



**Australian Government**  
**Department of Immigration and Citizenship**

**Managing risk in times of change**

**Andrew Metcalfe**  
**Secretary, Department of Immigration and Citizenship**

**Comcover's 2007 Senior Executive Risk Management Forum**  
**Canberra**  
**17 October 2007**

**Introduction**

One of the great paradoxes of leadership is that when transformational change is necessary for an organisation, it is also inherently risky.

Real transformational change demands a great deal of those people whom you are leading.

It is asking them to change ways of doing things that they may have been doing for years, and which they often perceive to be working quite well.

I would like to speak to you today about the business transformation that has been occurring in the Department of Immigration and Citizenship over the past two years and how we are managing risk through a period of immense change.

Let me begin by putting it in to context by explaining what DIAC does, and the scale of our operations.

My department currently has around 7000 staff, dispersed globally across 95 locations.

We provide services at the borders and in other areas on a 24-hour a day basis.

During a typical week we will:

- receive more than 30 000 phone calls through our contact centres,
- grant nearly 3000 visas for permanent stay in Australia, and
- grant citizenship to nearly 2000 people.

We also process something in the order of one person per second across Australia's borders.

**people** our business |

## Complexity of work

What those statistics don't reflect though, is the breadth and complexity of the work carried out by DIAC staff.

For example, we have Movement Monitoring Officers in the Torres Strait, who combine their traditional lifestyle with observation and intelligence activities in the 150km wide island-dotted passage between Cape York Peninsula and Papua New Guinea.

They monitor about 50,000 movements a year through the area, ensuring that people moving around the zone are eligible traditional inhabitants, doing things such as hunting, fishing, traditional trade and attending ceremonies.

The Movement Monitoring Officers form the front line of border protection with Australia's nearest neighbour, Papua New Guinea.

But the job also carries with it certain risks, as the sinking of the Immigration vessel, the *Malu Sara* in 2005 has so tragically brought home to us.

Five people, including Movement Monitoring Officers lost their lives and as an organisation, we are deeply saddened by what happened.

We are also determined to ensure that all of the facts are dealt with openly and are now waiting on the outcome of a coronial inquest in to that tragic event.

Immigration officers also work through Australia's Seaports, processing 130,000 foreign sea crew who arrive in Australian waters each year.

In addition to flying or driving to remote ports, some officers travel by launch or helicopter to reach vessels or resource installations that are located off Australia's coast.

Officers may deal with immigration issues surrounding medical evacuations, deserters, stowaways, sinking at sea and distressed vessels, as well as the normal duties they carry out on a daily basis.

On shore, DIAC staff face many physical and psychological pressures, for instance when detainees have attempted to self-harm.

And as with most agencies, we've had our share of asbestos scares. A couple of years ago, the Villawood Immigration Detention Centre was evacuated within 72 hours after asbestos was detected in the grounds.

Perhaps I ought to stop right here. I don't want to be instrumental in seeing our premiums go up even further!

## **Risk management framework**

Enhancing our risk management capacity has been a key element of our governance reforms following the landmark Palmer<sup>1</sup> and Comrie<sup>2</sup> reports of 2005.

These reports set out in detail the clear and substantial mistakes which were made in the detention of Cornelia Rau and the removal from Australia of Vivian Alvarez.

To avoid repeating past mistakes and to avoid the risk of making similar mistakes in the future, we needed to understand what occurred and why.

In his report, Mick Palmer provided detailed criticism on immigration detention and compliance operations.

Despite the many criticisms of the department's work at the time, it is important to recognise that there were also many areas of administration in which the department was performing well, and indeed was a world performer in some instances.

These included our settlement programmes, border technology systems and our broader planned migration and humanitarian programmes.

On my appointment as Secretary in July 2005, I recognised that to move forward, we needed to create a balance by building on these successes while addressing the issues that needed urgent attention.

