- business review processes (including a business case)
- authorisation
- business and IT governance arrangements
- IT project management and systems development arrangements.

Overall the ANAO considered that the department's introduction of biometric technologies is an important element of the Australian Government's priorities in relation to better verification of claimed identity and in the identification of those whose identity may be in doubt. The ANAO recognised that the department's introduction of biometrics has been challenging given the rapidly evolving nature of the technologies involved and the dynamic environment in which the technologies are being deployed. This includes major changes to the department's systems and evolving national and international approaches to the use and choice of biometrics.

The ANAO found that the department obtained a clear government mandate to research, trial and introduce biometric technologies and that accompanying legislation was put in place. The ANAO further found that the department's planning including its business case, was generally sound. The governance arrangements that were established were also deemed to be sound, as were the strong provisions aimed at protecting sensitive personal information.

The ANAO made four recommendations. The first proposed an evaluation and monitoring strategy to ensure that the intended benefits were being delivered by the chosen biometric approach.

The second related to ensuring that the department's strategy maximised the potential for interoperability with overseas countries and national counterparts. The third recommended that the department obtain structured feedback from stakeholders and strengthen assurance processes around access and disclosure. The final recommendation proposed better requirements for management of IT projects.

The department agreed with all four recommendations and, in response, developed a recommendation implementation plan which has already seen progress relating to each of the recommendations. A biometrics projects requirements manager has been appointed and is currently conducting an evaluation, assessing the benefits to date, while also receiving structured feedback from decision makers and stakeholders.

Audits in progress

The following audits are currently in progress:

- Management of the Australian Government's Action Plan to Eradicate Trafficking in Persons
- Management of the Movement Alert List
- Construction of the Christmas Island Immigration Reception and Processing Centre
- Settlement Grants Program.

Other ANAO audit activity

The department participated in the following ANAO cross-agency audits during the year:

- Interim Phase of the Audit of Financial Statements of the General Government Sector Agencies for the year ending 30 June 2008
- Audits of Financial Statements of Australian Government Entities for the period ended 30 June 2007
- Non-APS workers
- Australian Government Agencies Management of their websites
- Protective Security Audit (security clearances and vetting).

Joint Committee of Public Accounts and Audit

The Joint Committee of Public Accounts and Audit is required by the *Public Accounts and Audit Act 1951* to examine all reports of the Auditor-General tabled in parliament. Its review procedures are built around a series of public hearings held each quarter. During 2007–08, none of the joint committee's reports related to the department's operations.

Client service excellence

Embedding a culture of client service excellence

In the last 12 months the department has continued progress in developing and embedding a culture of client service excellence across the organisation—a process which started in 2005–06 as part of a response to the Palmer and Comrie reports.

Client Service Improvement Program

The launch of the Client Service Improvement Program and Client Service Charter in June 2006 marked the start of a series of ongoing initiatives to develop and implement service improvements across the department.

The momentum continued in 2007–08. Clients were surveyed and consulted in order to better understand their service needs and expectations. Examples of this consultation include the following:

- A client service intercept poll survey was conducted by the University of Queensland Social Research Centre in November 2007, with 82 per cent of clients satisfied with the service provided by the department. Clients also provided suggestions on where services could improve. A program of regular client surveys has been developed to take this work forward in 2008–09.
- Consultation was undertaken with external and internal clients as well as stakeholders in regular Value Creation Workshops and Client Reference Groups.
- A centralised Global Feedback Unit was introduced for better complaints resolution, analysis and reporting.

- A comprehensive compliments and complaints policy was developed.
- Draft External Client Service Standards were developed which articulate what clients and stakeholders can expect from the department.

Increased understanding of clients has informed and driven a number of positive changes across the service network, including:

- an inaugural annual Secretary's Client Service Challenge to recognise examples of excellent client service delivered by teams
- periodic Awards for Client Service Excellence where the secretary recognises a person or team whose conduct embodies the department's strategic value statement, '**people** our business'
- improvements in overseas contact centres which have enhanced the timeliness and quality of responses to clients
- the establishment of a letter improvement program to ensure consistency and quality in departmental letters to clients
- the refit of immigration offices to make them more welcoming and client friendly—the Brisbane and Hobart offices have been refitted and others will be rolled out as refurbishments are due or new leases are entered into, while the Australian High Commission in New Delhi and embassies in Port Vila and Vientiane relocated to new premises during the year
- Client Service Action Plans in every state, territory and overseas office that incorporate department-wide initiatives and commitments, as well as local actions to improve client service

- a Contact Centre summit, in response to low levels of satisfaction with phone services in the first Client Satisfaction Survey—resourcing and management issues have been actively addressed in order to improve performance in this important service channel
- a detailed analysis of service channels to develop a comprehensive channel management strategy to ensure that services match client needs and expectations.

Client Service Charter

The Client Service Charter describes the department's commitment to delivering high quality client service and listening and responding to client feedback. It outlines the standard of service our clients can expect and remains a core driver in improving services.

Performance against the client service standards

In 2007–08, the department's focus has been on embedding the charter and service standards and ensuring organisational performance against them by developing a series of significantly expanded and ambitious internal and external service standards with associated performance indicators and methodology.

These internal and draft external service standards focus on developing the type of internal service environment necessary to deliver excellent client service. The standards give a clear description of the level of service that clients can expect when dealing with the department, and provide a robust framework for measuring, reporting and improving the performance of the department's service delivery network.

A Client Service Intercept Poll was conducted by University of Queensland Social Research Centre, a member of the department's Client Service Research Panel, from 5 to 16 November 2007.

The purpose of the research was to determine client satisfaction directly after interaction with the department, either in person, by telephone or through the department's website. Clients were randomly intercepted by interviewers when leaving in-person client service areas in Melbourne, Sydney CBD, Parramatta, Adelaide, Perth and Brisbane. Key results were as follows:

- 97.5 per cent of clients reported being treated courteously by staff
- 88 per cent advised that they were satisfied with the department's telephone service
- overall satisfaction with the department's client service was 82 per cent.

There was variation in the level of satisfaction between the service channels, with a higher satisfaction rating for in-person and telephone than online services.

The 2008 Client Satisfaction Survey involved attitudinal research across a range of client groups in order to collect information on the department's services and client service delivery. This survey was the second in a series of annual client satisfaction surveys. The University of Queensland Social Research Centre was engaged to conduct the survey and its focus was on the end-to-end experience of clients. Almost 3400 applicants and sponsors from a range of visa subclasses were surveyed to determine the level of satisfaction they experienced when interacting through a range of channels with the department. Key results indicated:

- overall satisfaction with the department's client service was 82 per cent (the level of dissatisfaction at 8 per cent was less than half that in the 2007 survey)
- departmental staff identifying themselves by name had increased substantially from 67 per cent in 2007 to 83 per cent in 2008

- overall levels of clarity, accuracy and timeliness of information provided to clients had improved from 73.5 per cent in 2007 to 83 per cent in 2008
- in-person and phone service satisfaction (including speed with which phones were answered) increased modestly from 2007 levels, with satisfaction highest for in-person service at 89 per cent
- online services overall achieved an unexpectedly high satisfaction level of 80 per cent compared to the 2007 result of 64.5 per cent
- staff wearing name badges had achieved the same levels in 2008 as those achieved in 2007 at 67 per cent
- nearly half of the department's clients at 43 per cent were aware that they could provide feedback.

The department has responded to the findings of the surveys in a number of ways, including:

- increasing the prominence of feedback mechanisms
- undertaking detailed analysis of survey results to give front-line staff greater awareness of particular issues raised by clients, with a view to enhancing service delivery
- refreshing client service training tools for departmental staff.

Client satisfaction with overseas operations is also being surveyed systematically and results used to improve service delivery.

