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The year at a glance

The secretary's review

Portfolio and departmental overview

Executive

Organisational structure

Outcome and output structure

Summary of financial performance



# Overview

# The year at a glance

**Table 1: Snapshot of activity in 2007–08<sup>1</sup>**

<b>Migration and temporary entry</b>	
Total permanent and temporary visas granted	4 637 259
Total visitor visas granted offshore <sup>2</sup>	3 609 928
Electronic Travel Authority grants	2 776 386
Working Holiday and Work and Holiday visas granted	157 574
Student visas granted	278 184
Temporary residents (other) visas granted	39 686
Temporary Skilled Migration visas granted	110 570
Family Stream outcome	49 870
Skill Stream outcome	108 452
State/Territory or Employer Sponsored visas granted	31 290
Total Migration Program outcome	158 630
<b>Refugee and humanitarian entry</b>	
Humanitarian Program visas granted	13 014
<b>Border security</b>	
Passenger and crew arrivals and departures	25 700 000
Immigration clearances refused at airports	1 189
Immigration clearances refused at seaports	424
Unauthorised boat arrivals (people)	25
<b>Compliance</b>	
Percentage of temporary entrants and permanent visa holders who complied with their visa conditions	99%
Unlawful non-citizens located	10 722
Notices issued to employers of illegal workers	750
Removals and departures	8 404
<b>Detention</b>	
Illegal foreign fishers taken into detention	1 232
Visa overstayers taken into detention	1 283
Total number of people taken into detention	4 514
Total number of people released or removed from detention	4 601
Illegal foreign fishers in detention as at 30 June 2008	26
Visa overstayers or people who breached visa conditions in detention as at 30 June 2008	323
Total number of people in detention as at 30 June 2008	402

<sup>1</sup> Rounded numbers may differ from numbers appearing elsewhere in the report.

<sup>2</sup> This is inclusive of Electronic Travel Authority grants.

<b>Settlement</b>	
Refugees who arrived and received help through the Integrated Humanitarian Settlement Strategy	9 556
Migrant community service grants managed through the Settlement Grants Program and Community Settlement Services Scheme	332
<b>Citizenship</b>	
Number of people conferred Australian citizenship at ceremonies	121 221
People approved as Australian citizens by conferral, descent and resumption	107 662
Calls to Citizenship Information Line	612 218
<b>Multicultural affairs</b>	
Event registrations for Harmony Day	388
Living in Harmony website hits	202 370
People participating in Living in Harmony partnership activities	163 000
<b>Client contact</b>	
Calls to Sydney and Melbourne contact centres	1 731 995
Telephone interpreting calls	615 477
<b>Litigation</b>	
Matters resolved in courts and the Administrative Appeals Tribunal	4 302
Percentage in favour of minister (that proceeded to defended hearing in court)	95%
<b>Staff</b>	
National Office (Canberra)	2 978
New South Wales	1 386
Victoria	974
Queensland	437
South Australia	466
Western Australia	406
Tasmania	142
Northern Territory	59
Australian Capital Territory and region	103
Overseas (Australia-based employees)	137
Airline Liaison Officers	18
Total number of Australia-based staff	7 106
Overseas (locally engaged employees)	1 000
Total staff as at 30 June 2008	8 106

## The secretary's review

Since its inception more than 60 years ago, the Department of Immigration and Citizenship and its predecessors have been central to Australia's economic development. Our role as a nation-builder has enriched Australia through the entry and settlement of nearly seven million people. By this measure, the 2007–08 reporting year was a successful one, with the delivery of the largest ever skilled migration program.

This was in addition to our ongoing work in the areas of permanent migration and temporary entry, refugee and humanitarian entry, citizenship, multicultural affairs, settlement, border security, immigration compliance and immigration detention.

We directly support major areas of people-to-people contact, and foreign exchange revenue from two of the largest industries in Australia—the overseas students program and inbound tourism.

Our *Systems for People* program has now reached the halfway mark, with substantial improvements to decision making and record keeping, particularly focusing on the department's compliance, case management and detention operations.

A focus on tight fiscal management was particularly evident this year, with the completion of a Financial Health Review resulting in a review of every function in the department to generate efficiencies required and improve the way we do business. The department reported a modest operating surplus at the completion of the financial year.

Our 8000 staff members located in Australia and many countries overseas (including 1000 overseas locally engaged staff) worked to three strategic themes of:

- being an open and accountable organisation
- having fair and reasonable dealings with clients
- having well trained and supported staff.

In this review, I will outline some of the highlights and key developments that I consider to be of particular importance.

### Change of government, new minister and parliamentary secretary

On 3 December 2007, following the election of the Rudd Labor Government, Senator Chris Evans was appointed as Minister for Immigration and Citizenship, with Laurie Ferguson MP appointed as Parliamentary Secretary. They replaced the Hon. Kevin Andrews MP and the Hon. Teresa Gambaro MP. The department has worked closely to support the new minister and parliamentary secretary, and responded quickly to the new government's preferred direction and approaches, including an emphasis on evidence-based policy and decisions, and high performance in delivery of client service.



## Commonwealth and Immigration Ombudsman's reports on the 247 referred cases

In mid-2005, in light of the Palmer and Comrie inquiries into the detention of Cornelia Rau and Vivian Alvarez Solon, the government referred 247 cases which may have involved wrongful detention to the Commonwealth and Immigration Ombudsman for review.

My predecessor and I have both apologised fully and frankly for those mistakes. The department has worked closely with the Ombudsman and his office, and other accountability bodies and stakeholders over the past three years to ensure major changes and improvements are made to our systems and processes. We will continue to strongly focus on this major reform program.

The department has actively sought to resolve the immigration status of those individuals within the 247 referred cases who remain in Australia.

During 2007–08, a number of high profile people within this group, including Cornelia Rau and 'Mr T', were compensated following out of court settlements. The department strove to reach these settlements fairly and reasonably.

This year marks a further milestone in the department's reform process with the completion of its assessment of all 247 referred cases. These assessments are guiding the department's remedial action in relation to internal systems, records changes and the offering of compensation and other remedies to the affected people. The completion of the assessments is a significant achievement as it demonstrates the strength of the department's commitment to remedying past wrongs suffered by individuals.

