



Australian Government
Department of Immigration and Citizenship

Speaking notes

**‘Cultural and business transformation
in the Department of Immigration and Citizenship;
future population and migration challenges for Australia and the Pacific’**

Mr Andrew Metcalfe
Secretary, Department of Immigration and Citizenship

Trans-Tasman Business Circle
Minter Ellison Building, Forrest, Canberra
4 September 2009

Introduction

Australia’s relationship with New Zealand is keeping me busy this week as I spoke at the annual conference of the Australia and New Zealand School of Government yesterday on how we are using migration as a policy tool to manage the global economic crisis and prepare for upcoming demographic change.

Today I will talk about similar issues but focus on trends in our region and present some thoughts as a conversation starter about the opportunities and challenges in the Pacific region.

Before I do that, I have been asked to provide some insights into the business and cultural transformation in my department over the past four years.

DIAC’s business and cultural transformation

The first point to make is that every successful government agency is undergoing review and improvement.

I particularly like a quote from the environmentalist Amory Lovins who was once asked how to think outside the box, and he said: ‘There is no box.’

The reality for government is that there is no longer a box.

Within the broad parameters of being responsive to government direction and serving citizens effectively, we are working in a rapidly evolving environment where everything from technological innovation, increased global mobility and upcoming demographic change are changing our work and how we do it.

Government organisations now need to be continuously innovating and also building the evidence base for future innovation.

However, occasionally the need comes along for a more radical 'root and branch' reform which establishes new directions, new cultures and new ways of working.

With this in mind, the reform program we have undertaken in my department during the past four years has been more extensive than most in the history of the public sector in Australia.

You'll be aware that the department made some terrible mistakes in the early part of this decade.

These were the very unfortunate manifestation of much deeper and systemic issues which undermined our capacity to deliver on the basic expectations of government and citizens I alluded to earlier.

I should mention that many areas of the department were working well and some were world leaders in their area.

If we look at the broad changes in the public sector over the past several decades, it's clear there was an unaddressed risk in the large scale devolution of responsibility to individual agencies away from the old centralised management models.

The outgoing Public Service Commissioner, Lynelle Briggs has noted Australia is one of the top three OECD countries for delegated management of the public service and that 'OECD countries have found, as we have, a risk that closer alignment with private sector practices may undermine traditional public service values, unless compensating measures are taken to support core values'.

As a globally dispersed organisation with around 7000 staff and 100 or so offices across Australia and around the world, there was great potential after the devolution reforms for isolated business units in my department to develop their own culture and way of working.

Coupled with that, my department has some very different roles and requires some very different skill sets across the organisation.

My staff are responsible for permanent migration and temporary entry, refugee and humanitarian entry, citizenship, multicultural affairs and settlement, border security, immigration compliance and immigration detention.

Now, organising a visit to a factory suspected of having unlawful immigrants on the payroll takes a different set of skills to preparing a Cabinet submission on the size of next year's migration program, and is different again to engaging with a long line of potential migrants at a skills expo in the United Kingdom.

Again, a range of cultures developed, often around the type of work people did.

This clearly affected those working under enormous pressure in sensitive and difficult work in the areas of immigration detention and compliance with visa conditions.

My task when I rejoined the department, as secretary, in July 2005 was to build an integrated department, united by our common nation-building purpose, sharing a common culture based on the Australian Public Service values and Code of Conduct.

I want to highlight two aspects today.

Firstly, developing an integrated culture.

As part of integrating our workplace culture, we asked for suggestions on a motto and adopted people our business, as well as agreeing to work to the three key strategic themes of:

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

Every aspect of our work—whether it is interviewing a displaced person as a potential refugee camp on the border of Thailand, processing a client across the border at Perth airport or detaining a suspected illegal worker—can be traced back to these themes.

We have made these themes the basis of all our planning and operations.

We also instituted the IDEAL project (Immigration Dilemmas, Ethics and Leadership) which encourages staff to discuss and seriously consider ethical and other dilemmas that may arise in their work.

The discussions build on the Australian Public Service values and the Code of Conduct with our own DIAC-specific values of teamwork, service excellence, respect, openness and commitment.

Consistent and effective training was also a key element of giving our staff a common base and understanding from which to work and interact.

Secondly, I would like to talk briefly about leadership.

Integrating our leadership across our functionally and geographically diverse organisation was crucial to our success.

As one example, I formed an Executive Committee of senior leaders.

This brings all major resourcing and other strategic decisions into a single accountable forum.

It provides consistency in decision-making and allows us to compare and prioritise our activities across the department.

The Executive Committee gives the senior leadership team of the department the tool to know what is going on in a dispersed organisation and offer broad guidance and direction that can empower local managers to respond effectively to local circumstances.

I also introduced the concept that all our staff needed to show appropriate leadership behaviour irrespective of whether they are managing a branch in National Office, managing an IT project, or indeed, serving on the front counter at the Parramatta office.

Finally, a very large component of our integrated ability is now coming from the Systems for People program—an information technology transformation to improve departmental performance through the redesign of business processes, better management use of information and modern technological support.

This is one of the largest technology-enabled business transformations the public sector in Australia has undertaken.

One of the key lessons for the broader public sector from the reform process in my department over the past four years is the importance of integrating culture, planning and information technology—and the development of a unified leadership team to build a united department and draw out the collective strengths of the organisation.

A highly effective organisation can synthesise the expertise and insights from the different business units and teams to develop proposals and responses that lie outside the boundaries of current activity.