Client feedback

This year the department has continued to focus on the value of client feedback. A comprehensive communication strategy has been developed to ensure the feedback system is visible and accessible to clients and to accomplish departmental goals of 'fair and reasonable dealings with clients'

and 'being an open and accountable organisation'. The strategy aims to ensure clients are aware of their right to complain and informs clients about the feedback system and access points, including a 'Compliments and complaints' link on the website. A web-based feedback handling toolkit for staff has also been developed.

The communication strategy also includes leaflets and posters, comment cards, information booklets for client service areas and airports, and information on feedback systems being provided to clients with correspondence such as decision letters.

A critical area for the department in 2008–09 is the need to address the issue of fear of retribution for clients—particularly in relation to immigration detention services. This can be a powerful disincentive for clients thinking of providing feedback and is particularly relevant for clients from certain cultural backgrounds.

Global Feedback Unit

The Global Feedback Unit continues to provide valuable support to clients through the Client Feedback Line (133 177), web feedback form and a feedback mailing address. The implementation of a centralised feedback computer system has enabled better tracking and management of client feedback. Feedback received includes complaints, compliments and suggestions. Following implementation of the new system, work was undertaken on the reporting and analysis function required to help identify trends and systemic issues. The first reports were released in June 2007 and were provided to all business areas to ensure that client feedback is used by the department to improve its services.

The level of client feedback received by the department has increased substantially over the past twelve months with 12 760 cases

recorded, compared to 9085 in 2006–07. Included in the 12 760 cases were 1742 compliments, 7620 complaints and 599 suggestions. The remainder included enquiries, provision of information or calls related to other agencies.

Such an increase in all types of feedback is expected as the department continues to seek out client feedback and promote a commitment to listening to clients by providing various avenues for clients to send in their feedback.

By actively seeking, measuring and analysing client feedback, the department can continue to pursue opportunities to enhance its services and increase community confidence in its operations.



Profile

Secretary's challenge brings out staff innovation

Secretary Andrew Metcalfe threw down a challenge to staff to raise their service to clients to even higher levels, and ingenuity and innovation have flourished. The inaugural Secretary's Client Service Challenge was announced in November 2007.

'Take up the challenge: be inspired and inspiring to others—and realise the positive change you can make for your clients, yourself and your team,' he said. Staff have certainly risen to that challenge.

Case resolution teams in National Office, New South Wales and Victoria were given awards for launching a trial that saw waiting times for resolution of some Bridging E visa cases fall from three years to just six weeks.

Other award winners have included the department's team working in Amman, which displays great sensitivity and ingenuity processing the applications of people living in the region. Many of the clients are still living in war zones with violence and hardship.

In Basra and Baghdad, two of the most dangerous places in Iraq, the team provides a one-stop interview/medical/document completion and despatch service to alleviate stress and danger for clients.

Another award winner is the eVisitor Visa Global Processing Centre in Tasmania. Activity levels of the program have almost doubled since 2005–06 but this dramatic growth has been managed through a range of client service improvements.

A single contact point for international stakeholders, caseload 'working bees' and a dedicated email helpdesk have increased the team's efficiency in spite of growing workloads.

In National Office, the Client Feedback and Service Recovery Team won an award for building an innovative and responsive feedback mechanism, and promotion of excellence, as well as improving the handling of individual complaints to the Ombudsman.

The teams were all recognised for their outstanding commitment to client service.

External scrutiny

Judicial decisions and decisions of administrative tribunals

Each year, thousands of decisions made under the *Migration Act 1958* by officers of the department (as delegates of the minister) are reviewed by tribunals and courts.

The Migration Review Tribunal (MRT) can review most visa decisions. The Refugee Review Tribunal (RRT) reviews decisions in relation to protection visas. The Administrative Appeals Tribunal (AAT) can review certain business visa cancellation decisions, and also character related refusal and cancellation decisions (except when the decision is personally made by the minister). The AAT also has jurisdiction in decisions relating to registration of migration agents, and in decisions under the *Australian Citizenship Act 2007* and the *Freedom of Information Act 1982* (FOI Act).

Most court proceedings challenging visa decisions take place in the Federal Magistrates Court. Appeals can be brought from the Federal Magistrates Court to the Federal Court and from the Federal Court to the High Court, when special leave is given by the High Court. Cases where the department is being sued for damages are usually heard in state courts (district courts or supreme courts).

During 2007–08, a total of 4302 matters were resolved before the courts and the AAT. A total of 95 per cent of matters that proceeded to a defended hearing before the courts were resolved in the minister's favour.

The bulk of the department's litigation caseload arises from applications for review of RRT decisions and, to a lesser extent, MRT decisions. These cases often raise technical issues about the tribunals'

compliance with mandatory statutory decision making procedures. Although most aspects of this legislation have been in operation for almost a decade, new issues continue to emerge. For example, in *SZKTI v. MIAC* (28 May 2008), the Full Court of the Federal Court ruled that the RRT must provide a written invitation to a person when seeking additional information. This ruling involved a novel interpretation of a provision (section 424) which has been in the Migration Act since 1999. The judgment creates practical difficulties for the RRT, and the minister has applied for special leave to appeal to the High Court in this and some related cases.

Under the Migration Act, serious consequences can flow from litigation outcomes that render notification invalid due to technical failures by the department and tribunals when communicating with clients. For example, notification of a refusal decision may be legally invalid, even where it is received. One consequence is that information on departmental systems about a client's status, which was correct at the time it was entered, may become incorrect as a result of an adverse judgment.

Commonwealth and Immigration Ombudsman's reports on 247 cases of immigration detention

In mid-2005, the government referred the cases of 247 persons who had been held in immigration detention and later released under the systems descriptor 'not unlawful', to the Commonwealth and Immigration Ombudsman for review. The Ombudsman's reports on these cases, in 2006 and 2007, found either legal or factual deficiencies in most of the cases. The reports also highlighted problematic practices in the use of the detention power in section 189 of the Migration Act.

The department established the 247 Detention Remedial Action Project to undertake its own detailed review of each case to determine and implement appropriate remedies for each individual in the 247 cohort. Over the past year, the project made significant advances in the reform process. The secretary's review contains a detailed commentary on the progress of the project.

Commonwealth Ombudsman

The department received a total of 569 complaints from the Commonwealth and Immigration Ombudsman in 2007–08. This was an increase of 10.3 per cent on the previous year.

Of the 569 new complaints investigated by the Ombudsman in 2007–08, 382 were resolved. Of all new complaints, administrative deficiency was identified in 6.8 per cent of complaints (39 cases).

A total of 72 complaints were brought to resolution and reported as administratively deficient in 2007–08. Of these, 39 were received in 2007–08 and 33 had been carried over from previous years.

The Ombudsman's office has noted that the increase in administrative deficiency is explained in part by the number of Freedom of Information (FOI) complaints they have received, and also as a result of improvements and changes within their organisation relating to identification and recording of these complaints.

The Ombudsman's office also noted that where a complaint was made about a delay in FOI processing, administrative deficiency was recorded where the processing time exceeded the statutory timeframe. In 2007–08 the department eliminated a substantial backlog and implemented new procedures to process FOI requests within statutory timeframes.

Human Rights and Equal Opportunity Commission

The department received seven new complaints in 2007–08, compared to 16 in the previous year.

Of the 15 complaints closed in 2007–08, one report, '*Complaint by Mr Huong Nguyen and Mr Austin Okoye against the Commonwealth of Australia (Department of Immigration and Citizenship, formerly the Department of Immigration and Multicultural and Indigenous Affairs) and GSL (Australia) Pty Ltd*', in which the department was a respondent was tabled in parliament by the Human Rights and Equal Opportunity Commission on 13 March 2008.

Reports by external bodies

In August 2007, the Ombudsman released the *Lessons for Public Administration – Ombudsman Investigation of Referred Immigration Cases, August 2007* report that draws together ten lessons relevant to all areas of government from the eight reports covering the 247 referred immigration detention cases. The Ombudsman noted that the administrative problems and errors exposed in the reports were not unique to immigration administration and that agencies generally should heed the lessons to guard against administrative error and ensure good decision making. The department has worked hard since 2005 to address the weaknesses noted.