### Migration program

The outcome for the Migration Program was 158 630 places in 2007–08, the largest since the late 1960s. This included a Skill Stream of 108 540 places, which was expanded by the incoming government by 6000. The balance of the program was made up of 49 870 Family Stream places and 220 Special Eligibility places.

These programs are critical given our short-term shortages of skilled labour, and our longer-term demographic and economic challenges.

The program met the government's objective of aligning the Skill Stream more closely with the needs of Australian industries and employers. Almost 72 per cent of the Skill Stream outcome was made up of applicants under targeted categories, including those who were sponsored by either an employer or state/territory government, or who had an occupation listed as being in high demand.

The record number of places in the permanent skilled migration program will help ease Australia's skills shortages and fight inflation. The program will also help to maintain growth in Australia's working age population.

### Temporary work visas

During 2007–08, 110 570 subclass 457 visas were granted to temporary skilled workers and their dependants, compared to 87 310 in 2006–07. Over 80 per cent of primary visa holders were employed in professional and highly skilled jobs.

A comprehensive reform process was initiated by the government to ensure that the 457 visa program responds better to the needs of business, and protects the employment and training opportunities of Australians as well as the rights of overseas workers. In response to the report of the business-led 457 External Reference Group, three 'centres of excellence' were created on 1 July 2008 in the department's offices in Sydney, Melbourne and Perth to streamline application and approval processes.

Ms Barbara Deegan, an industrial relations expert appointed by the minister in April 2008, will report to government on ways to improve the integrity of the program.

During the year, the department provided advice to the government on a possible Pacific seasonal worker pilot scheme (which has been adopted as policy and formally announced on 17 August 2008).

## World Youth Day

The department worked closely with the Catholic Church's World Youth Day event organisers to facilitate the visa processing, entry and stay of an estimated 100 000 international pilgrims representing some 170 countries for a week of celebrations from 15 to 20 July 2008.

Over 70 000 visas were granted and processed specifically for World Youth Day with the busiest day for border staff on 14 July 2008, when an extra 8000 arrivals passed through immigration clearance at Sydney airport.

## Systems for People

*Systems for People* (SfP) is the department's major business transformation program which commenced in July 2006 in response to the Palmer Report. It is currently at the halfway mark of the four year program.

The first areas of priority for SfP have been the department's compliance, case management and detention operations. New business processes have been introduced to improve consistency and quality of decision making and record keeping. Case management has been implemented for all people in immigration detention and other vulnerable clients. These new services and processes have been enabled through the introduction of 'portals' tailored to the roles performed by staff.

Substantial progress has been made in providing staff with a single view of all of the department's interactions with individual clients through the Client Search Portal. Much of this work will be completed in the coming year.

Through SfP, a number of major improvements have been made to the department's border security processes this year. For example, the implementation of the Central Movement Alert List and the Maritime Crew visa, the expanded use of biometrics, and the further development of the Identity Services Repository.

At the same time, substantial changes have been implemented to the department's underlying technology platform to improve system performance, stability and provide for greater agility in the future.

Taking into account reports from external advisers, considerable emphasis has been placed on strengthening the department's ICT capability, project and program

management and governance. This will help to ensure the success of a program as large and complex as SfP and continuously improve the quality of our overall ICT services.

As we pass the halfway mark of the program, emphasis is shifting into the visa and client services area of departmental operations. For the next two years we will strive for major improvements in the simplicity and efficiency of our visa processes, and improved services for our clients.

## Border security

There were a range of successful border security initiatives in 2007–08, including the Maritime Crew visa, the Identity Management Strategy and the Security Referral Service.

The Maritime Crew visa (MCV) was a new requirement for foreign crew of non-military ships from 1 July 2007. The visa was introduced to ensure that the application and security checking requirements for foreign sea crew aligned with the requirements for other temporary visitors.

From July 2007, crew, or third parties acting on their behalf, have been able to apply for the MCV through the department's website although it did not become mandatory until 1 January 2008. The MCV allows the department to improve border security by undertaking a pre-arrival check of sea crew.

The MCV has an extremely high compliance rate, largely due to its ease of access. More than 350 000 visas were granted in 2007–08, with 150 000 of these granted before its use became mandatory.

The online visa has been a success story for cross-agency cooperation through our partnership with the Australian Customs Service and working with industry peak bodies.

The Identity Management Strategy developed by the department in 2006–07 has continued to be implemented. Biometric quality facial images and finger scans are now being collected and matched with people in immigration detention. A complete identity management process, including the collection of biometric quality facial images and verification of proof of identity documents was introduced with the citizenship test during the year.

The Identity Services Repository, the cornerstone of the department's identity management system, continues to grow in terms of records and users. It is the database of record for 16 million travel documents, more than one million facial images and nearly 135 000 scanned proof-of-identity documents. The repository manages up to 500 000 transactions each day.

The introduction of the first phase of the Security Referral Service allowed the department to automate the process of referring national security requests to an external security agency, before granting a client's visa.

This further example of cross-agency collaboration has proven to be a major improvement on the previous security checking process, which involved a significant amount of manual data entry.

Offshore Processing Centres in Nauru and Manus Province in Papua New Guinea were closed on 31 March 2008, which represented a significant milestone in implementing the new government's policy to end the previous government's 'Pacific Strategy'. The cases of the remaining 89 residents of the Nauru OPC were quickly resolved, with the last group of refugees departing Nauru for resettlement in Australia in early February 2008. The government has indicated that any further unauthorised boat arrivals at excised offshore places (which include Christmas Island and Ashmore Reef) will still be subject to mandatory detention for health, identity and security checks.

## Immigration compliance and detention

During 2007–08, the department continued to deliver an appropriate balance between facilitation, prevention, deterrence and enforcement activities to support the overall integrity of Australia's immigration programs. Our aim is to promote voluntary compliance with immigration rules; support and assist clients to resolve their status in a timely and appropriate manner, while effectively dealing with fraud and misuse of programs; and focus enforcement actions such as detention and removal on those who present a serious risk to the Australian community.