And a unified organisation can also develop the critical capability of looking forward and anticipating changes in the strategic and operating environment.

Future demographic and other challenges

We undertake detailed planning work and in this year's high level strategic plan, our first priority is to contribute to Australia's future through managed migration.

We have to look beyond the global economic crisis and current skill shortages to lay down a solid long term planning framework in which migration provides the optimum boost to nation-building and filling future skill shortages.

Australia's population is ageing because of many years of below-replacement fertility rates and increasing longevity.

As a consequence, in the near future more Australians will begin to retire than join the labour force.

From that point, immigration will be the only source of net labour force growth.

A reasonable level of labour force growth is essential because it will reduce the 'dependency ratio' of people 65 years and older compared to those of working age (15-64).

However, while immigration can partly attenuate the effects of an ageing population, it cannot hold back the tide.

The government is moving to develop a long term immigration planning framework.

Within the framework, it will be important that the skilled migrants we choose have a high level of education, language proficiency and other skills—as well as being young and healthy.

This will ensure that skilled migration contributes both to labour force growth and to the productivity of our labour force.

The goal of the long-term migration planning framework is:

‘To ensure that immigration contributes to an optimal balance between Australia’s population, labour market, economic, environmental and urban and regional development outcomes over the period to 2050.’

Australia needs at least 80,000 additional people per year to stop the population declining over the coming decades.

To discuss the migration situation in our region, I want to draw on some work by the academics Siew-Ean Khoo, Peter McDonald, Graeme Hugo and Richard Bedford, as well as work from my department.¹

Firstly, migration flows are changing.

There is a global increase in scale and complexity of mobility

Proportionally, migrant flows from the UK to Australia are declining, while migrant flows from developing and less developed nations are increasing.

Australia has accepted many more temporary migrants in recent years.

In the Pacific context, we find:

- established communities and existing social networks encourage movement
- the Pacific population is growing very fast—reflecting high fertility rates
- significant numbers (25 000) of Pacific born have come to Australia via New Zealand
- and some nations such as Samoa and Tonga have as much as half their population living in other countries.

Migration is not a substitute for sound economic development policy and good governance but can play a facilitating role (through remittances, foreign direct investment, knowledge transfer, return migration and opening up trade channels).

Remittances can offer poverty alleviation, multiplier effects and education and expenditure boosts, they provide an introduction to the formal financial sector, and can boost local business development. They often benefit the poorest groups in the population.

¹ Presentation at Australian and New Zealand Immigration Forum, Canberra on ‘Population movement in the Pacific: review and prospect’, Graeme Hugo, Professor of Geography, University of Adelaide, Richard Bedford, Professor of Geography, University of Waikato, 30 July 2009

‘Skilled temporary migration from Asia-Pacific countries to Australia’, Siew-Ean Khoo, Peter McDonald, Australian National University, Graeme Hugo, University of Adelaide, Asian and Pacific Migration Journal Vol. 18 No.2, 2009

Melanesia and Micronesia have high fertility rates, so there is a large bulge in the youth population. People aged 15-24 are more than 20 per cent of the population and with urbanisation and lack of employment opportunities this could possibly lead to social unrest in these communities. However, the equivalent youth bulge in China has fuelled economic growth.

A demographic dividend can be delivered for these nations through increased labour supply, higher savings, human capital investments (education, health etc).

Within Australia there is a varying regional demand for skilled and semi-skilled workers—eg mining provinces in the north and west.

The Asia-Pacific region is likely to play a larger role in Australia's migration future as skill levels in these countries increase.

Intermediate skilled workers are likely to be sourced by employers from neighbouring countries such as we are doing with our Pacific Seasonal Worker Pilot Scheme.

This could help the Pacific countries by skilling up their higher proportions of young people and reducing the possibility of social unrest.

Pacific Seasonal Worker Pilot Scheme

The Pacific Seasonal Worker Pilot Scheme is a three year pilot based on a similar program scheme in New Zealand, to examine the viability of a seasonal worker program, with an initial focus on the horticulture industry.

The first group of 50 workers from Tonga arrived in Australia on 16 February 2009.

We want to see if a seasonal worker program contributes to economic development and assists Australian employers.

We also want to contribute to economic development in home countries through employment experiences, remittances and training gained as part of the pilot.

People have been working in the Swan Hill – Robinvale region in Victoria and the Griffith region in New South Wales, and we are looking at extending the scheme to Queensland.

Up to 2500 visas will be granted over the three years which will provide seasonal workers with work for up to seven months in every 12 month period.

Over time, we will extend the pilot to Kiribati, Papua New Guinea and Vanuatu.

There have been a few teething problems but I am confident the evaluation of the pilot will show benefits for both Australia and the participating countries and workers.

People impacted by climate change

We also recognise the Pacific nations are particularly vulnerable to the impacts of climate change and that the Pacific island nations are among the least responsible for the causes this change.

We are offering practical measures to assist countries to adapt including internal relocation where necessary.

Also, we are providing \$150 million over three years to meet high priority climate adaptation needs in vulnerable countries in the Pacific region, including food security, water supplies, essential infrastructure, coastal zone management and disaster preparedness and risk reduction programs.

Conclusion

In conclusion, it's worth considering three factors in any migration scenario:

- the impact on the host country,
- the impact on the source country
- and the impact on the migrants themselves.

I would be pleased to answer any questions and hear your comments or thoughts on these matters or organisational reform and future people movement in the Pacific.