The Ombudsman's *Notification of Decisions and Review Rights for Unsuccessful Visa Applications* report was released in December 2007. While acknowledging the significant challenges facing the department in terms of the complexities of the issues involved, the report concluded overall that the management of notifications of adverse decisions is not coordinated or consistent. The department accepted the Ombudsman's recommendations and has

made improvements to the management of notification letters as part of its reform process and ongoing commitment to service delivery excellence.

In April 2008, the Ombudsman published the *Administration of Detention Debt Waiver and Write-Off* report. The Ombudsman's investigation found that the department is administering debt waiver and write-off according to the legislative and policy requirements but there is scope for improvement, particularly in relation to the information provided to clients; timeliness and prioritisation in processing cases; and the consistency and reasonableness of decisions. The department has taken significant steps to address the recommendations identified in the report through reforms to governance and overall improvements in the debt management function and client services.

In June 2008, the Ombudsman published *Timeliness of decision making under the FOI Act 1982* report. It recommended that the department conduct a wide-ranging review of its FOI and information disclosure processes having regard to specific recommendations in the report. The department accepted all the Ombudsman's recommendations, and pointed to strong and steady progress in improving its FOI processing and in providing helpful guidance to clients and FOI applicants. Further information in this regard is included under the Freedom of Information section of this report.

In January 2008, HREOC released its *Summary of Observations following the Inspection of Mainland Immigration Detention Facilities 2007* report. The report noted that, despite improvements in conditions in detention facilities, significant work remained to be done. The department undertook to continue to work with HREOC to further improve detention services in 2008.

In June 2008, the minister asked the Federal Parliamentary Joint Standing Committee on Migration to enquire into immigration detention in Australia as a basis for developing a more humane approach to this difficult public policy issue.

Privacy complaints

In 2007–08, the department received a total of two privacy complaints through the Office of the Privacy Commissioner (OPC), while another four were received directly from clients. There are no comparative figures available for 2006–07.

The department has responded to the two OPC complaints and its responses are under consideration by that office. Three of the four direct client complaints have been finalised while the fourth is awaiting closure.

Freedom of Information

Prior to 2007–08, the department was not meeting its statutory obligations under the FOI Act. The Commonwealth Ombudsman was monitoring the department closely following numerous complaints about delays in FOI processing. The Ombudsman highlighted many causes for the delays and put forward a number of recommendations in his own-motion *Department of Immigration and Citizenship: Timeliness of decision making under the Freedom of Information Act 1982* investigation report.

In late 2007, the department invested additional funds to establish a taskforce to address the significant backlog of overdue FOI requests and to make improvements to business processes to increase compliance with statutory timeframes in the FOI Act. The taskforce commenced in January 2008 with a backlog of 31 12 overdue FOI requests and a compliance rate with the 30 day statutory timeframe of only 20 per cent.

By 30 June 2008, the backlog had been reduced to only 310 overdue FOI requests

and the compliance rate had been increased to over 70 per cent.

This remarkable outcome was achieved by implementing a broad range of initiatives including:

- reducing the number of FOI requests received by improving staff understanding of what is personal information and what can be accessed by clients under the *Privacy Act 1988*. The release of personal information and documents under the Privacy Act rather than the FOI Act has been a priority for the department
- providing FOI information in all-staff messages from the secretary, an outreach training program, an Information Contact Officer Network, FOI and Privacy eLearning packages, updated Client Enquiry Service scripts and web information to drive cultural change around access to information in the department
- implementing a new service delivery model, which will see the establishment of two FOI centres of excellence in Victoria and New South Wales, with processing being transitioned to the centres from 1 July 2008.

Reports by parliamentary committees

There have been two reports by parliamentary committees relating to the department during 2007–08.

Senate Standing Committee on Legal and Constitutional Affairs—July 2007: Inquiry into the Australian Citizenship Amendment (Citizenship Testing) Bill 2007

In July 2007, the Senate Standing Committee on Legal and Constitutional Affairs released its report on the *Australian Citizenship Amendment (Citizenship Testing) Bill 2007* (the Testing Bill), which amended the *Australian Citizenship Act 2007* to

provide for the testing of prospective applicants for Australian citizenship by conferral. The committee made four recommendations in its report, three of which were agreed to by government.

Two of the three recommendations were implemented upon passage of the Testing Bill in parliament in September 2007. The third recommendation was implemented with the minister's announcement on 28 April 2008 of the appointment of an independent committee, tasked with conducting a review of the citizenship test since its implementation on 1 October 2007. The independent committee is chaired by Mr Richard Woolcott AC, former diplomat and Secretary of the Department of Foreign Affairs and Trade. The review committee's report is being considered by the government.

Joint Standing Committee on Migration—September 2007: Temporary visas ... permanent benefits. Ensuring the effectiveness, fairness and integrity of the temporary business visa program

The (41st Parliament) Joint Standing Committee on Migration (JSCM) adopted an inquiry into eligibility requirements and monitoring, enforcement and reporting arrangements for temporary business visas in December 2006. The terms of reference for the inquiry focused on the adequacy of the eligibility requirements for subclass 457 visas (and labour agreements under the program) as well as the effectiveness of compliance arrangements. The JSCM's report was tabled in parliament in September 2007.

The JSCM report contained 25 recommendations and addressed issues concerning the Department of Immigration and Citizenship (DIAC), the Department of Health and Ageing, and the Department of Education, Employment and Workplace Relations (DEEWR).

The recommendations are being considered as part of the review of the subclass 457 visa program including:

- the 457 Integrity Review being conducted by industrial relations expert, Ms Barbara Deegan
- the inter-departmental committee established by the government comprising DIAC, DEEWR, the

Department of Foreign Affairs and Trade and the Treasury

- the Skilled Migration Consultative Panel including representatives from state governments, industry and unions.

A formal response to the JSCM report will be finalised following the government's consideration of all reform options for the subclass 457 program.

Table 93: Handling of ministerial, parliamentary and cabinet business

Type of statistical material	2005–06	2006–07	2007–08 ¹
Ministerial correspondence, submissions and briefs			
Correspondence	38 049	25 459	27 853
Submissions	3 150	4 989	4 257
Function and meeting briefs	464	464	353
Parliamentary			
Possible minister's questions	988	862	563
Estimates questions on notice	722	548	192
Parliamentary questions on notice	149	131	52
Cabinet documents			
Exposure drafts	90	72	37
Final submissions/memoranda	68	68	50
Minutes	138	108	101

¹ Numbers affected by 2007 Federal election and preceding caretaker period.

Managing people

Our vision

That the department has the people it needs to build and sustain a strong, positive and successful organisation that enriches Australia through the well-managed entry and settlement of people.

Our people

At 30 June 2008, the department employed 7106 ongoing and non-ongoing staff, with 2978 staff in National Office, 3973 in the state and territory offices and 155 Australia-based staff providing services overseas (including 18 Airline Liaison Officers). The department also employed an additional 1000 locally-engaged employees (LEEs) in overseas locations, administered by the Department of Foreign Affairs and Trade (DFAT) on our behalf.

The department has a younger age profile than the Australian Public Service average and a higher percentage of female staff.

During 2007–08, the department had a retention rate of approximately 90 per cent and our staff survey results indicate that our employees are overwhelmingly committed to our organisational purpose.

Staff survey

During 2007–08, the department received the results of the 2007 DIAC Staff Survey, conducted by Hinds Workforce Research following a competitive tender process.

Supporting the department's strategic themes of well trained and supported staff, an open and accountable organisation, and fair and reasonable dealing with clients, the survey enabled staff to express their opinions and provide input on their work environment.

The major aims of the staff survey were to:

- identify and report the level of staff motivation and performance using the Employee Motivation and Performance Indicator methodology
- map and report on the department's culture
- benchmark the department's employee motivation and performance against other Australian public sector organisations.

The results were broadly consistent with public sector norms, except in two areas—the department had a significantly higher level of employee commitment, and a lower level of satisfaction with communication from leaders in the Senior Executive Service.