The employer sanctions amendments to the *Migration Act 1958* took effect on 19 August 2007. It is now a criminal offence to knowingly or recklessly employ an illegal worker or to refer an illegal worker for employment.

The department works closely with industry peak bodies, trade unions, licensing authorities, employers and ethnic communities to promote this understanding. The use of the department's Visa Entitlement Verification Online service to check the immigration status of non-citizens increased by 97 per cent in 2007–08, with more than 245 000 checks being completed.

The number of people in immigration detention has decreased significantly. There were approximately 1000 people in immigration detention at the beginning of 2005. As at 30 June 2008, the number was at its lowest level since July 1998, with 402 people in immigration detention. Valuable advice and counsel continues to be provided by the Immigration Detention Advisory Group and the Detention Health Advisory Group, as well as our various accountability bodies and numerous stakeholders.

The use of detention as a means of resolving a client's immigration status has also declined significantly over the last three years. The percentage of unlawful non-citizens now detained following their location by the department has halved to 15 per cent. Compliance officers actively engage with case managers and detention service providers to ensure that people who are detained are placed in the least restrictive detention environment appropriate to their circumstances.

With fewer people in immigration detention facilities, the department closed the Baxter immigration detention centre and the Port Augusta immigration residential housing, disposed of the Woomera immigration detention centre and leased out the immigration detention facilities at Port Hedland.

Christmas Island now has a range of immigration detention facilities for use if required. From April 2008, the new immigration detention centre at North West Point on Christmas Island became available to the department. The overall range of

facilities on Christmas Island provides flexibility to respond to the individual needs of unauthorised boat arrivals, including unfenced community-based accommodation. The government has made it clear that no children will be held in an immigration detention centre.

## High profile cases/Clarke Inquiry

Given the nature of the department's work involving the visa status of non-citizens in Australia, a number of cases each year attract significant public interest.

Most high-profile this year was the case of Dr Mohamed Haneef, an Indian doctor in Australia on a subclass 457 visa, whose visa was cancelled by the former minister on character grounds following information provided by the Australian Federal Police. The cancellation decision was reviewed by the Federal Court, with the court both at first instance and on appeal, establishing a new understanding of the legal test to be applied under the relevant provisions and reinstating Dr Haneef's visa.

The current government established the Clarke Inquiry into the case of Dr Haneef in early 2008. The department has been fully cooperating with the inquiry and continues to do so.

## Litigation

As at 30 June 2008, the portfolio's active litigation caseload had decreased to 1247 matters, the lowest since 2001–02. This continuing trend is due, in large part, to the significant collaborative effort between the department, the Attorney-General's Department and the courts to clear the backlog of migration matters in the courts. This is a pleasing result that will assist in further reducing the time taken to resolve cases for our clients. The minister's 'success' rate of defended matters in the courts remains very high.

## Humanitarian Program

Australia continues to be one of the top three refugee resettlement countries in the world. The department is proud to be Australia's premier refugee agency. Our offshore humanitarian resettlement program continues to demonstrate our commitment to working with our international partners to help those most in need.

During the reporting year, 13 014 visas were granted under our Humanitarian Program with 10 799 of these granted under the offshore component. Our offshore resettlement activities took place in some of the most troubled regions of the world, with our intake coming from Africa, Asia and the Middle East.

We continued to work closely with our international partners, particularly the United Nations High Commissioner for Refugees, on the resolution of protracted refugee situations. This year we have resettled around 2900 Burmese people from camps on the Thai-Burma border, Malaysia and India. We have also begun the resettlement of Bhutanese refugees from Nepal.

The minister has announced that the Humanitarian Program has been increased to 13 500 for 2008–09. This will include 6500 refugees, of which 500 places will be for people affected by the conflict in Iraq. In addition to these places, Iraqi employees who have supported the Australian Defence Force in Iraq have been resettled in Australia in recognition of the personal security situation they would face as Australia withdraws its combat forces from southern Iraq.

## Abolition of Temporary Protection visas

On 13 May 2008, the minister announced the government's decision to fulfil its commitment to providing fair and certain outcomes for asylum seekers by abolishing the Temporary Protection visas (TPVs) and Temporary Humanitarian visas (THVs). In future, all initial applicants for a Protection visa who are owed Australia's protection will receive a permanent visa.

The minister also announced that people currently holding TPVs and THVs would be eligible for a Resolution of Status visa without the need to reassess their protection claims. This permanent residence visa allows TPV and THV holders access to the same benefits and entitlements as Permanent Protection visa holders.

## Settlement and refugee support initiatives

In March 2008, the government approved the appointment of members to the Refugee Resettlement Advisory Council. The council provides high quality policy advice on the settlement of newly-arrived humanitarian entrants and migrants. The council, now chaired by the Hon. Bruce Baird, met with both the minister and parliamentary secretary in May 2008 to exchange ideas and to discuss priorities for the future. The department would like to acknowledge the leadership of the out-going Chair, Major General Warren Glenny AO RFD ED (Rtd) and is looking forward to working with Mr Baird and the new council.

A formal review of the Adult Migrant English Program commenced in February 2008. The review is considering all aspects of the program and its future as a contemporary English language tuition program. The review is due for completion in October 2008 and its outcomes will inform the tender process. New contracts are expected to commence in 2010.

The department conducted a Request for Tender to establish a Humanitarian Services Panel. The role of the panel is to deliver services under the Complex Case Support program. The program will provide specialised and intensive case management services for recently-arrived humanitarian entrants who have special or complex needs beyond the scope of existing settlement services. The program will be implemented progressively in each state and territory from early 2008–09.

Additional 'in-kind' assistance for refugees was also introduced under the Integrated Humanitarian Settlement Strategy. This helps humanitarian entrants with issues such as rent and public transport tickets in their first month after arrival. These initiatives deliver significant additional support to newly-arrived refugees.

## Australian citizenship, integration and cultural diversity

Landmark legislative changes came into effect on 1 July 2007 when the new *Australian Citizenship Act 2007* replaced the *Australian Citizenship Act 1948*. The new Act improved the structure of citizenship law and made it easier to understand. The main amendments include changes to the residence requirement for Australian citizenship, provisions for people not previously eligible to apply for resumption of citizenship, and special provision for children adopted in accordance with the Hague Convention on Intercountry Adoption.