What then began was what the Ombudsman, Professor John McMillan has described as “perhaps the largest change program in a central government department that we have witnessed in recent decades.”<sup>3</sup>

The key to this transformation lies in our motto: “**people** our business”.

We introduced three strategic themes by which all of our work is now undertaken:

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

### **Changing the culture is the biggest challenge**

At the beginning, the then existing culture of ‘**this is how we do things because we have done them this way for years**’ was extraordinarily strong, especially at the lower executive levels and in the service delivery network. This culture could be traced back to the 1970s and further.

---

<sup>1</sup> *Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau*, Mick Palmer AO APM, Commonwealth and Immigration Ombudsman July 2005.

<sup>2</sup> *Inquiry into the Circumstances of the Vivian Alvarez Matter – Report by the Commonwealth Ombudsman, Professor John McMillan, of an inquiry undertaken by Mr Neil Comrie AO APM*, Commonwealth of Australia, September 2005.

<sup>3</sup> *Lessons for Public Administration: the Ombudsman Investigation of Referred Immigration Cases, Presentation to an Institute of Public Administration Seminar*, Prof John McMillan, Commonwealth and Immigration Ombudsman, Canberra 6 August 2007.

Our challenge was to re-engineer the department's culture and processes, to reduce the risks of mistakes occurring again and to ensure that if mistakes are made, they are identified and fixed as soon as possible.

One of my early insights was that the organisation had gone through significant growth because of the high demands for our services, but had not adjusted to its new size and the operating requirements of a much larger organisation.

We had to institute a new governance regime, with a whole range of structures and supports to improve planning, performance, accountability, communication and decision-making.

Initially there was some resistance to developing structured business planning. Previously division heads had a great deal of autonomy and there was understandable resistance to pooling of resources and developing common approaches. We also needed a whole-of-organisation view of priorities and funding, to give perspective and balance to competing proposals.

We now have this through the Executive Committee.

Some staff have difficult jobs, (detention, border control, compliance) and unless there is a strong value set around balance and client focus which is constantly being reinforced, the tendency was to acquire a value set based on the work people were doing and that, I believe, went to the core of some of the mistakes that were made.

So we are working very hard to be crystal clear about our expectations and to build a strong value system through training and discussion (such as the College of Immigration and I-D-E-A-L which stands for Immigration dilemmas, ethics, APS Values and leadership, a practical tool developed to help leaders of all levels become more familiar with the APS Values and to be able to respond appropriately to ethical dilemmas.)

We should also note that the 'front line' of the department in the service delivery network is very much in touch with the requirements of clients and ways to assist them. The overseas network especially understood the purpose of our reform programme very quickly.

Our challenge is to use this resource effectively. It's part of the reason I have mandated that my Senior Executive Service (SES) officers must spend some time at a front counter every year.

The reform and improvement programme had to be communicated effectively to several thousand staff around the world working in very different environments.

On my first day in the job I sent all the staff an email with my expectations, and I have followed up with twice weekly all-staff emails, which now number well over 200 in total, as well as a weekly leadership message to all SES. But in such a dispersed organisation, the communication task had to be the work of many people, so the messages had to be very clear.

## **Two years on**

We are now past the two year mark since the Palmer report.

One of the issues I am focussed on is that new starters need to know about the past so they can understand the environment they will work in and so the serious mistakes made previously will never be repeated.

The department's operations are still contentious and carry inherent risk – we will never be out of the spotlight.

So we have to ensure we recognise those risks and have measures in place to manage them effectively.

For instance, our *DIAC Plan* is the basis for all business planning in all areas of the department. Our IDEAL package on ethics and values and our Client Service Improvement Programme offers strong and clear frameworks within which local solutions are developed.

The Palmer and Comrie reports had implications for all public sector agencies and one of our challenges is to develop that APS wide perspective for the department, rather than just mechanically implementing the recommendations that apply to us.