The culture was found to be predominantly a motivating one and was broadly homogenous across the department.

In response to the results of the 2007 DIAC Staff Survey every branch prepared and reported on action plans, which were designed to address staff concerns and areas the staff survey results indicated that performance could be improved.

Workforce composition

At 30 June 2008, the department had 8106 employees, including locally engaged employees administered by DFAT on the department's behalf, representing an increase of 5.5 per cent from 2006–07. However, following the implementation of the Financial Health Check recommendations, the department experienced a decrease in staffing numbers in May to June 2008. Details of the staffing profile are shown in tables 94 to 98.

Table 94: Staffing levels by location (headcount)

Location	As at 30 June 2007	As at 30 June 2008 ¹
National Office	2 881	2 978
New South Wales	1 329	1 386
Victoria	917	974
Queensland	410	437
South Australia	415	466
Western Australia	429	406
Tasmania	128	142
Northern Territory	55	59
Australian Capital Territory and regional offices	91	103
Overseas (Australia-based staff)	147	137
Airline Liaison Officers	16	18
Sub-total	6 818	7 106
Overseas ² (locally engaged employees)	869	1 000
Total	7 687	8 106

1 Staffing figures as at 30 June 2008 exclude staff on temporary transfer to other APS agencies.

2 Overseas staff administered by DFAT on our behalf as at 27 June 2008 (figures as at 30 June 2008 are currently unavailable).
The number includes 969 DFAT LEEs and 31 Austrade LEEs (10 in Auckland and 21 in Dubai).

Table 95: Staffing levels by classification as at 30 June 2008

Classification	Ongoing as at 30 June 2008						Non-ongoing ¹ as at 30 June 2008						Overall result ²
	Full-time			Part-time			Full-time			Part-time			
	Male	Female	Result	Male	Female	Result	Male	Female	Result	Male	Female	Result	
Cadets		1	1										1
Graduate	16	29	45										45
APS Level 1	3	1	4				2	14	16	13	19	32	52
APS Level 2	5	5	10		2	2	19	31	50	10	6	16	78
APS Level 3	176	346	522	13	92	105	113	254	367	3	35	38	1 032
APS Level 4	471	784	1 255	6	151	157	20	33	53	6	5	11	1 476
APS Level 5	398	645	1 043	17	139	156	6	14	20	1		1	1 220
APS Level 6	492	717	1 209	20	153	173	1	6	7	1		1	1 390
Exec Level 1	503	545	1 048	9	103	112	3	3	6	4	3	7	1 173
Exec Level 2	192	175	367		14	14	2		2	1	1	2	385
Medical Officer 2	3	1	4	3	3	6							10
Medical Officer 3	1	1	2										2
Medical Officer 4	1	1	2										2
Public Affairs Officer 1	1	3	4										4

¹ Non-ongoing figures also include irregular/intermittent staff.

² Overall results exclude Locally Engaged Employees.

Note: includes people acting as at June 2008.

Table 95: Staffing levels by classification as at 30 June 2008 continued

Classification	Ongoing as at 30 June 2008						Non-ongoing ¹ as at 30 June 2008						Overall result ²
	Full-time			Part-time			Full-time			Part-time			
	Male	Female	Result	Male	Female	Result	Male	Female	Result	Male	Female	Result	
Public Affairs Officer 2	9	5	14				1		1				15
Public Affairs Officer 3	5	8	13		1	1							14
Senior Public Affairs Officer	1	2	3										3
Legal Officer	11	12	23		1	1							24
Senior Legal Officer	14	22	36	2	9	11	1		1				48
Principal Legal Officer	5	8	13		2	2							15
SES Band 1	50	39	89		4	4				1		1	94
SES Band 2	12	5	17										17
SES Band 3	2	3	5										5
Secretary	1		1										1
Total	2 372	3 358	5 730	70	674	744	168	355	523	40	69	109	7 106

¹ Non-ongoing figures also include irregular/intermittent staff.

² Overall results exclude Locally Engaged Employees.

Note: Figures include people acting on the above dates, including two acting deputy secretaries (SES Band 3). Ordinarily the department has three deputy secretaries, one female and two male.

Table 96: Staffing levels by classification as at 30 June 2007

Classification	Ongoing as at 30 June 2007						Non-ongoing ¹ as at 30 June 2007						Overall result ²
	Full-time			Part-time			Full-time			Part-time			
	Male	Female	Result	Male	Female	Result	Male	Female	Result	Male	Female	Result	
Cadets	1		1										1
Graduate	20	58	78										78
APS Level 1	2	2	4				5	7	12	10	9	19	35
APS Level 2	4	4	8		1	1	6	9	15	8	4	12	36
APS Level 3	248	469	717	10	68	78	58	122	180	1	7	8	983
APS Level 4	438	802	1 240	9	122	131	10	40	50	1	1	2	1 423
APS Level 5	399	618	1 017	9	133	142	6	12	18	1		1	1 178
APS Level 6	517	660	1 177	16	137	153	6	9	15	1	1	2	1 347
Exec Level 1	488	523	1 011	8	93	101	3	7	10	5	4	9	1 131
Exec Level 2	189	155	344		13	13	1		1	4	1	5	363
Medical Officer 2	3		3	2	2	4							7
Medical Officer 3		1	1	1		1							2
Medical Officer 4	1	1	2										2
Public Affairs Officer 1		2	2										2

¹ Non-ongoing figures also include irregular/intermittent staff.

² Overall results exclude Locally Engaged Employees.

Note: includes people acting as at June 2007.

Table 96: Staffing levels by classification as at 30 June 2007 continued

Classification	Ongoing as at 30 June 2007						Non-ongoing ¹ as at 30 June 2007						Overall result ²
	Full-time			Part-time			Full-time			Part-time			
	Male	Female	Result	Male	Female	Result	Male	Female	Result	Male	Female	Result	
Public Affairs Officer 2	6	5	11					2	2				13
Public Affairs Officer 3	7	8	15										15
Senior Public Affairs Officer	1	2	3										3
Legal Officer	9	19	28		1	1							29
Senior Legal Officer	11	24	35	1	8	9							44
Principal Legal Officer	6	10	16		1	1							17
SES Band 1	45	37	82		2	2							84
SES Band 2	14	7	21										21
SES Band 3	2	1	3										3
Secretary	1		1										1
Total	2 412	3 408	5 820	56	581	637	95	208	303	31	27	58	6 818

¹ Non-ongoing figures also include irregular/intermittent staff.

² Overall results exclude Locally Engaged Employees.

Note: Figures include people acting as at June 2007.

Table 97: Senior Executive Service as at 30 June 2007

Actual classification	Male	Female	Total
SES Band 1	45	39	84
SES Band 2	14	7	21
SES Band 3	2	1	3
Total	61	47	108

Note: Figures include people acting on the above dates.

Table 98: Senior Executive Service as at 30 June 2008

Actual classification	Male	Female	Total
SES Band 1	51	43	94
SES Band 2	12	5	17
SES Band 3	2	3	5
Total	65	51	116

Note: Figures include people acting on the above dates, including two acting deputy secretaries (SES Band 3). Ordinarily the department has three deputy secretaries, one female and two male.

People management initiatives

Workforce planning

In 2007–08, business units developed operational workforce plans as part of the department's business planning process. The *DIAC Workforce Plan 2007–08* was also developed to establish stronger linkages between business, budget and workforce planning, and to support the achievement of business outcomes and sustainability. It considered the workforce implications of known changes to the business environment to forecast the department's workforce needs over a three-year period. The plan contained a risk assessment of workforce issues and proposed a range of strategies to mitigate identified risks. As a result, the department:

- continued to improve HR systems and reporting to develop a better evidence-based understanding of the factors driving various workforce issues within the department and to evaluate the effectiveness of HR strategies
- clarified people management priorities, which informed the development of the *DIAC People Plan 2008–10*
- produced a comprehensive workforce environmental scan, which considered the internal and external factors likely to affect the department's demand for, and supply of, staff
- adopted a three-year planning period (updated annually) for future strategic plans
- commenced development of several targeted strategies, for attraction and retention, succession management, and mobility
- undertook scenario planning to develop a common understanding of environmental factors and constraints that will impact on the department's business in the next three years; a shared view on a best, likely and worst case scenario based on a

combination of these factors; and an assessment of risks and opportunities for the department under each scenario. The outcomes of this process contributed key input into the implementation of several efficiency reviews and business plans across the department.