On 1 October 2007, further changes were introduced by way of a citizenship test. On 28 April 2008, the minister announced the appointment of an independent Citizenship Test Review Committee, chaired by Mr Richard Woolcott AC, to examine the operation of the citizenship test after its first six months. The committee explored ways to improve the effectiveness of the test as an important step on the pathway for residents to become Australian citizens.

The department's strong promotion of Australian citizenship continued throughout 2007–08. Highlights included special citizenship ceremonies to mark the introduction of the new Act on 1 July 2007, Citizenship Day on 17 September 2007 and Australia Day, when over 14 000 people made the citizenship pledge, showing their commitment and loyalty to Australia and a desire to share in the nation's common future. Further celebrations will take place with the 60th Anniversary of Australian Citizenship in 2009. Our close relationship continues with the National Australia Day Council, of which I am a director.

The department played a key role in countering isolation and marginalisation through the National Action Plan to Build on Social Cohesion, Harmony and Security, in consultation with the community and agencies at all levels of government. A total of 55 partnerships and projects increased public understanding of Australia's cultural and religious diversity.

The Living in Harmony program continued its work by funding 65 community projects and partnerships addressing issues of community harmony, participation and cultural diversity. For example, a partnership with the Family Court of Australia aimed to help new and emerging communities learn about Australian family law and enhanced the Family Court's capacity to understand and engage more effectively with new communities.

## Freedom of Information

I am very pleased to note that significant improvements were made to the department's processes for handling Freedom of Information (FOI) requests over the past year. A sizeable backlog of requests was substantially reduced. In November 2007, there were more than 8000 FOI requests, of which about 2800 were overdue. By 30 June 2008, this had been reduced to about 500, with only about 310 more than 30 days overdue.

In April, the department implemented a 24 hour, 30 day case management model. A focus on reducing unnecessary requests has resulted in significant client service improvements, with clients able to obtain their international movement records outside the FOI process, following changes made to the Migration Act.

## Increased international engagement

Throughout the year, the department took advantage of a number of opportunities to reinforce the government's objective of greater engagement with the multilateral system.

The government was also keen to demonstrate a continued commitment to strengthening existing bilateral and regional relationships. Upon assuming his portfolio, one of Minister Evans' first activities was to meet with Mr Andi Mattalatta,

his Indonesian counterpart, to renew and confirm the commitment of the Australian and Indonesian governments to work together to strengthen our borders against people smuggling, terrorism and other forms of transnational crime.

The meeting resulted in new immigration cooperation initiatives between Australia and Indonesia, including English training for immigration staff at Jakarta and Bali airports, and immigration data analysis and reporting training.

## Client services

Our focus on improving client service continued to deliver pleasing results in 2007–08.

We have been actively listening to clients in a range of fora to better understand their service needs and expectations, and to inform a series of ongoing improvements across the department. We conducted our first client satisfaction survey in June 2007, with 79 per cent of almost 1900 respondents satisfied or very satisfied with services provided. Another survey conducted in 2008 showed that 82 per cent of almost 3400 respondents were satisfied or very satisfied, up 3 per cent on the 2007 result.

We have also been listening to clients and stakeholders by conducting focus groups, client reference groups and improving feedback management through our Global Feedback Unit (GFU).

In the past year, the department has worked hard to ensure it understands and hears the views of its clients and stakeholders on what it is doing right and where it can improve. I am particularly pleased that the GFU has developed into a resource that allows the department to identify and respond to problems.

The GFU has enhanced its data collection processes which have enabled the department to better identify systemic issues and trends, service shortfalls and overcome blocks to achieving good client service outcomes within established service standards. The department is also able to undertake significant and enhanced performance reporting based on volume, feedback types, issues raised, specific business areas, access to feedback channels and resolution time, and use it to improve service delivery and organisational processes.

## Stakeholder engagement

I place enormous importance on relationships with our stakeholders and believe effective stakeholder engagement is crucial to our business. Our stakeholders are highly valued and essential in providing the advice and debate which informs the government's policies and for the department to achieve community confidence in our work. During the past year, the department continued its commitment to strengthening stakeholder engagement practices through a number of initiatives.

I launched the *Stakeholder Engagement Practitioner Handbook* to staff in May 2008. The handbook is intended as a tool for staff to ensure their engagement is well considered and as productive as possible for all parties. It was developed in consultation with staff and external stakeholders. The handbook is widely available and can be found in the stakeholder section of the department's website.

Putting theory into practice, the year commenced with a series of Stakeholder Practitioner Information Forums held across the country. They provided the opportunity for dialogue between senior staff and the stakeholders who work directly with our clients.

Our National Communications Branch continued its proactive approach to media management and liaison in 2007–08, through engagement with journalists, commentators, opinion leaders and stakeholders.

## Improved financial management

A key focus for 2007–08 has been the improvement of our financial management skills, processes and systems. Early in the year, we commissioned an extensive review of the department's financial management to develop a comprehensive plan to redress identified shortcomings. This work was a key input into the department's Financial Health Review, led by Dr Neil Johnston AO and under the direction of the Department of Finance and Deregulation.

The review commenced in October 2007 and provided its final report in March 2008. The findings were considered in both the 2007–08 Additional Estimates and the 2008–09 Federal Budget, with additional funding provided for financial management staff, training and systems to supplement our financial resources as we implemented measures to respond to the Palmer and Comrie reports, and other changes required.

In addition, the government agreed to changes to the department's funding model which will provide greater stability and certainty to future revenue streams, improving our ability to effectively plan the strategic management of our resources to support future financial sustainability.

Sound financial management will continue to be a priority in 2008–09 as we implement the recommendations of the reviews, building on the improvements delivered to date. The department's National Office has been restructured, and staff numbers reduced, as a consequence of these measures.

## Well trained and supported staff

The ongoing development and delivery of accredited College of Immigration training programs for staff in key operational roles has been the major area of focus for training in 2007–08.

Training for existing compliance, detention and investigation officers has largely been completed and training courses for airport entry officers, seaport entry officers, removal officers and case managers have been piloted.