*Systems for People*, our \$495 million IT change programme is progressively transforming our business processes and the support we receive from our information technology systems for our work.

Our links with stakeholders had effectively lapsed in many cases and so the department had lost touch with some external norms and community values. Re-engagement has been a key priority for me and other senior leaders. There have been some very promising responses from stakeholders to our reform and improvement programme and I have put a Special Adviser and Taskforce in place to properly engage our stakeholders in the future.

## **Specific leadership initiatives**

Throughout our reform and improvement process, I recognise I continue to ask an enormous amount of my managers and staff.

But I have a very personal message on the wall in my office that guides my actions as a leader.

It also summarises the expectations I have of all of my staff, especially those who lead others.

Every day, the message reminds me to:

- ensure there are “no surprises” through good communication with the ministers, their offices and our staff
- remember that the goals for the whole organisation are my goals
- always strive for excellence
- lead by example and reward good work
- get my facts straight
- make sure I stay connected with staff and know what's going on

I don't ever think that I can properly do these things alone, so amongst our specific leadership initiatives we also:

- run an SES Leadership Development Programme
- have regular SES Forums
- and run an Executive Leadership Programme for EL levels, with more than 1100 staff having gone through this programme.
- I also write a weekly message on leadership to SES officers.

### **Importance of risk management**

Risk management has been particularly important considering the significant change process the Department has gone through over the last two years.

Even under normal circumstances, DIAC's work has been undertaken in a challenging and dynamic environment, where the risks we face can evolve and escalate quickly.

The Department's Risk Management Framework provides processes and structures which help DIAC to manage risk in a systematic way. It identifies the tools, processes and structures that are available to help us actively consider the threats and opportunities we face, allowing us to plan ahead more effectively to deal with them.

It also allows us to provide the Minister, Parliament, our clients and the community at large with the assurance that we are managing the risks we face efficiently and effectively as well as openly and accountably.

The Framework aims to:

- promote consistency across the Department in understanding what risk management means;
- provide the methodology and tools to facilitate risk management;
- foster a culture where every staff member takes responsibility for managing the risks associated with their job, and where managers formally consider risk as an integral part of the business process; and
- provide assurance that significant risks facing the Department have been identified, understood and documented as being actively managed.

An important feature of the framework is the integration of risk management and business planning. This occurs at the highest level, where a Corporate Risk Profile identifying DIAC's top risks is developed each year to inform *The DIAC Plan*, cascading down to individual Division, State/Territory/ and Overseas Regional business plans.

The Corporate Risk Profile is also used to develop and appropriately target our Internal Audit Programme to ensure we are focusing our audits on high risk areas.

This alignment of business planning with risk management has been very successful over the last two years. Each Division, State/Territory Office and Overseas region in the Department has an up to date 2007-08 Risk Management Plan which supports their business plans.

Risk management plans are also prepared for major projects, new policy proposals, and procurement processes.

We have undertaken various initiatives in DIAC to communicate the importance of risk management to staff.

We have promulgated a Chief Executive Instruction (CEI) on risk management which clearly articulates the responsibilities of every person in DIAC for assessing, treating, monitoring and reviewing risks that fall within their area of responsibility.

Leaders have a particular responsibility for ensuring that there is a risk management culture in the organisation, and as CEO I take that role very seriously. At the senior management level, the CEI makes it clear that managers are responsible not just for identifying, monitoring, and reporting on risks, but also for acknowledging, rewarding and publicising good risk management practices among their staff.

We have a network of risk advocates across DIAC who promote risk management, assist in risk planning, and channel information on risk to staff. The network meets monthly, and a variety of speakers from both in and outside the Department are invited to address the group to share risk management experiences and knowledge.

We have also raised staff awareness about risk management through training courses, presentations, articles in our staff magazine 'DIACPeople', and a range of information and resources on the Intranet.

To help staff in risk management planning we have developed a Risk Toolkit, which explains the methodology for assessing risks and includes a template and assessment matrix to ensure that risk assessments are made using the same standard formula across the Department.