Workplace diversity plan

The department launched its new *Workplace Diversity Plan 2008–10* on 19 July 2008. The purpose of the plan is to increase the attraction, recruitment and retention of people with disabilities, Indigenous Australians, mature-aged employees and people who will contribute to the cultural and linguistic diversity of the department's workforce.

The process of developing the initiatives in the plan was based on a realistic and practical approach which recognises that strengthening the department's performance allows the organisation to not only meet legislative responsibilities, but to benefit from more competitive management practices and improved service to clients.

Recruitment policy

The new DIAC Recruitment Policy was launched in June 2008. It will enable the department to adopt a more rigorous, efficient and timely approach to recruitment, including those processes involving bulk selection. Major changes in the policy include new requirements for selection committees, such as an independent committee member; the need to use at least two approved selection methodologies with high predictive validity; consistent procedures for using orders of merit and bulk rounds; and processes for ensuring good candidate care. Banks of behaviourally-based questions, training for independent committee members, a guide to the new policy, and guidance on designing work sample tests have been provided to support selection committees.

Caring for our Colleagues policy

Caring for our Colleagues was launched in May 2008. The policy is designed to create a culture within our organisation of caring for employees who are suffering from and/or caring for people with life-threatening illnesses. The policy has been provided to managers and HR managers nationally to ensure consistent approaches in situations requiring sensitive and confidential handling in times of need. It has also been provided to other departmental secretaries and the Australian Public Service Commission for their use in adopting our policy as an APS-wide best practice model.

Learning and development

The Learning and Development Branch (previously the National Training Branch) continued to administer the College of Immigration specialist training programs in response to recommendations in the Palmer and Comrie reports. The branch also provided a range of general capability and leadership development programs including the 'people our business' induction program, graduate development program, overseas training course, executive leadership program, fundamentals of supervision program and code of conduct training. A leadership development course for high-potential executive level staff was also piloted.

A range of e-learning products and virtual classroom technology have been introduced to provide distance education in corporate and specialist areas for both onshore and overseas officers. The virtual classroom technology enables a number of posts and state offices to participate in classroom-style training from their home locations.

All training delivered by the branch, including College of Immigration programs, has been evaluated to ensure effectiveness

and continuous improvement. The branch has also assisted business areas throughout the department to build their capacity in training evaluation.

Work has begun on the development of a new strategy to respond to the department's learning and development requirements in a changing immigration policy and operational environment. The new strategy will provide an integrated framework for enhancing the skills and capability of staff and supporting the department's commitment to ensuring that its staff are 'well trained and supported'.

College of Immigration

The College of Immigration continued its focus on the development and delivery of role-based and accredited training programs for staff in key operational roles. Training for existing compliance, detention and investigations officers has largely been completed and pilot training courses for airport and seaport entry officers, removals officers and case managers were delivered with support from Border Security Division and Compliance and Case Management Division. Work has also commenced to integrate these pilot courses into the training program.

The college also worked in partnership with the Citizenship, Settlement and Multicultural Affairs Division and Migration and Temporary Entry Division to deliver role-based training to citizenship decision makers, 457 monitoring officers and community liaison officers.

People committees

People Management Committee

The People Management Committee (PMC) contributes to organisational effectiveness by strengthening the department's understanding of strategic human resource management. The committee's membership comprises senior line

managers, human resources and training professionals and two external members. The committee meets three times a year.

The PMC has responsibility for recommending priorities to the secretary to ensure that planning and policies on human resources issues are consistent with government objectives and the department's business directions, and providing advice to the executive on:

- leading the change agenda with focus on people support, capability and training, leadership and culture
- ensuring a consistent approach to people management and workforce planning across the department
- setting and overseeing the department's strategic people management as an integral part of regular business and departmental planning processes.

The primary achievement of the PMC in the past 12 months has been the implementation of the *HR Guiding Framework and Key Priorities 2006–07*. This document provided the strategic framework and priorities that guided HR activity and the work of the People Management Committee during 2007–08.

The PMC has also contributed to the development of the *DIAC People Plan 2008–10*, which identifies HR outcomes and outputs to be achieved within the department over the next three years, the *Performance Management Framework*, the *DIAC Workforce Plan 2007–08*, the *HR Information Plan*, the *Workplace Diversity Plan 2008–10*, the Caring for Our Colleagues policy, the *DIAC Recruitment Policy*, and the learning and development requirements of the department.

National Staff Consultative Forum

The National Staff Consultative Forum (NSCF) is constituted under the terms of the department's *Collective Agreement 2007–2010*.

The NSCF is the department's peak consultative body of union, employee and management representatives on strategic issues affecting employees.

It provides an opportunity to consult on matters such as conditions of employment, and 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.

Values and Standards Committee

The Values and Standards Committee was established in December 2005 and to date has conducted sixteen meetings. The committee is chaired by a deputy secretary and membership of the committee comprises a selection of division and branch heads from departmental business areas and four external members who provide a whole-of-government and community perspective. As an advisory committee, its role is to assist the department to ensure that the APS Values are embedded in the work of the department.

Over the past 12 months, the committee has taken an interest in a number of business initiatives that have been developed or implemented in the department. These include the progress of the program of training and development undertaken through the College of Immigration and the Learning and Development Branch; keeping the focus on ethical behaviour to sustain the momentum to generate cultural change; encouraging proactive responses by the department to the staff survey findings; the development of the *DIAC Recruitment Policy*; and the development of strategies to ensure continued high performance for compliance officers, including through improved recruitment practices.

Health and safety committees

In line with legislative requirements to consult with staff and their representatives on OHS issues, the department convenes health and safety committees in all national, state and territory offices each quarter.

Key OHS issues are referred to the National OHS Committee, which met four times during 2007–08.

Ethical Standards

The Immigration Dilemmas: Ethics, APS Values and Leadership (IDEAL) program is an initiative of the Values and Standards Committee and was developed by the Values and Standards Branch. Implemented across the department in November 2006, IDEAL is an agency-level initiative to encourage ethical decision making. Primarily, IDEAL presents hypothetical ethical dilemmas derived from real-life scenarios, and provides staff the opportunity to discuss them in a safe environment.

Further scenarios have been developed in response to results from the 2007 DIAC Staff Survey and formal independent evaluation of the tool. By regularly developing new scenarios, the department hopes to maintain staff engagement with IDEAL and assist all staff, especially managers, to model positive leadership behaviours. The department has also promoted IDEAL as part of training across the department, for example, as a component of the Overseas Training Course, Values and Conduct Training and induction training.

Values and conduct

The Values and Conduct Section (VCS) is responsible for the prevention, detection and investigation of allegations of fraud and criminal behaviour, and breaches of

the APS Values and Code of Conduct by departmental employees. In 2007–08, the VCS received 220 allegations relating to the conduct of the department's employees.

The VCS is also responsible for the development and implementation of a number of policies related to the APS Values and Code of Conduct in accordance with the *Public Service Act 1999* and related legislative framework, as well as the provision of advice and assistance to departmental employees.

The department delivered Values and Code of Conduct induction and refresher training to approximately 3186 employees during 2007–08. Training was also provided to employees participating in the Overseas Training, Airport Liaison Officer and Fundamentals of Supervision courses. Specifically tailored Values and Code of Conduct training was also provided to locally engaged employees at overseas posts.