The college has worked in partnership with departmental business areas to develop and deliver accredited and role-based training in high priority programs for the department, such as the citizenship decision maker course, subclass 457 monitoring officer course and community liaison officer course.

The department has also continued to deliver and refine a range of general capability and leadership development programs, including the national induction course, graduate development program, overseas training course, executive leadership program and fundamentals of supervision course. An intensive three to four month leadership development course for high potential executive level staff was successfully piloted in early 2008 and is currently being evaluated.

The department has expanded on the earlier success of the Immigration Dilemmas: Ethics, APS Values and Leadership program through the development of a suite of new scenarios. The issues targeted in the new scenarios were identified through an independent evaluation and the results of the 2007 Staff Survey.

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

Internal communications with the department's staff in more than 100 locations was managed using an advanced digital platform including podcasts, vodcasts, 'town hall' addresses streamed to desktops, the Our People TV-style news program, training videos and corporate presentations.

### **Coronial Inquest into the loss of the *Malu Sara***

During 2007–08, the Queensland Coroner conducted an inquest into the tragic loss in the Torres Strait of the *Malu Sara* (an immigration response vessel) in October 2005. The department has provided extensive information to, and fully cooperated with, the Queensland Coroner during his inquiry into the matter. We have also fully cooperated with other inquiries into the tragedy. As at 30 June 2008 the coroner had not yet handed down his findings, which are expected in the first half of 2008–09.

The department has implemented substantial changes to our operations in the Torres Strait since this tragic occurrence and made numerous other changes to departmental practice and procedure in areas such as training and procurement. Once the coroner's findings are known, the department will review what further steps, if any, need to be taken.

### ***Caring for our Colleagues***

In May 2008, I launched *Caring for our Colleagues*, an innovative and far reaching policy aimed at assisting our people dealing with or caring for people with life threatening illnesses. This initiative has been widely promoted within the department, as well as across the Australian Public Service, and is seen as an example of best practice in demonstrating our corporate values at times of greatest need for our employees.

### **Charitable and community activities**

A measure of a healthy workplace is the extent to which we recognise our obligations as part of the wider community and support charitable organisations. I am very proud of the extent to which the staff of the department support and promote a range of good causes in the community.

The department continues to be highly ranked against other organisations for Red Cross blood donations, with another 'win' for the highest number of donations in the public sector in Canberra during 2007.

The department's Black and White Ball raised \$16 000 for OvCa Australia, the National Ovarian Cancer Network. We raised more than \$29 000 for men's health with 'Movember', and we raised over \$20 000 for the Leukaemia Foundation through participation in the 'World's Greatest Shave'.

Our Workplace Giving Program raised more than \$91 000 for 19 organisations selected by our employees in 2007–08, including World Vision, Medecins Sans Frontieres (Doctors Without Borders), Oxfam and the RSPCA.

I continue to proudly be a White Ribbon Ambassador, with the responsibility to encourage other men to speak out for the elimination of violence against women.

## Conclusion

Many of the reforms to departmental operations, adopted to address the major issues identified in 2005 by the Palmer, Comrie and other reports have now been implemented, with not one part of the department remaining untouched.

The feedback received from clients, stakeholders and staff indicates that the changes have been positive and effective and that the department is now a significantly transformed organisation.

However, there is always more to do. The staff of the department are undertaking their many duties with enthusiasm and commitment. I wish to again place on the record my sincere appreciation for their continuing efforts.

Andrew Metcalfe

Secretary

# Portfolio and departmental overview

The Immigration and Citizenship portfolio comprises the department, the Migration Review Tribunal and the Refugee Review Tribunal. The tribunals provide independent merits review of departmental decisions to refuse or cancel migration, temporary entry and protection visas. The tribunals report separately.

The department is tasked with managing the:

- entry and stay of people through the migration, temporary entry and humanitarian programs
- proper and timely resolution of the immigration status of people
- security of Australia's borders
- strengthening of integrity and effective compliance with our programs including the control of fraud
- appropriate management and support of people in immigration detention
- delivery of settlement services, including adult English language training, refugee settlement support, and translating and interpreting services
- promotion of Australian citizenship to eligible non-citizens, focusing on its acquisition and value
- promotion of the value of cultural diversity and increasing understanding of Australia's democratic values to ensure our progress as a united, prosperous and safe society.

## Role and functions

The Department of Immigration and Citizenship is a policy, program and service delivery agency. Its services are delivered through offices in every state and territory and more than 60 countries.

The department's purpose is 'to enrich Australia through the well managed entry and settlement of people'.

The department is responsible for the following two outcomes to government and the Australian community.

1. Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people.
2. A society which values Australian citizenship and social cohesion, and enables migrants and refugees to participate equitably.

## Strategic priorities

The *DIAC Plan 2007–08* outlined the department's strategic priorities which included:

- supporting the government in delivering its key policy initiatives
- transforming its business through implementation of:
  - » *Systems for People* improvements
  - » Client Services Improvement Program
  - » Palmer Plus change and improvement program
- strengthening and sustaining stakeholder and community engagement
- strengthening leadership capability.

Over the next three years, the department's policies and practices will continue to reflect, and be responsive to, the government's requirements to positively influence living standards and quality of life in Australia.

The *DIAC Strategic Plan 2008–11* is a blueprint of how the department intends to manage its policies, programs and service delivery over the next three years. It is a key document in outlining how the department will work with stakeholders and the community.

Major areas of focus over the next three years include:

- positioning migration, both permanent and temporary, as one of the keys to Australia's prosperity and social cohesion
- creating a simpler and more responsive client focused migration and humanitarian system
- maintaining public confidence in border management
- enhancing the delivery of humanitarian settlement, Australian citizenship and cultural diversity programs
- continuing to develop a highly productive performance focused workforce
- managing the department's resources strategically and with integrity.

### Change of government

On 3 December 2007, the Rudd Labor Government was sworn in. Senator Chris Evans was sworn in as Minister for Immigration and Citizenship.

Mr Laurie Ferguson MP was sworn in as Parliamentary Secretary for Multicultural Affairs and Settlement Services.