A Risk Helpdesk is available in our Governance and Assurance Branch to assist staff on risk management matters. Staff from the branch are also able to facilitate risk management workshops, so that staff in different parts of the Department can brainstorm solutions to risks that are identified. A panel of external risk management service providers is also at hand to provide expert assistance as required.

In terms of oversight, risk management activity in the Department is regularly monitored by the Departmental Audit Committee and the Executive Committee.

Overall, our performance, as assessed by the COMCOVER benchmarking survey on risk management, has improved considerably over the last 12 months. While we are proud of the progress that has been made, there is still plenty of room for improvement. To this end I have just commissioned a review of our risk management framework. The review will identify gaps in the governance processes relating to risk; the adequacy of our methodology and tools and opportunities where we can introduce better practice.

## **Litigation**

I'd now like to speak with you about how risk is dealt with in DIAC from a litigation perspective.

The challenge for our Litigation Branch is to work with our external legal advisers, Comcover, and other relevant government agency stakeholders to resolve cases in a timely and cost effective manner whilst meeting our obligations under the Attorney-General's Legal Service Directions.

In particular, DIAC aims to act as a Model Litigant in paying legitimate claims promptly without litigation.

Our Litigation Branch has many challenging cases involving sensitive facts as well as complex and novel issues of law. Some of the more recent significant cases, in which Comcover was or is closely involved include, the case of Vivien Solon and Cornelia Rau.

More recently, there are the cases of the 247 persons who had been detained in immigration detention and later released as 'not unlawful.' These cases were referred in 2005 and 2006 to the Immigration and Commonwealth Ombudsman for investigation. The Ombudsman's investigation was completed in July 2007, and the department's Litigation Branch and the 247 Detention Remedial Action Project team within that Branch are undertaking a detailed review of the Ombudsman's analysis of each case.

Where a risk of legal liability for unlawful immigration detention is identified, the Project Team refers the case, with Comcover's approval, for external legal advice on liability and quantum. I am aware that the Project Team and Comcover have recently been working closely to ensure that we receive high quality, value for money advice from our external legal advisers in respect of this caseload.

The management of these cases, raising novel issues of compensation, will pose further challenges when determining appropriate levels of compensation for the periods of unlawful detention, while meeting the department's and Comcover's imperative to finalise claims expeditiously in accord with the Attorney-General's Legal Services Directions.

The department has confidence in its strategy to deal with these cases in the open and constructive partnership which has been developed with Comcover. We are confident that by continuing to engage in this manner whole of government outcomes can be achieved.

### **Conclusion**

It is my view that DIAC's experiences contain useful lessons for the entire Australian Public Service and other large organisations.

My view is that risk management and leadership are intrinsically bound together, particularly in the environment in which we now operate. Liability and accountability are central to being a leader.

And as leaders, none of us can ever be complacent.

While we respond to crises or unanticipated events we cannot afford to lose sight of our core business and our key clients and stakeholders.

We have to manage both the urgent as well as the day-to-day — it's all important. All of it involves risk management at one level or another.

We need to think about how our issues are connected to others — we need to think not only about our patch; but how issues connect across the organisation, with other organisations, with government and the community.

We need to make sure our staff are given all of the skills and support they need to do their jobs properly to get the best out of our teams.

We need to make sure we have systems which are robust, aligned with our business processes and able to respond to change.

We can't forget the basics, like records management, strong financial management including sound contracting and procurement practices, and refresher training.

We need to persist to achieve our goals.

Leading large, complex organisations is not easy, and that's exactly why as leaders, we have to step up to the mark, and always keep our goals in mind.

We must constantly question our assumptions - self assessment and change are the key signs of a healthy and progressive organisation.

Ladies and gentlemen, I would like conclude by saying that to **NOT** do these things is probably the biggest risk of all.

Thank you