Workplace relations arrangements

Collective Agreement 2007–2010

The department's *Collective Agreement 2007–2010*, made under section 328 of the *Workplace Relations Act 1996*, was lodged with the Office of the Employment Advocate on 28 March 2007 and nominally expires on 28 March 2010.

The collective agreement provides flexibility around hours of work and service delivery, and an improved performance management system to facilitate regular feedback, assessment and earlier intervention on underperformance. Consistent with APS remuneration policy, the collective agreement provides for salary increases (annualised at 4.3 per cent per annum) in return for productivity improvements.

Appendix 1 provides details of the department's classifications and salary rates. Table 99 outlines salary ranges for employees by APS classification.

Senior Executive Service remuneration

Senior Executive Service (SES) remuneration and conditions of employment are determined by the secretary in accordance with subsection 24(1) of the Public Service Act. All SES employees are required to have individual agreements, which typically provide for salary, superannuation, performance-based pay, access to a motor vehicle or equivalent cash out, and other applicable allowances.

Individual agreements

A breakdown of employees on individual agreements is shown in Table 100.

Tables 101, 102 and 103 provide a breakdown of employees by classification, the average payment and range of payment, and the aggregated amount of performance payments.

Table 99: Salary ranges for employees as at 30 June 2008

Classification ¹	Range of salaries ²
APS Level 1	\$21 269 – \$39 315
APS Level 2	\$40 118 – \$44 626
APS Level 3	\$40 118 – \$49 662
APS Level 4	\$47 292 – \$60 370
APS Level 5	\$53 500 – \$75 000
APS Level 6	\$62 880 – \$75 000
EXEC Level 1	\$78 574 – \$105 335
EXEC Level 2 ³	\$83 360 – \$205 000
SES Band 1	\$125 000 – \$162 552
SES Band 2 / SES Band 3	\$153 700 – \$214 000

¹ Classifications such as Medical Officers, Public Affairs Officers and Legal Officers have been reported under the relevant APS Classification in accordance with the Public Service Classification Rules 2000.

² Salary ranges reflect our Collective Agreement and employees on individual agreements.

³ The Executive Level 2 classification category also includes salaries for the relevant Medical Officer classification as per the Public Service Classification Rules 2000.

Table 100: Number of departmental staff on individual agreements as at 30 June 2008 (nominal)

Classification	On an AWA	On a subsection 24(1) agreement	Total
APS Level 3	37	1	38
APS Level 4	8	2	10
APS Level 5	24	4	28
APS Level 6	27	4	31
Exec Level 1	119	11	130
Exec Level 2	169	16	185
SES ¹	82	5	87
Total	466	43	509

¹ Does not include the secretary.

Table 101: Employees by classification who received performance pay (nominal)

Classification	Number of employees who received performance pay ¹
APS Level 3	18
APS Level 4	13
APS Level 5	22
APS Level 6	26
Exec Level 1	63
Exec Level 2	144
SES Band 1	79
SES Band 2 / SES Band 3	19
Total	384

¹ Numbers relate to employees who were paid performance bonuses for the appraisal period 1 July 2007 to 30 June 2008.

Table 102: Aggregated amount of performance payments by classification level (nominal)

Classification	Aggregated amount of performance pay ¹
APS Level 3	\$41 898
APS Level 4	\$39 564
APS Level 5	\$103 641
APS Level 6	\$120 640
Exec Level 1	\$464 929
Exec Level 2	\$1 284 888
SES Band 1	\$891 927
SES Band 2 / SES Band 3	\$326 181
Total	\$3 273 667

¹ Payments relate to employees who were paid performance bonuses for the appraisal period 1 July 2007 to 30 June 2008.

Table 103: Average bonus payment and range of payments by classification level (nominal)

Classification	Average payment	Range of payments
APS Level 3	\$1 995	\$369—\$3 689
APS Level 4	\$1 978	\$868—\$3 011
APS Level 5	\$3 048	\$369—\$13 000
APS Level 6	\$3 892	\$1 250—\$7 500
Exec Level 1	\$7 380	\$1 071—\$14 850
Exec Level 2	\$8 923	\$930—\$20 640
SES Band 1	\$11 290	\$3 565—\$21 945
SES Band 2 / SES Band 3	\$17 167	\$6 205—\$32 100

Other non-salary benefits

The range of benefits, other than base salary, provided to employees under the department's collective agreement and individual agreements include:

- community language allowance of up to \$1580.60 per annum dependent on employee's qualifications, and where there is an identifiable and continuing operational need for the employee's language skills
- first aid officer allowance of up to \$581.44 per annum to appointed first aid officers dependent on their current qualifications
- volunteer allowance of \$293.54 per annum to employees with recognised responsibilities as a Health and Safety Representative, Harassment Contact Officer or Emergency Control Volunteer
- Departmental Liaison Officer allowance of \$15 241.50 per annum to employees performing duties of a Departmental Liaison Officer
- leave flexibilities, such as purchased annual leave, half pay annual leave, ceremonial leave, family leave, sick and personal leave, defence reserve leave, emergency duty with state emergency services leave, jury leave and compassionate leave.

Rewards and recognition

Recognition of staff in the form of positive feedback and celebration of achievement is an important part of the department's culture and business practice. The department's Reward and Recognition Scheme provides a framework to recognise and reward employees for the achievement of corporate goals, providing both cash and non-cash rewards and recognition.

Individual and team achievements are also recognised through a number of internal and external awards. These awards include the secretary's citations, Australia Day awards, Award for Client Service Excellence (ACSE), and external awards such as the Order of Australia and the Public Service Medal. Australia Day awards within the department recognise outstanding achievements of officers in the improvement of the quality of departmental services, working environment and management. The monthly secretary's ACSE recognises a member of staff or a team for service excellence on the basis of positive client feedback.

Health and safety

Occupational Health and Safety

The department is committed to providing a safe and healthy work environment for staff, contractors and visitors. This commitment is reflected in the new DIAC Occupational Health and Safety Agreement 2007–2009 which was endorsed by the secretary on 9 April 2007.

This agreement was developed in consultation with staff and their representatives as required under section 16 of the *Occupational Health and Safety Act 1991* (the OHS Act).

Health and safety management arrangements

On 15 March 2007, amendments made to the OHS Act came into effect. These amendments require employers to develop, in consultation with their employees, health and safety management arrangements (HSMA) that will apply at their workplace.

Employers have been allowed an 18-month transitional period (from the date of effect of amendments) to develop and implement arrangements.

During 2007–08, consultation on the HSMA was conducted with all staff and stakeholders. It is expected that the HSMA will be operational by September 2008 in line with legislative requirements.

Injury Prevention and Management Plan

In line with its commitment to reducing work related injury and illness and promoting health and safety, the department has adopted a three-year planning cycle for strategically managing health and safety in the workplace. The *Injury Prevention and Management Plan 2006–09* adopts OHS performance targets issued by the Safety Rehabilitation and Compensation Commission and supported by all Australian governments, the Australian Council of Trade Unions and employer associations.

The plan received executive endorsement in 2007 and work under the plan is continuing to achieve its broad range of targets.

Health, safety and wellbeing

To promote health, safety and wellbeing, the department provided employees and contractors with a range of services and activities including:

- a national influenza vaccination program with over 2000 staff vaccinated
- national DIAC health and safety awards held for the first time in October 2007
- rehabilitation services with the aim of reducing the human and financial costs of work related and non-work related injury and illness
- eyesight testing for screen-based activities
- Employee Assistance Program and counselling services
- ergonomic workstation assessments and ergonomic office furniture
- first aid kit refreshers and training.

Health and safety outcomes

The department experienced a decrease in lost time injuries and prescribed incapacity during 2007–08. Early intervention and rehabilitation strategies continue to be successful in reducing 30 day incapacities, thereby decreasing the total number of weeks lost.

Health and safety representatives

In accordance with section 24 of the OHS Act, designated work groups have been established or are in the process of being established where the department has expanded into new office locations. The health and safety representative selection process for designated work groups have been reviewed as part of the HSMA development process. The new arrangements will become effective when the HSMA is implemented.