They replaced the Hon. Kevin Andrews MP, the former minister, and the Hon. Teresa Gambaro MP, the former assistant minister.

### Advisory and consultative bodies

Several non-statutory bodies advised the portfolio during 2007–08, including the:

- Refugee Resettlement Advisory Council
- Immigration Detention Advisory Group
- Detention Health Advisory Group.

### Legislation

The department administers the following Acts, which provide a legislative framework for its functions and services:

- *Aliens Act Repeal Act 1984*
- *Australian Citizenship Act 2007*
- *Australian Citizenship (Transitionals and Consequentials) Act 2007*
- *Immigration (Education) Act 1971*
- *Immigration (Education) Charge Act 1992*
- *Immigration (Guardianship of Children) Act 1946*
- *Migration Act 1958*
- *Migration Agents Registration Application Charge Act 1997*
- *Migration (Health Services) Charge Act 1991*
- *Migration (Sponsorship Fees) Act 2007*
- *Migration (Visa Application) Charge Act 1997.*

As many of the government's policy settings need to be reflected in legislation, there is a relatively high rate of change and amendment. Two Bills went before Parliament when it was prorogued in October 2007. Two Bills were introduced and one was passed during the 2007–08 period. In the same period, a total of 14 legislative instruments were made to amend regulations.

These Acts and associated regulations are available on the ComLaw website, administered by the Attorney-General's Department at [www.comlaw.gov.au](http://www.comlaw.gov.au).

# Executive

## Andrew Metcalfe, Secretary



Andrew Metcalfe is Secretary of the Department of Immigration and Citizenship, responsible for its administration and strategic direction. He provides senior policy counsel on major and sensitive policy issues to the minister.

He was appointed in July 2005 after serving for three years as a deputy secretary in the Department of the Prime Minister and Cabinet, where he was responsible for coordination of policy advice to the Prime Minister on counter-terrorism, security, border protection, law enforcement, defence, intelligence, foreign affairs and machinery of government issues. He also chaired the National Counter-Terrorism Committee and the Australian Government Counter-Terrorism Policy Committee.

Prior to this, he held a series of senior positions with the Department of Immigration and Citizenship and its predecessors.

Mr Metcalfe has also been a member of the Administrative Review Council since 2003, a board member of the National Australia Day Council since 2002 and was an ex-officio member of the Council of the Order of Australia.

## Bob Correll PSM, Deputy Secretary



Bob Correll is Deputy Secretary responsible for the Borders, Detention and Technology Group. He transferred to the department from the position of Deputy Secretary of Workforce Participation at the Department of Employment and Workplace Relations in July 2005.

He has a degree in Business Management and was awarded the Public Service Medal in 2005 for his contributions to employment and workforce participation. Mr Correll has over 20 years experience in policy, program and operations management in the employment and social welfare areas of government administration.

He has overseen the development and implementation of the outsourced public employment services in Australia, called Job Network, and has a strong background in the use of information technology to support and enable improved business operations.

## Carmel McGregor, Deputy Secretary



Carmel McGregor is Deputy Secretary responsible for Client and Corporate Services.

Prior to joining the department in November 2005, Ms McGregor held several senior positions at Centrelink, including leading the implementation of the Welfare to Work reform. She joined Centrelink in 1997 from the Department of Employment, Education, Training and Youth Affairs where she had worked in many areas of labour market programs, vocational education, CES management and corporate improvement programs.

From 1999 to 2001, she worked as a consultant in Paris for the Public Management Service of the Organisation for Economic Co-operation and Development, with key involvement in international fora on modernising government.

## Peter Hughes PSM, Deputy Secretary



Peter Hughes is Deputy Secretary responsible for the Migration, Refugee, Citizenship and Compliance Group.

He has extensive experience across a range of issues within the immigration portfolio, including migration, refugees, settlement, citizenship and multicultural affairs. Mr Hughes has implemented immigration and refugee resettlement programs with the department in Asia and Europe and has been closely involved in Australia's international engagement on people movement and protection issues in global multilateral fora, regionally and bilaterally.

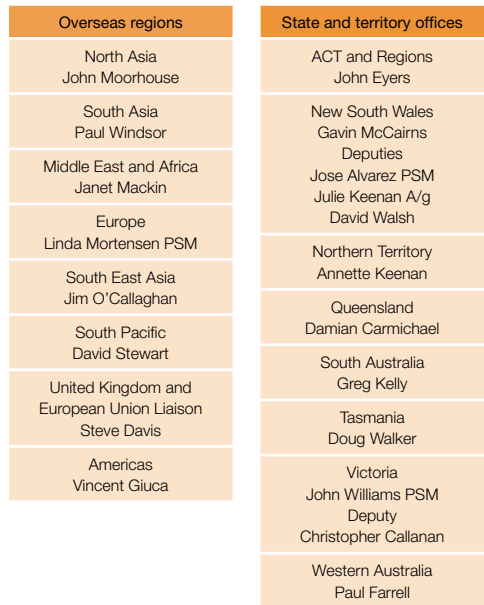
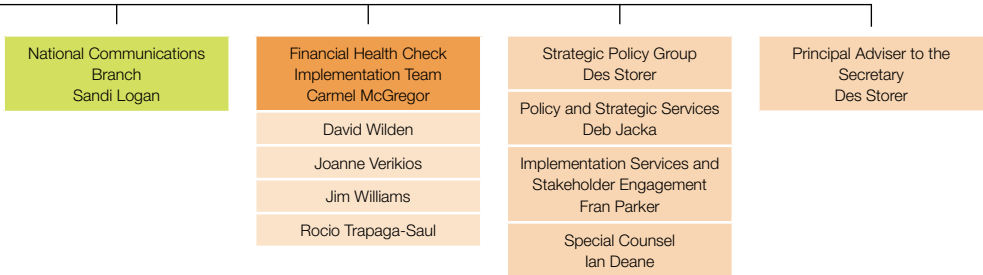
Before August 2006, he was head of the department's Refugee, Humanitarian and International Division, which included responsibility for Australia's offshore refugee resettlement program.

Mr Hughes was awarded the Public Service Medal in 2005 for contributions to Australian citizenship, multicultural harmony and the settlement of refugees.