OHS training

OHS training was provided as part of induction training for all staff in state and territory offices and National Office. Specialised OHS and rehabilitation training was also provided as a component of various role-based training in the department.

Section 29 (Provisional Improvement) Notices

There was one Provisional Improvement Notice issued under section 29 of the OHS Act pertaining to the department's Sydney office on Lee Street. Following consultations between management and the issuer, this notice was withdrawn by the issuer within the prescribed seven day period.

Section 45 (Workplace Not Be Disturbed) Directions

There was one direction issued under section 45 of the OHS Act pertaining to five immigration response vessels owned by the department. The 'do not disturb' direction was made in response to the ongoing Comcare investigation into the loss of the *Malu Sara*.

Section 46 (Prohibition) Notices

There were no Prohibition Notices issued under section 46 of the OHS Act.

Section 47 (Improvement) Notices

There were no Improvement Notices issued under section 47 of the OHS Act.

Section 68 (Notification and Reporting of Accidents and Dangerous) Occurrences

'Notifiable fatality' refers to any work related death of any employee, contractor or member of the public. The department had no notifiable fatalities in 2007–08.

A 'dangerous occurrence' is an incident with the potential to cause serious personal injury (requiring emergency medical

treatment) or death. The department reported 98 dangerous occurrences to Comcare during 2007–08. It is the department's view that the decrease in reported dangerous occurrences can be attributed to improvements in the classification of incidents by the department prior to notification to Comcare. In previous years, a large number of incidents had been notified following incorrect classification:

- An 'incapacity' is an incident resulting in the inability to engage in work and/or an inability to work at the same level as undertaken immediately before the injury.
- 'Lost time injuries' represent the number of incidents resulting in one or more working days incapacity within each financial year.
- A 'prescribed incapacity' represents the number incidents resulting in 30 or more successive working days incapacity within each financial year.
- 'Weeks lost' represent the total number of weeks of incapacities within the financial year.

Mechanism of injury

The department, in consultation with Comcare, identifies actions, events and exposures that cause serious injury and disease. The mechanism of injury descriptors are based on the national type of occurrence classification system and assist with identifying injury trends and setting injury prevention performance targets.

Workers' compensation premiums

The primary 'drivers' of our compensation premium are claim frequency and time lost. Time lost is the biggest driver in costs in total. During 2007–08, the department's premium increased in terms of total dollar premium and as a percentage of payroll.

Table 104: Three-year summary of occurrences

	2005-06	2006-07	2007-08
Notifiable fatalities	6	1	0
Dangerous occurrences	304	410	98

Table 105: Three-year summary of incapacity

	2005-06	2006-07	2007-08
Lost time injuries	109	123	55
Prescribed incapacity	28	23.35	44
Weeks lost ¹	1 577 (24.85)	1 592 (23.33)	1 589.34 (22.37)
Total number of staff	6 345	6 818	7 106

¹ Weeks lost (total number of staff as at 30 June x 100).

Table 106: Three-year summary of mechanism of injury

Accepted claims	2005-06	2006-07	2007-08
Falls, trips and slips	36	33	17
Hitting objects	7	4	6
Being hit by moving objects	6	10	4
Sound and pressure	1	0	0
Body stressing	63	46	40
Heat, electricity and other environmental	1	0	0
Biological factors	0	0	0
Mental stress	5	8	2
Other or unspecified	26	21	0
Totals	145	122	69
Total number of staff	6 345	6 818	7 106

Table 107: Three-year summary of Comcare premiums

	2005-06	2006-07	2007-08
Premium	\$4 728 063	\$5 525 030	\$8 468 976
Percentage of payroll	1.39%	1.93%	1.82%
APS-wide average percentage of payroll	1.77%	1.77%	1.55%

Commonwealth disability strategy

The department's new *Workplace Diversity Plan 2008–2010* includes a strategy for the employment of people with disabilities. This strategy was developed in accordance with the *Disability Discrimination Act 1992*. The strategy demonstrates the department's commitment to the elimination of disability discrimination. In particular, the plan addresses ways in which the department can attract, recruit and retain people with disabilities.

The department ensures its workplace environment complies with OHS legislation and provides additional services beyond those requirements. Following are some of the specific initiatives for people with disabilities:

- all buildings are wheelchair accessible
 - toilets for people with disabilities are available in every office
 - shower facilities for people with disabilities are available in National Office
 - adjustments to the workplace include custom-made height-adjustable workstations, ergonomic equipment and aids
 - emergency procedures specifically address requirements of people with mobility impairments
 - a register of technologies available to assist staff with disabilities or injuries is maintained (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)
 - facilitating contact between staff members with intellectual and/or psychological disabilities and a workplace support person through appropriate agencies
- providing access to a rehabilitation case manager for any staff member who is experiencing health issues that impact on their ability to function at optimal capacity in the work environment—the case manager works with the staff member, managers and appropriate support agencies to help the officer's ongoing participation and contribution in the workforce
 - features in the department's National Office building help sight and hearing-impaired people in elevators as well as facilities for hearing-impaired people in conference rooms, all of which have passed independent evaluation and certification
 - option to work flexible hours.

Asset management

The department is responsible for the management of assets with a gross book value of more than \$1 billion. The most significant asset classes are infrastructure, plant and equipment, land and buildings and intangible assets (software).

The increase in value over the 2006–07 financial year is primarily due to:

- the completion and transfer from the Department of Finance and Deregulation of the Christmas Island Immigration Detention Centre
- continued delivery of the *Systems for People* program.

The department prepares an annual capital plan reflecting government priorities and ongoing business requirements, ensuring compliance with the government's financial management framework. Asset acquisitions and disposals are monitored against this plan on a monthly basis.

All assets owned by the department are subject to an annual stocktake. This process is used to update and verify the accuracy of asset records as well as an opportunity to review the condition and ongoing utility of the assets held. Depreciation rates, useful lives, residual values and methods are reviewed each year, and are considered by the Australian National Audit Office in forming an overall opinion on the financial statements of the department.

Assets, including those leased under contract from our various service providers, are maintained through specific maintenance programs.

Additional information on the value, acquisition and disposal of assets can be found in the financial statements in this report.

Purchasing

The department's procurement policies are consistent with the provisions of the *Financial Management and Accountability Act 1997* and the Commonwealth Procurement Guidelines (CPGs).

The department's Contracts and Procurement Advice Section (CPAS) provides specialist advice and assistance to all areas of the department engaged in procurement, through:

- a dedicated help desk for all procurement requests for advice
- in-house legal advice and the management of external procurement related advice
- management of a panel for competitive tendering and contracting advice
- development and maintenance of policy documentation including procurement and contracting templates
- coordination of the department's procurement reporting responsibilities
- provision of internal and external procurement and contracting training
- provision of general procurement information and guidance through the contract management portal.

The department makes use of AusTender in its procurement activities. To help in the effective monitoring and reporting of its contracting activities, the department maintains a national contracts register. It also publishes an annual procurement plan on AusTender, in accordance with the requirements of the CPGs and other relevant guidelines.

As part of its commitment to ensuring that the department has well trained and supported staff, CPAS delivered a series of government procurement and contract management education and training courses, ranging from fundamentals to more advanced topics for officers regularly engaged in purchasing and contract management. Of particular note was the successful training of the 2007–08 graduate intake in government procurement. In addition, CPAS also coordinated the delivery of accredited training in Certificate IV in Government (Procurement) and the Diploma in Government (Contract Management).

Consultants and consultancy services

The department's policy on selecting and engaging consultants is in accordance with the Commonwealth Procurement Guidelines (CPGs) based on the core principle of value for money.

During 2007–08, the department entered into 52 new consultancy contracts, involving total actual expenditure of \$16 855 100. In total, 65 ongoing consultancy contracts were active during 2007–08, involving total actual expenditure of \$33 702 650.

Information on expenditure on contracts and consultancies is also available on the AusTender website at www.tenders.gov.au.

Table 108 shows consultancy services of \$10 000 or more in value, entered into during 2007–08.

Selection processes

Open tender—a procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders.

Select tender—a procurement procedure in which the procuring agency selects potential suppliers to submit tenders in accordance with the CPGs.

Direct sourcing—a procurement process in which an agency may contract a single potential supplier or suppliers of its choice. Where procurement is valued above the thresholds set out in the CPGs, direct sourcing is available only under certain defined circumstances. Conditions for direct sourcing apply under the mandatory procurement procedures.

Panel—an arrangement under which a number of suppliers, usually selected through a single procurement process,

may each supply property or services to an agency as specified in the panel arrangements.

Tenders are sought from suppliers that have pre-qualified on the agency panels to supply to the government. This category includes standing offers and supplier panels where the consultant offers to supply goods and services for a pre-determined length of time, usually at a pre-arranged price.

Justification for decisions

- A. Skills currently unavailable within agency
- B. Need for specialised or professional skills
- C. Need for independent research or assessment.

Competitive tendering and contracting

The department's standard contract templates include provisions allowing the Australian National Audit Office to access a contractor's premises. There are, however, a limited number of contracts that do not contain the access provisions. These include cases where specific industry-based standard contracts have been used rather than the department's standard contract template or where there is an international contract.

Exempt contracts

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 CPGs. The department did not let any contracts in excess of \$10 000 which are exempt from being published in AusTender during the year.

Table 108: Consultants and consultancy services

Consultant name	Description	Selection process	Justification	Value
A and B Podger Pty Ltd	Provision of independent review	Direct sourcing	C	\$39 000
APIS Group Pty Ltd	Provision of financial advice	Panel	C	\$27 755
Asset Technologies Pacific Pty Ltd	Provision of risk management services	Open tender	C	\$190 000
Australian National University	Provision of research services	Direct sourcing	A	\$70 000
Blake Dawson Waldron	Provision of legal advisers	Open tender	A	\$5 069 870
Booz & Company (Australia) Ltd	Reformation of client information capture	Panel	A	\$680 000
Booz & Company (Australia) Ltd	Provision of commercial and financial advisers	Open tender	A	\$9 504 000
Business Objects Australia Pty Ltd	Provision of implementation of business objects software	Direct sourcing	A	\$624 450
Cogent Business Solutions Pty Ltd	Provision of financial advice	Panel	C	\$27 755
Cogent Business Solutions Pty Ltd	Provision of financial advisory services	Select tender	A	\$50 000
Cogent Business Solutions Pty Ltd	Provision of financial advice	Panel	C	\$50 000
Cogent Business Solutions Pty Ltd	Provision of financial advice	Panel	C	\$50 000
Cogent Business Solutions Pty Ltd	Provision of financial advice	Panel	C	\$63 000
CSC Australia Pty Ltd	Provision of personnel for project team services	Panel	A	\$21 059
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$35 047
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$100 867
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$235 928
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$155 807

Table 108: Consultants and consultancy services *continued*

Consultant name	Description	Selection process	Justification	Value
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$268 149
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$374 162
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$528 000
CSC Australia Pty Ltd	Provision of specialist information technology training services	Panel	A	\$570 572
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$979 105
CSC Australia Pty Ltd	Provision of project team services	Panel	A	\$1 595 683
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$1 653 271
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$2 130 150
CSC Australia Pty Ltd	Provision of information technology specialist services	Panel	A	\$2 386 459
DLA Phillips Fox	Provision of probity adviser	Open tender	C	\$880 000
EDS (Australia) Pty Ltd	Provision of project team services	Panel	A	\$127 050
EDS (Australia) Pty Ltd	Provision of specialist information technology training services	Panel	A	\$991 870
Ernst & Young	Provision of internal audit services	Select tender	A	\$1 763 374
Fellows Medlock and Associates Pty Ltd	Provision of workplace relations analysis services	Select tender	C	\$49 242
Global Foresight Network Pty Ltd	Provision of services to build and structure strategic change process	Direct sourcing	A	\$27 280

Table 108: Consultants and consultancy services *continued*

Consultant name	Description	Selection process	Justification	Value
Hay Group Pty Ltd	Development of the employment value proposition	Open tender	A	\$84 580
Hinds Workforce Research Pty Ltd	Design, development, implementation, analysis and reporting of the departmental staff survey	Open tender	C	\$134 021
Human Synergistics Australia Pty Ltd	Provide organisational cultural mapping services	Direct sourcing	A	\$125 394
KPMG	Provision of audit, risk management and fraud control services	Panel	C	\$50 600
KPMG	Provision of audit, risk management and fraud control services	Panel	C	\$174 000
Laurence Whistler Street	Provision of probity auditor	Direct sourcing	C	\$120 000
Margaret Piper and Associates	Evaluation and report on Ballarat humanitarian settlement pilot	Select tender	B	\$27 060
Margaret Piper and Associates	Evaluation and report on Mt Gambier humanitarian settlement pilot	Select tender	B	\$27 060
Monash University	Review of the suicide and self harm instrument and protocol used in immigration detention	Select tender	C	\$69 392
Newd Corp Pty Ltd	Development and implementation of creative advertising strategy	Select tender	A	\$1 085 365
Nous Group Pty Ltd	Provision of learning and development courses	Select tender	A	\$66 000
Oakton AA Services Pty Ltd	Provision of financial assessment of health and detention service providers	Panel	A	\$17 505
Oracle Corporation Australia Pty Ltd	Provision of technical services	Direct sourcing	A	\$450 560

Table 108: Consultants and consultancy services *continued*

Consultant name	Description	Selection process	Justification	Value
Perocin Pty Ltd	Provision of services for tender evaluation adviser	Open tender	A	\$200 860
Protiviti Pty Ltd	Provision of audit, risk management and fraud control services	Panel	C	\$52 689
Protiviti Pty Ltd	Provision of audit, risk management and fraud control services	Panel	C	\$55 000
Protiviti Pty Ltd	Provision of risk management and auditing services	Panel	A	\$80 465
PSI Consulting Pty Ltd	Provision of probity advice	Panel	C	\$20 000
PSI Consulting Pty Ltd	Provision of advice for property services	Panel	C	\$44 073
Registries Limited	Provision of electronic voting services for the national staff consultative.	Select tender	A	\$13 556
Richardson O'Rourke Consulting Pty Ltd	Provision of project management fundamentals training	Panel	A	\$179 626
SMS Consulting Group Ltd	Provision of detention/offshore data entry analysis services	Select tender	A	\$42 075
The Open Mind Research Group Pty Ltd	Bridging visa (e) and overstayers research and discussions	Select tender	B	\$100 000
The Trustee for Access Economics Trust	Provision of economic analysis services	Direct sourcing	A	\$99 200
The Trustee for EPD unit trust	Production of 'The People of Australia' series of publications	Open tender	A	\$55 350
University of Canberra	Provision of dynamic business modelling	Direct sourcing	A	\$130 000
Walter Turnbull Pty Ltd	Provision of financial viability advice	Panel	C	\$16 500

Table 108: Consultants and consultancy services *continued*

Consultant name	Description	Selection process	Justification	Value
Walter Turnbull Pty Ltd	Independent review	Select tender	B	\$70 980
Walter Turnbull Pty Ltd	Provision of audit, risk management and fraud control services	Panel	C	\$77 000
Walter Turnbull Pty Ltd	Provision of audit, risk management and fraud control services	Panel	C	\$93 000
Workplace Research Associates Pty Ltd	Development of work level standards for medical officers, legal officers and public affairs officers	Direct sourcing	A	\$48 290
Workplace Research Associates Pty Ltd	Development of job and organisational design guidelines	Direct sourcing	A	\$49 500

Table 109: Contracts in excess of \$100 000 that do not contain the Australian National Audit Office access provisions

Name of contractor	Description	Value
Beethoven Computer Services Pty Ltd	Software licence agreement	\$287 418