# Organisational structure

Figure 1: Organisational structure

<b>Secretary Andrew Metcalfe</b>						
<b>Deputy Secretary Peter Hughes PSM</b>						
<b>Citizenship, Settlement and Multicultural Affairs Kate Pope</b>						
Multicultural Affairs Les Hetherington A/g	Citizenship Renelle Forster	Settlement Alex Foulds A/g	IHSS Kate Wallace A/g	AMEP Review Paula Kansky A/g		
<b>Refugee, Humanitarian and International Arja Keski-Nummi</b>						
Humanitarian Judith O'Neill		Onshore Protection John Matthews		International Cooperation Ondrae Campbell A/g		
<b>Migration and Temporary Entry Peter Vardos PSM</b>						
Migration Greg Mills PSM	Temporary Entry Kruno Kukoc		Business Yole Daniels	Program Support Stephen Wood		
<b>Compliance and Case Management Lyn O'Connell</b>						
Compliance Strategy Robert Illingworth	Compliance Resolution Lynne Gillam	Character Assess. and War Crimes Screening Laura Angus A/g	Compliance Business Transformation Sally Babbage	Compliance Case Management Kylie Jenkins A/g	Compliance Operations Kaye Yen A/g	
<b>Deputy Secretary Bob Correll PSM</b>						
<b>Border Security Todd Frew</b>						
Entry Policy and Procedures John Rees A/g	Identity Tracy Ballantyne A/g		Border Security Systems Jenny Bell A/g	Border Intel and U/A Arrivals Robert Hoytink		
<b>Detention and Offshore Services Dermot Casey A/g</b>						
Detention Services Policy and Monitoring Jan Tankiang	Detention Operations and Client Services Lucy Bitmead	Detention Resources and Development Warwick Lavers A/g	Detention Health Emma Rooney A/g	Detention Services Tender Vanessa Horton A/g		
<b>Business Transformation Services Division Anthony Parsons</b>						
SIP Program Management Nico Padovan	Communication and Change Taskforce Frances Finney A/g	Visa, Border Security, Citizenship and Settlement Phil Thurbon	Corporate, Client, Case and Services Tim Drury A/g	Visa Services Transformation Program Mary-Jane Jones		
<b>Systems Division Peter McKeon</b>						
Integration and Business Intelligence Michael Minns	Security and IT Production Paul Cross	Visa and Citizenship and Settlement Systems Matt Kennedy	IT Program Office Joe Gunning	Border and Corporate Systems Cathie Flynn	Information and Communication Tech. Services Colin Haughton A/g	IT Sourcing and Information Management Tony Judge
<b>Deputy Secretary Alison Larkins A/g</b>						
Ministerial and Parliamentary Services Nhan Vo-Van			Governance and Assurance Borko Vlatkovic			
<b>Client Services Jamie Fox</b>						
Client Service Channel Management Mary O'Neill A/g	Property and Business Continuity Steve Ingram	Service Delivery Network Operations Deborah Lewis	Client Service Strategies Christine Sykes			
<b>People Services, Values and Training Steve Dreezer A/g</b>						
People Services Craig Farrell	Values and Standards Christine McPaul			Training (NTM) Liz Quinn A/g		
<b>Legal Division Robyn Bickett</b>						
Litigation Jackie Davis A/g	Legal Framework Vicki Parker	Legal Coordination and Procurement Chris Hodges	Review Coordination Louise Smith			
<b>Financial Strategy and Reporting (CFO) Marilyn Prothero</b>						
Business Management Martin Rowe A/g	Financial Operations Michael Fileman	Financial Reporting and Analysis James Mazilani	Financial Strategy and Budgets Steve Biddle			

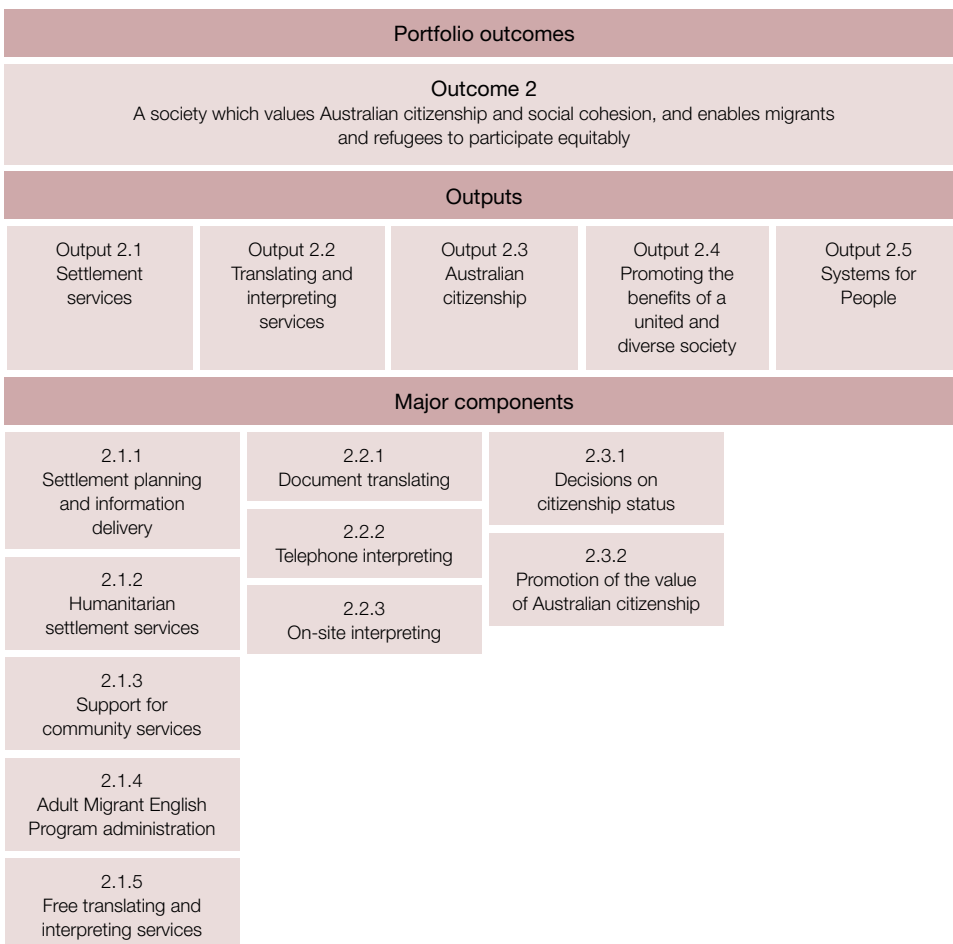


# Outcome and output structure

Figure 2: Outcome 1 output structure

Portfolio outcomes							
<p><b>Outcome 1</b> Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people</p>							
Outputs							
Output 1.1 Migration and temporary entry	Output 1.2 Refugee and humanitarian entry and stay	Output 1.3 Border security	Output 1.4 Compliance	Output 1.5 Detention	Output 1.6 Offshore asylum seeker management	Output 1.7 Safe Haven	Output 1.8 Systems for People
Major components							
1.1.1 Economic migration	1.2.1 Offshore Humanitarian Program		1.3.1 Borders		1.4.1 Detection onshore		
1.1.2 Family migration	1.2.2 Protection visas (onshore)		1.3.2 Identity		1.4.2 Status resolution		
1.1.3 Special eligibility					1.4.3 Removals		
1.1.4 Visitors and working holiday makers							
1.1.5 Students							
1.1.6 Temporary residents (economic)							
1.1.7 Temporary residents (non-economic)							
1.1.8 Resident Return visas, Australian Declaratory visas and Certificates of Evidence of Resident Status							

**Figure 3: Outcome 2 output structure**



## Summary of financial performance

The department's budget was increased in 2007–08 to allow for the processing of an increased number of visa applications and the continuation of the reform agenda following the Palmer and Comrie reports. This enabled continued emphasis on client service, supporting our staff and the second full year of the delivery of the *Systems for People* program.

The department has an agreed funding model with government which provides additional funding for both growth in workloads and verifiable increases in the cost of services we deliver. The department and the Department of Finance and Deregulation are currently finalising adjustments to the department's funding in 2008–09 and forward years, resulting from 2007–08 activity and cost movements.

Increased expenditure in 2007–08 compared to 2006–07 related to:

- growth in the number of students entering the country
- an increase in the volume and complexity of the migration caseload relating to family and skilled migration
- an increase in the proportion of difficult and complex cases in the refugee caseload.

Recognising ongoing financial pressures on the department, the former government initiated a Financial Health Review of the department. The outcomes of the review were considered by the government in the context of the 2008–09 Federal Budget and this saw several measures announced.

Additionally, the department put in place a number of internal measures to minimise expenditure in 2007–08. The measures resulted in the delivery of an operating surplus for 2007–08.

The financial statements show a surplus of \$35 million for the 2007–08 financial year. This follows a loss of approximately \$40 million in both the 2006–07 and 2005–06 financial years.

The department's balance sheet as at 30 June 2008 shows current assets of \$355 million (\$169 million in 2006–07) against current liabilities of \$275 million (\$264 million in 2006–07). The current assets figure includes \$334 million in cash, appropriation and other receivables, while the current liabilities include \$160 million accounts payable and the balance relates to leave provisions. These figures are a major improvement on the 2006–07 position and have strengthened the financial sustainability of the department. The surplus is primarily attributed to:

- unspent funds for quarantined activities, predominantly related to lower than forecasted activity levels in offshore detention
- a series of management initiated productivity savings across National Office and the service delivery network to enable the department to manage effectively with reduced resources
- late commencement of some new policy initiatives during 2007–08.

The department's fixed assets have increased from \$528 million in 2006–07 to \$887 million in 2007–08. The growth is attributable to:

- the transfer of approximately \$317 million relating to the Christmas Island Detention Centre from the Department of Finance and Deregulation
- approximately \$97 million capitalisation of the 2007–08 expenditure on software development for *Systems for People* and other projects.

**Table 2: Summary of financial performance 2007–08**

	Budget (\$'000s)	Actual (\$'000s)
<b>Outcome 1: Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people</b>		
Total administered expenses (including third party outputs)	\$86 324	\$83 012
<b>Price of departmental outputs</b>		
Output 1.1 Migration and temporary entry	\$481 590	\$482 391
Output 1.2 Refugee and humanitarian entry and stay	\$95 715	\$84 166
Output 1.3 Border security	\$202 818	\$192 313
Output 1.4 Compliance	\$117 624	\$117 289
Output 1.5 Detention	\$139 462	\$139 030
Output 1.6 Offshore asylum seeker management	\$62 998	\$62 439
Output 1.7 Safe Haven	\$315	\$0
Output 1.8 Systems for People	\$71 209	\$91 733
Total Outcome 1	\$1 171 731	\$1 169 361
Revenue from government (appropriation) for departmental outputs	\$1 138 778	\$1 137 589
Revenue from other sources	\$32 953	\$31 772
Total price from outputs	\$1 171 731	\$1 169 361
Total for Outcome 1 (total price from outputs and administered expenses)	\$1 258 055	\$1 252 373
Outcome 1 2007–08 average staffing levels		6 187
<b>Outcome 2: A society which values Australian citizenship and social cohesion, and enables migrants and refugees to participate equitably</b>		
Total administered expenses (including third party outputs)	\$205 710	\$196 779
<b>Price of departmental outputs</b>		
Output 2.1 Settlement services	\$116 786	\$117 874
Output 2.2 Translating and interpreting services	\$18 161	\$17 420
Output 2.3 Australian citizenship	\$77 664	\$78 161
Output 2.4 Promoting the benefits of a united and diverse society	\$15 414	\$15 510
Output 2.5 Systems for People	\$13 855	\$13 927
Total Outcome 2	\$241 880	\$242 892
Revenue from government (appropriation) for departmental outputs	\$221 588	\$222 777
Revenue from other sources	\$20 292	\$20 115
Total price from outputs	\$241 880	\$242 892
Total for Outcome 2 (total price from outputs and administered expenses)	\$447 590	\$439 671
Outcome 2 2007–08 average staffing levels		1 020